**Approved minutes**

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

**Date: 6 September 2022**

**Venue: MS Teams Meeting**

**Members**

Stephen McAllister Non-Executive Director *(Chair)*

Rob Moore Non-Executive Director

Professor Jann Gardner Chief Executive

Jane Christie-Flight Employee Director

Lynne Ayton Interim Director of Operations

Graham Stewart Interim Director of Finance

Linda Semple Non-Executive Director

Mark MacGregor Medical Director

Gareth Adkins Executive Director of Quality, Innovation & People

Steven Wallace Non-Executive Director

**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

Katie Bryant Head of Clinical Governance

**Apologies**

Anne Marie Cavanagh Director of Nursing and AHPs

Karen Kelly Non-Executive Director

**Observing**

Michael Breen Incoming Director of Finance

**Minutes**

Maeve Coleman Corporate Administrator

**1 Opening remarks**

**1.1 Chairs Introductory Remarks**

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

Stephen welcomed Graham Stewart, Interim Director of Finance and Steven Wallace, Non-Executive Director to their first Finance & Performance Committee meeting and Michael Breen who will be taking up the position of Director of Finance on 31 October 2022.

**2 Well-being Pause**

The Chair welcomed the opportunity for colleagues to informally discuss their personal wellbeing.

**3 Apologies**

The apologies were noted as above.

**4 Declarations of Interest**

Steven Wallace, Non-Executive Director, declared his interest as Chief Finance Officer, University of Strathclyde.

Previous standing declarations of interest were noted.

**5 Updates from last meeting**

**5.1 Unapproved Minutes**

Accepted as true record of that meeting.

**5.2 Action Log**

The action log was reviewed. Action FPC/220111/05 was noted as having a completion date in November. FPC/220503/01 and FPC/220503/02 were to be discussed during the meeting and were therefore closed.

**5.3 Matters Arising**

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

**6 Operational/Finance Performance Review**

**6.1a Operational Performance – Integrated Performance Report July 2022**

Lynne Ayton provided a presentation on the Operational Performance position.

The Committee were briefed on the detail of the Scottish Government’s Planned Care Initiative which was announced in July. NHS GJUNH had been requested to increase activity to support NHS Scotland’s Planned Care Accelerated Recovery Plan and the divisions had been working through initiatives to support this. These new activity targets were incorporated in the Revised Annual Delivery Plan (ADP).

Overall activity at end of July was noted at 7% behind the revised ADP target but this had improved to 4% behind revised ADP target at end of August. The year to date figures for Ophthalmology, Orthopedic Surgery, Endoscopy, General/Colorectal Surgery, Cardiac Surgery, Thoracic Surgery, Cardiology and Radiology were noted.

In Ophthalmology, 921 cataract procedures were carried out against an original plan of 901, which was 3% behind revised ADP target. There had been some success with collaborative working with other Health Boards supporting provision of Ophthalmologists to support use of 12 staffed theatres. Outpatient clinic activity improved with capacity increasing and this was supporting the increasing number of patients on waiting lists. There had been a further reduction in inpatient cancellation rate which was 2.2% with ongoing quality improvement work in this area (target was 3%). The clinical team are working towards securing 8 cataracts per list to achieve new ADP targets and NHS GJUNH colleagues recently visited NHS Tayside for a benchmarking exercise to support this.

In Orthopedics, a total of 372 procedures were carried out in July against a plan of 411 with activity behind revised ADP target by 7%. Activity had reduced due to workforce challenges , principally annual leave and vacancies. The cancellation rate was at 4% against a target of 3%. Successes noted included an increase of 4% in the number of 4 joint sessions from June to 53% in July, 33% of knee replacements performed using Robotic assisted surgery against a target of 26% and 3 Orthopaedic consultants successfully recruited in readiness for Phase 2.

Performance in Endoscopy continued well despite a challenging target, a total of 628 procedures were carried out in July against a plan of 490 which was 1% behind revised ADP target. The cancellation rate continues to decrease, the rate in July was 6.5% down from 8.5% in June. It was noted patient Did Not Attend (DNA) was the most common reason for cancellations and this was most likely related to Covid issues. The Committee were advised recruitment for Phase 2 opening was going well but there had been an ongoing reliance on agency and overtime to ensure sessions are staffed.

A total of 87 procedures were carried out in July which was 11% over performance of original activity target but was behind on revised ADP target. General Surgery cancellations increased to 13.5% in July from 12.7% with improvement work continuing to provide focus on this.

Cardiac Surgery activity continues to perform well and was 1% ahead of revised ADP target at end of August. Same day cancellation rate for Cardiac Surgery remains high as a result of critical care staffing and displacement of elective patients. This was a Divisional priority with improvement works underway including: (i) a redesign of Critical Care; (ii) successful recruitment campaigns and (iii) reinvigoration of the enhanced recovery programme (ERAS). On 5th September a total of 21 transplants had been completed which had exceeded planned activity target. The Committee noted a Business Case was being considered by National Services Division to consider additional substantive funding for this service.

The Committee were advised activity in Thoracic Surgery delivered 371 procedures against Scottish Government target of 395, 6% behind target but with no patients waiting over 12 weeks. There had been a small increase in cancellations due to lack of operating time and a review of this issue had been planned. There had been quality improvement focus on both DOSA and ERAS.

There had been a sustained reduction in STEMI activity which was in line with rest of UK. Activity was noted as having improved, currently at 2% behind YTD plan at end of August. Challenges continue with repatriation of patients and regular meetings with colleagues in Scottish Government and relevant Health Boards had been taking place to support Winter Planning. Nurse led sedation was due to commence in September and it was noted this would reduce impact on demand for the Anesthetic services.

July activity remains behind YTD target in Radiology due to significant workforce challenges. These challenges include short and long term sickness and maternity leave. Also, the number of radiologists available continues to present challenges across NHS Scotland. The Committee noted Scottish Government had approved funding to progress the Ultrasound Academy in collaboration with NHSS Academy which was welcomed.

Performance for July in the Hotel and Conference Centre was over target by 15.8% and continued to exceed expectations. Bookings had exceeded the overall UK market average by 3% and there had been a number of conferences held in July for key businesses including University of Glasgow. There had been a number of vacancies across the hotel’s senior team and a review of that existing structure was underway to seek opportunities for improvement.

The Committee thanked Lynne Ayton for her presentation.

The Chair noted concern in relation to the cancellation rate in Cardiac surgery and the impact this had on patients and families. Lynne Ayton advised that the service are working on this as a priority. Clinical Schedulers had started assessing patients at patient’s Boards to ensure appropriate referrals. Effective communication with patients and their families at all stages on the risks involved was standard protocol. Jann Gardner gave assurance that the Executive Team had been aware of the problems cancellations caused in this service and were actively supporting the service particularly with managing expectations. Jann Gardner confirmed to the Committee that improvement in the rate of on the day cancellations, in particular, was a focus of attention at Executive level.

The Committee approved the Operational Performance Update.

**6.2 Financial Performance – Integrated Performance Report July 2022**

Graham Stewart presented the Month 04 financial positon as at 31 July 2022. Month 04 noted a surplus of £72k for core revenue and income. These figures would be subject to year-end audit. The Efficiency Savings target was noted as £4.5m and the total identified to date was £1.8m, with an initial estimation of schemes amounting to c£0.45m to follow. This leaves a potential shortfall of £2.4m. The non-core and Capital position were noted as breakeven.

The income received year to date had been above plan by £325k which relates to over performance across other Non-WoS Cardiology Income SLAs and the Centre for Sustainable Delivery (CfSD) workforce invoiced.

Expenditure as at 31 July 2022 was £253k overspent made up of; Pays underspend of £849k overall, with pressures within this of £330k in Medical Pays. Non-Pays were £1.1m overspent YTD; of which £849k within CS&R&S relating to unachieved efficiency savings target and Surgical Supplies pressures of £335k.

Graham Stewart informed the Committee that £2.3m in Efficiency Savings had been identified against the £4.59m target, these included a high number of non-recurring savings. Efficiency meetings continue with finance colleagues and each clinical lead and service team to identify further areas for sustainable solutions.

Graham Stewart concluded the presentation advising the Board was reporting a surplus position of £72k Core, on a year to date budget of c£60k and 2021/22 Capital Resource Limit position was break-even. Graham Stewart noted good progress had been made in relation to the efficiency savings with identification of £1.8m to date and a further £0.45m of pipeline efficiencies to follow.

Steven Wallace raised a query regarding management of increasing costs of utilities. Graham Stewart confirmed there had been benefits in others areas achieved which helped to offset increases in this area.

Stephen McAllister enquired about the impact the delay with the final Allocation Letter had on services. Graham Stewart advised NHS GJUNH planned ahead using baseline allocation and planned for uplift as required when final Allocation was received. Jann Gardner assured the Committee that although the delay with the Allocation letter had been incredibly challenging the hospital’s activity planning allowed a certain level of flexibility that avoided putting the Board at risk.

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

**6.3 GJRI Quarterly Report April 2022-June 2022**

Mark MacGregor, Medical Director and Catherine Sinclair, Head of Research joined the meeting and briefed the Committee on recent progress within the Research Institute. The following salient points were noted;

* Recovery of research activity remains strong post pandemic with 52 studies currently established,
* Pre-Covid levels of income are expected by end of year,
* Investment had been awarded which would support a total of 5 additional PAs,
* A review of the team structure was planned to optimise efficiencies with the approvals process,
* Staffing levels are optimal and regular PRG meetings with finance colleagues support efficiencies.

Jane Christie Flight enquired about the utilisation and appropriateness of the motion analysis laboratory given it had been set up a number of years ago and space was at a minimum over the site. Mark MacGregor advised the laboratory was effectively shut down throughout the pandemic and the equipment (digital) most likely needed updating. Mark agreed it was a good time to assess the use of this resource and ensure it is optimized.

The Committee approved the Research Institute Performance Report.

**6.4 Capital Update**

Graham Stewart reported that the Board Capital Plan for 2022/23 had been agreed by the Capital Group and approved by the Scottish Government. The Committee noted the main capital expenditure incurred YTD related to the development of Phase 2, this included additional unexpected costs of £4.1m over 2 financial years for a Water Source Heat Pump.

 The Committee approved the Capital Update.

**6.5 NHSSA Financial Update**

Graham Stewart briefed the committee on the NHS Scotland Academy Month 4 Finance Summary. The total funding expectation for 2022/23 had been set out as £4.61m, with a further capital allocation now confirmed at £1.86m. Some allocations remain outstanding but meetings with the SG finance team indicate the bids received would be finalised later in the year. The Director of the Academy and his support team continue to progress programmes for NES and the Golden Jubilee.

 The Committee approved the NHSSA Financial Update.

**6.6 CfSD Financial Update**

Graham Stewart advised the Committee that the final financial allocation had not been confirmed but SG Finance and Policy teams had provided assurance that progress with work plans identified to date, can proceed. Recruitment to posts for GreenTheatres project was progressing with funding agreed for 22/23 and 23/24. The CfSD financial position was on-track with current expectations of a breakeven position.

 The Committee approved the CfSD Financial Update.

**7 Strategic Planning Update**

**7.1 Expansion Programme Update**

Susan McLaughlin, Clinical Programme Manager joined the meeting and provided the Committee with an update. The following points were highlighted;

Phase 1 Eye Centre

* Phase 1 was complete and had been operational since November 2020,
* Ongoing defects had to be addressed before the aftercare period with Kier finishes in November this year while minimizing any impact on patient activity.

Phase 2 Surgical Centre

* Works continue on site with expected programme handover at the end of June 2023,
* NHS Assure Stage 4 Construction Review had been concluded and an initial report had been issued to NHS GJ and PSCP for review and comment,
* Breakthroughs to the existing building were progressing with daily staff meetings to keep staff updated and to minimise disruption,
* Refurbishments of the Orthopaedic Outpatient department, Theatre Admin area and PACU and Theatre refurbishment are all progressing at different stages.

Stephen McAlister thanked Susan McLaughlin for her presentation and noted the Committee appreciation for being kept up to date with developments.

 The Committee approved the Expansion Programme Update.

**7.2 Cardiology Recovery Plan**

Lynne Ayton introduced Martin Dawes, Clinical Service Manager and Alex McGuire, Interim Director HLD who joined the meeting for this item. This briefing was requested by the Committee at its meeting in May 2022.

Martin Dawes shared a presentation and updated the Committee on the Cardiology Recovery Plan. The following points were noted;

Coronary Service:

* The Coronary Service was the highest volume service in cardiology with a waiting list of 518 patients waiting an average time of 5 weeks,
* Activity for urgent and elective patients was 2.6% below plan at end of Month 4 and 15% behind plan for emergency patients. The main reason for this shortfall in activity was change in profile of demand, in respect of urgent and routine patients.
* Recovery opportunities identified and commenced include; identifying Cath Lab efficiencies and vetting of referrals. Other opportunities planned include: 6/7 weekend working and use of a mobile lab, currently pending approval / funding.

Structural Heart - Transcatheter aortic valve implantation (TAVI)

* Demand for this service had grown substantially over the last 4 years with 95 patients on the waiting list.
* Efforts to address this demand led to an increase in activity for the first 4 months of 42% above plan,
* Recovery opportunities identified include exploring opportunities to lower costs, improvements and efficiencies. A service expansion had been considered to uplift the 22/23 activity plan, this is awaiting approval / funding.

Electrophysiology (EP) and Devices

* This service holds greatest risk with compliance of ADP targets,
* There are 32 patients waiting more than one year with average wait of 26 weeks,
* There was a growing demand for this service, with an increase of 40% this year compared to last,
* Recovery opportunities include Cath Lab efficiencies and an extended working day for EP,
* Other opportunities being explored are use of a mobile lab, device repatriation and general anesthetic requirement.

Jane Christie-Flight and Stephen McAllister noted concern regarding the waiting times for EP patients. Lynne Ayton advised there had been engagement with West of Scotland Regional Strategy for funding which would be required to increase capacity. Other NHSS Boards had similar waiting times for this service and sharing the use of a mobile lab with other Boards was now being explored. Jann Gardner noted the purpose of today’s presentation had been to assure the Committee that the team had being pro-active in a very difficult landscape and that while the Strategy received Board approval there were challenges to delivery, including in regard to funding. Jann Gardner assured the Board that the matter is receiving Executive attention.

The Committee noted the Cardiology Recovery Plan.

**7.3 Annual Delivery Plan 2022/23 & Financial Plan 2022/23**

Graham Stewart advised the Committee that the revised Annual Delivery Plan (ADP) sets out NHS GJ’s priorities and delivery objectives for 2022/2023 and was aligned with the Board’s 3 year Financial Plan and Workforce.

Carole Anderson gave a presentation to the Committee highlighting the key elements of the ADP;

* The ADP was currently draft and had yet to be approved by Scottish Government,
* The key points of the ADP include; Recovery and protection of planned care, urgent and unscheduled care, staff wellbeing, recruitment and retention and supporting and improving social care
* The ADP also includes the Board’s priorities in relation to Health Inequalities, Diversity and Inclusion, CfSD, NHSS Academy and the Golden Jubilee Conference Hotel,
* The ADP includes the plan to open Phase 2 expansion earlier than planned with completion date now scheduled for end of June 2023 with commissioning thereafter,
* Elements of the additional activity identified would require funding which had not been confirmed yet,
* A number of Planned Care Initiative proposals had been developed and submitted to SG for approval and funding.

Gareth Adkins thanked Carole Anderson for her presentation and hoped the detail was useful to the Committee. Gareth Adkins also emphasized the ADP has had Board approval and had been submitted to Scottish Government, the Committee would be kept up to date as necessary.

Susan Douglas Scott enquired when a response from SG can be expected. Graham Stewart advised he had met with SG colleagues and was advised that a response was imminent with formal discussions expected before the end of September 2022.

Graham Stewart presented a brief to the Committee on the Financial Plan.

The Committee were reminded this was a Revised Financial Plan which was formally submitted on 4 August 2022. The Revised plan was based on assumption that any final pay offer would be funded in full and it also took into account the uplift in energy costs. Graham Stewart confirmed the level of Covid-19 funding to GJNUH had been clarified at 15% lower than originally anticipated. The Waiting Time Improvement initiates had been signed off at £5.3m with a further £0.874m to be confirmed. SG requested a series of assumptions were included in the revised submission and it was noted to the Committee that any movement on 2% baseline funding would significantly increase the financial challenge to the Board.

Graham Stewart concluded his presentation to the Committee with an Income and Expenditure summary. A gap of £4.6m remains largely due to pay uplift gap, supplies and drug cost inflation, Band 2 to 3 review, energy costs and developments.

Steven Wallace thanked Graham Stewart for his presentation and report.

The Committee noted the Annual Delivery Plan 2022/23 & Financial Plan 2022/23.

**8 Corporate Governance**

**8.1 Risk Register**

Graham Stewart briefed the Committee on the Board Corporate Risk Register noting the newly redesigned register had now been through a full cycle of Board meetings.

Graham Stewart advised the Committee of the following notable risks;

* LIMS – this had now been subject to mitigatory measures, leading to reduction in the reported risk score.
* International Recruitment accommodation – securing accommodation had been difficult and may contribute to difficulties in achieving the Board’s ambitions as regards international recruitment. Accommodation can be provide for cohorts 1 and 2 in the hotel if necessary but this resource would not be able to support cohort 3. Discussions are ongoing with local housing associations to resolve this issue.

The Committee noted the Board Corporate Risk Register.

**9 Issues for Update**

**9.1 Update to the Board**

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

* Generally, overall performance was good achieving the original targets and on many occasions reaching some of the new revised activity targets.
* The organisation was currently coping with Scottish Government’s recent Planned Care Initiatives but accepts this may present challenges in future.
* The number of transplants complete to date was 21, the committee noted this was an outstanding performance in this area.
* The committee noted there are very good initiatives in place like the Nurse Led Sedation Programme, this would be helpful to the anaesthetic service and provision.
* The Committee noted the Research Institute was continuing to recover post pandemic with work ongoing to maximise activity and revenue.
* The Committee noted ongoing challenges in Radiology and Cardiology in terms of workforce and finance.
* The Committee noted developments with Phase 2 and preparations for Day 1 Phase 2 with various state of readiness groups gaining momentum.
* The Committee were advised of the financial position at month 4. Identified Efficiency Savings were noted at £1.8m with £2.8m to be found.
* The Committee noted the update on the development of an Annual Delivery Plan, noting that this would sit alongside three year financial and workforce plans. Committee Noted this was awaiting formal approval from SG.
* The Committee noted the redesigned Risk Register had been through a complete Board cycle and noted the updates provided on the Risk Register

**10 Any Other Competent Business**

**11 Date and Time of Next Meeting**

 Tuesday 1 November 2022, 10:00 – 12:30