

FPPC(M) 23/02
Minutes 19 - 31

NHS GREATER GLASGOW AND CLYDE

Minutes of the Meeting of the Finance Planning and Performance Committee held on Tuesday 18 April 2023 at 9.30 am via Microsoft Teams

PRESENT

Ms Margaret Kerr (in the Chair)

Prof John Brown CBE	Rev John Matthews OBE
Mr Simon Carr	Ms Ketki Miles
Mr Alan Cowan	Ms Anne Marie Monaghan
Dr Emilia Crighton	Dr Paul Ryan
Cllr Chris Cunningham	Ms Michelle Wailes
Ms Jacqueline Forbes	Prof Angela Wallace
Mrs Jane Grant	

IN ATTENDANCE

Ms Denise Brown		Interim Director of e-Health
Ms Sandra Bustillo		Director of Communications and Public Engagement
Ms Gillian Duncan		Corporate Executive Business Manager
Mr William Edwards		Chief Operating Officer, Acute Services
Mr Andrew Gibson		Chief Risk Officer
Ms Alison Hardie		Secretariat Manager (Minute)
Ms Christine Lavery		Chief Officer, Renfrewshire HSCP
Mrs Anne MacPherson		Director of Human Resources and Organisational Development
Ms Fiona McEwan		Assistant Director of Finance - Financial Planning & Performance
Mr Colin Neil		Director of Finance
Ms Caroline Sinclair		Chief Officer, East Dunbartonshire HSCP
Ms Ann Traquair Smith		Director Diagnostics (Item 7)
Ms Elaine Vanhegan		Director of Corporate Services and Governance

			ACTION BY
19.	Welcome and Apologies		
	The Chair welcomed those present to the April meeting of the Committee.		

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			ACTION BY
	Apologies were noted on behalf of Prof Iain McInnes, Ms Susanne Millar, Mr Ian Ritchie and Prof Tom Steele.		
	<u>NOTED</u>		
20.	Introductory Remarks		
	There were no introductory remarks noted by the Chair.		
	<u>NOTED</u>		
21.	Declaration(s) of Interest(s)		
	The Chair invited members to declare any interests in any of the matters being discussed. There were no declarations of interest.		
	<u>NOTED</u>		
22.	Minutes of Previous Meeting		
	The Committee considered the minute of the previous meeting, Tuesday, 07 February 2023 [Paper No. FPPC(M)23/01] and were content to approve the minute as a complete and accurate record subject to the following amendments:		
	<ul style="list-style-type: none"> - Amend Minute 08, page 4, paragraph 2, to complete the end of the sentence to read ‘...to ensure children receive a consistent approach across the system.’ - Amend Minute 10, page 6, paragraph 5, line 3 to read ‘...total capital allocation had firm orders...’ - Amend Minute 11, page 7, paragraph 2, line 4 to read ‘...assumptions that had been made...’ - Amend Minute 13, page 10, paragraph 2, last line to read ‘...and this would be reviewed.’ 		
	<u>Item 09 - Radionuclide Dispensary Outline Business Case (OBC)</u>		
	Mr William Edwards, Chief Operating Officer, Acute Services advised that the Scottish Government (SG) Capital Investment Group had requested NHSGGC move to a full business case.		
	The OBC process for the Institute of Neurological Sciences is continuing.		
	<u>APPROVED</u>		

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23.	Matters Arising		
a)	Rolling Action List		
	<p>The Committee considered the Rolling Action List [Paper No. 23/11].</p> <p><u>Minute No 96 - GP Out of Hours Update</u> Mr Colin Neil, Director of Finance, advised that discussions continued with Health Improvement Scotland (HIS) to consider the NHSGGC position in terms of service change, and added that the first service change was being considered through national guidance.</p> <p>Ms Sandra Bustillo, Director of Communications and Public Engagement, noted the need to conclude the matter.</p> <p>Mr Neil would provide an update at the next Committee meeting, 13 June 2023.</p> <p><u>Minute No 08 - Specialist Children’s Services Single Structure Development</u> The Chair referred to the minute of the meeting, 07 February 2023, page 5, and noted the action for the Board Secretary. ‘In response to a query about whether an EQIA had been undertaken, Ms Sinclair said that because there was no change to the services being delivered there would not be an EQIA impact but there would be discussions with local teams to ensure this.’ This was accepted but it was acknowledged that there needed to be a separate discussion about the EQIA process in general. The action would be added to the Rolling Action List and closed.</p> <p>Mrs Anne MacPherson, Director of Human Resources and Organisational Development, confirmed that the Specialist Children’s Services model had been raised, initially, through a local partnership, and Ms Caroline Sinclair, Chief Officer, East Dunbartonshire HSCP, had circulated information to each of the six HSCPs for discussion and feedback. The matter had subsequently been discussed at the Area Partnership Forum following which a Workforce Sub Group was agreed and has representation from the Area Partnership Forum. All six HSCP Partnership Forums were being updated regularly. The concern raised had been addressed.</p> <p>The Committee were content to accept the recommendation that six actions were closed.</p> <p>There were no other matters arising noted.</p>	Mr Neil	Board Secretary

	The Committee were content to approve the RAL. <u>APPROVED</u>		
24.	Urgent Items of Business		
	The Chair asked members if there were any urgent items of business. There were no urgent items of business noted. <u>NOTED</u>		
25.	Laboratory Managed Service Contract		
	<p>The Committee considered the verbal update on the Laboratory Managed Service Contract provided by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil informed members that the tender process had been ongoing for some time, and referred to a paper presented to the Corporate Management Team (CMT), 02 March 2023, that noted approval of the Recommended Bidder by CMT.</p> <p>Mr Neil advised that the contract was in a Standstill Period as the unsuccessful bidder had challenged the preferred supplier status.</p> <p>Mr Neil assured the Committee that due diligence was being applied to ensure that a robust response would be issued by the due date, Friday, 21 April 2023.</p> <p>Mr Neil advised that the contract was complex with a financial value of circa £20m per annum for an initial period of seven years and the potential to extend the contract a further seven years.</p> <p>Mr Neil noted that the current supplier contract ended 30 September 2023.</p> <p>Mr Neil advised members that an additional meeting of the Finance, Planning and Performance Committee may be required dependent on the status of the contract and timeframe.</p> <p>In response to the question on the challenge from the unsuccessful bidder, Mr Neil noted that there were several points raised such as how scores were rated and the unsuccessful bidder's view of what can take place moving forward.</p> <p>In response to the question on what constituted the service provision of the contract, Mr Neil noted that a full suite of services would be provided with regular upgrades of equipment to a</p>		

	<p>substantial number of systems, and the responsibility of staffing to ensure robust operating systems was incumbent on the supplier, with no impact on NHSGGC's Capital programme. He went on to advise that other NHS Boards have similar contracts with managed services.</p> <p>The Committee noted the update on the contract and the potential need for a single agenda item meeting.</p> <p><u>NOTED</u></p>		
26.	Financial Monitoring Report		
	<p>The Committee considered the Financial Monitoring Report [Paper 23/12] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil reported on the Month 11 position, and noted an overspend of £10.37m, an improved position on the £25.16m at Month 10.</p> <p>Mr Neil noted an overachievement of non-recurring savings of £0.42m, and an Acute overspend of £11.22m on the pay and non-pay position with medical salaries being a significant contributory factor, offset by underspends in Corporate of £0.43m. Mr Neil advised that a number of underspends were being utilised to offset pressures.</p> <p>Mr Neil noted that each of the six Integration Joint Boards (IJB) reported a breakeven position; four with an overspend that had coverage and two noted an underspend that will be added to their reserves.</p> <p>Mr Neil noted the pressures in prescribing, £8.8m across partner organisations, and advised that this would be a key factor moving forward in the planning assumptions for 2023-24.</p> <p>Mr Neil advised on the Sustainability and Value Programme, the full year recurring basis savings of £52.94m had been formally achieved and processed within the financial ledger at Month 11, and had surpassed the target of £50m. He also noted that the forecasted year end delivery target had been stretched to £54.8m, from £50m, which was important to carry forward a deficit position of circa £119.7m.</p> <p>On the Capital position, Mr Neil reported that 62% of the annual plan, £95.5m, had been spent, and 94% of the total allocation had firm orders in place. Mr Neil noted the progress in Month 12 accounts to achieve a balance on the capital resource.</p>		

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	<p>In response to the question on capital expenditure not being resolved until Month 12, Mr Neil assured members that he anticipated an improvement in 2023-24 with orders placed earlier in the year, and added that there had been a better trajectory in the last six months than previous financial years.</p> <p>Mr Neil noted the progress being made in reducing the forecast deficit and advised that the trajectory of the core deficit and the COVID position would mature to reach a breakeven position. Mr Neil acknowledged that a number of pressures remained but work was ongoing to mitigate these through the early part of 2024.</p> <p>The Chair acknowledged the significant amount of work that had been undertaken to reach a breakeven position.</p> <p>Mr Neil noted significant benefits that had impacted the savings portfolio such as the National Insurance Levy and the additional funding through the New Medicines Fund.</p> <p>Mr Neil noted the need to mitigate the recurring deficit, and the challenges with prescribing, inflation and other contractual commitments.</p> <p>In response to the question on the overspend of £820k on Hotel Services, Ms McEwan advised that the services provided were laundry, catering and maintenance and the overspend was largely due to high occupancy rates and additional beds being open.</p> <p>In response to the question on junior doctors continuing to be an area of concern, Mr Edwards advised that the run rate for junior doctors was high and work was ongoing on the rota in an effort to cap the spend.</p> <p>Mr Edwards assured the Committee that due oversight and monitoring would be ongoing with a particular focus on the rationale for use of agency and bank staff.</p> <p>In response to members' comments that the year end position of the IJB reserves of £259.8m would not reflect the real position at the start of the year, Mr Neil acknowledged that the reserves would be greatly reduced and agreed that it would be advantageous to articulate movements and observe incremental changes throughout the year across IJB budgets.</p> <p>The Committee were assured by the report.</p> <p><u>ASSURED</u></p>	

27.	Finance Plan 2023-24 Update		
	<p>The Committee considered the Finance Plan 2023-24 Update [Paper 23/13] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil noted that the initial draft of the Finance Plan had been approved by the Committee, 07 February 2023, and a final draft submitted to the SG. Mr Neil highlighted a meeting with finance colleagues at the SG had taken place to discuss the plan and the year end position, and informed members that reasonably solid feedback had been received and no specific changes requested.</p> <p>Mr Neil advised minor amendments had been made to the plan since last presented which had resulted in a slight reduction in the revised deficit. He highlighted that the starting point remained unchanged, and the overall financial challenge was £174.5m; recurring savings forecast at £54.8m and a deficit of £119.7m was being carried forward. Mr Neil advised that a number of savings had been introduced through inflation costs on energy and contractual obligations.</p> <p>Mr Neil reported key movements in contractual assumptions with the CNORIS contribution, and added that the national share in the Indemnity Scheme had increased. System-wide regradings of Band 2s to Band 3s had been applied and GP IT Reprovisioning had been removed.</p> <p>Mr Neil noted that it was assumed that each of the six IJBs would break even in line with the respective approved plans. He noted this was an area of growing concern, but assured members that plans were in place for a cash balance across the IJBs. Mr Neil suggested that the matter warranted further discussion at the Finance, Planning and Performance Committee.</p> <p>Mr Neil noted the assumption that the Pay Award for both 2023-24 would be fully funded.</p> <p>Mr Neil reported that the allocation for COVID-19 vaccinations had been less than anticipated, costs were being reviewed and dialogue remained open with the SG.</p> <p>In response to the question on the Winter pressures element not being included in the plan, such as additional beds being funded on a non-recurring basis but occur in a recurring manner, Mr Neil noted that Acute services receive £2.2m from the annual allocation, augmented with the non-recurring resource circa £6m-£7m, and assured members that the matter would be considered in due course.</p>		

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	<p>Following the comment on the assumption of recurring savings of £54.8m and £75m for 2023-24, Mr Neil acknowledged the typing error and noted that it would be corrected.</p> <p>In response to the comment raised on the consequential impact on services with the assumed savings, Mr Neil advised that other areas of opportunity had been identified, and noted the need to realise a balance against the operational demands and work through an incremental process. Mrs Grant, Chief Executive, accentuated the challenges faced throughout the year to close the deficit and reach the figure of £75m, and noted the need to effectively manage resources. Mrs Grant anticipated that the Board might need to make some difficult decisions to break even.</p> <p>In response to the comment on the growing concern that the IJBs would break even, Mrs Grant advised members that she and Mr Neil had met with the six HSCP Chief Officers to consider the IJBs financial position as both she and Mr Neil do for Corporate departments and Acute services. Mrs Grant noted the increasing challenges ahead for both the Health Board and the IJBs.</p> <p>In response to the question on the potential influx at the 'hospital door' as a result of reduction in services across communities, Mrs Grant advised on the need to focus and work together. Mrs Grant added that the Acute division would not be able to deal with additional pressure noting the current position of 200 Additional Beds and an occupancy rate of 98%.</p> <p>Mr Neil advised that interfaces and financial plans were in place with the IJBs, and stated that £41m of the main financial challenge had set savings schemes against it. Mr Neil noted that the challenge was on a scale beyond IJBs as IJB's share was only 1.8% of the challenge.</p> <p>The Committee were content to approve the plan.</p> <p><u>APPROVED</u></p>	Mr Neil
28.	Performance Report	
	<p>The Committee considered the Performance Report [Paper 23/14] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil summarised that four of the eight measures were delivering against target and rated green, one was rated amber and three rated red.</p> <p>Mr Neil noted that performance in relation to CAMHS had exceeded the planned position for the sixth consecutive month.</p>	

	<p>Compliance with the Psychological Therapies was marginally below the national target but progress was being made. The latest quarterly position for Alcohol and Drugs remained positive at 93% and exceeded the national target. Positive progress was being made in Podiatry exceeding the national target. GP Out of Hours shifts that remained open during February 2023 continued to exceed target. He advised that although there had been improvements in the MSK Physiotherapy Service in terms of the percentage of patients seen <4 weeks, performance remained significantly below target. Performance in relation to the overall number of Acute and Mental Health delayed discharges remained a significant challenge.</p> <p>The Chair noted consistent patterns of performance.</p> <p>The Committee were assured by the report.</p> <p><u>ASSURED</u></p>		
29.	Extract from the Corporate Risk Register		
	<p>The Committee considered the Extract from the Corporate Risk Register [Paper 23/15] presented by Mr Colin Neil, Director of Finance.</p> <p>Mr Neil assured members that all risks were reviewed continually by each of the risk owners, and presented to the CMT on a monthly basis.</p> <p>Mr Neil noted the key change to the risk register, that 'Risk 3057; Impact of Delayed Discharges on NHSGGC System Flow' had increased from 16 to 20 further to CMT discussion.</p> <p>The Chair commented that it was helpful and encouraging to note the response from the CMT discussion.</p> <p>In response to the question of how realistic it was to set the target on the noted Risk 3057, that all HSCPs to review position against trajectory to meet 25% reduction by December 2023, Prof Angela Wallace, Executive Nurse Director, noted that the target had been agreed with the Chief Officers and CMT colleagues, September 2022, and it was considered ambitious yet realistic. Despite doubling efforts, Prof Wallace noted that there had been no improvement to date but assured the Committee that there was a continued focus and regular discussions with Mrs Grant and the Chief Officers. Prof Wallace noted the impact in financial terms and assured the Committee that colleagues were acutely aware that targets were not being met and the continued need to focus.</p>		

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	<p>In response to the questions if the IJBs were looking at delayed discharges from a risk perspective, and if the Health Board was receiving assurance from the IJBs that the delayed discharges risk was being duly considered, Ms Christine Lavery, Chief Officer, Renfrewshire HSCP, noted regular discussions with IJBs on how to mitigate the risk of delayed discharges, and advised that detail on the risk had been included in the financial plan particularly in relation to the impact of any changes to Acute services. Ms Lavery advised the Committee that the delayed discharges risk was on IJB Renfrewshire's Risk Register and updated routinely.</p> <p>Mr Neil responded that governance arrangements were in place and assurance was being captured through the process, and all IJBs were represented at CMT. Mr Neil noted that perhaps a separate piece of work was required to align the level of risk and the commonality within the risk registers. In response to the question on the interaction Mr Andrew Gibson, Chief Risk Officer, had with the IJB Leads. Mr Gibson advised that he interacts at an operational level at monthly meetings with the HSCPs, attended the Risk Management Steering Group and CMT. Mr Gibson added that a lot of work had been carried out in the last 6-12 months on how risks were shared across services and the transfer of risks, and the Health Board processes on recording and monitoring risks had been shared with colleagues.</p> <p>Ms Sinclair advised that risks were actively scrutinised at East Dunbartonshire HSCP with due adherence to the Risk Register Policy and six monthly reviews carried out. Ms Sinclair added that it had been agreed at the last formal IJB Audit and Risk Committee meeting that quarterly formal reviews would be carried out as the six-monthly review delayed the ability to provide timely support.</p> <p>Committee members agreed that further liaison by Mr Gibson with HSCP colleagues on consistency of IJB Risk Registers and inclusion of delayed discharges would be helpful.</p> <p>Ms Lavery added that the risk of delayed discharges to be noted on the IJB Risk Registers would be raised at the Chief Officers' Tactical Group meeting.</p> <p>The Committee were content to approve the paper.</p> <p><u>APPROVED</u></p>	<p>Mr Gibson</p> <p>Ms Lavery/ Ms Sinclair/</p>

30.	Finance, Planning and Performance Committee Annual Report 2022-23		
	<p>The Committee considered the Finance, Planning and Performance Committee Annual Report [Paper 23/16] presented by Ms Elaine Vanhegan, Director of Corporate Services and Governance.</p> <p>Ms Vanhegan noted that the Annual Report formed part of the review of governance each year and would form part of the governance pack to be presented to the NHSGGC Board at the meeting on 27 June 2023.</p> <p>Ms Vanhegan referred to the review of the Terms of Reference and advised that the document details the responsibilities of Committee and members.</p> <p>The Chair thanked Ms Vanhegan for the report and noted thanks on behalf of Mr Simon Carr, former Chair of the Committee.</p> <p>An amendment required to Page 2 noting rotation of the Chairperson from Mr Simon Carr, June 2022, to Ms Margaret Kerr, August 2022.</p> <p>The Committee were content to approve the report.</p> <p><u>APPROVED</u></p>		Secretariat
31.	Finance, Planning and Performance Committee Terms of Reference		
	<p>The Committee considered the Finance, Planning and Performance Committee Terms of Reference [Paper 23/17] presented by Ms Elaine Vanhegan, Director of Corporate Services and Governance.</p> <p>Ms Vanhegan advised that a full review had been carried out on the Committee's Terms of Reference (TOR) in 2022 and minor changes had been made for this year.</p> <p>Ms Vanhegan noted that the work on the Scheme of Delegation (SOD) was reaching the final stage, and added that there would be no impact to the Committee's TOR however, the relevant sections of the SOD would be appended.</p> <p>Ms Vanhegan referred to the earlier discussion on the oversight and position within the IJBs, and referred members to page 4 of the paper 'Financial Oversight: have oversight and receive</p>		

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	<p>analysis of financial performance across the whole system in order to consider significant issues which may impact adversely on the NHS Board's financial position, including budgets delegated to IJBs.' Ms Vanhegan considered that the wording could be changed, replacing IJBs with HSCPs.</p> <p>In response to the question on the language used in relation to the IJBs, Ms Vanhegan noted that work was being carried out on the Assurance Information Framework and the wording would be considered as appropriate. Ms Vanhegan referred to Performance Oversight on page 4 of the paper 'IJBs: Oversee IJB performance against strategic plans and review IJB Annual Performance Reports' and considered that the wording could be changed from 'oversee' to 'seeking assurance of', however in discussions, 'oversee' was considered appropriate.</p> <p>Mr Brown noted that the issue was not about assurance but accountability of the Health Board, and the need for regular reporting to partner organisations. Mrs Grant advised that both HSCPs and IJBs were board wide services and the Finance, Planning and Performance Committee was the only forum across the whole health system that the six services discussed these matters. Mrs Grant suggested that further consideration was required with regards to wording.</p> <p>The Committee agreed that minor changes would be made to the TOR and virtual approval would be requested.</p> <p><u>NOTED</u></p>		Ms Vanhegan
32.	Closing Remarks and Key Messages for the Board		
	<p>The Chair thanked Members for attending and advised on the key messages for the Board:</p> <ul style="list-style-type: none"> • As the Laboratory Managed Service Contract was at a Standstill Period, the Contract could not be approved and the update was noted. • Financial Plan approved. • Corporate Risk Register approved. • Finance, Planning and Performance Annual Report 2022-23 approved. • Minor changes required to the TOR and virtual approval to be requested. <p>The Chair closed the meeting.</p> <p><u>ASSURED</u></p>		

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31.	Date and Time of Next Scheduled Meeting		
	The next meeting would be held on Tuesday, 13 June 2023 at 9.30 am by MS Teams		