

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 PEFORMANCE COMMITTEE TEAMS	14 June 2024 at 9.30 am	

Present

Alexander Anderson, Chair
 Tim Allison, Director of Public Health
 Graham Bell, Vice Chair
 Louise Bussell, Board Nurse Director
 Ann Clark, Non-Executive Director (from 10.30am)
 Heledd Cooper, Director of Finance
 Garret Corner, Non-Executive Director
 Fiona Davies, Chief Executive (from 10.30am)
 Gerard O'Brien, Non-Executive Director

In Attendance

Lorraine Cowie, Head of Strategy and Transformation
 Pamela Cremin, Chief Officer, Highland HSCP
 Brian Johnstone, Senior Electrical Engineer
 Katherine Sutton, Chief Officer Acute
 Brian Mitchell, Committee Administrator

1 STANDING ITEMS

1.1 Welcome and Apologies

Apologies were received from Committee members S Compton-Bishop, R MacDonald and David Park. Apologies were also received from non-members E Beswick and E Ward.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minute of Meeting held on Friday, 3 May 2024, Rolling Action Plan and Committee Work Plan 2024/2025

The Minute of the Meeting held on 3 May 2024 was **Approved**. The Committee further **Noted** the revised Rolling Action Plan and Committee Work Plan 2024/25.

2 NHS HIGHLAND END OF YEAR FINANCIAL POSITION 2023/24 REPORT (MONTH 12) AND VALUE AND EFFICIENCY UPDATE

The Director of Finance spoke to the circulated report that detailed the NHS Highland financial position as at financial year end 2023/24, advising the associated Revenue underspend had amounted to £0.265m. This had been achieved through savings of £13.572m; receipt of additional allocations; a reduction in top-sliced costs; use of financial flexibility and an element

of slippage on allocations, together with short term cost reductions and brokerage of £29.5m. The circulated report further outlined the underlying data relating to Summary Funding and Expenditure. Specific detailed updates were provided for the Highland Health and Social Care Partnership area; Adult Social Care; Acute Services; Support Services; Argyll & Bute; year-end progress against the Cost Improvement Plan Programme; Supplementary Staffing; subjective analysis; and Capital Spend. The Director proposed the Committee take Moderate Assurance, for the reasons stated.

On the point being raised, members were advised the in-year movement in relation to the Highland Health and Social Care Partnership required further analysis, while noting the receipt of an unexpected additional allocation from Scottish Government and additional recurrent funding from Highland Council in relation to Adult Social Care. Further analysis would be provided for and to the Highland Health and Social Care Committee.

After discussion, the Committee:

- **Examined** and **considered** the implications of the Year End Financial Position 2023/2024.
- **Agreed** to take **Moderate** assurance.

3 ADULT SOCIAL CARE – PROPOSED RISK PROFILE

The Director of Finance spoke to the circulated report advising as to a financial risk highlighted during the budget setting process, a significant proportion of which related to Adult Social Care delegated services. The NHS Highland Board had agreed that a specific risk be opened regarding the delivery of a break-even position for Adult Social Care and that the monitoring of mitigating actions and ongoing position be focussed through this Committee. The report went on to indicate the following:

“There is a risk that NHS Highland will not deliver its planned position of financial balance within the Adult Social Care delegated budget for 2024 due to the current underlying financial position representing a significant overspend against the allocation received with an opening deficit of £16.252m; further reduction in the relevant quantum of £7m; and an inability to realise a 3% reduction in spend in line with value and efficiency plans of £5.71m.”

The rationale behind the identification of the risk highlighted was provided and the Committee noted this had led to allocation of a Risk Level of High (associated score of 16). It was noted further formal discussion was planned with Highland Council for end Q1, including in relation to governance elements. The relevant Risk and associated mitigations would be entered onto the Datix system. The report proposed the Committee take **Substantial** assurance.

After further discussion, the Committee:

- **Considered** the Adult Social Care Proposed Risk Profile, formally assessed as High.
- **Agreed** to take **Substantial** assurance.

4 BEST VALUE FRAMEWORK

The Director of Finance spoke to the circulated report advising, as part of NHS Highland's annual reporting cycle a review of progress against the Scottish Government's Best Value Framework also circulated had been undertaken, a summary of key achievements in relation to which were outlined. Specific updates were provided in relation to each of the Best Value Themes relating to Vision and Leadership; Governance and Accountability; Effective Use of Resources; Partnerships and Collaborative Working; Working with Communities; Sustainability; and Fairness and Equality. The Director of Finance stated this was an iterative

process and confirmed the circulated report would also be submitted to the next NHS Highland Audit Committee. The report proposed the Committee take **Substantial** assurance.

During discussion, members acknowledged the merit in considering the relevant question set contained within the Best Value Framework document and suggested a streamlined document for staff would be beneficial in terms of making this accessible to the wider staff group and teams. The relative complexity involved in continuously assessing the questions being asked was acknowledged. It was stated there was a need to avoid being overly process oriented.

After discussion, the Committee:

- **Noted** the report content and associated appendices.
- **Agreed** to take **Substantial** assurance.

5 PLANNED CARE SUBMISSION

The Chief Officer for Acute Services spoke to the circulated report, providing a high-level summary of the NHS Highland submission of a revised Planned Care Template to Scottish Government as part of the bidding process for associated funding. The revised Plan had been submitted, in absence of formal written confirmation of available funding or the exact figures available. The report highlighted that the submission contained a number of estimates in terms of finance, that NHS Highland continued to work to finalise and refine relevant figures and that Scottish Government were aware of the position. An update was provided in relation to the additionality created through the additional investment, with specific commentary provided in relation to Waiting List Initiatives, Cancer Funding and Balance, and the National Treatment Centre. Associated trajectories were outlined for Outpatient and Treatment Time Guarantee (TTG) activity, with further narrative on Radiology Services, wider efficiency and productivity aspects, waiting list validation, Waiting Well activity and Theatre efficiency. The Head of Strategy and Transformation went on to advise as the Integrated Service Planning preparatory work undertaken in relation to the NHS Highland submission, in terms of Outpatients, TTG and Cancer Services and advised as to the further work required to define activity including relevant conversion rates, and workforce elements. Service Improvement Plans had been developed and were being embedded. The report proposed the Committee take **Moderate** assurance.

There was discussion of the following:

- **Waiting List Activity.** Advised Access Policy placed an expectation that clinically urgent cases be prioritised, along with Cancer patients and Urgent Suspected Cancer Referrals. Beyond that the priority was in relation to long waits and was undertaken according to a defined framework. The Access Policy had been refreshed but not amended. Highlighted not all patients were fit to undergo a surgical procedure despite being scheduled for the same. Further work was being undertaken in this area to define those individuals. There was a focus on Outpatients and new patient capacity. Additional financial resource would allow for greater focus on population outcomes and clinical validation aspects.
- **National Treatment Centre (NTC).** Noted reference to NTC in report. Advised relevant low risk NHS Highland patients had been treated and cleared, as per original operating model. Activity ongoing to identify what other patients could be addressed through that service. Also considering how scope of NTC service could be expanded although this may require additional anaesthetic capacity and associated rapid patient transfer arrangements etc. Work continued in relation to increasing Theatre capacity and efficiency across NHS Highland. In terms of patients from other NHS Boards, it was advised an annual exercise was undertaken alongside Scottish Government to agree what capacity was made available to those Boards. Consultant Orthopaedic surgeons also attending NHS Shetland facilities to identify relevant suitable patients. It was stated improved pathways may have a significant impact and were also being discussed with Scottish Government.

- Impact of Additional Resource on Waiting Lists. Advised report to go to Executive Director's Group on that particular point. Position would then be outlined to Scottish Government, with possibility of financial resource being returned and made available for additional bids should it not be possible to utilise fully within the identified plans.
- Longest waiting Patients. Noted 78-week figure rising, with 104-week figure remaining static. Questioned if activity in this this would achieve the reduction figure of 2,500 TTG patients referenced. Advised complicated conversion rate aspects involved and dependent in part on cancer patient throughput activity. Figures quoted represented an informed estimate. Noted TTG rates comparable with rest of Scotland. Agreed trajectories be embedded within the Integrated Performance and Quality Report (IPQR).

After discussion, the Committee:

- **Noted** the trajectories and targets have been accepted by Scottish Government through the planned care submission and through the additional monies allocated.
- **Noted** progress would be reported through the Integrated Performance and Quality Report.
- **Noted** a further update in relation Cancer Services would be brought to the next meeting.
- **Agreed** relevant trajectories be included within IPQR from next meeting.
- **Agreed** to take **Moderate** assurance.

6 ENVIRONMENT AND SUSTAINABILITY UPDATE

Speaking to the circulated report, B Johnstone noted:

- The Environment & Sustainability Board membership was under review, with an update to be provided at the next committee meeting. The review has already led to the inclusion of Chairs of sub-groups in the membership listing, which was previously overlooked.
- The National Environment Management System (EMS) meeting recently discussed the ratification of EMS policies by various Boards. These policies will serve as a reference to develop a similar EMS policy for NHS Highland. A strategy will be developed, focusing on service delivery and by the next EMS board meeting, a first draft of the policy and the development strategy which will be derived from the policy, is expected to be presented.
- The National Sustainability Auditing Tool (NSAT) is no longer mandatory but is considered beneficial for internal auditing purposes. NSAT may be replaced in the implementation of the EMS, but until EMS is operational, it would be beneficial to continue the use of NSAT. It was noted that NSAT questions were currently under review, with new ones expected to be released soon. Departments will need to assess the impact of these questions and decide whether to implement NSAT even though it's not mandatory.
- Net Carbon Zero update. The heating system at Raigmore was converted from heavy oil to diesel, a move that will not achieve Net Carbon Zero (NCZ) but reduces emissions and is a step in the right direction.
- Efforts were being made to secure Green Public Sector Energy Decarbonisation (GPSED) funding for decarbonisation at three specific sites, including Campbeltown, in anticipation of a hydrogen port opening in Oban in 2025.
- The Public Bodies Report has informed the boards about the upcoming availability of a reporting tool, with submissions due by the end of October. The Environment & Sustainability (E&S) team plans to reach out to relevant departments in the coming months to gather necessary data for the 2023/24 submission.
- EMS - NHS Highland had been in discussion with NHS Assure and UHI to develop NHS Highland's EMS. The ambition was for UHI to assist NHS Highland in this development, enabling the board to better monitor its environmental progress. Work on the development was expected to commence in the third quarter of the financial year.
- E&S Department Resource – Noted there would be a waste manager position advertised soon, with a third Estate Environmental and Sustainability Officer starting on 1 July.

In discussion, the committee highlighted:

- The Renewable Heat Incentive (RHI) has provided funding for the organisation when biomass and air source heat pumps are used, which is then invested into small scale general environment projects. Funding had also been available through GPSED.
- Within the public sector, there is a high demand for funding through RHI and GPSED. To ensure applications are successful, a detailed and precise business case for any major project proposals was imperative.
- The organisation could benefit from a coordinated approach to publishing Environmental and Sustainability work through an overarching strategy or plan for communication.
- The Campbeltown system was diesel-based. It was noted the burners can be converted from diesel to LPG as a stepping stone to hydrogen. This is due to the unavailability of hydrogen until around 2025-26 when the new plant is expected to be operational. The plan is to transition directly to hydrogen if timing and funding align; otherwise, the system will initially use LPG, with all equipment prepared for a future switch to hydrogen.

The Committee:

- **Noted** the reported progress of the development of NHS Highlands Environmental and Sustainability Strategy and associated projects.
- **Agreed** to take **Moderate** assurance.

7 ANY OTHER COMPETENT BUSINESS

7.1 Annual Delivery Plan 2023/24 – Quarter 4 Return

The Head of Strategy and Transformation advised the Annual Delivery Plan was still to be approved by Scottish Government. Feedback had been provided for certain aspects of the plan where further detail was required. The next step is to review the allocations where further detail would be required and to ensure they align with objectives. Despite the delay in final approval, most departments are proceeding to present their plans as July was approaching.

In discussion,

- Committee members sought clarification on the management and financial aspects of 2C GP Practices within the Health Board. Members also noted previous scrutiny for high expenditure on locum GPs.
- The Director of Finance highlighted the cost versus contract value and the managing locums in GP practices was a widespread issue and recognised the need to improve those controls to reduce costs.
- Noted 2C GP practices in NHS were managed by the Primary Care Services. The Chief Executive noted the Primary Care management within Argyll and Bute had been adapted over time to increase team functionality of the team to do more than contract monitoring to oversee the running of services.
- The Chief Officer of the Highland HSCP acknowledged inconsistent delivery models across primary care, with different staffing team models around locum doctors and advanced nurse practitioners. A primary care strategy is being developed as part of strategic transformation, with the involvement of clinical directors and others, and a report outlining this will be presented in due course.

After discussion, the Committee:

- **Noted** the Annual Delivery Plan 2023/24 – Quarter 4 Return update.

8 REMAINING MEETING SCHEDULE FOR 2024

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

5 July
9 August
6 September
11 October
1 November
13 December

The Committee:

- **Noted** the remaining meeting schedule for 2024.

9 DATE OF NEXT MEETING

Friday 5 July 2024 at 9.30 am.

The meeting closed at 10.45am