

Approved Minutes

Finance and Performance Committee 10 January 2023 MS Teams Meeting

Members

S McAllister	Non-Executive Director (<i>Chair</i>)
S Douglas-Scott CBE	Board Chair
R Moore	Non-Executive Director
G James	Chief Executive, Employee Director
J Christie-Flight	Non-Executive Director
L Semple	Director of Strategy, Planning and Performance
G Adkins	Director of Nursing and AHPs
A M Cavanagh	Director of Operations and Deputy Chief Executive
C O'Connor	Director of Finance
M Breen	

In attendance

C Anderson	Associate Director of Quality, Performance, Planning & Programmes
N Hamer	Head of Corporate Governance and Board Secretary
K Bryant	Head of Clinical Governance
J Scott	Director of Facilities and Capital Projects

Apologies

K Kelly	Non-Executive Director
S Wallace	Non-Executive Director
M MacGregor	Medical Director

Minutes

E Anderson	Corporate Administrator
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1. Wellbeing Pause

S McAllister introduced the Wellbeing Pause, aimed at helping to maintain connections between colleagues.

2 Chair's Introductory Remarks

S McAllister opened the meeting and welcomed all to the first Committee meeting of 2023. G James was welcomed to his first Committee meeting since being appointed

as Chief Executive. S McAllister also welcomed C Blackburn to his first meeting noting that his membership was being discussed under Item 8.2.

3 Apologies

The apologies were noted as above.

4 Declarations of Interest

Previous standing declarations of interest were noted.

5 Updates from last meeting

5.1 Unapproved Minutes

Minutes from the meeting held on 1 November 2022 were read for accuracy with the following amendment: Page 3, second paragraph should read “12 theatre sessions”. Following this amendment the Committee approved the minutes as an accurate record.

5.2 Action Log

There were no live actions to review.

5.3 Matters Arising

There were no matters arising.

6 Operational/Finance Performance Review

6.1 Operational Performance – Integrated Performance Report December 2022 (November 2022 Data)

C O'Connor provided a presentation on the Operational Performance position.

In Ophthalmology, 1182 cataract procedures were carried out against an original plan of 999, which was 8% behind the revised ADP target. All patients on the waiting lists were seen within 12 weeks. There was a slight decrease with the inpatient cancellation rate to 2.9% which meant the 3% target had been achieved. The clinical team continued to work towards securing 8 cataracts per list to achieve new ADP targets.

In Orthopedics, a total of 477 procedures were carried out in November against a plan of 479 with activity behind in Arthroplasty and soft knee procedures but ahead in Foot and Ankle and Hand and Wrist surgery. Activity had reduced due to workforce challenges. The cancellation rate was above target at 4.3% against a

target of 3%. Success was noted with 26% of knee replacements performed by robotic assisted surgery against a target of 26%.

Performance in Endoscopy continued well with a total of 557 procedures were carried out which was 3% behind revised ADP target. The cancellation rate increased to 10.1% in November which was from 9.2% in October. It was noted there had been equipment issues but this had now been resolved and focus work was being undertaken to ensure that correct messaging was being given to patients.

A total of 124 procedures were carried out in General Surgery in November which was behind the revised target by 38 procedures. General Surgery cancellations reduced to 11.3% in November. There had been a gradual downward trend over the last six months. However the 7% target had still not been achieved.

Cardiac Surgery activity continued to perform well and was 5% ahead of revised ADP target at end of November. There had been a significant improvement in cancellations at 10.1% which is below target of 15%. At the end of November, 28 transplants were undertaken. A Business Case was with NSD to consider additional substantive funding with feedback expected at the end of January. This was a cost pressure in terms of the SLA which had funding for 21 patients. NSD were reviewing the national numbers prior to agreement of a change to the SLA.

The Committee were advised in Thoracic Surgery that there were no patients waiting over 12 weeks and the service continued to deliver the 31 day cancer target. There had been increased activity for the second consecutive month with 107 procedures but cumulatively 4% under target by 32 procedures. The Committee were further advised that this was a referral driven service.

Interventional Cardiology activity at the end of November was 3% behind target. There had been a slow increase in activity through Cath Labs as improvement work started to increase efficiency. However, this improvement work had been slow due to pressures with repatriation of patients that impacted on bed availability.

In terms of Electrophysiology there were ongoing high referrals and increased activity through Cath Lab 5. The Waiting List position was deteriorating mainly due to the complexity of these patients and the requirement for general anesthesia and capacity issue. A Business Case was in the process of development to review how this could be delivered.

The Committee were advised there have been some developments with TAVI since the last meeting with an approval for undertaking up to 195 procedures by the end of Quarter 4. However, this approval had a detrimental impact on elective coronary and NSTEMI capacity, mainly because those patients had to move out to undertake the TAVI activity. Work was underway to ensure that there was a fully funded service for TAVI which did not impact on existing activity and this was included in the Service Planning for 2023/24.

In terms of Radiology activity at the end of November was 2% ahead of target. Across NHS Scotland the reporting capacity continued to present the most significant challenge in diagnostic imaging. A Radiology engagement event had

taken place to share ideas, discuss strategic planning and joint appointments with support for trainees.

Performance for November in the Hotel and Conference Centre continued to exceed financial budgeted with expectation of 19.5%. However, there was an ongoing reduction in NHS delegations. There were short lead in times for bookings which was causing some pressure and that would remain until late 2023. Quarter 4 performance remained weak but there were some signs of improvement compared to previous years. Already March conference business had reached a record level. There were high profile bookings in November with BMA, Millbrook Medical, Energy Action Scotland and Unison. Good guest feedback with 87 reviews noted for November which was 89.3% (ahead of competitors for third month in a row). The Committee were advised of the some of the positive and negative feedback.

The Committee thanked C O'Connor for her presentation and noted the issues with regard to cancellation rates but were impressed with the recovery of the Hotel post Covid.

The Committee approved the Operational Performance Report.

6.2 Financial Performance – Integrated Performance Report November 2022

M Breen presented the Month 8 position as at 30 November 2022. Month 8 noted a surplus of £74k for core revenue and income. The trends were in line with the Financial Plan approved by the Board with a variance of less than 0.1% against plan. The Efficiency Savings identified to date was £2.636m. The Financial Plan was still on track to deliver with a breakeven outturn forecast at March 2023.

The income received year to date had been above plan £200.359m and expenditure was matching that for the net core break even position. At Month 8 it was noted that the expectation in terms of income was £124.924m, this had been recovered slightly with the Hotel sitting at £484 over the expected budget for income.

Income at Month 8 with anticipated full year funding allocation from Scottish Government, was £122.169m. So far confirmed allocations of £78.247m had been received. It was noted that this was an unusual position to be in at this point in the year with allocations still outstanding but Scottish Government had confirmed these allocations would be received in December.

The Committee were advised in terms of the Hotel income and linking in with C O'Connor's presentation, this was over by £547k which showed the increase against the initial plan.

Expenditure as at 30 November 2022 was £410k but there were a number of significant variances within Pay and Non Pay. Medical Pays were £931k over, with nursing significantly under budget £962k and all other pay costs for clinical, support and admin sitting £785k under.

In terms of Non-Pay there was a significant adverse variance of £1.226m which equated to circa 3% of the Year to Date Budget. Surgical Supplies had the greatest

overspend of £1.391m. There was significant work being undertaken by the divisions, finance and procurement on the reasons for that overspend and whilst the work had not been totally completed, it appeared that the budget allocated had not been increased with the additional activity in Cath Lab 5. The Committee were given assurance that this area had been reviewed and would be continued to be reported at each meeting. In terms of the Reserves there was £227k underspend with two main issues within the Medical Pay budget and the Surgical Supplies budget.

M Breen informed the Committee that the £2.526m in Efficiency Savings had been identified with a further £0.367m forecast. The current forecast to March 2023 would be £2.893m which would leave a shortfall of £1.697m. There was significant work underway in terms of work streams focused on achieving further efficiencies, particularly within procurement, digital technology, estates and capital.

M Breen noted to the Committee some of the key risks on the projected breakeven outturn position. In terms of the Pay Award it was anticipated that this would be fully funded. Discussions with Scottish Government had been held in relation to the actual costs for Phase 2 recruitment but the expectation was that this would be fully funded.

Non-Core position was at break-even. This area covered depreciation charges, annual managed expenditure items and any impairment of assets.

M Breen noted that the revised Capital Plan as at November was £36.220m with an expenditure to date of £13.202m.

The Committee were advised that a more detailed report of progress against the Capital Plan would be presented separately.

L Semple noted that it would be useful to see a more detailed breakdown at a later date for the £1.7m gap in efficiency savings for surgical supplies and how the overspend would be undertaken. M Breen confirmed that he had been resourcing issue with surgical medicals.

Action Ref	Action	Lead	Status
FPC230110/01	Efficiency Savings Deep dive into efficiencies particularly the recurring and non-recurring to be presented at a future Committee.	M Breen	New

The Committee approved the Finance Report.

6.3 Capital Update – November 2022

M Breen presented the 2022/23 Capital Update for November (Month 8) and highlight the key points. Baseline Core Capital was £2.691m with additional capital bids agreed with Scottish Government for £10.269m. The Committee were advised the total Capital Plan was £44.619m. Subsequent to this, Scottish Government had asked all Health Boards to review the Board's 2022/23 capital funding from which NHS GJ had identified £8.399m could be returned.

M Breen presented details on the revised plan, the previous plan and actual expenditure incurred at Month 8. The Committee noted the pressure on capital funding and agreed that it was important to spend as much as possible this year.

M Breen made the Committee aware of the pressures around the hospital site in relation to car parking, which would be a challenge to expend before the year end. An outline was provided of other categories of expenditure that related to medical equipment, ICT and Digital and Phase 2. M Breen reassured the Committee that should there be any reduction that this would be rephrased into next year as agreed with Scottish Government. There were no risks for the overall finances to Phase 2 or the Water Source Heat Pump.

In summary spend was £13.202m at November and projection was to spend the revised Capital allocation of £36.220m by end of March 2023.

The Committee noted the Capital Update.

7 Strategic Planning Update

7.1 Expansion Programme Update

J Scott, Director of Facilities and Capital Projects provided the Committee with an update on the Phase 2 Surgical Centre. The anticipated completion date was 12 June 2023, following on from a 12 week period with an expected opening mid-September 2023.

J Scott advised the Committee of the challenges with the existing building and shared photographs to demonstrate the external works. In terms of breakthroughs, two had been completed and work was being commenced on Level 2.

The Committee were advised of the issues affecting the programme and that noise continued to be an issue within adjacent theatres. However, this was being managed and work was being undertaken to work through the scope and impact.

In terms of the Assurance Review work was ongoing to complete the action plan and a weekly meeting had been set up to discuss these with good relationships formed between NHS GJ and the Assure team.

J Scott updated the Committee on the current status of the Work Task Orders that related to the refurbishment projects.

The Committee noted the Expansion Programme update.

8 Corporate Governance

8.1 District Heating

M Breen provided an update on the progress made since the last Committee meeting. The Committee were reminded that a paper had been previously considered around the potential involvement of NHS Golden Jubilee and Clydebank District Heating System which sought approval to engage with West Dunbartonshire Council to develop a Business Case for the Board's consideration. Since the last meeting, a production meeting with the Council had taken place with further monthly meetings organised. The Council were appreciative of the re-engagement of NHS Golden Jubilee in this matter.

M Breen advised it was anticipated that the Business Case would be presented to the Committee and Board around the involvement by summer 2023. Currently NHS GJ are identifying Consultants with the necessary experience to support this Business Case. NHS GJ will require risk assurance to determine if the system would be able to continue to supply the needs of the hospital and the wider estate. NHS GJ are engaged with Scottish Government and there was an allocation of approximately £4m for contribution to project costs. J Scott added that Scottish Government colleagues were supportive of this project and saw it as an opportunity to do something practical in terms of climate change.

The Committee noted the District Heating Paper.

8.2 Terms of Reference

M Breen presented the updated Terms of Reference which included the addition of the Board's Climate and Emergency Sustainability Champion, C Blackburn. This was to reflect the fact that this Committee would be responsible under the Board's obligations for the Climate Change Act.

The Committee were also advised that the updated Terms of Reference had been amended to show titles of attendees rather than named individuals.

The Committee approved the paper and the Chair welcomed C Blackburn to the Committee.

8.3 Corporate Risk Register

M Breen provided a presentation of the Corporate Risk Register. There were two points highlighted that related to the risk increase to International Recruitment due to workforce challenges and that Risk F8 Financial Plan had increased from 6 to 9 but still remained a medium risk. As there were still a lot of budget allocations outstanding at this time, with significant pressures on the system, it was felt prudent to increase this risk.

S Douglas-Scott shared a concern that workforce was the biggest risk and this was a discussion held at every Committee meeting.

S McAllister noted that there was a reputational impact to NHS GJ without an adequate workforce plan.

The Committee approved the Corporate Risk Register.

8.4 Annual Delivery Plan 2022-23 and Q2 Feedback Letter

G Adkins acknowledged that the Committee would be aware of the fairly extended process that had been carried out for the Annual Delivery Plan (ADP). Scottish Government had advised they were content with the progress to date. G Adkins highlighted a number of issues that related to TAVi referrals and Heart Transplantation increased activity but noted that the feedback letter was overall very positive.

C Anderson updated the Committee on the plans and how they aligned with the national direction of travel. There were three stages, Stage 1 the Annual Delivery Plan, Stage 2 the NHS Scotland Plan and Planning Guidance and Stage 3 development of the integrated plans. Discussions had taken place with Divisional colleagues to review NHS GJ activity plan, which is well advanced, and would be presented to the next meeting.

Importantly, as far as NHS GJ was concerned, annual service and specialty planning reviews were underway as part of the annual planning cycle. These would support the requirement to produce short to medium term plans but more importantly would help to understand workforce gaps and risks.

The Committee noted the Annual Delivery Plan 2022-23 and Q2 Feedback Letter.

9 Issues for Update

9.1 Update to the Board

- The Committee commended some of work that has been done and outcomes achieved in terms of the reduction in outpatient cancellations. The Committee acknowledged that the learning from the improvement in some specialties will be shared in order to achieve an overall improvement across Divisions. The Committee discussed the requirement to advance digital enablement across a number of service areas.
- The Committee were given a level of assurance that finances were on track to deliver the breakeven position per the Financial Plan for 2022/23. However, Committee accepted there were challenges around some budgets areas specifically surgical supplies and medical pay budgets. It was agreed that the next meeting should include a more detailed review of the surgical supply position as well as the efficiencies work undertaken during the year including the balance between recurring versus non-recurring.
- The Committee received the Phase 2 Expansion Update and were content to note this was on track
- The Committee approved the changes to the Terms of Reference to include the addition of another Non-Executive member as the Climate Emergency and Sustainable Development Champion.

- The Committee received the ADP update feedback from SG which was commended as a very positive message.
- The Committee noted the update on the ADP planning process for next year which will link in with operations, finance and workforce plans and expectation these would be reviewed by mid-2023.

10 Any Other Competent Business

No other competent business was discussed.

11 Date and Time of Next Meeting

Tuesday 7 March 2023, 10:00-12:30, MS Teams