**Approved minutes**

**Meeting: Finance and Performance (FP) Committee**

**Date: 3 May 2022**

**Venue: MS Teams Meeting**

**Members**

Stephen McAllister Non-Executive Director *(Chair)*

Professor Jann Gardner Chief Executive

Jane Christie-Flight Employee Director

Anne Marie Cavanagh Director of Nursing and AHPs

June Rogers Director of Operations

Colin Neil Director of Finance

Rob Moore Non-Executive Director *(Vice Chair)*

Gareth Adkins *(from 2pm)* Executive Director of Quality, Innovation & People

**In attendance**

Susan Douglas-Scott CBE Board Chair

Carole Anderson Associate Director of Quality, Performance, Planning & Programmes

Gerard Gardiner Head of Corporate Governance and Board Secretary

Graham Stewart Deputy Director of Finance

**Apologies**

Linda Semple Non-Executive Director

Karen Kelly Non-Executive Director

Mark MacGregor Medical Director

**Minutes**

Denise Crossan Corporate Administrator

**1 Opening remarks**

**1.1 Chairs Introductory Remarks**

Stephen McAllister opened the meeting and thanked everyone for their attendance. Stephen McAllister extended well wishes to June Rogers on her upcoming retirement and congratulated Colin Neil on his appointment as Director of Finance for NHS Greater Glasgow and Clyde.

**2 Apologies**

The apologies were noted as above.

**3 Declarations of Interest**

Previous standing declarations of interest were noted.

**4 Updates from last meeting**

**4.1 Unapproved Minutes**

The Committee reviewed and approved the minutes of the meeting held on 8 March 2022.

**4.2 Action Log**

The action log was reviewed. Actions FPC/220308/01 and FPC/220308/02 were to be discussed during the meeting and were therefore closed. Action FPC/220111/05 was been deferred to the July Committee meeting. Action FPC/220111/03 would be progressed through the Audit and Risk Committee and therefore closed.

**4.3 Matters Arising**

There were no matters arising which were not covered as part of the Agenda.

**5 Operational/Finance Performance Review**

**5.1a Operational Performance – Integrated Performance Report March 2022**

June Rogers provided a presentation on the Operational Performance position. The year to date figures for Ophthalmology, Orthopedic Surgery, Endoscopy, General/Colorectal Surgery, Cardiac Surgery, Thoracic Surgery, Cardiology and Radiology were noted.

In Ophthalmology, clinic activity improved for the fifth consecutive month and the ‘Did not Attend’ (DNA) rate in Out Patients showed improvement since the previous report. The In Patient cancellation rate reduced from 6.4% to 4.4%. An Ophthalmology Development Group has been established and there has been focus on increasing the number of patients seen in clinic and improving the turnaround times.

The Orthopedic Team had continued to face challenges in relation to staff absence, the ability to open fifth Laminator Flow Theatre and discharge of day zero patients being lower than expected. However, successes were also noted, in particular, the DOSA rate has consistently been above 50% for the past four months, enhanced monitoring equipment has been installed in 2 West and the service has received positive feedback from patients and their families.

General Surgery cancellations increased to 12.7% from 4.4% in February 2022. This increase was as a result of high number of DNAs, patients unfit for surgery on the day of presentation and a trend of cancellations since the start of the calendar year. Improvement work in this area includes: improved vetting of referrals, improved scheduling of theatre lists; and increase in the number of pre-operative assessment clinics.

The cancellation rate for Cardiac Surgery in March was noted at 18.1% which was predominantly due to the impact for emergency/priority cases. This was a Divisional priority with improvement works underway and including: (i) a redesign of Critical Care; (ii) reinvigoration of the enhanced recovery programme (ERAS); and (iii) the improvement in pre-operative assessment.

Challenges continued in Cardiology and urgent/non-urgent referrals have surpassed previous levels of 50:50 split to 63:35 split.

Significant workforce challenges were reported in Radiology for February and March 2022 however despite this the service finished 9% over plan at year end.

June Rogers concluded the presentation and highlighted the following key points:

* Exceptional team effort to achieve year-end figures;
* Five Ophthalmology Theatres opened when the plan was to open 3.6;
* Promising start to financial year 2022/23;
* Focus on further expansion of services and accelerated the opening of Phase 2.

The Committee commended the strong performance against a challenging backdrop but also drew attention to the high cancellation rates that had been reported.

Professor Jann Gardner reminded the Committee of the emerging National Elective Collaboration Unit (NECU) approach which was a Centre for Sustainable Delivery (CfSD) initiative but had the potential to have positive ramifications for NHS Golden Jubilee (NHS GJ) and optimise how NHS GJ functions as an organisation.

The Committee noted concern in relation to the elective and urgent Cardiology split. June Rogers advised that the service are working on a plan to determine how the service would respond to this different patient mix. June Rogers reminded the Committee that the service has also supported West of Scotland Boards with non-repatriation and direct access for NSTEMI patients during the year.

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| **Action Ref** | **Action** | **Lead** | **Status** |
| FPC220503/01 | **Cardiology**  Cardiology recovery plan to be presented at a future Committee. | June Rogers/ Lynne Ayton | New |

The Committee approved the Operational Performance Update.

**5.1b Financial Performance – Integrated Performance Report March 2022**

Colin Neil presented the Month 12 financial positon as at 31 March 2022. Month 12 noted a surplus of £0.108m for core revenue and income. These figures would be subject to year-end Audit. The Efficiency Savings target was noted as £4.044m and the total identified in year was £3.004m, with £1.127m recurring and £1.876m non-recurring, leaving £1.040m which was covered by Remobilisation Plan (RMP) 4 funding. The non-core and Capital position were noted as breakeven.

The income and expenditure summary noted a surplus of £108k against a total budget of £187m. The Hotel position closed at break even which included £3m of RMP funding.

In relation to RMP monitoring, the total allocation from Scottish Government was noted as £11.976m.

Access funding in place was as that reported to the Committee in Month 10.

Colin Neil informed the Committee that £3.004m in efficiency savings had been achieved against the £4.044m target. The full year effect position has been reviewed and the carry forward will be £1.3m, with this figure noted in the 2022/23 Financial Plan.

Colin Neil reported that the original core capital allocation for the Board was £2.691m. At the beginning of the financial year the business case for Expansion was at £32m, this was reduced to £22m based on what was achievable in year. In recent months a detailed review of the spend for Phase Two had been undertaken and an additional £4.930m of spend has been identified that relates to committed work in the current financial year, therefore the spend for Phase Two in 2021/22 was reported at £26.930m. The alteration will result in the phasing being adjusted for 2022/23, with the overall value of the capital project remaining static.

NHS Golden Jubilee has therefore secured and actioned spend against significant capital investment and in doing so has met its Capital Resource Limit (CRL). Colin Neil extended his thanks to all involved in this outturn not least the Operational teams, Procurement, Estates, eHealth, Performance and Planning, and Finance.

Colin Neil concluded the presentation advising that the Revenue Resource Limit (RRL) position was reported as breakeven, and that the CRL was breakeven. Colin Neil noted the good progress that had been made in year in relation to the efficiency savings carry forward.

The Committee approved the Financial Report – Integrated Performance Report March 2022.

**5.1c GJRI Quarterly Report**

Colin Neil advised that the year-end report for the Golden Jubilee Research Institute is still to be completed and would be brought back to the next Committee by Mark MacGregor.

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| **Action Ref** | **Action** | **Lead** | **Status** |
| FPC220503/02 | **GJRI Quarterly Report**  Year end report to be presented at July Committee | Mark MacGregor | New |

The Committee noted the GJRI Quarterly Report update.

**5.2 Review of KPIs**

Carole Anderson informed the Committee that the KPI review process is currently underway with the Performance & Planning team reviewing each indicator and its associated target performance reported in 2021/2022. The review follows Statistical Process Control principles where appropriate that will help to construct a proposal for each indicator.

The proposals may be to amend, maintain or remove the indicator. Any proposals will then be discussed with the target/service leads where further amendments or the addition of further indicators may be considered.

Carole Anderson reported that in total there were 55 IPR indicators. Clinical Governance have 14, Staff Governance have 11 and the remainder was with Finance and Performance. Following the review, any recommendations would be presented to the Executive Leads and the Chair of each sub Committee and presented during the July Committee cycle.

Carole Anderson added that the team would also look at opportunities to improve the way data is presented to ensure it is displayed in a clear way.

The Committee noted the Review of KPIs.

**5.3 RMP3/RMP4 Year End Activity Report**

Carole Anderson advised the activity overview for 2021/22 had been covered within the Operational Performance Update but highlighted that there had been substantial levels of activity in year. The monthly divisional breakdown of activity against plan was demonstrated in figures 1 and 2 within the circulated paper.

The Lung Cancer performance against the national target of 95% of cancer patients treated within 31 days of decision to treat has been consistently met since Q1 2020/2021.

Carole Anderson noted that the detailed projections and activity for RMP3 and RMP4 have been provided within the appendix.

As part of the current activity monitoring, analysis of most recent activity within RMP 4 was carried out compared to the pre-Covid period. For the purposes of this analysis, the pre-Covid period April 2019-January 2020 was selected as Covid disruption impacted activity and normal reporting during February and March 2020. This analysis has used calculations of average activity per month. This demonstrates that NHS GJ activity levels have recovered well during the period of RMP 4.

Professor Jann Gardner recommended a modification to the report to include the additional work that was carried out by Synaptik with NHS GJs involvement. When the Synaptik activity is added to NHS GJs activity, the total procedures for the year would be 83,425 finishing the year 8.6% ahead of plan. The Committee supported the recommendation.

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| **Action Ref** | **Action** | **Lead** | **Status** |
| FPC220503/03 | **RMP3/RMP4 Year End Activity Report**  Synaptik figures to be included in year-end activity report. | Carole Anderson | New |

The Committee noted the RMP3/RMP4 Year End Activity Report with the suggested amendment to include ophthalmology procedures carried out by Synaptik with NHSGJ’s involvement.

**5.4 Finance three Year (22-25) Plan Update**

Colin Neil provided an update on the Finance three year Plan. The three year Financial Plan is required to be submitted to Scottish Government in July 2022, following discussions the final plan would be brought to the July 2022 Finance and Performance Committee for approval.

Colin Neil highlighted the following key areas:

* Efficiency savings programme projected to be in the region of £4.5m for 2022/23;
* Income based on 2% SLA agreement – 0.5% variation = c£0.39m – will not be agreed at under the 2% noted. Any additional value would mitigate gap;
* Pay Award has yet to be confirmed – Current value reflects Scottish Public Sector Pay Policy (SPSPP) values;
* Golden Jubilee Conference Hotel - further review has reduced gap to £0.95m. Ongoing discussions with the team on how to mitigate further;
* Cardiology strategy costs – Raised at West of Scotland Directors of Finance, discussion surrounds costs allocation rather than concept of overall additional cost;
* Covid costs will no longer be funded (except vaccination and test & protect);
* NHS Scotland Academy **-** £2.5m now indicated for investment, plus access to £4.5m National Treatment Centre resource;
* Centre for Sustainable Delivery -core budgets of £5.34m have been agreed. Programme budgets remain subject to confirmation however are only allocated based on resource available therefore no financial risk;
* Elective Treatment Centre - business case position within plan. Further discussions ongoing re NECU and campaign capacity;
* International Recruitment - majority of funding should follow, an element will require non-recurring offset, which would be achieved via vacancy slippage;
* Band 2 to 3 Grading Review **-** scenario includes no detriment therefore plan in place would cover full cost, and reduction to this would then mitigate an element of the savings plan;
* Health & Wellbeing - fixed value in plan, no funding risk;
* Endoscopic Vein Harvest - fixed value in plan, no funding risk;
* National Developments - all fixed value shares of national costs;
* Energy Increase - a further 35 % increase = £250k, 50% increase £357k. – increase contained in plan is in line with all other Health Boards and is a prudent value which would be monitored in year;
* Independent Sector - approval and funding in place for mobile Endoscopy c£3m, Weekend Eyes c£0.7m, Independent Sector Theatre Team c£0.7m + marginal costs at c£0.4m;
* General Surgery Development -approval provided and funding confirmed;
* Service Planning -no additions approved at this stage, further work required **;**
* Carry forward savings - confirmed at £1.3m in 2022/23 plan;
* eHealth Investment-recruitment progressing and forecast remains in line with expectation.

The Committee noted the Finance three Year (22-25) Plan Update.

*The committee adjourned for a short break at 14:40 and reconvened at 14:45.*

**6 Strategic Planning Update**

**6.1 Expansion Programme Update**

June Rogers provided the Committee with an update on the Expansion Programme and noted the following key points:

* Work progressing well on site and in line with plan;
* Significant progress has been made against the action plan following the most recently concluded assurance review;
* Final assurance review has commenced;
* Ongoing tasks include: Work to commence for Level 1 breakthroughs (junction 1 and 3); Commence removal of stairway 11; HAI SCRIBE’s for Level 1 Ortho OPD refurbishment; Planning and HAI SCRIBE for Level 2 breakthroughs; and Decant staff to facilitate refurbishment of Ortho OPD
* Successful site visit took place on 27 April 2022 with Exec Team and Orthopaedic Team. Consultants.

Colin Neil noted that he attended a kick off meeting with NHS Scotland Assure regarding the on-going assurance review. This was also attended by Kier, the PSCP, their sub-Contractors and some of the other firms involved in the assurance process. This will take a period of 12 weeks to go through the initial information submitted.

Colin Neil commented that reasonable assurance could be taken as regards future projections on projects costs. Colin Neil noted that costs could exceed the business case by £2-£3m due to inflationary pressures affecting the wider economy, however he advised further that these additional costs would be partly mitigated by VAT recovery, gain share of £0.5m, Phase One surplus of £401k and the Capital Plan. Colin Neil assured the Committee that he felt confident that the current financial position could mitigate against and potential price increases, and that measures to monitor cost pressures affecting the project were in place and satisfactory.

Stephen McAllister welcomed the assurance provided by Colin Neil in relation to expansion costs.

The Committee reflected that it was positive to hear that Consultants and staff had been involved in the recent site visit. The Executive Team have committed to meet with the Orthopaedic Team every six weeks to develop a joint plan and identify any challenges together.

The Committee noted the Expansion Programme Update.

**6.2 RMP Q4 Delivery Plan Review**

Carole Anderson advised Committee members that Scottish Government has requested that Boards review Delivery Plans, reporting quarterly on progress against key deliverables, updated RAG status for each deliverable, and any changes to identified risks / controls, or milestones. The deadline for submission of the quarter four update to Scottish Government was 29 April 2022. To meet Government deadlines, the update was signed-off by Executive Directors on 25 April 2022 and was being presented to the Finance and Performance Committee for discussion prior to final Board approval in May 2022.

Carole Anderson noted that were no key risks to bring to the Committee’s attention. The areas of challenge are similar to those reported in quarter three.

Carole Anderson provided an update on the changes from the previous quarter as detailed in the paper.

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| **Action Ref** | **Action** | **Lead** | **Status** |
| FPC220503/04 | **RMP Q4 Delivery Plan Review**  Paper to be presented to May Board meeting for final approval. | Colin Neil | New |

The Committee approved the RMP Q4 Delivery Plan Review to go forward to Board for approval.

**6.3 Annual Delivery Plan July Submission**

Carole Anderson delivered a brief presentation on the Annual Delivery Plan Submission and noted the following key points:

* Boards have been asked to focus on an NHS Scotland ‘Planning Horizon’ model of 1 – 2 years and then 3 – 5 years in forthcoming plans.
* Changes to approach for 2022-23: Delay to timescales for medium term Delivery Plans; Plan for 2022-23 now due by end June (was July) – to follow similar ‘delivery planning’ approach to RMP4.
* National Boards planning commission for 2022-23 likely to follow Territorial Boards, focussing on: Recruitment, retention and wellbeing of workforce; Recovering planned care and looking to what can be done to better protect planned care in future; Sustainability and value; Urgent and unscheduled care; and supporting and improving social care (less relevant to NHS GJ)

Carole Anderson concluded the presentation by clarifying the next steps in the process.

RMP4, Quarter 1 delivery Planning Templates and 2022/23 activity plan would be provided to Scottish Government by June 2022. Further updates on the interim 2022/23 Delivery would be provided at the next Finance and Performance Committee and subsequently Board.

The Committee welcomed the long term focus for Delivery Plans.

The Committee extended thanks to Carole Anderson and the wider Performance and Planning Team for their continued commitment to producing comprehensive reports adding that the quality of contribution to projects and planning across NHS GJ has been extraordinary.

The Committee noted the Annual Delivery Plan July Submission.

*Stephen McAllister left the meeting and Rob Moore assumed the role of Chair, with Susan Douglas-Scott deputising as a member of the Committee to ensure the meeting remained quorate.*

**7. Corporate Governance**

**7.1 Annual Report**

Colin Neil advised that the Board is required to provide a Governance Statement as part of the Annual Accounts process. The Annual Report of the Finance and Performance Committee provides assurance that the Committee discharged its duties across the year and fulfilled its Terms of Reference.

Colin Neil highlighted that the March attendee list within the report required to be updated.

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| **Action Ref** | **Action** | **Lead** | **Status** |
| FPC220503/05 | **Annual Report**  Attendees within the report to be updated. | Colin Neil | New |

The Committee approved the Finance and Performance Committee Annual Report.

**7.2 Finance and Performance Committee Workplan**

Colin Neil advised that the draft workplan had been presented at the last Committee and the final version was now presented for approval.

The workplan has been developed and extended from previous years’ work-plans. The Chair of the Committee has been consulted in the preparation of the workplan.

The Committee approved the Finance and Performance Committee Workplan.

**7.2 Annual Review Update**

Colin Neil noted that the Annual Review with Scottish Government would take place on Wednesday 4 May 2022 with Jann Gardner and Susan Douglas-Scott attending.

Jann Gardner extended thanks to colleagues for their contribution to the annual review briefing. The review would focus on NHS GJs portfolio for financial years 2020/21, 2021/22 and a look forward to 2022/23. Updates would be provided at the next Board meeting.

The Committee noted the Annual Review Update.

**7.4** **Capital Plan**

Colin Neil confirmed that The Capital Plan requires to be submitted as part of the 3 year plan to Scottish Government in July 2022. The final plan for approval would be presented to the Finance and Performance Committee on 05 July 2022.

The Capital Group meets to consider the capital requirements to be incorporated within the overall plan. The main Capital Group considers the Boards strategic planning objectives, discusses proposed capital projects, business cases and monitors capital expenditure. A Core Capital Group also meets monthly to review items that have already been approved on the Capital Plan to ensure appropriate progress of timeframes and delivery of schemes. The Medical Equipment Group also feeds into this process.

Colin Neil advised that the Board’s PAMS Steering group would be re-established to ensure that consideration is given to all strategic property and asset issues. The finalisation of the Site Masterplan would act as a firm basis where any subsequent changes require formal approvals.

Colin Neil assured Committee Members that there were currently no high or significant backlog maintenance issues.

Colin Neil presented the current view of the Capital Plan from 2022/23 through to 2026/27, with 2021/22 included for reference. The plan for medical equipment is based on planned replacement at the end of asset life, however further review will be made by the Group regarding condition and risk before any replacements would be actioned. Colin Neil added that end of asset life does not mean end of useful life. Discussions are due to take place with West Dunbartonshire Council (WDC) on the potential to link to WDC Energy Centre, the proposal would be finalised and is anticipated to come to the July 2022 Board for review.

Colin Neil noted that a Phase 3 Expansion Opportunity was being explored to expand the footprint of the Hospital to accommodate further Academy opportunities, Diagnostic Testing, NHS Collaborations and staff growth. Further updates would be provided in due course.

The work on the implementation of IFRS (International Financial Reporting Standard) 16 in 2022/23 has identified a limited number of items that may have to be assessed as capital with the most significant of these being the managed service contract for Orthopaedic Theatres. The technical accounting treatment for this would be taken to the next Audit & Risk Committee to fully capture the requirements for NHS Golden Jubilee.

The funding for impairment and depreciation for the building has not currently been finalised for the building works as this was dependent on the value of impairment on completion which will not be known until 2024 for Phase Two.

The Committee approved the Capital Plan.

*Stephen McAllister re-joined the meeting and assumed the Chair. Susan Douglas-Scott therefore resumed her position as an attendee at the Committee.*

**8 Issues for Update**

**8.1 Update to NHS GJ Board**

The following points were proposed for inclusion in the Board Update:

* Commendable year end performance and good starting position to 2022/23
* Challenges with cancellations
* Cardiology urgent and non-urgent split
* Cardiology recovery plan
* General surgery cancellations
* Annual review
* Committee extended thanks to Performance and Planning Team
* Capital Plan approved in principle

**9 Any Other Competent Business**

**9.1 Directors Letter - Managing Health and Social Care Staff with symptoms of a respiratory infection, or a positive COVID-19 test, as part of the Test and Protect Transition Plan**

Professor Jann Gardner directed Committee members to the circulated paper which provided full information on emerging national guidance on testing, tracing, isolation and social distancing for Covid purposes..

**10 Date and Time of Next Meeting**

Tuesday 5 July 2022 at 13:30 – 16:00