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**Approved minutes**

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

**Date: 11 January 2022**

**Venue: MS Teams Meeting**

**Members**

Stephen McAllister Non-Executive Director *(Chair)*

Jann Gardner Chief Executive

Jane Christie-Flight Employee Director

Linda Semple Non-Executive Director

Karen Kelly Non-Executive Director

Anne Marie Cavanagh Director of Nursing and AHPs

June Rogers Director of Operations

Colin Neil Director of Finance

**In attendance**

Susan Douglas-Scott Board Chair

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

Gerard Gardiner Head of Corporate Governance and Board Secretary

**Apologies**

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

**Minutes**

Elaine Anderson Corporate Administrator

**1 Opening remarks**

**1.1 Chairs Introductory Remarks**

Stephen McAllister opened the meeting and thanked everyone for their attendance.

**2 Apologies**

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 were content to approve the Minutes of Meeting held on 16 November 2021.

**4.2 Action Log**

See separate Action Log.

**4.3 Matters Arising**

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

**5 Operational/Finance Performance Review**

**5.1a Operational Performance – Integrated Performance Report December 2021**

The Committee were presented with the Operational Performance position as at the end of December 2021.

June Rogers updated the Committee as follows:

**Ophthalmology:** 5,776 cataract procedures carried out against a plan of 7,120. When monitored against the revised RMP4 targets, 848 cataract procedures were carried out against a plan of 729 in November. Clinic sessions were converted to Theatre activity during November to reduce number of patients waiting over 84 days. This figure has reduced significantly and is expected to be on track by the end of January 2022. A new Optometrist commences employment in March 2022. An Ophthalmologist advert has generated 3 applicants for the Bank. Challenges for the service continue to be physical distancing and Consultant availability.

**Orthopaedic Surgery**: At the end of November 363 Orthopaedic procedures were carried out against a plan of 382. For the year to date a total of 3,138 Orthopaedic procedures had been carried out against a plan of 3,405. The shortfall was primarily due to staff availability to support all 5 laminar flow theatres every day. The focus continues to be on patients identified as urgent/long waits and revision surgery. 91 osteosarcoma procedures were carried out at end of November 2021. In Patient cancellations increased from 3.1% to 3.7% with cancellations mainly unavoidable at short notice. 33% of knee replacements were performed by robotic assisted surgery in November 2021.

Challenges for the Patient Coordination Centre have been identified. The Team are aware of this, with steps being taken to address identified staff shortages, including recruitment to two additional posts.

**Endoscopy:** Endoscopy is continuing to perform well against a challenging target. At the end of November 2021, 586 procedures had been carried out against a plan of 469. For the year to date a total of 3,906 procedures has been carried out against a plan of 3,627. Cancellation rates have increased slightly from 9.2% to 9.5%. General surgery cancellations increased from 9.4% in October 2021 to 11.1% in November 2021. An improvement plan has been developed and includes medical list vetting and calls to patients 48 hours prior to admission. Urgent General and Cancer surgery was ahead of the full year plan by 193 procedures at the end of November 2021 with 787 procedures carried out against a plan of 589.

**Colorectal Surgery**: June Rogers provided a further update from the last meeting and noted that patient referrals were being received from NHS Lothian, NHS Lanarkshire, NHS Grampian, NHS Highland, NHS Borders and NHS Tayside.

**Cardiac Surgery:** As at the end of November 2021, there had been an increase of the In Patient Waiting List. 32 available patients have had to wait over 12 weeks. This trend is likely to continue until staffing issues are resolved. Patients continue to be prioritised to ensure urgent patients are treated in a timely manner.

**Cardiology:** At the end of November 2021, 3,472 Cardiology procedures had been carried out against a plan of 3,737. The shortfall was due to the increased number of urgent patients resulting in the cancellation of elective lists. It was still proving to be increasingly challenging to staff weekend Cardiac Catheter laboratory lists, a challenge that has been compounded by some recent laboratory equipment breakdown.

NHS GJ has a growing number of long waiting lists, due to high urgent demand and activity that has displaced elective work. A gradual increase in referrals is expected as Cardiology clinics and diagnostic investigations improve, together with the continued trend of gradual increase in urgent referrals.

**Radiology:** The number of Scottish Adult Congenital Cardiac Service CT patients previously waiting in excess of 52 weeks has improved due to effective team performance, additional reporting and additional scanning sessions over the past few months. There was now no waiting time for these patients and this position is under continuous review.

The Scottish National Radiology Referral Service (SNRRS) has seen an increased number of Consultant Radiologists on the Bank. 99% of exams are reported as being performed within the targeted 7 day turnaround timescale. Cost avoidance increased by £1.6k (3%) due to the number of exams being reported.

Despite downtime for CT and MRI due to scanner faults, activity has continued to be delivered in line with RMP4. RMP4 activity numbers were revised to take account of over performance in CT. There will be continued focus to make up the slight backlog in activity with DEXA and MRI accumulated earlier in the year.

The Committee were advised of the continuing challenges with staff pressures, particularly within theatres and staff absences and vacancies across the clinical teams. Decisions to stand down theatre lists are being reviewed on a week-to-week basis.

NHS GJ continues to support NHS GGC with NSTEMI and no repatriation of Cardiology patents.

NHS GJ continues to reduce the pressure on beds in referring Health Boards. Approximately 742 bed days had been saved since September 2021, together with a reduction on Ambulance journeys. Approximately 145 journeys have been saved since September 2021. This is a conservative estimate.

The Committee were advised that on site staff testing had had a positive impact over the festive period with quicker turnaround times and out of hours testing carried out up to 8pm or later if required. The Patient Coordination Centre staff were working during the holiday period to manage cancellations and patient calls. There were a high number of patient cancellations. 18 Theatres and 5 Cath Labs in operation between Christmas and New Year and 16 Theatres and 5 Cath Labs operational in New Year week.

Susan Douglas-Scott extended her thanks to the teams involved for their tremendous efforts during the festive period.

The Committee noted the high rate of cancellations and the complexity of activity required on staff in the Patient Coordination Centre. June advised the Committee that she was in discussions with Peter Hastie and that a proposal will be put forward to the Executives next week.

The Committee approved the Operational Performance Update.

**5.1b Financial Performance – Integrated Performance Report December 2021**

The Committee were presented with the Month 8 position as at 31 December 2021. Month 8 noted a surplus of £0.388m for core revenue and income.

The Committee were advised that the efficiency savings target remained as previously reported, at slightly over £4m. The projected year-end position on non-core income and capital remains breakeven.

The Committee noted the projected year-end position for the Hotel remains at breakeven, with Colin Neil advising that business strategy activities programmed for the remainder of this financial year were anticipated to demonstrate improvements in revenue generation financial year.

The Committee were advised that income was £263k over recovered. The main contributor to this was within Cardiology and Thoracic Non-West of Scotland activity being above the original financial plan by £145k and £170k respectively.

The Committee noted the RRL position to current annual budget and this was included as a separate Appendix for reference and review by the Committee.

The Committee were advised that expenditure was £215k underspent with an underspend in salary costs being offset by a current pressure in non-pays.

The Committee noted the Financial Report – Integrated Performance Report December 2021.

**5.2 Capital Update**

The Committee were presented with the Capital Update. Colin Neil reported that the core capital allocation for the Board remained at £2.7m.

The baseline FBC funding associated with the elective centres was circa £32m. The Board had reviewed forecasts in year for Phase 2. The position had been discussed with Scottish Government capital colleagues regarding the likely contractual spend in the current year. It has now been agreed that spend for Phase 2 will reduce to circa £22m with the balance being re-profiled to the revised completion date for the project. The updated projections were being submitted to Scottish Government with the October 2021 return, as agreed.

The Committee were advised that the Board was successful in its bid submitted to the National Infrastructure Board for the replacement of an MRI scanner. This project will be completed over the first quarter of the calendar year and with a planned date for operation of the MRI scanner of 30 March 2022.

The Committee were advised that, at the request of Scottish Government, the capital plan had been updated with a request for an additional £1.245m to prioritise items beyond the baseline allocation. This incorporates £475m related to the Academy.

The Committee were advised that to date capital spend in the current financial year is c£4.6m and programmed spend in year is in line with the programme of activities in Estates and Medical Equipment (including MRI and Academy, IM&T, 60 items in hotel, and Phase 2).

Colin Neil advised the Committee that there was a scoping exercise on-going in relation to a potential heat-pump linking to the nearby Energy Centre being constructed by West Dunbartonshire Council. Colin Neil advised that additional potential capital funding had been identified to support possible linkage of this facility to NHSGJ. Colin Neil advised further updates would be available for the Committee as the project matures.

Karen Kelly made a general observation in that it was good to see strong levels of funding being made available to NHSGJ, but recommended discussions with Scottish Government to identify improvements that could be made to national strategic planning to assist the board in profiling its capital expenditure.

The Committee noted the Capital Update.

**6. Strategic Planning Update**

**6.1 Expansion Programme Update**

The Committee received the Expansion Programme Update and noted that significant progress had been made in reducing the overall number of open defects. A review had been carried out by HFS on water flushing and they have issued a number of comments/queries in relation to the system design, which have been issued to the PCSP for response. This issue remained a priority despite the instances of flushing being significantly reduced due to the drop in external temperature at this time of year.

The Committee were advised that Phase 2 was progressing in line with the project plan and to budget. Projected works in early calendar year 2022 include a new phase of breakthroughs in February. Colin Neil advised of the extensive stakeholder engagement activities contained in project plans.

Colin Neil advised the Committee would receive further updates on the dates of further Assurance Reviews, which were expected, and any actions emerging form those reviews.

The Committee noted the Expansion Programme Update.

**6.2 Activity and Financial Planning for 2022/23**

The Committee were presented with the Activity and Financial Planning for 2022/23.

Carole Anderson provided a short presentation and summarised below:

* NHSGJ’s Annual Delivery/Operational Plan is due for submission to the Scottish Government in July 2022;
* NHS GJ plan is to be developed covering activity, finance and workforce from 1 April 2022;
* The plan has an assumed duration of 1 year of activity – interim planning RMP3 and RMP4 have been impacted by Covid and supporting other Health Boards;
* Acknowledge existing challenges and dependencies – recruitment and access to Independent Sector capacity;
* Recognise uncertainty about impact of Omicron variant on NHS service delivery until March 2022 and beyond;
* 2022/23 Activity plan to be signed off within NHS GJ and issued to Scottish Government before the end of March 2022;
* Suggested submission to FPC 8 March and NHS GJ Board on 31 March 2022

**Integration of Activity, Finance and Workforce Planning**

* Divisional Plans are planned to be discussed with the Executive Team on 24 January 2022;
* Opportunity for further cross-divisional sessions to refine final activity profile by early February 2022;
* Detailed exploration of plans by finance and workforce leads to enable:
  + Activity planning fully aligned to recruitment programmes
  + Financial analysis integrated within next financial plan.

**Planning Approach**

* Early planning by Divisional Directors and their Teams initiated December 2021
* Initial workshop sessions held with both Divisional triumvirate teams to explore activity planning assumptions
* Development and testing of new standardised activity and capacity modelling approach to support analysis and visualisation across specialties

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| **Action No.** | **Action** | **Action by** | **Status** |
| FPC110122/01 | Action Plan to come back to next Committee | CN/CA | New |

The Committee noted the Activity and Financial Planning for 2022/23 presentation and looked forward to seeing this progress throughout the year.

**6.3 Risk Register**

The Committee were presented with the Risk Register and asked to review Risks F8, O9, S10, S11, S17 and S20 that are aligned to the Committee. Mitigations have been updated and there are no changes to the level of risk proposed. One aspect, as outlined in the paper, is that Risk S12 EU Withdrawal was removed from the Risk Register.

Jann Gardner highlighted IT Risk and noted that this would be reviewed through the Audit and Risk Committee. The Committee supported this approach.

The Committee noted and approved the recommendations for the Risk Register.

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| **Action No.** | **Action** | **Action by** | **Status** |
| FPC110122/02  FPC110122/03 | Risk S12 EU Withdrawal to be removed from the Risk Register. To be presented to ARC and then to Board to have formally approved.  Committee recommended that a “Deep-Dive” on Cyber Security be progressed through Audit and Risk Committee. | CN  CN | New  New |

**6.4 RMP4 Sign Off Letter**

Colin Neil presented the RMP4 Sign Off Letter for recommendation to be submitted to the next NHS GJ Board meeting for approval.

Carole Anderson noted that the letter was not attached to the papers but would be circulated to the Committee for completeness.

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| **Action No.** | **Action** | **Action by** | **Status** |
| FPC110122/04 | FPC noted the letter and recommended for it to be presented to the Board for approval. | CN | New |

The Committee noted and approved the RMP4 Sign Off Letter.

**6.5 Update on Deep Dives:**

1. Medical Staff Review

The Committee were presented with an update on the Medical Staff Review. Colin Neil noted that the pay position had remained the same throughout the year. Colin Neil added that the Executive Directors are doing a review across each of the areas by service and initial drafts had been completed and a series of presentations were made to the Executive Team before Christmas. These drafts looked at, among other aspects of service planning, proposals for capital investment at team level. Colin Neil further added that there had been an emphasis on a sustainable model moving forward with waiting lists initiatives and active formal staffing within the portfolio. Colin Neil also advised that Mark MacGregor had organised individual meetings and was looking to complete these by the end of the financial year. There was some further work to be carried out and a more informed review will be brought back to the Committee.

Jann Gardner thanked Colin Neil for the update and noted that it was a positive start, noting the importance of on-going service plan bed utilisation and theatre utilisation.

1. Savings position

Colin Neil reminded the Committee that the original forecast at the out-set of the financial year included a £2m gap between identified savings and the target for NHSGJ. The gap reduced to £1.535m at the submission of RMP4 to the Scottish Government. A further review of Financial Year End (FYE) of Savings scheme was undertaken in November 2021. The projected year-end position has seen an incremental month on month improvement, albeit the larger element identified remained non-recurring. The current in year position could be managed in cash terms, given achievement to date, RMP funding assumptions and current projections.

Colin Neil shared the savings update position at Month 8 advising that the gap was now down to £1,343k, one third of the overall target. Recurring Savings identified to date are £751k, however work is underway to attempt to achieve a 50/50 balance between one-off and recurring savings by financial year end. The projected figure for carried forward savings is £2,815k, where historically this figure was about £1m. Colin Neil advised this would factor into his assessment of overall financial risk. Further mitigations are under review and it was anticipated that an update would be available to the Committee prior to the financial year- end.

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| **Action No.** | **Action** | **Action by** | **Status** |
| FPC110122/05 | Committee to receive report on further service plan presentations to the Executive Directors Group | CN | New |

The Committee noted the Deep Dive updates.

**7. Issues for Update**

**7.1 Update to the Board**

* The Committee are aware of the continued challenging operating environment for NHS Golden Jubilee.
* The Committee noted that NHS Golden Jubilee is performing well against RMP4 in terms of Elective Services and Financial performance.
* The Committee noted the high rate of cancellations and the complexity of activity required of staff in the patient co-ordination centre. The Committee confirmed that they will support proposals to alleviate pressures.
* The Committee accepted removal of S12 to the Risk Register. The Committee recommended that a deeper dive on Cyber Security be considered by the Audit & Risk Committee.
* The Committee approved the RMP4 Sign-Off Letter and recommended it be sent to the next available meeting of the NHS Golden Jubilee Board for noting.
* The Committee noted updates on medical supplies, the contribution that increased costs of these supplies were having to the ability of the achievement of efficiency savings. The Committee noted the ambition to achieve a greater proportion of the efficiency savings target by year-end, with a specific ambition to achieve a 50/50 balance between one-off and recurring savings.

**8. Any Other Competent Business**

There was no other competent business to discuss.

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

Tuesday 8 March 2022 at 10.00 – 12.30pm.