



Performance Governance Committee – Minute of Meeting
Thursday 03 March 2022
Via Microsoft Teams

1.0 Attendance

Present: Non-Executive Members

Bob Martin (Chair)
 Ewing Hope
 Linda Semple
 Marc Mazzucco

Board Advisor/Ex-Officio

Claire Burden	Chief Executive
Kirstin Dickson	Director for Transformation & Sustainability
Derek Lindsay	Director of Finance

In Attendance:	Fraser Bell	Assistant Director (Programmes), Property and Capital Planning
	Debbie Kirk	Head of Access
	Shirley Taylor	Committee Secretary (Minutes)

1.1 Apologies

Apologies were received from Lesley Bowie, Adrian Carragher and Laura Brennan-Whitefield.

2. Declarations of interest

Linda Semple – Item 6 – Capital Cases and Programmes – Linda left the meeting for these items.

3. Minutes of the previous meeting – 20 January 2022

The minutes were approved as an accurate record.

4. Matters Arising

4.1 Action Log
 Both actions were noted as being complete.

- 4.2 Committee Workplan
The Workplan is received and noted at each meeting with any changes being flagged for ease of reference.

5. Risk Register

- 5.1 Strategic Risk Register
The Director of Finance provided an update on the strategic risk register which showed five risks for the committee. All risks are being treated with actions in place to mitigate each risk.

A committee member reported a request from the Healthcare Governance Committee to the Audit and Risk Committee that each risk details the date it was first registered to allow each committee to identify how long the risk has been active.

Discussion took place around the level of detail required. The role of the committee is to provide assurance that action is being taken and the risk is being managed from the report provided. Specific detail on each risk is considered as part of the Risk and Resilience Scrutiny Group and reports are generated from this discussion.

Outcome: The committee received the Strategic Risk Register.

6. Capital Cases and Programmes

- 6.1 National Treatment Centre Economic Case
The Head of Access attended the meeting to provide an update to the group on the Economic Case for the National Treatment Centre. This was produced as part of the modified governance approach and will be submitted for approval in lieu of an Outline Business to the Scottish Governments Capital Investment Group. A full Business Case should be complete in the summer of 2022.

The project team are working at pace and as part of the option appraisal process, workshops have taken place with both clinical and patient representation. A shortlist of three options were considered at the workshops with one preferred option being identified in considering finance, risk and non-financial benefits. The preferred option was lowest capital cost and scored highest on non-financial benefits. The Capital Investment Group have advised that if the Carrick Glen option was preferred then it is anticipated that the acquisition would be concluded by 31st March 2022.

Discussion took place around staff engagement, early communication was issued to advise that a National Treatment Centre would be developed however no detail has been shared. It is anticipated more public information will be shared from April 2022 once all key contractual work has been concluded.

Scottish Government have provided approval of funding to make early appointments in advance of the Treatment Centre being fully functional. Recruitment is being focussed on theatre nursing advanced practice roles.

Outcome: The committee approved the recommendations as set out in the economic case to proceed with the preferred option and submit the economic case to the Scottish Government for approval on that basis. The committee also approved the purchase of the preferred option subject to approval from the Scottish Government.

6.2 Diagnostic Centre at Ayrshire Central Hospital

The Head of Access presented a paper detailing a request to build a permanent unit on the Ayrshire Central Hospital site to house a CT scanner which had been in use at the temporary Louisa Jordan Hospital and to incorporate a new MRI scanner to replace a current mobile MRI at Ayr Hospital. It is anticipated this will mitigate the need to hire temporary scanners and reduce the use of agency staff whilst addressing the current shortfall in CT and MRI capacity within NHS Ayrshire and Arran. This has been presented to the Corporate Management Team who are supportive of the proposal. It was noted that this is linked to a national review of imaging infrastructure so there may be a possibility of Scottish Government capital funding however this is not confirmed at present.

The Director of Finance added that permanent Radiography staff will be recruited in order to create a sustainable service Scottish Government will be asked to fund them however, this will be considered as a risk if funding is not recurring from the Scottish Government. The committee were happy to support the proposal.

Outcome: The committee noted the plan to create a permanent CT / MRI scanning facility at Ayrshire Central Hospital and the approach to Scottish Government for capital funding and recurring funding for staff.

6.3 Robot Assisted Surgery

The Head of Access gave the committee an overview on Robotic Surgery with the benefits being faster recovery, less complications and a reduced need for HDU/ICU care following a procedure. Scottish Government identified capital funding to be rolled out on a phased approach to purchase robots. Within phase one the West of Scotland received two robots which were placed in Glasgow and one in Lanarkshire. It is hoped that from phase two capital Robot Assisted Surgery could be purchased and located within NHS Ayrshire and Arran. The robot within the Golden Jubilee is being utilised for training purposes to allow the surgeons to keep up with modern surgical practice. It is anticipated that it will be a cheaper option overall to have a robot located onsite than to purchase capacity from other boards. The Head of Access has been in contact with the Capital Investment Group to enquire about the likelihood of funding the equipment, the advice has been to go ahead with local planning and advise once this has been completed.

In purchasing this equipment there will be an additional revenue cost due to supplies being more expensive however this has been included with the revenue plan and a paper has been submitted to the Corporate Management Team who

were supportive. It was noted there will be various specialised areas of work would still take place in other West of Scotland hospitals due to low volume of surgery and low numbers of surgeons trained to deliver highly specialised work, however higher volume procedures such as colorectal surgery would be performed locally.

Outcome: The committee supported the introduction of Robot Assisted Surgery in NHS Ayrshire and Arran.

7. Financial and Service Plan

7.1 Financial Management Report – Month 10

The Director of Finance provided the committee with the routine report which showed a difficult month in January 2022 due to demand on acute hospitals, absence levels and winter pressures. Statistics provided to the Emergency Management Team detailed covid related absence at 4.7% with other sickness absence at 4.8%. This gave a combined sickness absence rate of 9.5% for January 2022. This has led to a spike in agency nursing spend for the month however this looks to be reducing as of February 2022.

Three drug related overspends were noted within the paper. There was a £1.3 million overspend noted for acute drug spend due to a number of cancer patients who had not been picked up so early due to covid. There is a projected overspend of £2.35 million for new medicines despite covering the Scottish Government reduction of £2.2 million non-recurrently. A £1 million overspend is also projected for Primary Care prescribing at year end. All overspends reported in the current year will become a cost pressure for the following year.

Outcome: The committee received the Financial Management Report.

7.2 Performance Report

The Director for Transformation and Sustainability provided the routine performance report to the end of January 2022. High levels of community transmission of Covid impacted on staff across the whole of health and social care services and had impact on the performance indicators. It was noted that there was significant numbers of covid positive patients within general wards but not as much in ICU due to the Omicron variant. Difficulties were noted in unscheduled care performance and although planned care began to remobilise services this had to be stepped back down due to pressures on acute services.

Concerns were expressed with regard to waiting list sizes, how these compare with the rest of Scotland and how this will affect performance target and trajectories going forward. Discussions have been ongoing as to how meaningful some targets are due to the levels of activity and waiting lists however there has been no change to any national targets as yet. Some targets are legally binding whilst others are just nationally agreed. All boards are noted to be in the same position. There are ongoing challenges with regard to 18 week targets and how these will be met going forward with changes to restrictions coming into place.

The Chief Executive advised that an outline delivery plan is being developed by the Scottish Government for NHS Scotland. A further update will be provided on this once it is received.

Outcome: The committee noted the Performance Report.

7.3 Draft Delivery Plan 2022/23

The Director for Transformation and Sustainability advised that the draft delivery plan was discussed as part of the Board Workshop in February. The delivery plan ties back into the cash releasing efficiency savings (CRES) within the revenue plan and details key programmes of work the organisation is intending to deliver over the course of the year ahead linked to the reform agenda, investment or efficiencies for the year ahead. The document shared is still under review and is subject to change depending on the detail contained within the national delivery plan and feedback from committees.

It was felt it would maybe be useful to hold a session to consider the plan in detail once it is finalised as non-executives and the board require to be well sighted on the aspirations and foreseen challenges with regards to future plans of work.

Discussion took place around the need to achieve CRES savings and the impact this has on both budgets and pressure on staff. Although a 3% efficiency saving target is anticipated by Scottish Government, it is an unrealistic expectation for acute services. It was noted our efficiency savings should not include IJBs due to their pass through funding arrangements.

Outcome: The committee received the draft delivery plan for 2022/23.

8. 2022/23 Budget

8.1 Draft Revenue Plan

The Director of Finance reported that the estimated cost pressures for 2022/23 are £42.5 million. The general allocation funding uplift is £20.3 million with CRES amounting to £10 million. The deficit from 2016/17 will be brought forward along with the unachieved CRES for acute resulting in an overall projected deficit of around £27.9 million.

Prescribing and pay and supplies are the main areas of cost pressure identified for 2022/23. There are some areas which have been funded non-recurringly this year which will inevitably become a recurrent cost pressure for next year.

Discussion took place around efficiency savings. A 3% target is applied across all support functions, however few have robust plans in place to achieve this. It is anticipated that the target will be met for prescribing and a high degree of confidence against £6 million of the £10 million target.

A meeting is taking place next week with Scottish Government to discuss the early plans submitted and the potential £27.9 million deficit expected for next year.

Outcome: The committee noted the draft revenue plan and expressed strong concern around the situation described and deemed this to be unsatisfactory. Scottish Government will be advised, through our Revenue Plan 2022/23 submission, that our deficit is substantially increased in the proposed budget due to the estimated cost pressures noted previously.

8.2 Access Funding

The Director of Finance advised that the Scottish Government have an access fund in place to help reduce waiting times. This is a non-recurring budget in which NHS Ayrshire and Arran would generally receive around £7 million per annum. The budget has increased for 2022/23 and a proposal is being put forward to request £20.5 million to assist with the post covid recovery plan. Whilst not all of this will be received, it is hoped that funding can be negotiated on a recurring basis instead of non-recurringly to increase staff in turn increasing capacity and addressing long waiting lists. Funding for the National Treatment Centre is expected to be provided on a recurring basis.

It was noted that a risk may require to be taken around recurring investment in substantive posts dependant on how much is allocated from Scottish Government and at that point further discussions may be required as to whether this funding can be committed from the Board.

Outcome: The committee supported the request to Scottish Government for recurring funding.

8.3 Delivery of Covid-19 Vaccination Programme

The Director of Finance advised that a funding letter had been received advising of around £7 million in recurring funding to create a sustainable vaccination workforce. There is still uncertainty around which people will be vaccinated and how often but the need for a permanent workforce to support this programme has been recognised. Confirmation of funding for premises and supplies has still to be received however this is expected.

Outcome: The committee noted the paper.

9. Committee Annual Report

The Committee's self-assessment checklist and annual report for 2021-22 was circulated. The committee agreed the content of the paper and the chair thanked everyone for their participation in the committee to date.

Outcome: The annual report was endorsed by committee members for submission to the NHS Board for approval.

10. Key issues to report to the NHS Board

The Chair requested that the items to be reported to the Board are as follows:

- Capital cases and Programmes

- Financial Management Report
- Performance Report
- Revenue Plan
- Access Funding

Outcome: A summary of the papers received would be prepared for presentation to the Board.

11. Risk issues to report to the Risk and Resilience Scrutiny and Assurance Group

A potential risk has been identified with regard to recurring investments in permanent posts using non-recurring funding. The Director of Finance agreed to prepare a paper for submission to the group.

ACTION – Derek Lindsay

Action: The committee identified a risk which will be reported to the RARSAG

12. Any other competent business

12.1 Performance Governance Committee Workplan

The committee received the proposed Workplan for 2022-23. No changes to this were proposed.

Outcome: The committee agreed the Workplan for 2022-23

12. Date of next meeting

Thursday 26th May 2022 at 9.30am via Microsoft Teams

SignatureDate