

<p style="text-align: center;"><b>HIGHLAND NHS BOARD</b></p>	<p>Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 <a href="http://www.nhshighland.scot.nhs.uk">www.nhshighland.scot.nhs.uk</a></p>  <p style="text-align: right;"><b>NHS</b> Highland na Gàidhealtachd</p>
<p style="text-align: center;"><b>MINUTE of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMS</b></p>	<p style="text-align: center;"><b>06 September 2024 at 9.30 am</b></p>

**Present**

Tim Allison, Director of Public Health  
Alexander Anderson, Chair  
Graham Bell, Vice Chair  
Sarah Compton-Bishop, Board Chair  
Heledd Cooper, Director of Finance  
Garret Corner, Non-Executive Director  
Fiona Davies, Chief Executive  
Gerard O'Brien, Non-Executive Director  
Boyd Peters, Medical Director

**In Attendance**

Isla Barton, Director of Midwifery  
Lorraine Cowie, Head of Strategy and Transformation  
Pamela Cremin, Chief Officer Highland Health and Social Care Partnership  
Dan Jenkins, Health Promotion Specialist (Item 4)  
Brian Mitchell, Committee Administrator  
David Park, Deputy Chief Executive  
Katherine Sutton, Chief Officer Acute  
Elaine Ward, Deputy Director of Finance

## **1 STANDING ITEMS**

### **1.1 Welcome and Apologies**

Apologies were received from Committee member Steve Walsh, Richard MacDonald and Louise Bussell with Isla Barton deputising.

### **1.2 Declarations of Interest**

There were no formal Declarations of Interest.

### **1.3 Minute of Previous meeting held on Friday, 09 August 2024, Rolling Action Plan and Committee Work Plan 2024/2025**

The Minute of the Meeting held on 9 August 2024 was **Approved**. The Committee further **Noted** the revised Rolling Action Plan and Committee Work Plan 2024/25.

## 2 NHS Highland Financial Position 2024/25 Report (Month 4) and Value and Efficiency Assurance Update

The Deputy Director of Finance spoke to the circulated report detailing the NHS Highland financial position as at end Month 4, advising the Year-to-Date (YTD) Revenue over spend amounted to £31.499m, with the forecast overspend set to increase to £49.7m as at 31 March 2025 assuming those cost reductions/improvements identified through value and efficiency workstreams would be achieved and further action would be taken to deliver a break even position for Adult Social Care. The circulated report further outlined the underlying data relating to Summary Funding and Expenditure, noting the relevant Key Risks and Mitigations. It was noted £0.438m of allocations had been received in Month 4; there had been a significant bundling of allocations that were being reconciled to previous years, and there had been no funding received in relation to the 2024/2025 pay award to date. Specific detailed updates were also provided for the Highland Health and Social Care Partnership area; Adult Social Care; Acute Services; Support Services; Argyll & Bute; the Cost Reduction/Improvement activity position; the value and efficiency Dashboard position as of July 2024; Supplementary Staffing; Subjective Analysis; and Capital Spend. The circulated report proposed the Committee take **Limited** Assurance, for the reason stated.

There was discussion of the following:

- Challenges in Forecasting Savings. It was noted that there would be a more accurate forecast provided in Q2. Members highlighted the need for a recovery plan and proactive spending cuts. They acknowledged that most savings would be non-recurring, with other Health Boards having faced similar challenges. The importance of communicating these issues to the Scottish Government was highlighted.
- Adult Social Care (ASC). Significant progress had been made in urgent and unscheduled care work streams, reducing delays, and increasing capacity in care homes.
- ASC in the Financial Projections. Clarity was sought on how the progress made within ASC would be reflected within financial projections. It was advised that the Q2 forecast would highlight ASC progress and would aim to articulate the plan beyond just facts and figures.
- Reduction in ASC Funding. Concerns were raised about a £7 million funding reduction and its potential long-term impact. Clarification was provided that a formal challenge was pending a confirmation letter and would be addressed at the next chief executives' meeting if no response was received.
- Unfunded Services. It was advised that various services across the organization, initially funded by the government during COVID or through historic business cases without formal budgets, faced challenges in withdrawal or budget alignment as funding ended.
- Supplementary Staffing Reduction. Agency compliance against framework usage was highlighted. It was noted that additional activity that required planned supplementary staffing obscured reduction figures, which created challenges when relaying true improvements to the Scottish Government. Suggestions were made to create detailed analysis to understand impacts of actions taken. It was confirmed that 'agency spend' was offset against the substantive budget, and the premium cost was included within the initial finance plan, with the current cost profile aligning to this and progress on reducing costs being slower than hoped.

### After discussion, the Committee:

- **Examined** and **Considered** the implications of the Financial Position.
- **Agreed** to take **Limited** assurance.

### 3 Capital Asset Management Update

The Director of Finance spoke to the circulated Asset Management Update and reported that eHealth and Equipment Purchasing Advisory Group (EPAG) groups had provided assurance that spend was in place, despite a timing lag in costs. Both groups were on target, with spending expected to show in the next report. They were monitoring potential additional costs from the ageing estates of acute hospitals, discussed during Q1 finance reviews. There continued to be close communication with the Scottish Government Capital Team, with whom the Director of Estates, Facilities and Capital Planning and the finance team meeting met monthly.

The following was discussed:

- IT Infrastructure. There was a discussion around the need to refocus budget away from estates and towards IT in preparation for the future demands on services. There was, however, acknowledgement that this year's eHealth programme was substantial and exceeded the accomplishments of other boards in this area.
- Assurance levels. There was concern the current assurance levels didn't reflect the standards being achieved in the context of the whole system being under pressure. While the level of assurance in this case with regards systems and processes and delivery of the capital plan was being offset by the level of risk due to capital funding availability, it was noted the assurance level would otherwise be substantial. It was advised a discussion would be had around assurance levels in general out with this meeting.
- Capital Spending. In response to the query and the prospect of capital being received to complete the larger projects such as the National Treatment Centre, members were advised that there were ongoing conversations with Scottish Government to try and gain support. In response to the query around whether backlog maintenance budgets were likely to improve given that we only had around half of what was required, members were advised that this was currently unclear and would depend on the expenditure of Scottish Government's larger capital programmes as to the availability of any additional funding.

#### After discussion, the Committee:

- **Noted** the update.
- **Agreed** to take **Moderate** assurance.

### 4 Highland Charter for Climate, Nature and Health

D Jenkins, Health Promotion Specialist, provided a presentation and spoke to the circulated proposal for NHS Highland to become a signatory on the Highland Charter for Climate, Nature and Health which was a pledge to put climate, nature and health and the benefits of green and blue health at the centre of decision making. The presentation outlined the joint working between the Highland Green Health Partnership, led by NHS Highland; Highland Adapts; and Highland Environment Forum which recognised the strong links between climate, nature and health. Signing the charter was a commitment to take one action to '*keep Highland in good health for climate, nature and health*' and report back annually. The extensive reach of NHS Highland for influencing health across the region was highlighted and it was noted that we had already signed up to the NHS Scotland Climate Emergency Sustainability Strategy, which shared similar obligations. Also covered were the sustainability and preventative health initiatives already in place, for which governance was already in place and which would be further supported by signing the pledge. It was proposed this was an opportunity to publicly declare and reinforce momentum around sustainability, climate, nature and health agendas.

The following was discussed:

- Argyll and Bute. It was noted that several prevention initiatives were already well-progressed in Argyll and Bute which could retrospectively align with the current strategy. The importance of forming a unified approach with the Health and Social Care Partnership (HSCP) was highlighted.
- Partnership Organisations and Leadership. It was suggested it would be worth considering, in future, how our commitment to this charter could be aligned with our various partnership organisations, particularly considering our leadership role within the agreement.
- Health improvement. Members highlighted the contribution of the underpinning actions relating to this work to reducing inequalities and improving opportunities in health and how this work related to the Anchors plan should also be considered.
- Members considered this a worthy initiative with no immediate implications, financial or otherwise and were happy to endorse it for approval at the upcoming Board meeting, which was scheduled for 24 September and, helpfully for promotion, during Climate Week.

**After discussion, the Committee:**

- **Noted** the presentation and circulated report.
- **Agreed to endorse** the report.

## **5 Integrated Performance and Quality Report**

The Head of Strategy and Transformation spoke to the Integrated Performance and Quality Report (IPQR) which had been combined with the Annual Delivery Plan (ADP) & Medium-Term Plan Overall Update and Q1 Position to provide a fuller context. While some areas had experienced a slight drop, overall performance remained stable. Aggressive ADP targets contributed to a significant number of indicators falling below target in the report. Some areas made good progress, but assessing assurance levels for the entire system was challenging due to pressures. Despite resource constraints, Integrated Service Planning and Planned Care were close to meeting their targets.

The following was discussed:

- Reporting challenges. There was a robust discussion around how well the reporting style reflects the actual position. It was noted that the current Red Amber Green (RAG) colour coding system did not adequately reflect the true progress that had been made within the service. It was stressed that while there was no green in the report, the overall position was positive. A particular challenge was highlighted in terms of the having the trajectory of the annual plan understood at every level and articulated within the IPQR. There was a need to balance operational reviews with strategic planning; prioritise actions; and seek team support to achieve key outcomes for 2024/25 amidst broader health and social care challenges. It was proposed that this committee explores a different way of examining the IPQR, potentially looking in more detail at 3 or 4 sections at a time. There was also a need to align Frugal Governance with priorities, and to enhance public communication.
- Acute Services. The Chief Officer for Acute Services provided further detail on operational updates, noting that Highland received a significant portion of the £30 million government funding. Due to limited capacity, additional services were procured through the private sector, with new capacity becoming operational recently. The Integrated Service Plan (ISP) approach set baselines and additional activity targets for the financial year, though aligning these plans has been challenging. Despite delays in the Treatment Time Guarantee (TTG), particularly in ophthalmology, Highland was the best performing mainland board for TTG in Scotland. Efforts were ongoing to address these delays with new funding and recruitment. Feedback from regular meetings with Scottish Government colleagues was that they were satisfied with Highland's progress and plans for the year.

**After discussion, the Committee:**

- **Noted** the continued and sustained pressures facing both NHS and commissioned care services in delivering on performance and quality metrics aligned to the annual delivery plan.
- **Agreed** to take **limited assurance**.
- **Agreed** to **consider** the level of performance and quality across the system.
- **Agreed** to **consider** improved ways of looking at the IPQR within this committee.

## **6 Annual Delivery Plan & Medium-Term Plan Overall Update and Q1 Position**

This was reported and discussed within item 5.

## **7 Risk Register – Refresh of Level 1 Risks**

The Head of Strategy and Transformation spoke to the circulated report and confirmed there had been no new risks added to the register. She highlighted the following updates:

- Risk 712: The Director of Estates, Facilities and Capital Planning had confirmed NHS Highland sent a letter to the Fire and Rescue Service requesting de-escalation around the fire compartmentation risk and an update would go to the Health and Safety Committee prior to the risk being removed from the level one register.
- Risk 714: There had been consideration to remove this risk from the level one register however completion of backlog maintenance remained a challenge as the overall funding available to invest in current work would not reduce the backlog figure.

The Chair of the Board suggested further discussions take place around articulating the progress being made, particularly around adult social care risk as whilst progress had been made it isn't necessarily explicit within the report. She also highlighted the importance of reviewing associated mitigations to ensure they were having the desired effect.

**After discussion, the Committee:**

- **Noted** the circulated report.
- **Agreed** to take **substantial assurance**

## **8 Revised Committee Terms of Reference**

The Deputy Chief Executive spoke to the circulated report and confirmed the changes noted would ensure the Finance, Resources and Performance Committee would have full oversight of all actions related to resilience.

**The Committee:**

- **Approved** the proposed changes to the Committee's Terms of Reference
- **Agreed** to take **substantial assurance**
- **Noted** the updated documents will be submitted to the NHS Board for approval on 24 September 2024

## **9 Any Other Competent Business**

There were no matters discussed in relation to this Item.

## 10 Remaining Meeting Schedule for 2024

### 10.1 2024

11 October  
1 November  
13 December

**The Committee Noted** the remaining meeting schedule for 2024.

### 10.2 Provisional Schedule for 2025 – 2027

9.30am	9.30am
<b>2025/26</b>	<b>2026/27</b>
10 January 2025	10 April 2026
07 February 2025	08 May 2026
14 March 2025	05 June 2026
04 April 2025	10 July 2026
09 May 2025	07 August 2026
11 July 2025	11 September 2026
01 August 2025	02 October 2026
12 September 2025	13 November 2026
03 October 2025	04 December 2026
14 November 2025	08 January 2027
05 December 2025	05 February 2027
09 January 2026	12 March 2027
06 February 2026	
13 March 2026	

**The Committee Agreed** the proposed meeting schedule for 2025 - 2027.

## 11 DATE OF NEXT MEETING

Friday 11 October 2024 at 9.30 am.

**The meeting closed at 11.25am**