# **Approved minutes**

**Finance and Performance Committee**

**Tuesday 14 November 2023, 10:00 hours**

**MS Teams Meeting**

**Members**

Stephen McAllister Non-Executive Director *(Chair)*

Callum Blackburn Non-Executive Director

Karen Kelly Non-Executive Director

Jane Christie-Flight Employee Director

**Core Members**

Gordon James Chief Executive

Carolynne O’Connor Director of Operations and Deputy Chief Executive

Michael Breen Director of Finance

Carole Anderson Director of Transformation, Strategy, Planning and Performance

**In Attendance**

Susan Douglas-Scott CBE Board Chair

Catherine Sinclair Head of Research (from 10:35)

John Scott Director of Facilities and Capital Projects (from 10:45)

Katie Bryant Head of Clinical Governance (from 11:15)

Nicki Hamer Head of Corporate Governance and Board Secretary

**Apologies**

Linda Semple Non-Executive Director

**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 5 September 2023**

**2.1 Unapproved Minutes**

Minutes from the meeting held on 5 September 2023 were 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 September 2023**

Carolynne O’Connor provided a detailed presentation on the Operational Performance position.

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

* Heart Lung and Diagnostics: Activity at Month 6 was 6% behind for Heart and Lung due to the ongoing challenge with anaesthetic staffing gaps and reduced bed capacity in Cardiology. The Radiology position was just behind target. A growing number of patients waiting over 78 weeks is a challenge despite recovery plans, due to ongoing staffing gaps in Perfusion and Anaesthetists workforce. The ‘Winter’ beds position was highlighted with no agreement from West of Scotland Boards. Additional beds had to be funded internally. Inefficient use of Cath lab, delayed repatriation and 72 hour Non-ST Segment Myocardial Infarction (NSTEMI) target impacted were additional issues raised.
* Cardiothoracic Surgery: Activity was reported as ahead of plan by 1%. Focused improvement work had now commenced following the appointment of the new Clinical Director. Plans were in place for the two patients waiting more than 52 weeks
* Thoracic Surgery: Activity was reported ahead of plan by 3% with a cancellation rate of less than 5%. The 31 day Cancer target had been met. Day zero cases was an ongoing success, reducing the requirement for High Dependency beds
* Interventional Cardiology: Activity was 9% behind plan which was attributed to late implementation of the Trans catheter Aortic Valve Implantation (TAVI) plan with an inability to catch up on displaced coronary activity. Weekend sessions were planned for Quarter three which would improve the position. There were issues with consistently failing to meet the NSTEMI 72 hour target. A Quality Improvement Programme had been initiated to review the Cath lab efficiency. Electrophysiology was reported as 5% behind the activity plan. There was a demand/capacity mismatch which masked the increased productivity. Long waiters of more than 78 weeks all required General Anaesthetic. One weekend list was planned for Quarter three and Consultant review clinics had been implemented. TAVI procedures were on track to achieve 229 plan with referrals continuing to outstrip capacity. Long Waiters were being managed by clinical urgency then chronological wait with all patients either having a date or a plan.
* National Services: 17 transplants were reported at Month 6 with 22 year to date. The second National Services Division (NSD) Pod was opened on 13 November 2023 and a Full Business Case would be presented to the Board to support ongoing substantive funding for 35 transplants per annum. Reduced activity across Scottish Adult Congenital Cardiology Service (SACCS) was reported across interventions. The Major Review was completed with the final report pending. This was expected to include a recommendation of national designation and a full financial review. A Scottish Pulmonary Vascular Unit (SPVU) Full Business Case was in progress through the Board to support ongoing development over three years.

 The salient points highlighted for National Elective Services (NES) Division were:

* Ophthalmology: A total of 926 cataract procedures were carried out against an original plan of 965 during September. Cumulatively, the service was now 3% ahead of the year end plan. 100% of in and out patients continued to be treated within 12 weeks. Inpatient (IP) cancellation rate during September was 3.3%, marginally above the target of 3%. During September, lists of 8 patients or more increased to 61% from 47% using the double scrub model. Consultant workforce challenges continued despite ongoing recruitment campaigns.
* Orthopaedic Surgery: A total of 431 Orthopaedic procedures were carried out in September against a plan of 424. Cumulatively, all specialties were ahead of the year end plan by 207 procedures. The Day of Surgery Admissions (DOSA) rate increased to 68.4% against a target of 70%. Four joints per session continued to increase, reaching a high of 62.7% in September against a planned care target of 50%. Discharge trajectories for Total Hip Replacement improved in day one to 49%. Total Knee Replacement day one and two discharge trajectories were met with 10% of patient’s home on day one. Inpatient waiting lists were reported at 1,849 with 801 patients having waited over 52 weeks (Board waits). This was attributed to receipt of 2023/24 allocations, which continued to be for patients waiting in excess of 104 weeks
* Endoscopy: A total of 813 scopes were carried out in September against a plan of 1,107. This high in month target assumed Phase 2 was opening in September and a plan to recover this activity had been in place since May. Year to date the Endoscopy service was 17 procedures behind plan. However an over performance was expected during October to recover the position. The cancellation rate decreased from 8.5% against a target of 7%. NHS Golden Jubilee (NHS GJ) was supporting NHS Grampian with their longest waiting patients with a plan for weekend working to include hotel accommodation in line with hotel availability
* General/Colorectal: A total of 167 General/Colorectal procedures were carried out in September against a monthly target of 212, cumulatively 11% behind the year end plan. General surgery activity was behind plan year to date due to the Board’s inability to identify sufficient numbers of long wait day case patients. Following further engagement with all NHS Boards, there was now an increased number of patients on the waiting list to support maximum utilisation of capacity and to help recover lost activity. Referrals received from NHS Lanarkshire as part of the National Elective Coordination Unit (NECU) trial to support outpatient waiting lists by carrying out general surgery outpatient consultations utilising NHS GJ outpatient capacity. General surgery cancellations were reported at 9.7% against a plan of 7%

The Committee noted the decision made by NHS GJ to fund additional ‘Winter’ beds and the ramifications for future years, which had been raised as a concern during the recent visit by John Burns, Chief Operating Officer for NHS Scotland. A full review of funding was planned and it was hoped that NHS GJ would be in a position to take the lead in this matter moving forward.

 Gordon James advised the Committee that a focused recruitment campaign for Anaesthetists was due to commence. Consultants had met with the Interim Director of Workforce to identify potential candidates for joint appointments and discussions were underway around the creation of a bank of Anaesthetist staff.

The Committee approved the Operational Performance Integrated Performance Report for September 2023.

**3.2 Financial Report As At September 2023**

 Michael Breen reported the Month 6 financial position, highlighting the following key points:

* The Board approved a 2023/24 breakeven Financial Plan requiring c.-£6.6m of budget savings/in-year efficiencies by March 2024.
* Funding had been allocated from ‘reserves’ to fund agreed cost pressures and a new cost centre ‘Hierarchy’ had been implemented as part of revised reporting structures to improve reporting and analysis.
* Core Funding allocated to date of £68.936m was reported and an anticipated total core Revenue Resource Limit (RRL) of £137.872m for 2023/24. Other income of £46.529m was reported, equating to an over-recovery against a budget of £44.751m by £1.777m. The net revenue core position reflected an overall adverse variance of -£0.217m. Income to date of £115.270m was reported ahead of a year to date budget of £113.493m, which resulted in a positive variance of £1.777m.
* Expenditure to date was £109.517m ahead of the year to date budget of £107.523m, resulting in an adverse variance of -£1.994m.
* An overall overspend of -£1.994m was reported with pay costs -£664k adverse, c<-0.91% of Year to Date (YTD) budget and non-pay costs of -£1.329k adverse c.-3.82% of YTD budget was noted.
* Pharmacy Supplies were reported at -£283k YTD, with the Director reviewing key drivers, including the use of branded/generic drugs and the quantity of drugs dispensed at discharge.
* Surgical Supplies were reported at -£412k YTD. This was a complex area and better data, systems and analysis were required to better understand baseline budgets and associated pressures.
* Facilities Management spend was -£578k YTD relating to an increase in clinical waste costs (price and volume) as well as increasing costs of utilities. Both NES and HLD pressures across disposable costs.
* The Financial Plan assumed c-£6.66m of budget savings/in-year efficiency savings. Non-recurring savings of c.£4.16m had been identified (vacancy factor and ‘slippage’ of funded initiatives). The return of the “recovery monies” within HLD could *potentially contribute* £1.79m of recurrent savings (subject to correct 2024/25 baseline budgeting and service planning). Factoring in the recovery monies there was a remaining gap of c-£0.72m.
* Additional resources had been agreed across Finance, Procurement, Programme Management, Quality Improvement and Services to drive forward the Sustainability and Value Programme.
* The key focus during 2023/24 for HLD Division was, Digital transformation initiatives, NHS GJ Conference Hotel Strategic Review, Other Trading income and NHS GJ Research Institute.
* Month 6 formed the basis of an in-depth year end forecast analysis. Under delivery of the budget savings/in-year efficiency savings were required to breakeven. Actual income was below budgeted expectations and actual expenditure was above budgeted levels.
* Not all Scottish Government anticipated allocations had yet been confirmed.

 The Committee thanked Michael Breen for a clear presentation.

 The Committee noted the financial position. Further work around identifying key areas and the deep dives across Pharmacy Supplies and Surgical Supplies would assist in understanding the required costs to deliver services.

 The Committee approved the Financial Report As At September 2023.

**3.3 GJRI Q2 Report**

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

* The number of approved research projects was currently at 8 against a target of 10.
* Participant recruitment (excluding blood sampling studies) was on target at 200.
* 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.
* Investments in Chronic Total Occlusion (CTO), Go DCM and Poppy research projects were highlighted to the Committee.

Catherine Sinclair advised the Committee that the Invest CTO project was a partnership between NHS GJ and Haukeland University Hospital in Norway and as such the responsibility for the audit and quality of the two UK sites fell within the remit of the Research Institute.

Callum Blackburn was pleased to note the balance of commercial and non-commercial projects and suggested that an overview of all projects would be helpful and informative for future meetings.

The Committee approved the GJRI Quarter Two Report.

**4. Strategic Planning Update**

**4.1 Expansion Build Programme Update**

John Scott presented an update on Phase Two, highlighting the following points:

* Issues affecting the programme included water commissioning, equipment delivery and installation works in the Central Sterilising and Processing Department (CSPD) and Endoscopy Decontamination Unit (EDU), Commissioning/Handover Key Stage Assurance Review and pendant remedial works.
* There was a risk to programme delivery works to areas adjacent to Level three theatres as work had been stopped due to noise/vibration.
* The planned completion date was 30 November plus Time Risk Allowance resulted in the first patient anticipated on 15 December.
* Work continued on site commissioning and snagging was ongoing in Levels one, two and three, with water commissioning underway over all levels.
* Weekly principal meetings to review progress continued with the site inspection (part two) scheduled for 20 November.
* Commissioning/Handover Key Stage Assurance Review Report was due to be issued in December 2023.

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

Gordon James updated the Committee on the current situation around water testing noting that with the further work involved, a degree of flexibility would be required on the proposed delivery timelines. The first patient date could potentially move . The Committee was assured that any updates on the timeline would be communicated as soon as reasonably practicable.

Gordon James advised the Committee of the excellent space created for the NHS Scotland Academy and suggested that photographs could be shared during the next cycle of Committee meetings.

The Committee noted the Phase 2 Update.

**4.2 Annual Delivery Plan Q2 Review**

Carole Anderson presented an update on the Annual Delivery Plan Quarter Two Review highlighting the following points:

* One additional deliverable was reported in Quarter Two around Equality and Diversity within Workforce. Overall the green deliverables had decreased but amber and red had increased.
* A review of Quarter Two projections showed the recruitment and retention risk did not materialise to the projected extent. However, remained a risk for Quarter Three. Scottish National Advanced Heart Failure Service (SNAHFS) additional transplant activity remained green as the business case progressed.
* The National Bronchoscopy Training Programme had been changed to red due to challenges with the Service Level Agreement (SLA) around the release date of the appointed Clinical Lead, which was likely to delay Quarter three and Quarter four milestones.
* TAVI remained red with discussions on how to address the ongoing backlog. This was projected to remain red at the Quarter three end position
* Quarter three projections showed deliverables likely to increase in green and reduce in amber. The recruitment and retention deliverable may escalate from amber to red.
* Overall the position was likely to recover for some deliverables at the end of Quarter three.

 The Committee thanked Carole Anderson for a concise and informative presentation.

 The Committee noted the Annual Delivery Plan Quarter Two Review.

**4.3 Climate Emergency and Sustainable Development Six Month Update**

Carole Anderson presented an update to the Committee on Climate Emergency and Sustainable Development, highlighting the following points:

* Interviews had been held for the Sustainability Manager and it was hoped the position would be offered imminently. The Programme Support Officer would take up post on 20 November 2023 and the NHS Green Theatres Project Lead had now commenced.
* Plans were underway in Sustainable Care to reduce the requirement to sterilise battery packs used in Orthopaedic joint surgery. This would involve switching to a sterile wrapper for batteries.
* The Design HOPES project involved developing designs around surgical headwear that would maximise communication of roles and responsibilities and minimise waste, allowing for individual specification.
* The NHS GJ Green Theatres Project Group included Clinical Champions from across NHS GJ specialties, key leads form departments such as GJCH, Infection Control and CSPD as well as the CfSD National programme.
* A workshop was planned to develop an action plan around Climate Risk.
* The first meeting of the re-focused Climate Change and Sustainability Strategic Group would take place in December 2023. A new Climate Change and Sustainability Portfolio report would be developed from a suite of sugroup project reports and submitted to the Finance and Performance Committee.

 The Committee thanked Carole Anderson for the excellent progress to date and welcomed projects in Sustainable Care.

The Committee noted the Climate Emergency and Sustainable Development Six Month Update.

**5. Corporate Governance**

**5.1 Strategic Risk Register Finance and Performance Committee Extract**

Katie Bryant advised the Committee on the key points of the Strategic Risk Register and highlighted that there were six risks within the remit of the Finance and Performance Committee.

The Committee approved the Strategic Risk Register Finance and Performance Committee Extract.

**5.2 NHS Scotland Academy (NHSSA) Financial Six Monthly Update**

Michael Breen advised the Committee on the NHS Scotland Academy (NHSSA) Financial 6 Monthly Update. The total anticipated funding for 2023/24 had been set out as £4.413m, with a forecast expenditure of £3.644m with a projected forecast variance of £769,398. The Academy Senior Team are in discussion with the Scottish Government Finance Team regarding a potential revenue to capital transfer to utilise some of the underspend to equip the new Skills and Simulation room.

The Committee noted the NHSSA Financial Six Monthly Update.

**5.3 Centre for Sustainable Delivery (CfSD) Financial Six Monthly Update**

 Michael Breen advised the Committee on the CfSD Financial Six Monthly Update. The total funding for 2023/24 was £13.167m, with a forecast expenditure of £12.154m resulting in a positive projected variance of £1.013m. Although some flexibility would be required, the National Director of CfSD had plans in place for funding suitable projects.

The Committee noted the CfSD Financial Six Monthly Update.

**5.4 Corporate Governance Meeting Dates 2024/25**

Nicki Hamer advised the Committee of the draft schedule of Corporate Governance meetings which had been compiled for 2024/25.

The Committee approved the schedule of Corporate Governance meetings for 2024/25.

**5.5 Procurement Annual Report 2022-2023**

Michael Breen updated the Committee on the Procurement Annual Report 2022-2023, which had been finalised following the appointment of the new Head of Procurement.

The Committee approved the Procurement Annual Report 2022-2023.

**6. Issues for Update**

**6.1 Update to the Board**

 The Committee reflected on the operational performance noting the continuing challenges around the Cardiology driving deficit, particularly with regard to the Anesthetic gap and reduced bed capacity. The internal funding of ‘Winter’ beds due to a lack of agreement between West of Scotland Boards would require to be addressed moving forward.

 The Committee noted the financial position at Month Six- YTD £(217)k. However, the forecast to year end was still being assessed as a break even position.

The Committee received an update on the Golden Jubilee Research Institute and further detail around three of the research projects. The Committee looked forward to receiving an overview of all research projects at future meetings.

The Committee was pleased to receive the Phase Two update as it neared completion. However, the Committee noted the ongoing issue with water testing and the likely impacts on the operational availability dates.

 The Committee received an update on Climate Emergency and Sustainable Development and welcomed projects such as the reduction in the requirement to sterilise battery packs in Orthopaedic joint surgery.

 The Committee noted the Financial position at Month Six for NHS Scotland Academy and the Centre for Sustainable Delivery, both of which reported positive variances with plans already in place for funding suitable projects.

 The Committee approved the proposed Corporate Governance Meeting Dates for 2024/25.

 The Committee approved the Procurement Annual Report 2022-2023.

**7. Any Other Competent Business**

There was no other competent business.

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

 Tuesday 12 March 2024, 10:00-12:00, MS Teams.