

Performance Governance Committee – Minute of Meeting
Thursday 16th January 2025 at 9.30am
Room 1, Eglinton House

1.0 Attendance

Present: Non-Executive Members

Sheila Cowan (Chair)
Joyce White
Marc Mazzucco
Ewing Hope

Board Advisor/Ex-Officio

Claire Burden	Chief Executive
Lesley Bowie	Board Chair
Derek Lindsay	Director of Finance
Kirstin Dickson	Director of Transformation and Sustainability

In Attendance:	Vicki Campbell	Acute Services Director
	Nicola Graham	Director Infrastructure and Support Services
	Amanda Ramsay-Dunn	Recovery Director - Viridian
	Jenny Wilson	Executive Nurse Director
	Roisin Kavanagh	Director of Pharmacy
	Rob Whiteford	Assistant Director of Finance
	Shirley Taylor	Committee Secretary (Minutes)

1.1 Apologies

The chair welcomed everyone to the committee. Apologies were received from Linda Semple, Lee Lyons and Crawford McGuffie.

2. Declarations of interest

None noted.

3. Minutes of the previous meeting – 06 November 2024

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

4. Matters Arising

4.1 Action Log

In relation to delayed discharges the Chief Executive advised the dispute is more about the specific request of a contrition of a fund that could not be spent by South Ayrshire. There was a 2023/24 cost pressure within the acute hospital as a result of disproportionately high and long waits for discharge for South Ayrshire patients, a cost pressure of circa £5m. South Ayrshire IJB, despite best efforts could not recruit to the Care at Home team as planned (£660k) and there was an underspend of £2million pounds on AHPs. The request was made as the Health Board needed to pay for the care of patients that South Ayrshire had planned to support in Care at Home. Additionally at the time of the ask South Ayrshire IJB had reserves, hence a one-off request for a contribution was made. So far the ask has been declined which has resulted in the dispute process being initiated. The final vote for the IJB has not yet taken place and is scheduled to be reconvened in January. If the IJB vote against then the process will end and the funding wont be granted. It was agreed the action would be updated to reflect this.

ACTION – Shirley Taylor

The Director of Acute Services advised that the action in relation to CRAG reports can now be closed as predicted discharge dates will be reported from the first of February.

The paper in relation to Carrick Glen will be completed for the private Board meeting on 3 February.

Members received an update on the action with regard to the new medicines fund which is an existing operational risk due to the current spend of £25m against the allocated spend of £16.7m. The Board Chair advised this has been discussed in detail at the Board Chairs Group and has also been taken forward to the Cabinet Secretary however no change will be made at Scottish Government level and it is known that this funding will be overspent. It was agreed this risk would remain operational but referenced within the overall financial strategic risk.

Outcome: *The committee received the update*

4.2 Committee Workplan

The committee agreed the workplan with changes noted in red for ease of reference. It was suggested going forward that items on the workplan should more specifically reflect the purpose for which the paper has been presented. This will be considered and amended going forward.

It was felt it may be helpful for committee papers to have an overall executive summary at the beginning of the paper to highlight its purpose as the volume of papers can take a great deal of time to read.

Outcome: *The committee received the workplan*

4.3 CRES Strategy and Pipeline for 2025/26

Amanda Ramsay-Dunn advised the committee that work is taking place to produce a strategy and approach framework for CRES. This will all be in line with the CRES Audit.

The realistic care improvement programme will utilise the principles from realistic medicines which is being led by the Medical Director. There are six work streams in place aligned to various divisions within Acute Services however it was highlighted that the community work stream will not have a financial stream aligned to it. Work is taking place with budget holders to undertake budget reviews on areas of overspend, underspend and cost pressures in order to realign budgets.

Workshop planning will take place within each division to benchmark on best practice. A series of improvement programmes will take place for efficiencies alongside cost reduction programmes. An operational delivery unit is being developed to run alongside the corporate PMO.

The SAFER programme is progressing well with Clinical Fellows involved in various quality improvement projects which will be brought into the work streams. This has led to a reduced length of stay in the most challenging months. Within the Viridian team there is a LEAN trainer who is currently carrying out training on this approach.

Targets have been set for each work stream and are broken down by division.

A question was raised as to what plans are in place to meet this year's CRES plan and how the approach is going to be governed and scrutinised. It was confirmed that close work is taking place with finance colleagues to work through the pipelines and close the gaps. Non-recurring opportunities are being considered in order to meet the £53.5m deficit outturn. Changes have been made within acute which will take time to reflect in monetary terms. There is a clear governance structure from the newly established Improvement Programme Scrutiny Group (the IPSG), to the Financial Improvement and Scrutiny Group (FISF), to CMT to PGC.

A query was raised in relation to protected pay. It was confirmed that clinical change leads will ensure that terms and conditions are maintained throughout.

The committee felt reassured of the work taking place and the buy in across the services in order to make changes and change cultures. It was agreed that an invite would be extended to the Recovery Director to attend all Performance Governance Committees.

ACTION – Shirley Taylor

Outcome: *The committee received the update*

5. Capital Cases and Programme

5.1 Capital Plan Update

The Director for Information and Support Services presented the quarterly report reflecting the quarter three position. The overall plan was approved in March 2024 with the last review taking place on 30th November 2024. Adjustments have been made and an underspend of £799k has been predicted in the years spend due to slippage on capital schemes. Of the £799k underspend £550k will transfer from capital to revenue at the end of quarter three and a £249k contingency will be retained. It was confirmed that the £249k for contingency will be committed and spent prior to year-end. Discussion took place on the reductions and whether allocation will be resubmitted next year. The committee were advised that this is a five year plan which is subject to change.

A query was raised with regard to the £550k capital to revenue and the audit aspect of this. It was confirmed this has gone through various internal processes and conveyed to Scottish Government via the Financial Performance Report.

The five year capital investment plan for 2025-2030 was presented and noted that there is a 5% increase in core funding however there is no funding available for large scale development. The plan has been based on the 10 year lifecycle plan for medical and digital equipment. While £9.2m capital allocation for 2025/26 is certain and there is high confidence around £3m carry forward, an additional £12m to fund business contingency plans is uncertain and may be significantly less. The committee approved the plan for submission to the board.

Outcome: *The committee approved the updated capital plan for submission to the board.*

5.2 Capital Whole System Business Continuity Plan

The Director for Information and Support Services presented the Capital Whole System Business Continuity Plan and advised that in December 2023 the Scottish Government paused all capital projects for a two year period and requested a Business Continuity and Whole System Plan be developed by 2026. Board have been given an indication of the allocation for 2025/26. This will be taken to the Board at the end of January prior to submission to the Scottish Government.

Discussion took place on the lack of detail around digital reform. It was confirmed this will be included within the whole system plan however the Business Continuity Plan has a specific focus on Estates. The plan also reflects the “Do minimum” position with the next iteration showing what we would wish to do. It was discussed that this may not be what the output from Viridian’s LEAN work will be.

A query was raised by a committee member in relation to a recent Directors Letter that mentioned the retention of buildings. This was discussed and the Director of Information and Support Services agreed to look into the wording to ensure compliance and report back to the committee. The committee agreed the Business Continuity Plan subject to clarification around demolition of properties.

ACTION – Nicola Graham

Outcome: *The Business Continuity Plan was approved with the caveat noted above.*

5.3 Caring for Ayrshire Whole System PIA

The Director of Transformation and Sustainability shared the draft Whole System PIA which built on the one from 2019 and has to be submitted in line with the Business Continuity Plan. This will incorporate the Caring for Ayrshire ambitions and approach and will be submitted fully by next year with a draft being shared with Scottish Government prior to this for guidance. This will also replace the PAMS strategy. It is thought that this will allow for better decision making of where investments should be made and feedback will be sought from the capital team on the detail contained within the document.

A request was made by the Board Chair that all references to Caring for Ayrshire should be amended within the document to be clear that this was an ambition rather than a programme. It was also agreed it would be helpful to reference the work being undertaken by Viridian and include a stronger message with regard to the “Do Minimum” approach. Discussion took place on the economic business case within section three which requires some additional statistics.

ACTION – Kirstin Dickson

Outcome: *The committee agreed the document for submission to the Board workshop.*

5.4 Estates Rationalisation

The Director of Information and Support Services presented the paper which is normally submitted to the IPB for approval. A programme of work has been developed to deal with the distributed working pressures and office space at Lister Street. Demolition activities are underway at Arrol Park. There are opportunities available across various areas which aligns with the “Do Minimum” approach. The committee were assured that an evaluation of the cost of demolition to savings as a result would be done for each case and the action could be closed.

Outcome: *The committee received the report.*

5.5 Community Asset Transfers

The Director of Information and Support Services shared the community asset transfer process as set out by Scottish Government. This aligns with community wealth building and although there are no requests or recommendations at present the committee were assured that surplus assets would be widely advertised on the Board website.

Outcome: *The committee received the report.*

6. Internal Audit

6.1 Internal Audit – Waiting List Management

The Director of Acute Services provided an update on the progress against the Waiting List Management Internal Audit. The scope of the audit was to understand the process and how this is applied. The overall report was positive with two amber and two yellow recommendations. The first was in relation to the governance regarding the access policy. This action will be completed by the end of the month. With regard to the recommendation around booking in turn, there is training underway regarding this. A recommendation was made in relation to secretarial coding issues. This is being considered internally and should be completed soon. The final recommendation was a DCAQ exercise. It was confirmed that a deep dive exercise is being planned into Consultant Job Planning however it was noted that reference will be made to necessity versus financial constraints.

Outcome: *The committee received the Internal Audit Update*

7. Financial and Service Management

7.1 Financial Management Report – Month 8

The Director of Finance provided an overview of the Financial Management Report which shows an overspend of £41.54m at Month 8 with a reduced brokerage cap of £27.7m. Good operational progress has been made with beds being closed in November, however these had to be reopened in December due to the increase in Flu cases. Nursing agency spend has halved from £0.6m in October to £0.3m in November. There has been increased overspend in theatre supplies for Crosshouse as well as medical agency. Invoices have been received from Glasgow for new medicines leading to an overspend on New Medicines funding.

It was noted that the £1.5m noted as capital to revenue is in reference to the sale of a specific building and would be a non-recurring benefit next year. With regard to CRES this is currently forecasting £19.3m against the £24m plan for the year. The agenda for change funding has had an impact on this due to delays in the Band 5 to 6 posts being evaluated. This will be accrued to next year if required and is being coordinated nationally by the Scottish Government Technical Accounting Group. The total deficit forecast remains at £53.5m for the year although there is a risk with regard to North IJB and a request for a contribution towards their overspend.

Discussion took place on section 2.4 the purchase of healthcare. This refers to Medica for out of hours radiology services and also pathology due to the length of waits for reporting tests. The Director for Acute advised that it has taken time to consider and understand why this work is outsourced which is mainly due to recruitment gaps. Work is taking place with Viridian to try and reduce these costs. It is anticipated that feedback will be available on this around April 2025.

ACTION – Vicki Campbell

Outcome: *The committee received the Financial Management Report*

7.2 CRES Plan 2024/25 – Month 8 Update

The Director of Transformation and Sustainability provided the month 8 CRES update and advised that changes had been made to the layout and content of the report. A Viridian dashboard was included to provide a key position and shows the impact of the bed closures and reopening of these beds has affected the position. Procurement processes are being considered in order to identify savings and recognise these savings as efficiencies. The forecast is £19m for the year which is less than was hoped for but is double the CRES from last year.

Outcome: *The committee received the CRES Plan*

7.3 Scottish Government Budget 2025-26

The Director of Finance shared the letter received on 04 December 2024 from Scottish Government advising of next year's budget which contains a 3% funding uplift. Out of this we will be required to cover the public sector pay policy which is likely to be 3% however Boards have been told to assume that national insurance changes will be funded. Extra funding of £2.4m is being received as part of the NRAC parity. Boards above the parity level did not receive any additional funding. There is a pass-through of 3% to IJBs and the total allocation noted is £1006.6m with approximately £30m of CRES being required to achieve 3%.

Outcome: *The committee received the paper*

7.4 2025-26 – 2027-28 Financial Planning Assumptions

The Director of Finance presented the financial planning assumptions. With regard to the new medicines fund the letter suggests that Boards Plan for a three year cycle however an email has been received with an expected budget of £250m for 2025/26.

An indication has been given on other assumptions such as a 10% increase in prescribing costs.

Outcome: *The committee received the paper*

7.5 Draft Financial Plan 2025-28

The Assistant Director of Finance shared the draft financial plan for the next three years to March 2028. The plan is in draft form and covers four key elements: what is the funding uplift, what are the cost pressures, what is the savings programme and where did we start from. Table 3 was summarised in terms of the cost pressures and it was noted that between both pay and medicines this is more than the funding uplift. It was noted that Golden Jubilee are looking to recoup spend of around £500k and high inflation rates have also had a huge impact.

Member's attention was drawn to the primary care prescribing planning assumptions with a 10% uplift on a cost of £95m. £2.9m is added to address the current year overspend with the remainder being allocated for increases in both volume and price. There is no indication this is being utilised to cover the cost of NHS prescribing of weight loss medications. There is a secondary care prescribing of £4.5m to cover the £2.6m overspend and a £1.8m expected increased in volume and price. It was agreed that the costs pressures related to medicines is unsustainable.

The IJB pass-through of 3% will cost £8.4m.

Savings of 3% of the recurring baseline for CRES totals £30.2m, with £8.2m being non-recurring savings.

The Chief Executive confirmed that the CRES is not an approved plan at present and will be presented to the CMT within the next week as a first draft and will be subject to development.

It was agreed that the plan presented is very clear and it was noted this will be subject to ongoing change and refinement.

Outcome: *The committee received the draft plan*

7.6 Draft Delivery Plan 2025/26

The Director of Transformation and Sustainability shared the Draft Delivery Plan including the Letter from Scottish Government and the Delivery Plan Guidance as noted at 10.1. An early draft of the delivery plan (at the same timescale as the financial plan) has been requested by Scottish Government this year to be able to provide feedback. The committee welcomed the awareness of the draft plan and it was agreed this would be shared with Board members at the upcoming board workshop.

Outcome: *The committee received the draft plan*

7.7 Performance Report

The Director of Transformation and Sustainability provided a brief update on performance and noted there is still a challenging picture with regard to day case performance. There has been an improvement in Radiology, a maintenance position for Endoscopy and a dip in the 31 day cancer target. In terms of Mental Health good performance can be seen for both CAMHS and Psychological Therapies. Good delivery has also been seen within Urgent Care especially with regard to Call Before Convey. There have been some improvements noted within Unscheduled Care however significant challenges remain.

A Board Member asked a question with regard to NECU at the Golden Jubilee and whether this is being utilised. It was confirmed that although the offer was taken up later than other boards the service is being utilised.

It was agreed that the deep dive at the next meeting would be on Cancer Services due to the challenging position in that area. The Director of Acute Services advised that progress is being made however both Breast and Urology are big volume pathways which are challenged. There has been an increase of 12% in referrals for Urology due to the Chris Hoy effect which may take around 4-6 months to recover.

Discussion also took place on workforce figures with absence rates sitting at 6.13%. A deep dive is being done through CMT however it is anticipated this is due to the increase in flu cases in December.

The committee felt assured by the improvements being seen and commended the work taking place to contribute to these improvements.

Outcome: *The committee received the report*

- 7.8 New Outpatient Waiting List Reviews Performance Update
Nothing further was added to this sections as all key points are noted within the Planned Care section of the Performance Report.

Outcome: *The committee received the update*

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

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

- Capital Budget 2025/26
- Business Continuity Plan
- FMR and PMR
- Viridian Strategic Outlook
- Internal Audit – Waiting List Management
- Financial Plan
- Whole System Plan

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. **For Information**

The following items were shared for members information:

- Letter from SG and Guidance for Delivery Plan and 3 year financial plan
- Internal Audit – CRES
- Planned Care Waiting Times
- Acute Medicine Variances
- Q2 Review Letter from Scottish Government

11. **Any other competent business**

11.1 Dates for 2025/26

The dates for 2025/26 were shared with the committee and it was noted that extra “light” meetings will take place every second month to provide an opportunity to scrutinise the FMR prior to discussion at the NHS Board.

12. **Date of next meeting**

Thursday 30 January at 1.30pm via Microsoft Teams (PGC Light)

Thursday 06 March at 9.30am via Microsoft Teams

SignatureDate