# **Approved minutes**

**Finance and Performance Committee**

**Tuesday 14 May 2024, 09:30 hours**

**MS Teams Meeting**

**Members**

Stephen McAllister Non-Executive Director *(Chair)*

Callum Blackburn Non-Executive Director

Jane Christie-Flight Employee Director

**Core Attendees**

Susan Douglas-Scott Board Chair

Gordon James Chief Executive

Carolynne O’Connor Director of Operations and Deputy Chief Executive

Graham Stewart Interim Director of Finance

Carole Anderson Director of Transformation, Strategy, Planning and Performance

**In Attendance**

Catherine Sinclair Head of Research (from 10:10)

John Scott Director of Facilities and Capital Projects (from 10:25)

Katie Bryant Head of Risk and Clinical Governance (from 11:00)

Nicki Hamer Head of Corporate Governance and Board Secretary

**Apologies**

Lindsay MacDonald Non-Executive Director

Rebecca Maxwell 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 12 March 2024**

**2.1 Unapproved Minutes**

Minutes from the meeting held on 12 March 2024 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**

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

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

* Ophthalmology: A total of 977 cataract procedures were carried out against an original plan of 938 during February. The service was 4% ahead in month and 1% ahead year to date. There was a cancellation rate of 3.1% with 97% unavoidable. 55% of on the day cancellations were filled with patients straight from the clinic. The number of lists with more than 7 patients increased for the fifth month in a row to 85%. This equated to a 61% increase between June 2023 and February 2024. Median turnaround time continued to be around 5 minutes for the seventh successive month which indicated a sustainable change. Ophthalmology Consultant recruitment continued to be a challenge although the possibility of further joint appointments with NHS GGC was to be pursued
* Orthopaedic Surgery: A total of 422 Orthopaedic procedures were carried out in February against a plan of 489 with the deficit due to the current situation with Phase 2. Cumulatively, sub specialties were ahead of the year end plan by 7%. Joints were currently 73 procedures behind although 7 procedures ahead of target year to date. The Day of Surgery Admissions (DOSA) rate remained above target for the fifth consecutive month. Four joints per session list performance increased by 7.5% to 68.8% in month. Three experienced Band 6 Physiotherapists commenced in post in February increasing the number of staff working until 6pm to facilitate early mobilisation and discharge trajectories
* Endoscopy: A total of 711 scopes were carried out in February against a plan of 1,155, which related to the current situation with Phase 2 and the subsequent loss of capacity. Year to date the Endoscopy service performance was 6% behind the original activity plan. Although activity dropped there was an over performance of 150 against the revised plan calculated on available capacity. The team continued to maximise bookings to deliver additional lists at weekends to recover lost capacity
* General/Colorectal: A total of 194 General/Colorectal procedures were carried out in February against a monthly target of 223 which related to the situation with Phase 2 impacting on General Surgery capacity. Cumulatively the service was 10% behind year end plan. A total of 126 General Surgery procedures were carried out against a plan of 194. A total of 67 colorectal procedures were carried out against a plan of 29 with a utilisation rate of 97%.

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

* Heart and Lung: Activity at Month 11 was 5% behind with the predicted year end position of -5%. The Radiology position was just behind the SLA target at 0.1% however was predicted to balance at year end. There had been modest improvement in ‘regional’ Cardiovascular Magnetic Resonance (CMR) waits. Scottish Adult Congenital Cardiac Service (SACCS) CMR reported increased waits due to unplanned Consultant absence. There was significant improvement in the waiting list for Computer Technology Coronary Angiogram (CTCA). The Ultrasound Academy continued to perform above target
* Cardiothoracic Surgery: Despite increased cancellations in February, activity had been maintained at 6% over the Annual Delivery Plan (ADP) target. Day of Surgery Admissions (DOSA) rate was 11.5%, although small numbers, this was the highest since pre-pandemic. Long waiting patients in SACCS required complex planning with full team support to be scheduled when patients were ready. Thoracic Surgery activity continued to report ahead of plan by 6%. The Cancellation rate increased from the previous month to 5.4%. The 31 day Cancer target had been met.
* Interventional Cardiology: Activity remained 9% behind plan. Increased sickness across the team resulted in some cancelled sessions. Ongoing use of ‘hot lab’ capacity to reduce 72 hour Non-ST Segment Elevation Myocardial Infarction (NSTEMI) impacted overall capacity. This had been factored into the 2024/25 ADP and plan for the permanent ‘flow’ beds. Transcatheter Aortic Valve Implantation (TAVI) was 23% over plan with a focus on urgent and long waiting patients. Weekend sessions were held to support any displaced coronary activity. Electrophysiology (EP) was reported as 4% behind the activity plan which was an improvement on Month 10. All long waiters required General Anaesthetic with activity limited by Anaesthetic staff availability. Device service was 13% ahead of target however there was ongoing growth in demand especially for urgent capacity. 2024/25 ADP had been adjusted to support increased activity

The Committee reflected on the excellent operational performance noting the continuing challenges around Cardiology and Electrophysiology (EP).

 Callum Blackburn noted that the diagnostic waiting times for Radiology were not aligned to the results contained within the National Comparators Table. Carolynne O’Connor reported that exploratory work had commenced to understand this data however noted that unplanned sickness absence and staff vacancies had been a factor and that an improvement was anticipated in the near future.

 The Committee approved the Operational Performance Integrated Performance Report.

**3.2 Financial Report As At March 2024 including Capital Update**

 Graham Stewart reported the Month 12 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 which had been achieved, £4.8m of which had been achieved non-recurrently and £1.8m recurrently
* Final net core position for March 2024 reflected an overall surplus of c.£128k
* The Board also Delivered its Non-Core break-even position
* The final expenditure position was c.£230.518m which was ahead of the annual budget of £229.127m which resulted in an adverse variance of -£1.391m
* This was off-set with Income of £230.646m which was ahead of the annual budget of £229.127m which resulted in a positive variance of c.£1.519m
* Core Funding anticipated of £135.031m (now confirmed in M13 allocation letter)
* An SLA income of c.£81.295m was ahead of planned budget of c.£80.659m by c.£636k
* Hotel and Other Income was c.£14.321m which was above the planned budget of £13.438m by £882k
* Revenue expenditure reflected an overall adverse variance of -£1.391m. Pay costs were £1.174m positive or <1% of total budget. Non pay costs were -£2.512m adverse or -3.3% above total budget
* Efficiencies – final Month 12 position, total savings of £6.666m had been identified at year end
* Non-recurring savings of c.£4.8m had been identified including vacancy factor and ‘slippage’ of funded initiatives
* The return of the Recovery monies within HLD contributed £1.8m of recurrent savings
* The recurring gap had been included in the revised 3 year plan moving into 2024/25
* Robust governance was in place within the ‘Achieving the Balance’ programme to focus on 15 box initiatives including Medicines Management, Digital transformation projects, Corporate Services reviews and enhanced Vacancy Management
* Capital allocations of £16.227m had been confirmed by Scottish Government at Month 12 matching the total capital expenditure incurred during 2023/24

 The Committee thanked Graham Stewart for a clear presentation and noted the financial position.

 The Committee approved the Financial Report As At March 2024.

**3.3 GJRI Quarterly Report for Q4**

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

* Ten research projects were approved in Quarter 4 which was precisely on target. There was a total of 40 approved research projects for 2023/24
* A New Deputy Head of Service had commenced and was currently reviewing issues around approval timelines
* Total participant recruitment since April 2023 was 794
* The EDGE research patient management system would be introduced in 2024/25 which would support invoicing for all projects
* The outline of research use and funding across support departments included a total of 228 for MRI and 111 for X-ray

The Committee thanked Catherine Sinclair for the update and noted the gradual progress following the impact of the Covid 19 pandemic on research.

The Committee approved the GJRI Quarter Four Report.

**3.4 Year End Activity Report**

Carole Anderson provided an overview of the Year End Activity Report which set out the performance against planned levels of patient activity agreed in the Annual Delivery Plan 2023/24.

The salient points highlighted for National Elective Services (NES) Division as at the end of March 2024 were as follows:

 The National Elective Services Division carried out 27,224 procedures against a plan of 25,855 which was 5% ahead of the revised plan. Orthopaedics had finished 13% ahead of revised plan. The percentage of Orthopaedic 4 Joint sessions for the full financial year was 55.7% which had just exceeded the full year plan. Ophthalmology performed 11,712 procedures against a plan of 11,622 which was ahead of plan by +1%. Endoscopy performed 8,473 procedures against a revised plan of 7,713 which was ahead of the revised plan by 10%.

 The salient points highlighted for Heart, Lung and Diagnostic Division as at the end of March 2024 were as follows:

Heart, Lung and Diagnostic Division carried out 55,645 procedures against a plan of 56,303 which was 1.2% behind plan. Cardiology performed 6,710 procedures against a plan of 7,299 which was behind on the activity plan by -8%. The urgent to elective referral shift observed since the Covid pandemic was maintained during 2023/24 and would now be considered to be permanent. A total of 277 TAVI procedures were performed in the full financial year against an initial plan of 229. In the Advanced Heart Failure Service, 32 heart transplants were carried out for the full financial year. Non-SLA activity exceeded plan by 3,274 radiology procedures which was significantly greater than the SLA planned activity underperformance.

Carole Anderson noted that in March 2024 100% of patients were treated within 31-day target for Cancer treatment and 99.1% of patients were treated within the 31 days for the full financial year.

The Committee commended the report and looked forward to reviewing the data in further detail at the next meeting.

 The Committee noted the Year End Activity Report.

**3.5 Annual Climate Emergency and Sustainable Development Report**

 Carole Anderson noted that the Annual Climate Emergency and Sustainable Development Report reflected the key changes during 2022/23 with the timing of the report due to availability of national data.

 John Scott presented an overview of the report highlighting the following points:

* The main purpose of the report was to provide information on greenhouse gas emissions and actions taken to reduce them as well as actions to adapt to climate change
* Governance and process improvements were now in place to enable publication earlier in the calendar year
* Headlines and progress were outlined which included Climate Change adaptation, Building Energy, NHSScotland Sustainability Assessment Tool (NSAT), Leadership and Governance
* Opportunities for investment to improve energy efficiency such as building management systems and building fabric upgrades
* Areas for improvement which included scheduled workshops throughout the year, use of systems to gather energy and gases data and development of initiatives

The Committee welcomed the Annual Climate Emergency and Sustainable Development Report noting the critical elements would also make a difference to sustainability activity and ultimately to the Achieving the Balance programme.

The Committee approved the Annual Climate Emergency and Sustainable Development Report.

**4. Strategic Planning Update**

**4.1 Expansion Build Programme Update**

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

* The chiller had been installed on the roof of the Eye Centre with the formal pre-start meeting held in April. Work would commence in June to be completed by the end of September 2024. AtkinsRealis had been appointed to support development of the Post Occupancy Evaluation to be completed by July 2024
* Following a final review meeting to discuss the water commissioning issues, work had commenced to replace the taps and showerheads and a full disinfect and flush of the system was planned for 22 – 24 May 2024. Water sampling results would be available by 21 June 2024 with a revised handover date towards the end of June 2024.
* Dependencies with Central Sterilising and Processing Department (CSPD) and Endoscopy Decontamination Unit (EDU) Equipment Installation works and Commissioning/Handover Key Stage Assurance Review
* Clinical commissioning would be carried out in 3 phases over 12 weeks
* The planned completion date was to be confirmed
* Weekly principal meetings to review progress continued
* Scottish Government letter would be issued prior to occupation
* Market testing and sites surveys were underway for Work Task Order 2 in Theatre Recovery Reconfiguration and the scoping exercise was complete for Work Task Order 5 in Pharmacy

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

The Committee noted the Expansion Build Programme Update.

**4.2 Annual Delivery Plan Update**

Carole Anderson advised the Committee that formal feedback on the Annual Delivery Plan was anticipated from Scottish Government (SG) in the near future. An update would be provided to the Committee.

 The Committee noted the Annual Delivery Plan Update.

**5. Corporate Governance**

**5.1 Strategic Risk Register May 2024**

Katie Bryant 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.

The Committee discussed the proposal to raise the risk rating of the Waiting Times Management Risk from high to very high due to the ongoing challenges around Cardiology and Electrophysiology (EP).

Carolynne O’Connor advised the Committee of the mitigations with the confirmed funding allowing an extensive plan to be put in place to double TAVI activity and reduce the backlog. With regard to the current situation around EP, strategic discussions had commenced and Carolynne O’Connor noted recent communication with SG to investigate a potential bid from the Planned Care Funding.

The Committee noted the mitigations outlined and agreed that due to the current risk to patients, the Waiting Times Management Risk would be increased to very high however this would be subject to regular review.

Katie Bryant noted the escalating risk around capital planning requirements which were in excess of current anticipated funding and work was progressing on risk rating projects with a workshop planned for May 2024.

The Committee agreed that the risk around EP should be the focus of the planned deep dive.

The Committee approved the Strategic Risk Register - May 2024.

**5.2 Blueprint for Good Governance Implementation Plan 2024/25**

Carole Anderson presented an overview of the Blueprint for Good Governance Implementation Plan outlining the four objectives relevant to the Finance and Performance Committee.

The Committee welcomed the progress outlined and looked forward to receiving progress reports at future meetings.

The Committee approved the Blueprint for Good Governance Implementation Plan for 2024/25.

**5.3 Annual NHSSA Financial Report**

Graham Stewart advised the Committee on the Annual NHS Scotland Academy (NHSSA) Financial Report. Overall the Academy presented a close to break-even position, with the revenue position at Month 12 showing a small NES underspend of £22,313 attributed to vacant posts where recruitment did not take place as planned, delays to the set-up of Board Service Level Agreements (SLAs) and the delivery of the service. This was within the break-even margin and the NHSSA delivered their financial target for 2023/24.

The Committee noted the Annual NHSSA Financial Report.

**5.4 Annual Centre for Sustainable Delivery (CfSD) Financial Report**

Graham Stewart advised the Committee on the Annual CfSD Financial Report. The total funding for 2023/24 was £11.579m, with expenditure of £11.526m resulting in a positive variance of £52,720. Core and Programmes funding had been reviewed each month to ensure any deviation to the planned forecast position was highlighted in advance of year end. Graham Stewart confirmed that CfSD delivered on their financial target for 2023/24.

The Committee noted the Annual CfSD Financial Report.

**5.5 Finance and Performance Committee Annual Governance Report 2023/24**

 Nicki Hamer highlighted the Finance and Performance Committee Annual Governance Report 2023/24 noting the requirement for all Governance Committees to provide an Annual Report to the Board on their activities and to support the Annual Accounts.

 The Committee approved the Finance and Performance Committee Annual Governance Report 2023/24.

**6. Issues for Update**

**6.1 Update to the Board**

 The Committee reflected on the excellent operational performance whilst noting the continuing challenges around Cardiology and EP.

 The Committee was pleased to receive the Financial Performance Update noting the anticipated breakeven position subject to approval through the audit cycle.

 The Committee received an update on the Golden Jubilee Research Institute noting gradual progress following the impact of the Covid pandemic on research.

 The Committee noted the Year End Activity Report and looked forward to reviewing in further detail at the next meeting.

 The Committee received the Annual Climate Emergency and Sustainable Development Report with formal approval to be confirmed electronically by the end of the week.

The Committee was pleased to receive the Phase 2 update as it neared completion and commended the progress despite ongoing challenges.

 The Committee approved the Strategic Risk Register noting one amendment to the risk related to Waiting Times Management and the mitigations in place. The Committee agreed for the next meeting a deep dive focus on the EP risk.

 The Committee approved the Finance and Performance Committee Annual Governance Report 2023/24.

**7. Any Other Competent Business**

There was no other competent business.

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

 Thursday 11 July 2024, 10:00-12:30, MS Teams.