# **Approved minutes**

**Finance and Performance Committee**

**Tuesday 4 July 2023, 10:00 hours**

**MS Teams Meeting**

**Members**

Stephen McAllister Non-Executive Director *(Chair)*

Callum Blackburn Non-Executive Director

Karen Kelly Non-Executive Director

Linda Semple Non-Executive Director

Jane Christie-Flight Employee Director

**Core Members**

Gordon James Chief Executive

Carolynne O’Connor Director of Operations and Deputy Chief Executive

Michael Breen Director of Finance

**In Attendance**

Susan Douglas-Scott CBE Board Chair

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

John Scott Director of Facilities and Capital Projects (from 11:20)

Nicki Hamer Head of Corporate Governance and Board Secretary

**Apologies**

Rob Moore Non-Executive Director

**Minutes**

Claire Hendren Corporate Administrator

1. **Opening Remarks**

**1.1 Chair’s Introductory Remarks and Wellbeing Pause**

The Chair welcomed everyone and detailed the plans for the meeting.

The Committee welcomed the opportunity for the Wellbeing Pause, aimed at helping to maintain connections between colleagues.

**1.2 Apologies**

The apologies were noted as above.

**1.3 Declarations of Interest**

There were no declarations of interest of note.

**2. Updates from Meeting on 11 May 2023**

**2.1 Unapproved Minutes**

Minutes from the meeting held on 11 May 2023 were approved as an accurate record.

**2.2 Action Log**

The action log was reviewed and the Committee noted that there were no live actions.

**2.3 Matters Arising**

There were no matters arising.

**3 Operational/Finance Performance Review**

**3.1 Operational Performance – Integrated Performance Report May 2023**

Carolynne O’Connor provided a detailed presentation on the Operational Performance position.

 The salient points highlighted for the National Elective Services Division were:

* Ophthalmology: A total of 1,081 cataract procedures were carried out against an original plan of 1,015 during May. Cumulatively the service was now 8% ahead of the year end plan. Workforce was a challenge with recent Consultant resignations and ongoing recruitment having limited success to date. All options for recruitment were currently being explored.
* Orthopaedic Surgery: A total of 465 Orthopaedic procedures were carried out in May against a plan of 377. Cumulatively this was ahead of the year end plan by 186 procedures. The Day of Surgery Admissions (DOSA) rate increased to 60.8% against a target of 62.5%, which was one area of focus within the Short Life Working Groups. The cancellation rate was 4.4% during May against a target of 3%, mainly due to unplanned sick leave for two Consultants who had since returned. Inpatient waiting lists were reported at 1,278 with 597 patients having waited over 52 weeks (Board waits). This was attributed to receipt of 2023/24 allocations which continued to be patients waiting in excess of 104 weeks.
* Endoscopy: A total of 490 scopes were carried out in May against a plan of 545 which was cumulatively 4% behind the year end plan, mainly due to a challenge receiving referrals from Boards. The cancellation rate decreased from 12.3% in April to 9.5% in May with an audit undertaken to identify themes and patterns and further work was planned to do a deep dive into Did Not Attend (DNAs) instances working with University of Strathclyde and using Quality Improvement processes.
* General/Colorectal: A total of 151 General/Colorectal procedures were carried out in May against a monthly target of 142, cumulatively 3% behind the year end plan. General surgery activity was behind plan for the second month as a result of Boards’ having difficulty identifying suitable day case patients. NHS Golden Jubilee had responded by increasing the Body Mass Index (BMI) limit to 40. Referral numbers and utilisation of theatres would be closely monitored as a result. Nursing staffing for general theatres remained a challenge despite ongoing recruitment campaigns. All options for further recruitment were being explored. The service had grown very successfully over the previous two years and recently celebrated their 200th colorectal robotic procedure. General surgery cancellations decreased from 11.2% in April to 4.1% during May which was attributed to the actions from the Improvement Plan.

 The Committee discussed whether the increase of the BMI limit increased the risk. However, it was noted that a number of mitigations around processes had been put in place and this rate had been due for review in line with other UK Centres. The change to the pathway would be closely monitored and the team were looking to increase the length of stay to further support patients. Therefore, the risk was considered to be minimal.

 The Committee noted the risk associated with the challenges in recruiting to Ophthalmology and considered ways to support this process, such as the redesign of posts, targeted recruitment and the appointment of a Clinical Director to look at strategic delivery. In terms of recruitment for nursing staffing within general theatre, NHS Scotland Academy had provided support, which had proved successful.

 The salient points highlighted for the Heart, Lung and Diagnostics Division were:

* Heart Lung and Diagnostics: Activity at Month 2 was 4% behind for Heart and Lung due to ongoing high referrals and reduced bed capacity in Cardiology due to the closure of ‘Winter’ beds. The Radiology position was 2% over target with ongoing work to maintain cardiac imaging capacity through negotiation with West of Scotland colleagues and support from Scottish Government. Nursing workforce in Critical Care remained a challenge with a fairly robust development plan in place for Perfusion. The West of Scotland bed position and the ongoing shift in referral patterns from Elective to Urgent remained challenging.
* Cardiothoracic Surgery: Activity was reported as ahead of plan by 2%. Inpatient waiting list continued to grow therefore plans to increase capacity through extended days had been put in place and the team would endeavor to improve efficiency (reduction in cancellation) to manage demand. Endoscopic Vein Harvesting was a continued success and was moving from the training phase to business as usual.
* Thoracic Surgery: Activity was reported ahead of plan by 7% and a 6th Surgeon had been appointed. Cancellations were within control limits and were below the centre for May. The primary cancellation reason reported was lack of Operating Room time, related to pressures in Recovery. Whilst drive to increase ‘day zero’ cases reduced, requirement for High Dependency Unit bed patients did require longer in Recovery to stablilise before transferring back to the Ward.
* Interventional Cardiology: Was reported as an area of pressure with activity 7% behind plan attributed to the challenge of ‘Winter’ beds closing at the end of March, ongoing pressures in West of Scotland Boards and inability to move and repatriate patients. The elective waiting lists had been successfully reduced with vetting having moved out of the pilot phase and into business as usual. Electrophysiology was reported as 8% behind the activity plan with cancellations to accommodate more urgent Device patients. Transcatheter Aortic Valve Implantation (TAVI) were working towards a plan of 229 procedures with waiting lists managed on clinical urgency then on a chronological basis. Increased urgent referrals had caused longer waiting times for elective cases.
* National Services: Seven transplants were reported at Month 2. A Full Business Case was required to be presented through Board Committees to progress National Services Division (NSD) 2024/25 funding cycle for substantive funding. A review of Scottish Adult Congenital Cardiology Service (SACCS) was ongoing with a draft report expected later in the month.
* Radiology – Month 2 activity was 2% ahead of year to date target. DEXA scan activity was behind plan as NHS Greater Glasgow and Clyde had issues with referral source. However, capacity had been offered to other Health Boards.

The Committee thanked Carolynne O’Connor for the positive report and noted the achievements made.

The Committee noted the challenges in looking at the overall bed occupancy, although it was strongly believed that the bed capacity was correct; the issue was more around having the beds at the right time. Work would continue reviewing demand and capacity and using the improvements made in discharge planning.

The Committee noted the challenge of an ongoing shift in referral patterns from Elective to Urgent and agreed that this was likely to be the case for some time to come with demand continuing to increase across Scotland.

The Committee discussed high waiting lists with patients waiting long periods for certain procedures and whether Health Boards with high figures could be targeted directly to alleviate inequity. Gordon James confirmed that this was currently being looked at and discussion with Board Chief Executives was ongoing, considering national lists and the Getting It Right First Time initiative based in NHS England. Carolynne O’Connor commented that the approval of a national commissioning model would be welcomed.

The Committee approved the Integrated Performance Report.

**3.2 Financial Report As At May 2023**

 Michael Breen reported the Month 2 financial position, highlighting the following key points:

* The Board approved a 2023/24 break even Financial Plan requiring c.(£6.6m) of budget savings/in-year efficiencies by March 2024.
* Month 2 was early in the financial year and the first presented report for 2023/24. However, net overall income was sitting at £200k which was slightly ahead of plan at this stage.
* Expenditure had a £592k overspend year to date leaving an overall position of (£392K).
* Scottish Government allocation letters had not yet been received, however, this first letter was expected in July.
* Core Funding allocated to date was £17.921m with an anticipated total core Revenue Resource Limit (RRL) of £143.361m for 2023/24.
* Other Income of £14.352m was reported, equating to an over-recovery of £200k against a budget of £14.152m.
* Pay Costs were reported as £526K favourable (c. 2.1% of Year to Date Budget)
* Non Pay Costs were reported as (£1.119m) adverse (c. -9.5% of Year To Date budget).
* The Financial Plan assumed c.£6.6m of budget savings/in-year efficiency savings
* Work was ongoing on the identification of budget savings on a non-recurring basis to mitigate the efficiency gap in the Financial Plan.
* Additional resources had been agreed across Finance, Procurement, Programme Management, Quality Improvement and Services to drive forward the Sustainability and Value Programme.
* Key areas of focus were Digital Transformation initiatives, Golden Jubilee Conference Hotel, a deep dive into Heart, Lung and Diagnostics, and NHS GJ Research Institute.
* As Month 2 was early in the financial year, there was no key trends analysis.
* Unbudgeted/unknown expenditure items not provided for in the Financial Plan and Scottish Government anticipated allocations were not yet confirmed.
* Service Level Agreements (SLAs) Income risks and volume levels had been achieved.
* The Non-Core Position anticipated a break-even position covering depreciation charges, annual managed expenditure items and impairment of assets.

 The Committee thanked Michael Breen for a clear presentation.

 The Committee discussed whether there was a risk in receiving allocation letters late from Scottish Government. Michael Breen provided assurance that there was no significant risk at this time as the first letter was anticipated in July 2023.

 The Committee approved the Financial Report As At May 2023.

**3.3 2023/24 Sustainability and Value Progress Update**

 Carole Andersonpresented the Sustainability and Value Progress Update, highlighting the following:

* The Committee would receive more detailed updates from the Climate Change and Sustainability Board and the Confirm and Challenge Meetings.
* Discussions on Value Based Healthcare priorities would feed into the Realistic Medicine Steering Group, aligned to the Clinical Governance Risk Management Group which reported to the Clinical Governance Committee.
* Innovation and Transformation Programme Boards and Groups such as eRostering, Hospital Electronic Prescribing and Medicines Administration (HEPMA) and Staffing would feed into the Strategic Programme Board which reported to the Strategic Portfolio Governance Committee.
* The Sustainability Strategic Action Plan had been previously endorsed by the Board with a Climate Change and Sustainability Strategic Group established. Programme resources had been agreed and recruitment was underway.
* Quality, Performance and Cost Improvement: A new format of reporting and assurance had been implemented using high level Key Performance Indicators (KPIs), spotlight sessions covering one specialty for each Division, rotating over an annual cycle and providing opportunity for the Executive Leadership Team to scrutinise Divisional performance prior to Board Committee presentation.
* Quality, Performance and Cost Improvement for the Heart, Lung and Diagnostics Division Value Programme plan had been developed with the focus on Cardiac and Thoracic Surgery, Cardiology and the National Services.
* A Value Based Health Care Programme Plan was to be developed building the Realistic Medicine agenda/work with likely focus areas to establish the true cost of procedures from start to finish, standardising pathways and processes, to minimise variation and deliver effective prescribing models.
* The Digital Steering Group meetings had restarted with new Terms of Reference and additional resources agreed for eHealth to accelerate digital transformation. Work was ongoing with Microsoft around Phase 2 Innovation and a 3 year Strategic Development Plan.

 The Committee thanked Carole Anderson for a concise and informative presentation and were pleased to hear of the ongoing work with Microsoft around Phase 2.

Michael Breen reported a scoping session had already been held with Microsoft designed to increase efficiency and provide further opportunity for partnership working on Phase 2. Gordon James noted that the Executive Leadership Team were also working with Microsoft on a replacement for Admin Control which would provide additional functionality from a Corporate Services point of view.

 The Committee noted that recruitment to the Sustainability Lead appeared to be taking some time. However, Jane Christie-Flight was able to confirm that the job description issues had now been resolved and that progress to advert stage should be imminent.

 The Committee discussed governance and how the overall objectives and assurances could be tidied up and fed through the relevant Committees moving forward. Gordon James noted that a further discussion would be required and that this would be taken forward at the Strategic Portfolio Governance Committee meeting scheduled to take place later that day.

 The Committee discussed and noted the Sustainability and Value Progress Update.

**4. Strategic Planning Update**

**4.1 Phase 2 Update**

John Scott presented an update on Phase 2 highlighting the following points:

* The revised handover date would still be 7 September 2023, followed by a commissioning period of 12 weeks, with the first patient on 1 December 2023.
* Weekly meetings would continue with Kier, AECOM and the Expansion Team to ensure continued progress.
* Building work on Level 3 was mainly complete with good progress made on Level 2. Flooring on Level 1 was complete except in the corridor areas, door installation was nearing completion and work required on the Central Sterilising and Processing Department (CSPD) changes was progressing well.
* Work continued on site to planned timescales with external signage steelwork currently being installed and lighting energisation on all floors.
* Breakthrough works were progressing on Levels 1 and 2 with work commenced on Level 3.
* Key milestones to handover included breakthroughs, external landscaping, NHS Assure Commissioning Key Stage Assurance Review (KSAR) and NHS Assure Handover KSAR.
* An update was provided on progress of Work Task Orders (WTO’s) related to internal completion.

The Committee thanked John Scott for the detailed update and commended the progress to date.

The Committee noted the Phase 2 Update.

**4.2 Draft Annual Delivery Plan**

Carole Anderson updated the Committee on the Draft Annual Delivery Plan, a copy of which had been sent to Scottish Government on 8 June 2023. Feedback was anticipated within the following weeks, which would thereafter be incorporated into the Draft Plan before being presented to the Board.

The Board welcomed the Anchors Strategic Plan looking to develop the role of NHS GJ as an Anchor organisation regionally and within the local community.

The Committee discussed and noted the Draft Annual Delivery Plan.

**4.3 Medium Term Plan Update**

Carole Anderson presented an update on the Medium Term Plan.

The Committee were advised that the draft Medium Term Plan would go through the governance process and therefore, there would be opportunity to review and offer feedback at various stages.

The Committee discussed and noted the Medium Term Plan Update.

**5. Corporate Governance**

**5.1 Strategic Risk Register – May 2023**

Michael Breen advised the Committee on the key points of the Strategic Risk Register and highlighted that there were 6 risks within the remit of the Finance and Performance Committee, none of which had changed in assessment since the previous reporting period.

The Committee noted that whilst the financial risk of future variants of Covid-19 in respect of the Conference Hotel was still valid, the description would require to be updated. Michael Breen agreed to this approach and welcomed the forthcoming opportunity at the Board Seminar in August 2023 to revisit risk management processes.

The Committee approved the Strategic Risk Register - May 2023.

**5.2 Committee Meetings 2023/24**

Nicki Hamer highlighted that a review of Governance Committees and Board meeting dates had taken place with the recommendation for one less Committee cycle per year. To facilitate this, the previously approved timetable of Committee meeting dates would require to be amended, along with the Work Plans. The proposed re-sequencing for the Finance and Performance Committee would be to remove the meeting scheduled on 11 January 2024 and schedule the 31 October 2023 to 14 November 2023, subject to Board final approval.

The Committee approved the proposed updated timetable of Committee Meetings for 2023/24 and approved the revised Committee Work Plan for 2023/24.

**6. Issues for Update**

**6.1 Update to the Board**

The Committee reflected on the operational performance and noted in and out patients continued to be treated within 12 weeks for Ophthalmology, with a low cancellation rate, although were concerned around the workforce issues.

The Committee noted that the Orthopaedics waiting times had reduced and had a good discussion around general Colorectal, noting the improving situation.

The Committee noted the financial position, with an early overspend in Month 2 noting that work is being completed to identify early in the Financial Year mitigations around the efficiency gap included within the Financial Plan.

The Committee were pleased to note the progress update on Value Based Healthcare and the governance wrapped around this.

The Committee received an update on Phase 2 and the Queens Quay District Heating.

The Committee noted the Annual Delivery Plan had been submitted to Scottish Government and were awaiting feedback on this return.

The Committee approved the Strategic Risk Register which noted the plan to discuss risk management at the Board Seminar in August.

The Committee approved the request to reduce the Committee meetings by one governance cycle in 2023/24 and approved the revised Workplan.

**7. Any Other Competent Business**

There was no other competent business.

**8. Date and Time of Next Meeting**

 Tuesday 5 September 2023, 10:00-12:00, MS Teams.