

HIGHLAND NHS BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk	 NHS Highland na Gàidhealtachd
MINUTE of the FINANCE, RESOURCES AND PERFORMANCE COMMITTEE TEAMS	09 August 2024 at 9.30 am	

Present

Alexander Anderson, Chair
 Graham Bell, Vice Chair
 Rhiannon Boydell, Mid Ross District Manager
 Louise Bussell, Board Nurse Director
 Sarah Compton-Bishop, Board Chair
 Heledd Cooper, Director of Finance
 Garret Corner, Non-Executive Director
 Fiona Davies, Chief Executive
 Brian Johnstone, Senior Electrical Engineer
 Gerard O'Brien, Non-Executive Director

In Attendance

Bryan McKellar, Whole System Transformation Manager
 Brian Mitchell, Committee Administrator
 Katherine Sutton, Chief Officer Acute
 Elaine Ward, Deputy Director of Finance
 Nathan Ware, Governance and Corporate Records Manager

1 **STANDING ITEMS**

1.1 **Welcome and Apologies**

Apologies were received from Committee members Dr B Peters and S Walsh.

Apologies were also received from non-members E Beswick, R Daly and P Cremin.

1.2 **Declarations of Interest**

There were no formal Declarations of Interest.

1.3 **Minute of Meeting held on Friday, 5 July 2024, Rolling Action Plan and Committee Work Plan 2024/2025**

The Minute of the Meeting held on 5 July 2024 was **Approved**. The Committee further **Noted** the revised Rolling Action Plan and Committee Work Plan 2024/25.

1.4 **Matters Arising**

1.4.1 **Integrated Performance Report**

G O'Brien highlighted reporting aspects relating to variances within Outpatients and Treatment Time Guarantee data, against relevant ADP targets, and requested further consideration be given to this element for future reports.

After discussion, the Committee Agreed this matter be followed up with the Head of Strategy and Transformation in advance of the next meeting.

2 NHS Highland Financial Position (Month 3) 2024/25 and Value and Efficiency Update

Finance

The Director of Finance spoke to the circulated report detailing the NHS Highland financial position as at end Month 3, advising the Year-to-Date (YTD) Revenue over spend amounted to £22.7m, 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 £134.337m of allocations had been received in Month 3; 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 at 12 July 2024; Supplementary Staffing; Subjective Analysis; Subjective spend tracking in relation to drugs and prescribing, property costs, general/clinical non pay expenditure; and Capital Spend. The circulated report proposed the Committee take **Limited** Assurance, for the reason stated.

There was discussion of the following:

- Potential Barnett Consequential. Advised impact of any pay settlement reached in England had yet to be clarified in terms of resource for individual NHS Boards. Pay awards for Scottish staff had yet to be agreed.
- Allocation Discussions with Scottish Government. Advised allocations were set by Policy Teams and not centrally. Issues had been raised by number of NHS Boards and Scottish Government were aware of the concerns highlighted. Scottish Government colleagues had highlighted in discussion the central financial impact of NHS Boards not achieving break even positions. The overall efforts being made by NHS Highland, in a transparent manner, had been recognised. NHS Highland remained in line with its financial plans.

Value and Efficiency

The Director of Finance then provided a brief presentation of the Value and Efficiency Assurance Group Assurance Report dated 8 August 2024, advising updates were received on a bi-weekly basis. She went on to advise as to the range of individual workstream elements, indicating the associated Executive leadership arrangements, recent progress and immediate planning priorities. An oversight update was also provided on progress with Value and Efficiency savings as at 25 July 2024.

The following matters were discussed:

- Reported Position on Key Indicators. Advised each element of the Scottish Government 15 Box Grid was reflected in the work of the Value and Efficiency Assurance Group. Benchmark position data was available, indicating potential opportunities for progress, with identification of best practice and shared learning aspects also in place. Relevant Senior

Responsible Officers (SROs) had been provided with relevant detail and requested to incorporate within respective trajectories. Directors of Finance were to discuss, consider and share relevant best practice at their meeting the following week, with focus on communication, financial governance, and deep dive activity. Groups would be established to take forward focused areas of work or escalate these as required.

After discussion, the Committee:

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

3 Quarterly Update on Workstreams and 15 Box Grid Elements

There had been circulated a report outlining the NHS Highland position against the 15 Box Grid and current position as at Quarter 1, as provided to Scottish Government. The report also included the 15 Box Grid data pack, associated key Indicators and 15 Box Grid NHS Highland Quarter 1 self-assessment. It was stated the Scottish Government would provide a self-assessment form to complete each quarter, with NHS Boards asked to complete the form as a matter of good practice, and for Boards at level 2 or above, as a mandatory requirement. It was noted the Value & Efficiency Assurance Group (VEAG) had agreed the data would be shared with the workstream Senior Responsible Officers (SROs), with an improvement trajectory to be agreed as part of the workstream deliverables. This work was in progress. The report proposed the Committee take **Moderate** assurance.

The following was discussed:

- **Medical Locum Costs.** Advised reference to direct engagement activity related to the system whereby relevant salary VAT costs can be removed via direct payment arrangements. NHSH had been engaged in that approach for a number of years and continued to explore further efficiency and productivity opportunities.
- **Medical Locum Quality.** Advised there was a recognition that permanently employed staff offered better quality more generally. Whilst there was a degree of reliance on national regulators and professional bodies when seeking to create the context for successful recruitment, NHS Boards had a local responsibility to ensure posts were attractive, interesting and offered areas of interest for potential permanent staff members, such as in relation to research activity. A creative approach was being taken. It was noted accommodation remained a potential barrier to permanent recruitment in Highland.

After discussion, the Committee:

- **Noted** the report content.
- **Agreed** to take **Moderate** assurance.

4 Environment and Sustainability Update

The Senior Electrical Engineer advised the E&S Board subgroup Chairs had been attending regularly, along with members of NHS Assure, who had been providing national updates. Updates would be made to the membership list and Terms of Reference following discussions at the last meeting. NHSH had been developing E&S policies. NHSH had been utilising policies from other NHS Boards with the aim to having them finalised by the end of 2024. The E&S Board would review and consider this Policy before ratification and implementation.

The National Sustainability Auditing Tool (NSAT) was no longer mandatory for Scottish Government reporting. The E&S Board had been discussing whether to continue NSAT as an

internal auditing tool. The national review of NSAT questions had continued through a Short Life Working Group of the NESG. NHS Highland's E&S team would assess the new question sets after the review to determine their suitability for internal auditing.

To progress with the Net Carbon Zero Route map, NHSH met with Mott MacDonald to discuss GPSED funding for 2024/25, aiming to secure pre-capital funding for site surveys this financial year. It was advised that there had not been a decision made by Scottish Government around the funding stream, but it was anticipated that a decision would be reached soon. Discussion would be continued to decide the approach toward the decarbonisation of Raigmore Hospital.

The Public Bodies Report was due to be submitted by end of October 2024. The E&S team would collate the data required for the 2023/24 submission from relevant departments. NHS Highland had been working collaboratively with UHI to develop the Environment Management System (EMS) for NHS Highland. It was anticipated the EMS would be in place by the beginning of financial year 2025/26. It was noted that the E&S Team were in the process of hiring a Waste Manager. Interviews for the position were expected to take place soon.

In discussion,

- Members noted Knowledge Transfer Partnerships (KTPs) can be challenging to set up, but they offer long-term benefits once operational.
- Members noted The Highland National Treatment Centre (NTC) may perform more efficiently than its original design due to green features and staff practices. The Senior Electrical Engineer advised the energy use from the Highland NTC would be reviewed against estimated design figures. It was noted a further update on the review would be provided to the Committee.
- Members emphasised the importance of considering sustainability and environmental impact during organisational changes and questioned whether the organisation had been considering this. The Senior Electrical Engineer noted departments had been gradually incorporating E&S principles into their everyday practices, both directly and indirectly. The Director of Finance advised the organisation should be more proactive and suggested adding these considerations to the quality impact assessment. She also proposed a review process to evaluate the positive or negative impacts on sustainability, ensuring these factors are included in reports.
- The Senior Electrical Engineer highlighted the challenge of aligning hydrogen pricing with natural gas to encourage its adoption. He emphasised the need for subsidies, clear pricing, and balancing cost with sustainability for specific applications.

After discussion, the Committee:

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

5 Any Other Competent Business

The Chair took the opportunity to pay tribute to the dedication and contributory role played by A Clark, Non-Executive Director during her tenure as member of this Committee, noting she had demitted membership as part of a wider review of Governance Committee membership.

6 Remaining Meeting Schedule for 2024

The Committee **Noted** the remaining meeting schedule for 2024 as follows:

6 September
11 October

1 November
13 December

The Committee Noted the remaining meeting schedule for 2024.

7 DATE OF NEXT MEETING

Friday 6 September 2024 at 9.30 am.

The meeting closed at 10.45 am