

**Performance Governance Committee – Minute of Meeting
Thursday 02 November 2023
Via Microsoft Teams**

1.0 Attendance

Present: Non-Executive Members

Sheila Cowan (Chair)
Lee Lyons
Ewing Hope
Joyce White

Board Advisor/Ex-Officio

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

In Attendance:	Debbie Kirk	Head of Access
	Shirley Taylor	Committee Secretary (Minutes)

1.1 Apologies

The chair welcomed everyone to the committee. Apologies were received from Lesley Bowie, Linda Semple and Marc Mazzucco.

2. Declarations of interest

Nothing declared.

3. Minutes of the previous meeting – 07 September 2023

The minutes were approved as an accurate record of the meeting.

4. Matters Arising

4.1 Action Log

The committee considered the action log. It was agreed that the action regarding the performance report should be widened to include sizing the impact which should be prioritised in order of magnitude.

4.2 Committee Workplan

The new format of the committee workplan which was previously agreed by the NHS Board was received. Going forward changes to this will be marked in red to allow these to be easily identified.

It was highlighted that the delivery plan quarter 2 update has been deferred until the meeting on 18th January 2024 to align with Scottish Government timelines for quarterly returns. The workplan has been updated to reflect this change.

The Director of Transformation and Sustainability advised that the draft PAMS Strategy 2022 was discussed at the Infrastructure Programme Board on 24 October 2023. From this it was agreed that further discussion would take place at CMT to agree future requirements and governance processes. Following this it will be submitted to PGC for consideration. There is no requirement for this to be submitted to Scottish Government as it has been replaced by the whole system planning and infrastructure plan.

ACTION - Kirstin Dickson

The committee agreed that the Workplan for 2024/25 will be presented to member at the meeting on 18 January 2024.

Outcome: The committee received the update.

5. Capital Cases and Programmes

5.1 Capital Plan Mid-Year Position Paper

The Director of Transformation and Sustainability presented the Capital Plan Mid-Year Position Paper. The proposed Capital Plan was agreed by the committee then Board in May 2023. At this point no advice had been received from Scottish Government regarding the funding allocation and on this basis assumptions were made with regarding to funding received and projects requiring funding. The plan was approved by the Board on this basis. The mid-year position paper outlines a subsequent letter advising of changes to the allocations. The paper has been amended to reflect these changes.

The main areas of note were changes to funding for Foxgrove, the National Treatment Centre and Caring for Ayrshire with some challenges noted in the delivery of these areas.

Projects on Ward 4A and Critical Care previously had funding aligned that was returned to Scottish Government in 2022/23 as it could not be spent. Only the ward 4A funding was given again this year. A business case is being prepared to reflect the increase in prices related to the Ward 4A project.

Scottish Government has provided £600k additional funding support or decontamination equipment which was not accepted by External Auditors as 2022/23 spend as part of the audit process. Proceeds are also expected from the

sales of surplus land at Arran War Memorial Hospital, Kirklandside, Holmhead (Cumnock) and Harbourside (Irvine).

Discussion took place with regard to changes in costs and contingency plans for the unallocated elements of the plan. There is £876k available and consideration will be given to the prioritised list to allocate funding through the Infrastructure Programme Board which would be notified in the next capital plan update.

ACTION – Kirstin Dickson

Outcome: *The committee received the position paper*

6. Internal Audit

6.1 Waiting List Management

The Head of Access was in attendance to provide an interim update on the Waiting List Management Internal Audit which took place earlier this year. General feedback from the Internal Auditors in relation to waiting list management was positive and although some areas were highlighted to refine processes it was found that governance in this area was strong.

There were four findings from the audit, two minor and two amber. Two actions have since been completed.

The first outstanding finding discussed was around booking patients in turn. The Internal Auditor requested that decision making is recorded if a patient is booked out of turn to allow for monitoring and reporting. It was confirmed this action is in progress however the Opera system used within theatres does not allow for the recording of such information. Work is ongoing to decide how to take this action forward however it was noted that it may not be able to be implemented within the current Opera system.

Discussion took place around the training of medical secretaries and it was noted that the timescale for this has been moved back due to updated guidance being released from Scottish Government on the National Waiting Times Policy. Once received local access policies and SOP's will require to be updated before training can take place. This will consist of training for medical secretaries and awareness raising session for clinical staff.

It was noted that it is unlikely that the outstanding actions will be implemented before the end of March 2024. The committee agreed a further update should be provided following this.

ACTION - Shirley Taylor

Outcome: *The committee received the progress update*

7. Risk Register

7.1 Strategic Risk Register

The Director of Finance gave an update on the Strategic Risk Register and the committee were reminded of the two new risks which were discussed at the last meeting on Electromedical Equipment and Non-framework Agency Nursing. All risks have been reviewed by the Risk and Resilience Scrutiny and Assurance Group on 23 October 2023 and the non-framework agency nursing risk is expected to move to operational at the next iteration. Committee attention was drawn to the appendices which highlights any changes made.

It was noted that there were discrepancies with regard to dates not aligning with regard to risk 432 and 494. It was agreed this would be feedback to the risk team to amend.

ACTION - Derek Lindsay

With regard to risk 703 it was noted that the Scottish Budget will be announced mid-December so this will allow the opportunity for review before the deadline of 6 January 2024 for risk review with the hope that this can be report to the committee at the next meeting on 18 January 2024.

The committee also requested an amendment to the review date of risk 845 from the end of January to allow this to be reviewed before the next PGC meeting. Questions have been raised with regard to the development of the risk in relation to Infrastructure Programme Board and the spend on EME which falls under capital. It was agreed this would taken forward with the relevant Director.

ACTION - Kirstin Dickson

Outcome: The committee received the risk register

8. Financial and Service Management

8.1 Performance Report

The Director of transformation and Sustainability presented the routine performance report. It was noted this is the second report in the new format and discussion took place on what information the committee would like to be presented at each meeting. It was noted that it should be assumed the paper is read by members before the meeting and will be presented for scrutiny, assurance and clarity. The committee felt it would be helpful to highlight areas of good practice and provide detail on areas of particular concern. The committee also agreed that a traffic light system within the executive summary would be helpful for ease of reference.

An overview was provided which shows there is still challenges in terms of performance and any movements within areas are subtle. One area which has been discussed at previous meeting is MSK waiting time compliance which has dropped further by 29.8%. Deep dive work is taking place with the team and it was felt it would be helpful if the AHP Director attended a future meeting to provide feedback on the work taking place to improve performance in this area.

ACTION – Shirley Taylor

Both unscheduled and planned care performance is still being challenged. It is expected that both will become even more challenging as we move into winter.

A committee member highlighted outpatients as an area of concern due to the number of patients currently on the waiting list to be seen. It was confirmed that this has been remobilised to 95% of the pre pandemic capacity however due to staffing resources and clinic availability, demand is vastly outstripping capacity as waiting lists continue to grow with challenges being seen in certain specialties. It was noted there are capacity constraints being seen across the whole of Scotland.

In terms of inpatients and day cases there continues to be challenges in recovering to pre-pandemic capacity including day care recovery space due to the extra critical care space created during the pandemic. Work is sent to Golden Jubilee and Forth Valley boards to try and mitigate this.

Diagnostics is challenged in terms of capacity within ultrasound. There is an additionality of MRI support being provided through access funding however with no mobile unit being available beyond the end of the financial year this will affect the capacity to deliver scanning. Issues with maintenance are also having an effect on capacity.

Challenges within Endoscopy should begin to improve due to additional capacity being created with a fourth endoscopy room at Ayr Hospital.

The 31 day cancer target is in a consistently high position however the 62 day target continues to be challenging. This can be due to prioritisation through the diagnostic pathway which has an overall effect on the cancer pathway. Some cancers are managed outwith Ayrshire and are reliant on the timelines of other boards. It was noted that 1-2 patients falling outwith timescales could skew overall performance.

Mental Health continues to be in a good position and the work which has taken place to redesign teams around CAMHS should be celebrated. Drug and Alcohol Therapies continues to be in an excellent position and improvement are being seen within psychological therapies.

Lots of positive work is taking place within urgent care which is being recognised at a national level following a visit from the cabinet secretary. Further development and opportunities are currently being considered.

It was reported that the figures are very reflective of the position being nationally however our performance in some areas is poorer than other areas in terms of benchmarking. The 12 hour breaches for A&E waits continue to rise. There are lots of impacts on activity at this time of year and winter is cause for concern in terms of increased activity at the front door.

The committee discussed the action logs and it was noted that the areas for concern in terms of delivering actions are unscheduled care and outpatients. Robust processes are in place however there are still concerns that actions may not be mitigated. A deep dive data analysis is underway to see what else can be put into place to assist this position.

Discussion took place with regard to Director Leads attending future meeting to provide assurance to the committee of what processes are in place to remedy areas of concern. It was agreed this would be added to the agenda on a rotational basis for the areas of concern and a schedule would be created to reflect the seriousness of the position.

ACTION: Claire Burden / Kirstin Dickson

Outcome: *The committee received the performance report.*

8.2 Access Funding Paper

The Head of Access presented the access funding paper and advised that £10.3m had been received within the financial year across various waiting times related areas. Decisions are required as to how the money should be allocated as a number of initiatives have been agreed and previous years have seen a top slice of the budget in order to cover areas such as orthopaedic and the fourth endoscopy room at Ayr Hospital. There is a discretionary budget of around £4m for waiting list initiatives and buying capacity from the private sector.

There remains some uncertainty about the national treatment centre. Posts have been recruited to and funding held back in order to cover these posts if required. There is now reasonable certainty that this funding will be received from Scottish Government.

A further stream is looking at recurring investments in a few areas. There has been a change in the allocation of access funding as communicated by Scottish Government this year, money will now be allocated recurrently and built into baseline budgets. From April 2024 this will allow us to look at identifying areas for more sustainable solutions. Longer term plans are being developed and require to be more robust before funding is committed recurrently.

Within the assessment section of the paper reference is made to the changes in how funding will be allocated to Diagnostic services. Scottish Government have indicated that the funding for the mobile MRI Scanner will come to an end as of the end of March 2024. This will create challenges as the equipment has been on site for many years and the throughput of patients is very high so this will result in a significant loss to the service and will affect future waiting times. There is a plan to develop a new Diagnostics hub within Ayrshire Central Hospital which will contain a permanent MRI Scanner however capital funding for this has not yet been prioritised by IPB.

The Director of Finance advised that at the end of 2022/23 upgrades were made to both in house MRI Scanners at Ayr and Crosshouse however the mobile unit was used as additional capacity. Scottish Government have indicated that they would

be willing to fund a new permanent MRI scanner however we would be required to pick up any associated building costs. This could have an impact on any future capital prioritisation.

An announcement was made at the SNP conference that further funding of £300m over a three year period would be provided in order to reduce waiting lists. There have been no proposals put forward at present as to how this funding will be allocated.

Discussion took place around a recent strategic risk of using non-recurring funding recurringly for staffing. This is due to substantive staffing costs being cheaper than waiting list initiatives. This was moved to an operational risk once the allocation was made recurringly.

It was noted that in addition to the £10.3 million access funding, £1.5m of baseline funding has been earmarked for elective activity in Golden Jubilee. There are two elements to this, firstly Scottish Government decides this allocation of funding based on our allocation of activity to Golden Jubilee each year. Although it has proven to be good value for money, it has been difficult to source the funding required. Work is taking place with Scottish Government to improve the process. Secondly, the Golden Jubilee National treatment Centre orthopaedic development will be concluded within 2024/25. Due to this there is the potential to gain additional capacity however funding this would need to come from the £10.3 million access funding or new funding from Scottish Government.

The committee received assurance on the work taking place around access funding.

Outcome: *The committee received the paper and supported the use of access funding*

8.3 Financial Management Report – Month 6

The committee received the Financial Management Report for Month 6. The Director of Finance provided some background on where we are to date. A £16.7m funding uplift was received for 2023/24 however £50 million of cost pressures being faced are greater than this. The pay awards which Scottish Government provided additional funding for, however the first 2% per annum is funded from the Board general allocation uplift. The Agenda for Change average increase over a two year period was 14%. Scottish Government have topped up the general allocation by 10% to assist with this. £46.7 has been received with some of this being passed to IJB's. A national agreement has been made for junior doctor to receive a pay increase of 12.4%. The top up of £4.3m to cover medical pay awards has not yet been received.

Discussion took place on the specific cost pressures from the general allocation uplift. In terms of prescribing cost pressures of £17.34m could be seen for 2023/24 which is higher than the total general allocation uplift and poses a significant challenge. Energy costs have doubled across the two years. Due to inflation, an increase could also be seen in supplies costs, IT service contract, PFI and estates.

£1.8m required to be invested this year to cover covid pathways at the front doors and enhanced cleaning costs.

There has been a few service developments which have also had an impact. Robot Assisted Surgery was introduced in 2022/23 which has incurred cost pressures within 2023/24. There has been a staffing investment within Haematology with an increase in demand of 10% each year. Further investments have been made recurring in Digital Services due to Office 365, extra staffing and Trakcare upgrades.

In summary the financial deficit has gone up significantly over the past two years. The current year budget has been set as £56.4m deficit. The overspend noted at end of September 2023 is £27.3m and although this is on track, the Scottish Government are seeking an improvement on this position. Unfunded beds has also affected this position with costs for these expected at around £9m for the year.

Discussion also took place around the New Medicines Fund which has not been factored into the revenue plan due to the assumption that Scottish Government funding would cover costs. It is expected that the overspend for this will be around £4.7m in the current year. The projected year end deficit is therefore £55 million.

A risk remains around Primary Care Prescribing due to a 2% assumed volume increase. Data on costs has been slow to come through on exact costs due to a new national system being implemented by NSS however it is anticipate this will be resolved by end of December 2023.

The committee discussed what measures can be put into place over the coming months to attempt to improve the deficit position. A project is planned to mitigate the costs pressures of taxis and private ambulances with the current spend being around £1.5m. Scottish Government are also carrying out a demand and capacity analysis within laboratories to try and validate cost pressures in that area. There is a significant risk with regard to CRES which will be an operational challenge in many areas. Work is ongoing to look at areas where expenditure has not yet been committed without causing any service implications.

Discussion also took place on the unfunded beds and the lack of financial support from the IJBs. There has as yet been no agreement and a dispute process will be commenced regarding South Ayrshire IJB. Average length of stay also need to be brought down. It was agreed an action plan would be brought back to the committee to provide assurance that measures are in place to deal with delayed discharges and plans for reducing average length of stay as well as the dispute with IJBs over unfunded beds.

ACTION – Claire Burden

Outcome: *The committee received the report.*

- 8.4 Analysis of Acute Staffing Overspend
The committee received the paper.

Outcome: *The committee received the paper.*

8.5 CRES Plan Update

The Director of Transformation and Sustainability presented the CRES Plan update for the first four months and noted that the appendices to the paper provide an additional level of detail as to where Directorates are looking to find in year CRES savings and the potential challenges in delivering this.

Concerns were raised by the committee with regard to cost avoidance versus real cash efficiency savings and ensuring that the cash savings are being delivered.

Outcome: *The committee received the paper.*

8.6 Quarter 2 Letter from Scottish Government

The Director of Finance presented the Quarter 2 letter from the Scottish Government advising that improvement in the financial position was required and if no improvement is seen then escalation will take place to see what tailored support can be given. Engagement is underway with the Scottish Government Finance Delivery Unit to manage the situation. A briefing note is being drafted in response to the letter detailing reasons for the changes in forecast and progress being made. Detail will also be added with regard to the dispute with IJB over paying for delayed discharges. A first draft of projected cost pressures for 2024/25 will be presented to the committee at the meeting on 18 January 2024.

ACTION - Derek Lindsay / Shirley Taylor

Outcome: *The committee received the letter.*

9. **Key issues to report to the NHS Board**

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

- Capital Plan Mid-year position paper
- Waiting List Management Internal Audit Follow Up
- Performance and Financial Management reviewed in detail
- Quarter 2 Letter from Scottish Government

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**

10.1 PGC Light Proposed Model and dates for 2024/25

The committee were advised that the proposed date of 5 November 2024 is conflicting with a CMT Development Sessions. It was agreed this would be amended to take place on 6 November 2024 and will be a face to face meeting.

The committee discussed the potential introduction of PGC Light meetings due to the instances where the FMR is not being scrutinised by the committee before being reported to the Board. Discussion took place on this and it was agreed that one "light" meeting be scheduled for early August 2024, but meetings would not be required each time unless called by the Director of Finance. It was agreed that the FMR would be circulated by email with voting to ensure it has been seen and accepted by all. It was agreed this would be added to the Terms of Reference.

ACTION – Derek Lindsay / Shirley Taylor

Outcome: *The committee agreed the model and future meeting dates were noted.*

11. Date of next meeting

Thursday 18th January 2024 at 9.30am via Microsoft Teams

SignatureDate