

**Performance Governance Committee – Minute of Meeting
Thursday 18 January 2024 and Thursday 01 February 2024
Via Microsoft Teams**

1.0 Attendance

Present: Non-Executive Members

Sheila Cowan (Chair)
Lee Lyons
Linda Semple
Joyce White
Marc Mazzucco

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:	Alistair Reid	Director of AHP's
	Christine Wallace	MSK Service Manager
	Shirley Taylor	Committee Secretary (Minutes)

1.1 Apologies

The chair welcomed everyone to the committee. Apologies were received from Ewing Hope.

2. Declarations of interest

Nothing declared.

3. Minutes of the previous meeting – 02 November 2023

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

4. Matters Arising

4.1 Action Log

Members discussed item 7.1 – performance report. Training has been confirmed for Board members for Tuesday 30 January 2024. In terms of the performance report content and layout, members requested that actions summary were noted chronologically in order to mitigate the risk. It was also requested that the executive summary was sized in value by magnitude and finally members felt that the graphics in the tables could be altered to enable these to be read more easily. It was agreed that the layout of the pages would be altered to allow the graphs to be amended however members were made aware that this would increase the size of the report in terms of the number of pages. Discussions are underway with service leads regarding the ordering of actions to mitigate the risk. Discussion has also taken place with regard to quantification of an action. It was agreed this may not be possible for all actions and it was agreed that ordering would take precedence with quantifying actions being considered and a follow up date included.

Discussion took place with regard to colour coding of the executive summary within the performance report for committee purposes only. Concerns were raised as there has been a move away from colour coding and after discussion members agreed that instead the executive summary would be prioritised in order of the most important issues.

ACTION – Kirstin Dickson

A committee member raised concerns with the progress of actions on the action log as some actions have not shown progress for a significant time period. It was agreed if an action has not started then there should be an explanation why within the progress column. It was also noted that some completion dates would require to be amended if progress on an action is delayed. It was agreed that work would take place to close off or obtain progress on the actions which remain open.

ACTION – Shirley Taylor

The Board Chair provided an update with regard to the NRAC action. The lead for this areas has been identified and discussions have taken place. It is not anticipated that the NRAC formula will be considered for review before 2025/26. The responsible lead for this work has been invited to attend the National Board Chairs meeting to discuss plans for the future. It was agreed this would be added to the workplan for an update in six months time if available.

ACTION – Shirley Taylor

Discussion took place regarding the Property and Asset Management Strategy which has not yet had a governance route agreed by CMT. It was agreed the completion date for this action would be amended as information becomes available.

The Director of Transformation and Sustainability advised that risk 845 is being reviews through the Infrastructure Programme Board and a progress update will be provided at the next meeting.

Members discussed the rolling schedule of attendees. It was noted that MSK performance would be the focus at this meeting however a schedule would be

prepared for the next meeting to include unscheduled care, 62 day cancer targets and outpatients. It was agreed that unscheduled care would be reported at the next meeting due to the ongoing issues with delayed discharges and average length of stay. It was also agreed that further discussions would take place with the Chief Executive to identify the level of detail which would be provided to the committee in terms of this work.

ACTION - Kirstin Dickson

An update was provided with regard to the IJB dispute. There has been written and verbal correspondence with South Ayrshire Council regarding this and Fiona Bennett from Scottish Government has agreed to act as an Arbiter in order to assist the process. It was agreed this action would remain open until resolution.

ACTION – Shirley Taylor

- 4.2 Committee Workplan
Amendments to the workplan were noted with changes in red for ease of reference.

Outcome: *The committee received the update*

5. Procurement

- 5.1 Annual Procurement Report
The Annual Procurement Report was removed for discussion on the agenda as this has still to be approved by the Corporate Management Team at the end of January.

Outcome: *The report was removed from the agenda*

6. Internal Audit

- 6.1 Delayed Discharges
Due to operational pressures it was agreed this item would be deferred for updated until March 2024. The committee agreed that assurance would be sought that work has commenced by the leadership team particularly with regard to length of stay. It was noted that there have been process related issues with regard to data capture however work is underway to look at this.

Outcome: *The progress update was deferred to the next meeting on 07 March 2024.*

7. Financial and Service Management

- 7.1 Performance Report
The Director of Transformation and Sustainability provided the regular update on the performance report and focussed on particular areas where challenges in performance could be seen. Both planned care and new outpatients are continuing to see a deterioration in performance. Work is taking place to mitigate these challenges such as engagement with the elective co-ordination unit, discussions

with other boards in terms of mutual aid and requests for additional support from Scottish Government.

Planned care inpatients and day cases have seen some improvement in their position however due to challenges in some specialties, long waits are still being identified. A target has been set to ensure no patient has been waiting longer than 12 months to be seen by September 2024.

In terms of Diagnostics there has been good compliance in both CT and MRI however challenges are still being experienced in non-obstetric Ultrasound. An improved position can be seen for Endoscopy due to additional capacity.

The 62 day cancer target has seen a significant drop in performance which can be a challenge due to some cancer types being delivered outwith Ayrshire which can cause pathway delays. It was noted that diagnostic delays can also have an impact on the pathway and lead to delays.

Mental Health Services are continuing to retain a good performance status.

Unscheduled care presents an ongoing challenge in terms of the four hour standard, 12 hour breaches and the turnaround time of ambulances to the front door. A 30, 60 and 90 day unscheduled care recovery plan has commenced in order to improve capacity challenges. This will be looked at in more detail at the meeting on 7 march 2024 as part of the unscheduled care update.

With regard to delayed transfers of care it was noted that each partnership is pursuing opportunities to improve the position however there are similar challenges within the community setting.

The committee discussed the position and it was agreed more detail is required in terms of the improvement actions to identify what is going to be achieved and a timeframe for doing so. It was confirmed that detailed plans from the programme of work behind the performance report contains this information however it was agreed that the most significant actions should be prioritised within the executive summary to allow these to be easily identified and to see what progress has been made against them to provide members with assurance.

ACTION – Kirstin Dickson

The Chief Executive advised that an organisational change process in relation to the acute management structure is underway and it is hoped once this is firmly in place performance will begin to improve.

Discussion also took place on the data being received not being current. It was confirmed that the report contains the most up to date published data however more current data can be found on the Board Members Portal on Pentana if required.

Outcome: *The committee received the performance report*

7.2 MSK Performance Update

The Director of Allied Health Professionals (AHPs) and the Musculo-skeletal (MSK) Service Manager were in attendance to present the current MSK performance position and what measures are being put in place to improve the position. It was agreed the presentation provided would be shared with members following the meeting.

ACTION – Shirley Taylor

Some background was provided on the service which is Ayrshire wide and at present does not include Orthotics which is delivered via a Service Level Agreement with a private contractor. The Orthotics service will be delivered in-house from February 2024. The service are still experiencing the impact of Covid and backlogs have been caused due to a pause in recruitment and staff being redeployed to assist with acute services. This caused issues with band 5 staff with a lack of experience being promoted to more senior positions. There has also been an increase in urgent priority referrals and elective activity. The service has been running with an approximate staffing gap of 25% however this has started to improve. This was impacted by delays in the HR processed which resulted in some posts not being filled for six months.

The routine average wait for MSK patients is currently around 14 weeks with urgent patients being seen within the four week target. The target is for all patients to be seen within four weeks.

A further issue being experienced by the service is the closure of the Hydrotherapy pool at University Hospital Crosshouse. This has resulted in a backlog for this service due to the limited sessions available at Arrol Park Resource Centre.

There is a great deal of work ongoing to maximise capacity and reduce waits such as weekly DCAQ monitoring, working with GP's to reduce inappropriate referrals, online self-help materials, self-referral by patients via eConsult and the consideration of employing locums within Physiotherapy in order to clear the backlog. Healthcare Support workers are also being employed to assist. As MSK is an integral service, longer wait times within other services (such as Orthopaedics) can increase the number of referrals received by MSK.

The Director of AHPs advised that the national shortage of appropriately skilled staff is a major issue. It is anticipated that a full complement of MSK staff will be in place by April 2024 which should assist in improving performance.

Members agreed there was a lot of work ongoing in order to mitigate the actions however it was requested that dates be provided, and sizing of actions takes place in order to provide members with additional assurance.

ACTION – Christine Wallace

A question was raised by a committee member with regard to the comparison in performance of NHS Ayrshire and Arran against other areas in Scotland. There are national issues in recruitment, however the bigger cities attract more staff with

these areas already having secured locum cover. It was also confirmed that some other Boards restarted paused services quicker than Ayrshire and Arran. Work is currently taking place to look at the Terms and Conditions in order to increase the attractiveness of the Board. It was felt that a more frequent Out of Hours rota responsibility may be a disadvantage for potential staff.

The Director of Transformation and Sustainability confirmed that the engagement team are currently working with HR to develop pages on the external website in order to highlight the benefits of working in Ayrshire and Arran and information should be available from this to accompany job packs in the future.

Outcome: *The committee receive the presentation*

7.3 Financial Management Report – Month 8

The Director of Finance shared the month eight report and confirmed that month nine figures will be submitted to the NHS Board. A new addition was highlighted within page six of the report which contains a table of actions being taken to mitigate the acute overspend. There is a lead director assigned to each action with timeframes being agreed for completion by both the Corporate Management Team and Financial Improvement Scrutiny Group. It was proposed that a detailed report would be provided to PGC with a less detailed version being shared at the Board.

A first draft of the financial plan is scheduled for submission to Scottish Government on 29 January 2024 however it is anticipated this will show an unacceptable level of deficit.

Outcome: *The committee received the report*

7.4 CRES Plan Update (Month 7)

The paper was shared with the committee and no queries were raised.

Outcome: *The committee received the paper*

7.5 Annual Delivery Plan – Quarter 1 & Quarter 2 Update

The Director of Transformation and Sustainability provided members with the annual delivery plan quarter one and quarter two return to the Scottish Government. The Scottish Government requested that both quarters were submitted together, the same will apply for quarters three and four in April 2024. It was noted that the content of the report is constrained by the template which has been provided by Scottish Government. The cover paper highlights 10 areas across two quarters by RAG status with a more detailed analysis contained within the report specifying the high level actions and risk status regarding delivery of these. Unscheduled care have a number of actions which are currently not on track. The other area of concern is digital which is due to workforce capacity to support of the wider rollout of NearMe technology. Other alternatives are being utilised to combat this however this is not reflected within the return.

A committee member expressed concern with the progress between quarters one and two and an understanding is required of what will be done to improve this position. The Chief Executive advised that weekly meetings are taking place with Scottish Government who are aware of the issues being faced, especially within acute services, and why significant progress has not been made.

Outcome: *The committee considered the annual delivery plan*

8. 2024/25 Budget

8.1 Financial Planning Assumptions

The Director of Finance shared the financial planning assumptions paper which was originally issued in November 2023 and at that point assumed an allocation uplift of 2%. The allocation letter received on 19 December was a 0% uplift. Additionally the funding received in 2023/24 for new medicine was £250 million nationally but will reduce in 2024/25 to £80 million. This is a large income reduction whilst costs of new medicines are continuing to rise.

Also the contribution to the CNORIS risk sharing scheme is increasing within 2024/25 due to a number of large claims being settled nationally. Due to the increase only being for a one year period this will be funded non-recurringly.

It was felt it would be helpful to show the budget with and without the new medicines costs due to this being a national issue and outwith the Boards control. It was also agreed that it would be helpful to review the list of new medicines as the list continues to grow and no funding is received to support this.

Outcome: *The committee consider the assumptions*

8.2 Allocation Letter

The Director of Finance advised that the Scottish Budget for 2024/25 was received on 19 December 2023. There has been no uplift other than last year's pay award. Scottish Government have agreed to fund the agreed pay award for this year. All other costs will require to be met by cash releasing efficiency savings within the Board.

Discussion took place on the sustainability payments which was £75 million in total with our share being £5.63 million based on the NRAC formula. An additional £25 million was given towards NRAC parity shares. Due to our decrease in population the share received by Ayrshire and Arran was £200k.

It was also noted that £230 million is being provided to local government in order to fund an increase in pay to £12 per hour for social care workers. It is thought this will be within the private and voluntary sectors.

Outcome: *The committee received the letter*

8.3 Cost pressures – Pay and Supplies

There is a prior commitment in terms of the digital strategy which involved a £5 million investment. This has been mostly funded within the current year however

some funding is required to complete the transition to cloud hosting of systems within 2024/25 at a cost of £1.6 million.

The ongoing review of the clinically led acute management structure has an additional cost of £1.4 million.

There are also some clinical cost pressures to be considered, including insulin pumps and continuous glucose monitoring. The overspend on this is currently £879k due to the cost of consumables and replacement pumps if required.

The cost of TAVI is increasing year on year. This service is delivered at the Golden Jubilee National Hospital and discussions are ongoing to agree the investment required. A rate was agreed for last year however this has now been overspent.

Cost pressures can also be seen in terms of non-clinical supplies due to inflation such as food, energy and maintenance contracts.

Outcome: *The committee received the draft cost pressures*

8.4 Cost Pressures – Effective Prescribing

The Director of Finance presented the cost pressure for effective prescribing. There are three different spends on medicine; Primary Care medicines prescribed by a GP and dispensed at a community pharmacy, Acute Services and New Medicines. The budget for Primary Care sits within the IJBs and due to volume and prices increases it is thought that the cost pressure for this area will be around £5.1 million. A £2.1 million cost pressures is anticipated for Acute Services and £19.1 million expected for new medicines.

Discussions are ongoing with regard to the review of local integration schemes and IJBs accepting the responsibility for overspends against this budget.

Outcome: *The committee received the draft cost pressures*

8.5 New Medicines Fund

The Director of Finance advised that there is £250m available nationally for 2023/24 and the expected share for NHS Ayrshire and Arran is £18m. This is expected to reduce by £12 million in 2024/25.

The associated paper sets out increasing spend of £21 million in current year. Costs are expected to go up in 2024/25 as are Scottish Medicine Consortium approvals which will widen the gap further.

A suggestion was made that this should be included within the corporate risk register going forward.

ACTION – Derek Lindsay

Outcome: *The committee received the paper outlining cost and funding assumptions*

8.6 CAR-T

The Director of Finance explained to members that there is a fairly new treatment which looks at cell therapy for cancer. There is one centre for this treatment within Scotland and over the last few years the volume of patients requiring this treatment has increased. A decision was made to expand to three centre with risk sharing arrangements put in place to cover costs. The treatment costs around £300k per patient. This is a cost pressure across Scotland of around £12 million in 2024/25 with our share being approximately £900k.

The Director of Finance attended a national Specialist Services Committee on 11 December and requested to cap or restrict the number of patients receiving this treatment, however this is not possible as the Scottish Government Policy is to increase access to medicines.

Outcome: *The committee received the letter*

8.7 Financial Plan 2024/25 – 2026-27

The Director of Finance advised that the first draft of the plan was submitted to the Scottish Government on 29 January 2024. The plan reflects where we are currently however further work is required to get this to an acceptable level, especially in terms of CRES. The Director of Finance and Assistant Director of Finance have a meeting arranged with Fiona Bennett from the Scottish Government in order to refine the plan and discuss Scottish Government expectations of the Board. It is anticipated that an £80 million deficit will not be acceptable and cost pressures will require to be reduced and CRES increased. The next submission of the plan to the Scottish Government is 11 March 2024.

It was noted the financial plan should be reflected within the delivery plan and expectations should be set on what is affordable. The current deficit is showing as £80 million however this is including new medicines and CAR-T. Without these the deficit would be £60 million.

The committee agreed that the second draft of the financial plan would be discussed at the Board Workshop on 29 February 2024 and will be submitted to the Performance Governance Committee for comment on 7 march 2024.

Outcome: *The committee discussed the first draft of the financial plan*

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

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

- Performance Management and specific MSK plans
- Concerns regarding financial and service performance.

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

10. **Risk issues to report to the Risk and Resilience Scrutiny and Assurance Group**

A additional risk was suggested in relation to New Medicines funding and spend.

11. Any other competent business

11.1 PGC Workplan 2024/25
The draft workplan was agreed by the committee.

Outcome: *The committee agreed the draft workplan*

11.2 *PGC Terms of Reference*
Changes to the draft Terms of Reference were agreed and no further changes were made.

Outcome: *The committee agreed the proposed Terms of Reference for onward submission to the Board*

11. Date of next meeting

Thursday 7th March 2024 at 9.30am via Microsoft Teams

SignatureDate