# **Approved minutes**

**Finance and Performance Committee**

**Tuesday 5 September 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

Michael Breen Director of Finance

**In Attendance**

Susan Douglas-Scott CBE Board Chair

Catherine Sinclair Head of Research (from 10:30)

Lynne Ayton Director of Heart, Lung and Diagnostic Division

John Scott Director of Facilities and Capital Projects (from 10:40)

Rikki Young Head of Planning (from 10:55)

Katie Bryant Head of Clinical Governance (from 11:40)

Nicki Hamer Head of Corporate Governance and Board Secretary

**Apologies**

Carolynne O’Connor Director of Operations and Deputy Chief Executive

Carole Anderson Director of Transformation, Strategy, Planning and Performance

**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 4 July 2023**

**2.1 Unapproved Minutes**

The Committee noted that Item 4.2 Queens Quay District Heating would be removed from the Public Meeting and added to the Private Meeting Minutes. Following this amendment, the minutes of the meeting held on 4 July 2023 would be approved as an accurate record.

**2.2 Action Log**

The Committee noted that there were no live actions to review.

**2.3 Matters Arising**

There were no matters arising.

**3 Operational/Finance Performance Review**

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

Lynne Ayton provided a detailed presentation on the Operational Performance position.

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

* Heart Lung and Diagnostics: Activity at Month 4 was 7% behind for Heart and Lung due to ongoing high referrals, anesthetic gaps and reduced bed capacity in Cardiology. The Radiology position was just behind target. Workforce for Perfusion and Anesthetists remained a challenge as did the West of Scotland bed position with delayed repatriation and the 72 hour NSTEMI target impacted.
* Cardiothoracic Surgery: Activity was reported as behind plan by 3%. Focused Improvement work would commence on the appointment of the Clinical Director. Cancellations were high as a result of increased urgent out of hour’s activity and reduced workforce in Critical Care. Long wait patients in Scottish Adult Congenital Cardiology Service (SACCS) were impacted through high cancellation as a result of Anesthetist availability.
* Thoracic Surgery: Activity was reported ahead of plan by 7% and a 6th Surgeon had been appointed. Day zero cases had increased reducing the requirement for High Dependency beds.
* Interventional Cardiology: Activity 10% behind plan attributed to bed pressures in referring Health Boards impacting ability to maintain flow across service, with no ability to expand bed base as ‘recovery’ posts had been withdrawn. Issues with consistently meeting the NSTEMI 72 hour target. Efficiency work ongoing to maximise Cath lab capacity. Electrophysiology was reported as 6% behind the activity plan with cancellations to accommodate more urgent Device patients. There were ongoing high referrals and insufficient Anesthetist capacity to meet demand. Transcatheter Aortic Valve Implantation (TAVI) procedures were behind plan, however, were assured that activity would catch up. Waiting lists were being managed on clinical urgency then chronological basis. Referrals continued to outstrip capacity with the Executive Leadership Team in the process of making a decision on management of the list.
* National Services: Nine transplants were reported at Month 4 with 15 year to date. Planning had commenced to open a second NSD Pod and a Full Business Case would be presented through Governance Committees and Board to progress to National Services Division (NSD) to meet their 2024/25 funding cycle. Reduced activity across Scottish Adult Congenital Cardiology Service (SACCS) interventions reported as a result of Consultant leave and cancellation. The Major Review was ongoing with the draft report recommending national designation.
* Radiology – Month 4 activity was slightly behind target largely due to DEXA scans, however, this deficit was noted to be decreasing. Cardiac Imaging workforce increased to support the level of activity and the Ultrasound Academy new build was ongoing with modest disruption to the department.

 The salient points highlighted for National Elective Services Division were:

* Ophthalmology: A total of 1,102 cataract procedures were carried out against an original plan of 1,066 during June. Cumulatively, the service was now 7% ahead of the year end plan. 100% of in and out patients continued to be treated within 12 weeks. Workforce was a challenge with recent Consultant resignations and ongoing recruitment having limited success to date. All options including joint appointments were being explored. Plan to roll out Optometrists listing for clinic model to increase surgeon time in theatre; currently awaiting re-evaluation of job descriptions.
* Orthopaedic Surgery: A total of 425 orthopaedic procedures were carried out in June against a plan of 392. Cumulatively, all specialties were ahead of the year end plan by 219 procedures. The Day of Surgery Admissions (DOSA) rate increased to 60.3% against a target of 62.5%, which was one area of focus within the Short Life Working Groups. Increased to 4 joints per session in June. Early mobilisation on day of surgery continued to increase reaching a high of 32% in June. Discharge trajectories were maintained with the exception of Day 3 Total Knee Replacement patients although work on this was leading to significant improvement. Inpatient waiting lists were reported at 1,558 with 780 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 580 scopes were carried out in June against a plan of 589 which was cumulatively 3% behind the year end plan, mainly due to environmental challenges in theatre, one endoscopy washer going down and an air conditioning failure in Vanguard unit. The previous challenge regarding receipt of referrals from Health Boards’ had been resolved thanks to the hard work and focus from colleagues in NHS Golden Jubilee and NHS Greater Glasgow and Clyde. The cancellation rate increased from 9.5% in May to 10.1% in June which was a direct result of the challenges in theatre, CSPD and the Vanguard unit. There was a plan in place to recover activity lost in September due to the delayed opening with new staff in post.
* General/Colorectal: A total of 123 General/Colorectal procedures were carried out in June against a monthly target of 149, cumulatively 5% behind the year end plan. General surgery activity was behind plan for the third month as a result of Health Boards’ having difficulty identifying suitable day case patients. In response to this, NES divisional management team were working closely with Scottish Government Access team to re-allocate capacity to Health Boards’ who had suitable patients. Two new Consultant General Surgeons had been appointment (0.7 WTE). Two new Clinical Fellows in General Surgery had also been appointed in readiness for the increased capacity available with the opening of Phase 2. General surgery cancellations increased from 11.2% in May to 14.3% during June mainly due to the environmental issues in theatre which resulted in a loss of 11 cases.

 The Committee discussed the recruitment issues in Ophthalmology with a number of individuals returning full-time to substantive posts within their local Health Boards’ or moving to more lucrative posts within the private sector. Discussions with headhunting companies were ongoing in a bid to identify appropriate potential candidates in the marketplace. The job descriptions were also in the process of being reviewed to potentially tie in with the Centre for Sustainable Delivery. It was hoped that adding the drive for improvement on a national basis to the role would attract further candidates.

The Committee noted the target of 62.5% for Day of Surgery Admissions (DOSA) had been set as a realistic interim target and that it was likely to be raised once quality improvement measures were established.

The Committee approved the Integrated Performance Report for July 2023.

**3.2 Financial Report As At July 2023**

 Michael Breen reported the Month 4 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 4 was still early in the financial year and the third monthly report presented within 2023/24. Further work was being completed by Finance in advance of Month 5 around allocation of further central budgets, revising reporting structures and specific work on Heart, Lung and Diagnostics Division.
* Income to date of £71.143m was ahead of the year to date budget resulting in positive variance of £0.722m; expenditure to date of £71.550m ahead of year to date budget of £70.421m resulting in adverse variance of £(1.129m).
* The net revenue core position for July 2023 reflected an overall adverse variance of £ (0.407m).
* Core Funding allocated to date was £41.187m with an anticipated total core Revenue Resource Limit (RRL) of £140.327m for 2023/24.
* Other Income of £29.956m was reported, equating to an over-recovery of £722k against a budget of £29.234m.
* Pay Costs were reported as £238K favourable (c. <0.5% of Year to Date Budget).
* Non Pay Costs were reported as (£1.367m) adverse (c. -6.5% of Year To Date budget).
* Surgical supplies £(366k) year to date which was a complex area and better data, systems and analysis required to allow a fuller ability to understand changes to these budget lines.
* Facilities Management £ (699k) year to date the main driver being charges for Rates and Utilities which was under investigation by the Estates team.
* Approximately £2.05m in non-recurring savings been identified with further work around identifying key areas and the deep dives across Divisions would assist in understanding what it costs to deliver services.
* Additional resources had been agreed across Finance, Procurement, Programme Management, Quality Improvement and Services to drive forward the Sustainability and Value Programme.
* As Month 4 was early in the financial year, there was no key trends analysis.
* Actual income below budgeted expectations with actual expenditure above budgeted levels.
* Scottish Government anticipated allocations had not yet been confirmed.

 The Committee thanked Michael Breen for a clear presentation.

 The Committee discussed the expenditure variances in particular relating to Surgical Supplies and Facilities Management and was assured that a clearer picture would emerge within the October 2023 report. The Committee noted the early financial position and approximately £2.05m in non-recurring savings being identified. Further work around identifying key areas and the deep dives across Divisions would assist in understanding the costs to deliver services. The roll-out of PECOS would be helpful in analysing the data and this would be tasked as a priority for the new Head of Procurement taking up post on 11 September 2023.

 The Committee approved the Financial Report As At July 2023.

**3.3 GJRI Quarterly Report**

Catherine Sinclair presented an update on the Research Institute highlighting the following points:

* Number of approved research projects currently at 11 which was slightly over the target of 10
* Participant recruitment (excluding blood sampling studies) was slightly below target
* Although income was slightly below target this could mainly be attributed to invoicing issues
* The number of research project audits was in line with the target

The Committee thanked Catherine Sinclair for a clear presentation.

The Committee was advised that the Research Endowment Fund was available for fixed term support to cover the additional approved research projects.

The Committee approved the GJRI Quarterly Report.

**4. Strategic Planning Update**

**4.1 Expansion Build Programme 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 continued with Kier, AECOM and the Expansion Team to ensure continued progress.
* Builders clean had commenced on Levels 3 and 2 with commissioning and snagging ongoing. Flooring was complete on Level 1 with the exception of corridor areas. CSPD equipment supplier install was progressing.
* Issues raised had been the fire/smoke damper extended delivery in CSPD, equipment delivery and installation works in CSPD and EDU and works to areas adjacent to L3 theatre stopped due to noise.
* Key milestones to handover included completion of breakthroughs and external works, NHS Assure Commissioning Key Stage Assurance Review (KSAR) and NHS Assure Handover KSAR.
* Site inspections were planned from 18 September for one week.
* Report issued by 10 November 2023.

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

 Gordon James noted that colleagues recently took an opportunity for a walkround the new Orthopaedic outpatient area which had been a significant piece of work with a very positive outcome, a key milestone which supported the overarching portfolio.

The Committee noted the Phase 2 Update.

**4.2 Delivery Planning Template Review 2022/23 and 2023/24**

Rikki Young presented an update on the Quarterly Annual Delivery Planning Review covering the period April to June 2023, provided through submission of the templates to the Scottish Government outlining delivery and progress against deliverables.

Rikki Young informed the Committee of the two deliverables which remained at red Cardiology Transcatheter Aortic Valve Implantation (TAVI) and Electrophysiology (waiting times and activity) which were both slightly below target however forward planning was under consideration.

 The Committee noted the Delivery Planning Template Review.

**4.3 Medium Term Plan Update**

Rikki Young updated the Committee on the Draft Medium Term Plan Update, which now reflected changes made following feedback from the Scottish Government.

Rikki Young presented the Medium Term Plan coverage setting out higher-level priorities and a general direction of travel for the period 2024-2026.

 The Committee approved the Medium Term Plan Update.

**4.4 Sustainability – HLD Programme**

Lynne Ayton presented an update on the Sustainability programmes for the Heart, Lung and Diagnostics Division outlining the Project Plan for 2023/24.

The Committee was advised that the Full Business Case for Scottish National Advanced Heart Failure Service (SNAHFS) was moving ahead with an aim to agree substantive recurring funding during 2024/25 for 35 transplants. Significant work had been undertaken to fully cost the service.

The Committee commended Lynne Ayton on the progress made to date and noted that the work completed could be replicated across other services.

The Committee discussed and noted the Sustainability Heart, Lung and Diagnostics Programme update.

**5. Corporate Governance**

**5.1 Strategic Risk Register**

Michael Breen advised the Committee on the key points of the Strategic Risk Register and highlighted that there were five risks within the remit of the Finance and Performance Committee. At this time, no changes were proposed in assessment ratings since the previous reporting period.

The Committee was advised that based on previous feedback and current context, the Financial Risk of Future Covid-19 Variants to the Business had been closed.

The Committee approved the Strategic Risk Register - August 2023.

**5.2 Corporate Objectives**

Gordon James highlighted the NHS Golden Jubilee Corporate Objectives 2023/24 which was being presented to the governance Committees and was based on the Medium Term Plan which had been previously approved.

The Committee approved the NHS Golden Jubilee Corporate Objectives 2023/24.

**6. Issues for Update**

**6.1 Update to the Board**

The Committee reflected on the operational performance noting the continuing challenges around workforce, particularly in Perfusion and Anesthetists.

The Committee noted the early financial position and approximately £2.05m in non-recurring savings being identified. Further work around identifying key areas and the deep dives across Divisions would assist in understanding what it costs to deliver services.

The Committee received an update on the Golden Jubilee Research Institute. The Committee were assured that funds would be available for fixed term support to cover the additional approved research projects.

The Committee were pleased to note the Phase 2 update and the importance of keeping on track as the project reached a critical phase.

The Committee approved the NHS Golden Jubilee Corporate Objectives 2023/24.

**7. Any Other Competent Business**

There was no other competent business.

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

 Tuesday 14 November 2023, 10:00-12:00, MS Teams.