

**Performance Governance Committee – Minute of Meeting
Thursday 07 September 2023
Via Microsoft Teams**

1.0 Attendance

Present: Non-Executive Members

Sheila Cowan (Chair)
Lee Lyons
Linda Semple
Ewing Hope
Joyce White

Board Advisor/Ex-Officio

Lesley Bowie	Chair, NHS A&A
Claire Burden	Chief Executive
Kirstin Dickson	Director of Transformation and Sustainability
Derek Lindsay	Director of Finance

In Attendance:	Jacqui Donald	Site Director - UHA
	Debbi McEwan	General Manager - Diagnostics
	Donna Mikolajczak	Head of Performance and Insights
	Shirley Taylor	Committee Secretary (Minutes)

1.1 Apologies

The chair welcomed everyone to the committee. Apologies were received from Marc Mazzucco.

2. Declarations of interest

Nothing declared.

3. Minutes of the previous meeting – 02 March 2023

The minute was approved as an accurate record of the meeting.

4. Matters Arising

4.1 Action Log

The committee discussed the completed items. The Director of Transformation and Sustainability advised that the CRES report, which is taken to the Corporate Management Team, will also be brought through the Performance Governance Committee for visibility. It was agreed this would be added to the next agenda and the action log would be updated to reflect this.

Action: Shirley Taylor

An addendum to the action log was shared with the committee providing detail on staffing issues being experienced within Musculoskeletal services. The Director of Transformation and Sustainability advised that challenges are being faced in terms of performance due to workforce gaps, not having the same level of backfill budget as some other disciplines and not being able to secure applicants for promotion due to a drop in skill set following covid and different working practices. There is an ongoing piece of work taking place to support the development of the workforce through coaching, mentoring and professional development which should help to alleviate some of these issues.

4.2 Committee Workplan

The work plan is received at every meeting with any amendments marked in red to allow changes to be easily identified.

Outcome: The committee received the update.

5. Internal Audit

5.1 Delayed Discharges and performance Indicators

The Site Director for University Hospital Ayr was in attendance to provide an update on the Internal Audit report into Delayed Discharges and Performance Indicators from June 2023. Progress is being made against all of the findings contained within the audit. A consistent mechanism is being put into place to understand the reasons for delayed discharges and a standard process is being developed to ensure there is a common practice across Ayrshire. A workshop is in the process of being organised to identify an Ayrshire wide Discharge Policy that will be used by all.

Work is being progressed to streamline some reports due to current inaccurate data between Trakcare and Whiteboard. Business Intelligence colleagues are working to progress this.

Work is also taking place to raise awareness of Discharge without Delay across both acute sites. This is happening via clinical teams, various workshops and posters across all areas. A flowchart has been developed to identify roles, responsibilities and timescales. It is anticipated this will be concluded within the next week and distributed across both sites.

Committee members were assured by the work which is taking place to implement recommendations from this audit. It was agreed that an update would be provided in around six months' time to update and reassure members.

Outcome: *The committee received the Internal Audit Report*

5.2 Diagnostic Capacity Internal Audit

The General Manager for Diagnostics attended the meeting to provide members with an update on actions arising from the Internal Audit into Diagnostic Capacity. It was noted that most actions have now been completed, with creating a user guide not yet commenced and introduction of a document management system delayed due to associated costs surrounding these.

With regard to the actions not yet commenced, an in house guide has been developed and it is hoped this can be used to alleviate any additional costs associated with a review of the Soliton quick guides. In terms of the drop down menu it was reported that a change request would require to be submitted to Soliton for this and the costs would likely outweigh the benefits.

Consideration was given to the actions still in progress, ongoing discussions are taking place with the Transformation and Sustainability team regarding the progress utilisation reports. The focus at present is on one single modality and once this has been finalised it will be rolled out across all other modalities. This has also been queried nationally and it was found that every board has a different process. Work is progressing with regard to the introduction of a document management system. A quality database is already in place within the area laboratory and it is hoped this can be used however a discussion will take place regarding whether the cloud based version will be the best option. Discussions are also taking place around costs which is hoped can be shared with other departments who also require to use the system. Testing has commenced on the text messaging service and a meeting has been arranged to agree a date for go live of this system of communicating with patients.

The committee felt assured with the work which has taken place and the progress made. It was agreed that an update on progress would be provided to the Internal Auditor for noting within their action tracker.

ACTION – Debbi McEwan/Shirley Taylor

Outcome: *The committee received the update*

6. Risk Register

6.1 Strategic Risk Register

The Director of Finance presented the Strategic Risk Register to the committee. On 21st July 2023, the Risk and Resilience Scrutiny and Assurance Group undertook a review of all strategic risks. Six strategic risks were allocated to the Performance Governance Committee, with one of these risks being moved from strategic to operational. It was noted that access funding was previously non-recurring which posed a significant risk however the access money is now recurring. £2m Caring for Ayrshire funding being received as capital remains a risk, the mitigation of the

risk has reduced meaning the risk could be managed operationally via normal directorate governance processes.

Detailed discussion took place around the specific strategic risks and it was noted that Risk 703 related to the financial outturn has been reviewed and the timescales for further review have been amended to ensure this risk is reviewed more frequently.

Members also focussed on the new risk regarding the reduction in the EME budget. Concerns were expressed regarding this risk and although capital funding is limited, assurance was provided that detailed planning was taking place with regard to EME expenditure as part of a local and national plan as requested by the Scottish Government.

The committee agreed that regular review should take place on both risk 703 and the new EME risk to ensure these are managed appropriately.

Outcome: *The committee received the strategic risk register*

7. Financial and Service Management

7.1 Performance Report

A recent short life working group took place to reconsider the format of the performance report in order to provide members with an executive summary followed by more detailed and transparent data for the latest period. The new format was taken to a recent board meeting where the changes were approved. It was noted that the board version of the report would be a consolidated version whilst the performance governance report would be more detailed to allow for discussion.

Members agreed that the new format of the report was much better and easier to read and it was felt the control charts were very helpful to easily see those areas outwith control limits although some charts were more difficult to read. The committee agreed the report provided good linkages to the Annual Delivery Plan which assistance in measuring against targets. Questions were raised around sizing the impact in order to close the gaps around the targets. It was felt it would be helpful to hold a training session to look at this in more detail along with the interpretation of the run charts. The team were thanked for their work on the revised report.

ACTION: Donna Mikolajczak

The Director of Transformation and Sustainability provided an update on the executive data summary which was not positive in terms of performance. Challenges are still being faced getting back to the recovery position and although local targets are not being met lots of work and effort is still taking place to improve performance.

MSK is currently at its lowest position since June 2020 due to significant workforce challenges impacting on deteriorating performance. Similar challenges can be seen in ultrasound scanning whereby local and national targets are not being met.

The Board noted an improving position in terms of the 62 day cancer target however this dropped again from May-July 2023 linked to Diagnostic waits, treatment pathways and waits for services outwith Ayrshire. It was noted that the 31 day target has been consistently met for some time.

Good performance can be seen within Mental Health Services with the CAMHS position being above the national target. An improvement in compliance has started to show for psychological therapies and good performance is still being seen in drug and alcohol services.

With regard to unscheduled care, the position has been challenged for some time in terms of being able to get patients into ED in line with the four hour target and the numbers of 12 hour breaches is the highest in Scotland. Although some progress has been made it is still a challenging area in terms of performance and delivery. There are also significant challenges with regard to delayed discharges and transfers of care across the system impacting on occupied bed days.

The committee felt it would be helpful to get more information with regard to the challenges being faced by MSK and what can be done to help this position. A group is being developed to conduct a deep dive into the data and commence work with the improvement team. It was agreed that a progress update paper would be provided to the group on completion of this work.

ACTION – Kirstin Dickson

Outcome: *The committee agreed the revised format of the performance report.*

7.2 CNORIS Annual Report 2021-22

The Director of Finance shared the CNORIS annual report for 2021/22 along with a table detailing the types of claims received. It was noted that the risk is shared due to the high value of some claims received (e.g. Cerebral Palsy due to oxygen deprivation at birth) this could lead to a single board being destabilised if hit with multiple claims.

There has been a recent trend in claims identified whereby a family claims for compensation following a bereavement. These claims used to be spousal however are now extending to other family members.

The CNORIS Annual Report for 2021/22 was shared with members noting that national settlements were £109 million. In light of the increased costs, the NHS Ayrshire and Arran budget increased to £4.36 million with an extra £860k cost pressure being funded in 2023/24.

Outcome: *The committee received the annual report.*

7.3 Agency Spend

Historically medical agency spend has been higher than nursing agency spend. Medical agency has reduced due to a number of factors such as the undertaking of direct engagement to reduce VAT costs and the recruitment of clinical development fellows. Most medical agency spend now would be for longer term vacancies for which we have been unable to recruit.

Nursing agency spend tends to be for shift work and has seen a significant increase over recent years to over £10 million due to additional beds, increased vacancies and higher sickness absence rates. Around £3m was spent on agency nurses for front door services in 2022/23 and around £1m on trauma and orthopaedic wards. This in turn is contributing to an overspend.

Direct engagement for medical staff will be expanded to include AHPs but not nursing as the latter are VAT exempt. The nurse bank will be strengthened at an NHS rate and monthly meetings will take place to monitor supplemental spend.

The committee were assured that the Corporate Management Team were taking forward actions to minimise agency spend.

Outcome: *The committee received the report.*

7.4 Financial Management Report – Month 4

The Director of Finance presented the Financial Management report for Month 4 noting that the month 3 & 5 reports were for presentation to the Board.

A £19.2m deficit can be seen at month 4. Half is due to overspend relating to acute and some of the deficit is within reserves. If this position continues we would be on course for the predicted deficit budget however Scottish Government are looking for us to significantly improve upon this. Some areas have already seen some improvement due to the closure of unfunded wards and a reduction in agency spend. Plans are in place for closures within other areas and some progress has been made however this has not been as quick as anticipated with a £3.8m spend on these wards at month 4.

Nurse agency has shown a positive trend due to good progress being made with stopping the use of non-framework providers resulting in decreased spend on agency since May. The closure of beds will continue to positively impact this.

The Director of Finance drew members' attention to section 6 of the report around risk assessment and mitigation highlighting the issues with delayed discharges. It was also noted that a new IT system has been implemented for GP prescribing nationally. Due to this, no spend information has been available since April 2023. There is an added risk to this if the cost of medication increases as it cannot be identified.

Discussion also took place around operational CRES which is predicted to be £9.3m. This is a £273k shortfall against the £9.6m quoted within the operational plan.

A quarter 1 finance meeting took place with Scottish Government on 16th August to discuss the outturn position and progress any areas seen to be opportunities. Some Health Boards are receiving tailored support from Scottish Government. It is thought NHS Ayrshire and Arran may be in a similar position if this trend continues at quarter 2. CMT are currently discussing the best ways to try and reduce this.

Outcome: *The committee received the report.*

7.5 Pay Awards

The Director of Finance presented the paper and advised that the assumption was that Scottish Government would fully fund the cost of pay awards. An allocation of £44.6m was received however in comparison costs were slightly higher. It was found that Scottish Government based the allocation on NRAC rather than how much was spent. This was raised at the quarter 1 review with Scottish Government as an in year cost pressure of £2.4m. Scottish Government agreed to provide £2.2m to assist with this however this will be non-recurring and a budget would be required for next year.

Discussion took place around the NRAC Formula and it was noted that our funding would reduce over the years due to a declining population however the committee felt that not sufficient cognisance was given to the complexity of the population with Ayrshire.

This has been raised through Directors of Finance across Scotland while an annual update happens due to population movements and it was felt it may be time for a major review of the formula which would be a significant piece of work for Scottish Government. The Board Chair agreed to look into this and report back to the committee.

ACTION: Lesley Bowie

Outcome: *The committee received the paper.*

7.6 Non-recurring cost pressures and funding in 2023-24

The Director of Finance advised that the Revenue Plan in March focussed on recurring cost pressures and the emergent issues for funding in year such as digital implementation costs are outlined to the committee in a subsequent paper. There are schemes of delegation in place to the Chief Executive, whereby budgets can be vired to cover other cost pressures if required however a report would require to be produced for Performance Governance Committee. The committee noted the non-recurring costs pressures identified within the paper.

Outcome: *The committee received the paper.*

7.7 2024-25 Budget Setting Process

The Director of Finance spoke through the budget setting process for 2024-25. There are two main expert group who are used to identify cost pressure and advise on the budget allocation process. These are the Pay and Supplies Group and the Realistic Medicines Effective Prescribing Group. Detail on cost pressures will be provided to the Corporate Management Team who will consider the estimates of costs. Once costs have been refined the paper will be presented to the

Performance Government Committee to consider before being put forward to the Board. A detailed timeframe for completion was approved by the committee.

Outcome: *The committee approved the proposal.*

8. Key issues to report to the NHS Board

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

- Strategic Risk Register and validation between strategic and operational risk.
- CNORIS Annual Report
- Financial and Performance Management was reviewed
- Approval of the Budget Setting Process
- Assurance was received in Internal Audits

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

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

Nothing to add.

10. Any other competent business

The Chief Executive advised members that an inspection has taken place across all site for RAAC. This is concentrated to only three areas of Crosshouse Hospital which are currently under surveillance as part of a national review. It was noted that there has been a number of media statements with a degree of interest around this and it was agreed that the most recent statement would be circulated to Board members for interest.

ACTION: Kirstin Dickson

The Chair of the committee advised that there are instances whereby the calendar of PGC meetings does not fit with the Board calendar in terms of reporting, in particular this is true for the Financial Management Report. Discussion took place and it was agreed that a PGC light would take place as and when required, around twice per year, to ensure that members have had the opportunity to scrutinise certain reports in detail. Members were in agreement with this plan. This will be scheduled and dates circulated to the committee.

ACTION: Shirley Taylor

The committee discussed the process for meetings and whether members would like to resume face to face or hybrid meetings. Differing opinions were given but it was felt it may be helpful for at least one meeting per year to be either face to face or hybrid. It was agreed that this would be discussed in more detail at the next meeting in order to agree a model.

ACTON: Shirley Taylor

11. Date of next meeting

Thursday 2nd November 2023 at 9.30am via Microsoft Teams

SignatureDate