# **Approved minutes**

**Finance and Performance Committee**

**Thursday 11 May 2023, 10:00 hrs**

**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 (from 10:30hrs)

**Core Members**

Gordon James Chief Executive

Carolynne O’Connor Director of Operations and Deputy Chief Executive

Michael Breen Director of Finance

Gareth Adkins Director of Strategy, Planning and Performance

**In Attendance**

Susan Douglas-Scott CBE Board Chair

Anne Marie Cavanagh Director of Nursing and AHPs

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

Graham Stewart Deputy Finance Director

Nicki Hamer Head of Corporate Governance and Board Secretary

**Apologies**

Rob Moore Non-Executive Director

Steven Wallace Non-Executive Director

Mark MacGregor Medical Director

Jane Christie-Flight Employee Director

**Minutes**

Tracey Wark PA to Chief Executive Office

1. **Opening Remarks**

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

Stephen McAllister 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 Meetings on 7 and 16 March 2023**

**2.1 Unapproved Minutes**

Minutes from the meeting held on 7 March 2023 were approved as an accurate record.

Minutes from the Extraordinary Finance and Performance Committee (Private) held on 16 March 2023 were approved as an accurate record, within a separate private section of the Finance and Performance Committee.

**2.2 Action Log**

The action log was reviewed and updated accordingly.

**2.3 Matters Arising**

There were no matters arising.

**3 Operational/Finance Performance Review**

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

Carolynne O’Connor provided a detailed presentation on the Operational Performance position and the salient points highlighted were:

* Ophthalmology: A total of 1,064 cataract procedures were carried out against an original plan of 1,047 in March 2023. At the end of the 2022/23 financial year Ophthalmology finished ahead of the full year target by 44 procedures (11,109 procedures against a plan of 11,065). Improvement work continued with the Ophthalmology team to secure 8 cataracts/list to improve theatre utilisation, with some now moving to 9.
* Orthopaedic Surgery: A total of 484 orthopaedic procedures were carried out against a plan of 498; behind in arthroplasty and soft tissue knee procedures but ahead in Foot and Ankle and Hand and Wrist surgery. DOSA rate was 52.1% against a target of 55%, impacted by the complexity of long wait patients. Four joints/session decreased to 22% - March was a challenging month due to delays in referrals for 2023/24 being received. Overall waiting time surgery had reduced to 4 months with the aim of treating patients within the 12 week Treatment Time Guarantee by June 2023. Agreement was made with Scottish Government to implement a See and Treat Model.
* Endoscopy: A total of 752 scopes were carried out in March against a plan of 521. The year-end position was ahead of full year target by 1,415 procedures (7,155 against a plan of 5,740). The Vanguard contract was extended until March 2024 and would increase capacity by circa 2,700 procedures from June 2023 to March 2024.
* General/Colorectal: 95 procedures were carried out in March against a monthly target of 123. The year-end position was 25 procedures ahead (1,184 procedures against a plan of 1,159). An agreement with Scottish Government that NHS GJ would support NHS Lothian complex hernia work to reduce their waiting times. Cancellations had increased to 11.3% mainly due to patients not fit or procedure not required.
* Heart Lung and Diagnostics: Year-end position was 3% over plan, largely achieved through over activity in cardiac surgery and TAVI. Radiology overachieved in all modalities except MRI, with year-end position 6% over target.
* Cardiac Surgery: activity continued to perform ahead of plan by 24%.
* Scottish National Advanced Heart Failure Service (SNAHFS): Transplant total was 40 at year end 2022/2023. Work continued with NSD colleagues to increase the funding profile to support additional work.
* Thoracic Surgery: Inpatient waiting list achieved 31 day target. No patients were waiting over 12 weeks. Cumulatively 2% (25 procedures) under target.
* Interventional Cardiology: Coronary – elective/urgent activity was 3% below plan. Slow increase in activity through Cath Lab as improvement work commenced. Referral rates remained stable. Winter Plan – additional beds were opened to support West of Scotland bed pressures during the winter months. Improved referral to transfer and referral to procedures times for patients on 72hr NSTEMI pathway.
* Radiology – Year activity was 6% ahead of target. The Radiology Strategic Development Plan was established and progressed. Awarded Top Team at the ‘Our People’ Awards. A Clinical Director was appointed. Reporting capacity across Scotland continued to be a significant challenge and NHS GJ now hosted the SNRRS within core services. There was a 25% increase in reporters with a cost avoidance of £750k last year for NHS Boards.

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

The Committee noted the high activity levels and the ongoing workforce challenges which continued to be monitored as part of Phase 2 Expansion.

The Committee welcomed the ongoing improvement work and the agreement made with Scottish Government to implement a See and Treat Model within Orthopaedic Surgery.

The Committee approved the Operational Performance Report.

**3.2 Year End Activity Report 2022/23**

Carole Anderson presented the Year End Activity Report 2022/23 to the Committee for discussion against the NHS Golden Jubilee Activity Plan for 2022/23 as agreed within the Annual Delivery Plan 2022/23.

 The Committee discussed the content of the report and noted NHS GJ finished the year 2022/23 at over 5% ahead of the Annual Activity Plan.

 The Committee discussed the Year End Activity Report 2022/23.

**3.3 Quarter 4 Delivery Planning Templates**

Gareth Adkins updated Members that the Quarter 4 Delivery Planning Templates had been submitted to Scottish Government on 28 April 2023, following approval and sign-off by the Executive Leadership Team, subject to Board approval.

 The Committee was provided with an overview of the submission and noted that TAVI was reassigned a red RAG status indicator following an administration error in the Q3 reporting cycle. Assurance was given that updates were submitted to Scottish Government following investigation to determine the true position.

 The Committee approved the Quarter 4 Delivery Planning Templates.

**3.4 Annual Review of Key Performance Indications for IPR**

The Committee discussed the plans to develop improved presentation of the performance data. Ongoing development and improvement of KPIs and reporting would be directed by the Confirm and Challenge Group.

 The Committee discussed the Annual Review of the Key Performance Indicators for IPR.

**3.5 Summary Financial Report as at March 2023**

 Michael Breen reported the Month 12 Year End financial position, highlighting the key points:

* The draft final year end Core Revenue position as at the end of March 2022/23 was a surplus of £39k in line with the planned breakeven position identified within the 2022/23 Financial Plan, subject to review by external audit.
* Delivery on income of £2.598m offset the overspend on expenditure of £2.559m to provide a £39k net positive variance.
* Non-core break even position was delivered.
* Core Capital planning level was met and exceeded with additional Scottish Government funding agreed.
* Income was £2.598m above plan.
* Core Funding received of £132.973m, with final allocations due in Month 13 of (£6.555m) with an adjustment of Core to Non-core for depreciation.
* Core RRL of £126.418m anticipated.
* Pay costs of £1,387k favourable and adverse Non Pay costs (£3,945k) were reported.

 **2022/23 Financial Position including Efficiencies**

The Committee was informed the Financial Plan assumed £4.590m of in-year efficiency savings. Efficiencies of £3.011m (FYE) were identified in Month 12 and the current balance of £1.579m was offset with general income over performance and reserve position.

The Committee was advised that Graham Stewart, Deputy Director of Finance, would continue to explore mitigations to determine further non recurring efficiencies for next financial year. However, it was critically important that recurring efficiencies are delivered through a structured approach in 2023/24 and beyond to meet the expected budget gaps identified within the 3 year Financial Plan.

The Committee noted the 2022/23 Financial Position including Efficiencies.

The Committee approved the Summary Financial Report as at 31 March 223 (Month 12), subject to external audit review.

**3.6 Capital Expenditure Update – March 2023**

 Michael Breen presented the Month 12 Capital Expenditure Update.

The Committee was informed that the unaudited outturn for capital expenditure in 2022/23 was £33.328m. Final Phase 2 expenditure at year end was £21.543m as agreed with Scottish Government. Phase 2 expenditure for 2022/23 was less than anticipated at November 2022. However, full project funding as agreed remained for lockdown.

The Committee noted the Capital Expenditure Update for March 2023.

**3.7 Golden Jubilee Research Institute (GJRI) Performance Report April 2023**

 Michael Breen invited Catherine Sinclair to provide an update on the Golden Jubilee Research Institute (GJRI) for April 2023.

Catherine Sinclair reported the primary focus remained on recovery of research activity, to grow beyond previous activity levels and advised the KPIs for 2023/24 would reflect that ambition.

Catherine Sinclair highlighted the following:

* Income per KPI actuals vs target for the year
* Drivers for change included 5 additional KPIs to reflect the CSO outcome measures
* Strategic intention to increase the number of sponsored projects
* Established provision for multisite project management
* Established reporting of Motion Analysis Lab.

The Committee thanked Catherine Sinclair for her update and noted the GJRI Performance Report April 2023.

**4. Strategic Planning Update**

**4.1 Expansion Build Programme Update**

John Scott presented an update on the Expansion Build Programme.

The Committee was advised that the revised handover date would be 7 September 2023 with the first patient on 1 December 2023, following a 12 week NHS commissioning period.

John Scott advised that weekly review meetings would continue with Kier, Aecom and the Expansion Team to monitor activity levels and ensure progress continued on the build programme.

The building work continued to progress to programme across levels 1, 2 and 3. External works to the west of the building had progressed and external signage steelwork was being installed. The existing stairs on Stair 11 had been removed and the steelwork was near completion. External landscaping had been completed.

John Scott provided an overview of issues affecting the programme including additional works in CSPD and EDU.

The Committee was informed of progress on WTO’s related to internal refurbishment together with a detailed timeline for their completion.

The Committee noted the challenges and complications of the expansion programme and commended the progress to date.

The Committee noted the Expansion Build Programme Update.

**4.2 Annual Delivery Plan Update**

Carole Anderson presented the key themes and provided an overview of the Annual Delivery Plan (ADP) Update 2023/24.

The ADP would be submitted to Board for approval on 25 May 2023 prior to submission to Scottish Government on 8 June 2023.

The Committee discussed and noted the Annual Delivery Plan Update.

**4.3 Financial Three Year Plan 2023-26**

* **2023/24 Financial Plan Update**

Michael Breen updated the Committee that the Annual Delivery Plan was being finalised and the Financial Three Year Plan 2023-26 would be presented in detail at the July meeting.

* **2023/24 Value and Sustainability**

The Committee was presented with an update on 2023/24 Value and Sustainability with the portfolio outlined for quality, performance and financial improvement. Michael Breen highlighted a deep dive would be undertaken on Heart, Lung and Diagnostics Division (HLD) during the year. This would be a comprehensive review of service models to inform updated Service Level Agreements and our local Value and Sustainability programme.

Resources will be required from the Financial Team, Procurement Team, Planning, Performance and QI Team, with a flexible operational and clinical budget to ensure programmes were effectively managed.

The Committee welcomed the proposed foundations, infrastructure and methodology for the reviews.

The Committee noted the Financial Three Year Plan 2023-26 and the 2023/24 Value and Sustainability Portfolio Update.

**4.4 2023/24 to 2027/28 Capital Plan**

Michael Breen thanked the Committee for the opportunity to provide an overview of the five year Capital Plan.

The Committee was informed that the five year Capital Plan took account of guidance issued by Scottish Government regarding capital funding and the requirement to submit within the plan additional funding required above the formal capital allocation to NHS Golden Jubilee. A detailed overview of the categories and funding requirements noted within the plan was provided.

The Committee noted the 2023/24 to 2027/28 Capital Plan.

**4.5 Annual Climate Change and Sustainability Report**

Gareth Adkins presented the first NHS Golden Jubilee Annual Climate Change and Sustainability Report for 2021/22.

The Committee was advised that the report required to be submitted to Scottish Government using a prescribed template with input from Callum Blackburn.

Gareth Adkins commended John Scott’s involvement in this work.

Of particular reference was the ongoing considerable growth of NHS Golden Jubilee and the effect on the climate.

The Committee approved the Annual Climate Change and Sustainability Report.

**4.6 NHS GJ Draft Sustainability Strategic Action Plan**

The Committee was assured that a Strategic Group had been established and would progress strategic plans on climate change and sustainability to replicate the national strategy.

The Committee noted the NHS GJ Draft Sustainability Strategic Action Plan.

**5. Corporate Governance**

**5.1 Strategic Risk Register – May 2023**

Katie Bryant presented the Strategic Risk Register at May 2023.

The Committee was advised that the structure of the Risk Register had been updated and would report clinical and corporate risks in future. There were 6 risks within the remit of the Finance and Performance Committee but there was no significant change to the risk rating or detail since the previous reporting period.

 The Committee approved the Strategic Risk Register – May 2023.

**5.2 Finance and Performance Committee Annual Report (2022/23)**

Nicki Hamer highlighted the Finance and Performance Committee Annual Report 2022/23 and explained that all Governance Committees were required to provide an Annual Report to the NHS Golden Jubilee Board on their activities and to demonstrate to the Board that their duties had been fulfilled in line with their approved Terms of Reference.

The Committee approved the Finance and Performance Committee Annual Report (2022/23).

**6. Issues for Update**

**6.1 Update to the Board**

* The Committee commended the excellent overall operational annual performance at March 2023 and the detail of the Annual Review. The variances were discussed and accepted. Assurance was given that a high level of scrutiny would continue to ensure shortfalls were limited.
* The Committee noted the plans to develop improved presentation of performance data. Ongoing development and improvement of KPIs and reporting would be directed by the Confirm and Challenge Group.
* The Committee commended the financial position at Year-End and noted the non-recurring efficiencies which would be included as recurring expenditure in future.
* The Committee was pleased to note that Research and Development continued to return to pre-Covid times and meeting the income streams.
* The Committee welcomed the updated reporting format of the Strategic Risk Register which included corporate and clinical risks. There were no changes to the risk rating or detail.
* The Committee was provided with the Financial Three Year Plan 2023-26 and welcomed the 2023-24 Value and Sustainability Portfolio Update.
* The Committee commended the first Annual Climate Change and Sustainability Report and thanked John Scott for his support. The report would be submitted to Scottish Government. Particular reference was made to the future growth of NHS Golden Jubilee and the importance of this portfolio. A project outcomes report would be presented in the future.
* The Committee received and approved the Finance and Performance Committee Annual Report 2022/23.

**7. Any Other Competent Business**

There was no other competent business of note.

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

 Tuesday 4 July 2023, 10:00-12:00, MS Teams.