

Performance Governance Committee – Minute of Meeting
Thursday 27 November at 9.30am
Via Microsoft Teams

1.0 Attendance

Present: Non-Executive Members

Sheila Cowan
Marc Mazzucco
Joyce White
Lee Lyons

Board Advisor/Ex-Officio

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

In Attendance:	Jennifer Wilson	Executive Nurse Director
	Ruth McMurdo	Deputy Nurse Director
	Debbie Kirk	Head of Access
	Rob Whiteford	Assistant Director of Finance
	Alistair Grant	Scottish Government
	Brian Steven	Turnaround Director
	Roisin Kavanagh	Director of Pharmacy
	Shirley Taylor	Committee Secretary (Minutes)

1.1 Apologies

The chair welcomed everyone to the committee. Apologies were received from Linda Semple, Ewing Hope, Crawford McGuffie, Liz Wilson and Vicki Campbell.

2. Declarations of interest

None Noted.

3. Minutes of the previous meeting – 26 September 2025

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

4. Matters Arising

4.1 Action Log

Item 6.4 – Financial Plan Letters – The action was closed as it was agreed that all quarterly review letters received from Scottish Government would be included with the FMR to PGC going forward. A committee member raised that due to the current financial challenge both Board and PGC members should be kept informed. It was confirmed that any quarterly letters received to date have been shared.

It was agreed that the action against Viridian to produce a suite of reports should remain open as although this will form part of the PMO review work the committee requested that the overall cost/benefit from this work be reported as part of the exit plan for Viridian.

Members agreed that the update against MSK Action could be closed from the update provided.

A member expressed concern at the closure of action 6.2 as data has not yet been provided on the best and worst case scenarios. It was noted the tables in the FMR and presentation now show the best, worst and most likely case. It was suggested that a decision would be made following the FMR presentation as to whether this action was complete.

Outcome: *The committee received the update*

4.2 Committee Workplan

The Chair advised that the capital plan mid-year review has been deferred to the January meeting. All other items are on the agenda as planned and changes to the workplan are noted in red for ease of reference.

Outcome: *The committee received the workplan*

5. Internal Audit and Risk

5.1 Internal Audit Report – Patient Flow Management - Update

The Deputy Nurse Director attended the meeting to provide an update on the Patient Flow management internal audit. Six management actions were received as part of the audit and of this six only one remains outstanding in relation to the live dashboard however it was confirmed this will be up and running within the next two weeks. The committee were assured of the progress made to date.

Outcome: *The committee received the update*

5.2 Strategic Risk Register

The Director of Transformation and Sustainability presented the routine strategic risk register covering the five strategic risks which are aligned to PGC. It was highlighted that two of the five risks were due for review within the reporting period and this has been completed with no movement in the risk scores. All control

measures have been updated. Risk 668 in relation to transformational change is under review as scheduled and the transformation agenda is being repositioned. This will be discussed at the board meeting and reflected in the next reporting cycle.

A committee member questioned the updates within the risk register and whether these capture the actions being taken. It was highlighted that risk 703, although not being reviewed until December, has not changed in wording over the past six months. Similarly risk 668 should not have current risk and mitigating actions being the same. It was agreed that reporting needs to be improved to capture key actions being taken to improve the financial challenge. It was responded that the timing of reporting is set depending on the level of the risk and the timing of the RARSAG meetings however these concerns will be fed back to the team.

The Chair advised that the wording and future target for risk 703 should be made clearer and an update on this risk should be presented at the next meeting. The Board Chair offered to pick this up with the Chief Executive to see what needs to be done to ensure that the timing of reporting is flowing through the appropriate governance committees.

ACTION – Lesley Bowie

It was suggested that if the process and timings cannot be amended to reflect the committee dates set then any updates should be highlighted within the cover paper for member's assurance. The Assistant Director of Finance agreed to check with regard to the update of risk 703.

ACTION – Rob Whiteford

The Director of Transformation and Sustainability advised that risk 668 will be updated in light of the discussions above and will be reflected within the next update of the paper.

Outcome: *The committee received the report*

6. Financial and Service Management

6.1 Financial Management Report – Month 7

The Assistant Director of Finance presented the Month 7 FMR and included a presentation which included addressing the feedback from Scottish Government on the FMR. It was highlighted that NHS Lanarkshire's method of reporting has been used to ensure clarity when reporting key high level messages.

From the presentation it was reported that the board has statutory duty to breakeven. A deficit of £33.2m was the initial plan which included the benefit of £22.5m sustainability funding. Scottish Government requested a deficit position of £25m or less. At month 7 the deficit is £20.9m excluding HSCPs. The forecast for year end is £40.2m.

The financial position broken down by area was considered. Of the £20.9m overspend, £19m of this is within acute with pay contributing £9.1m and non-pay £5.6m. There is a nursing overspend of £6.7m with £4.2m of this being due to the unfunded wards however additional beds in funded wards are also currently open. Medical agency has an overspend of £3.5m. It was highlighted that non-pay is overspent across the board. ED occupancy is also noted to be at 120% and the increased length of stay are all factors contributing to the overspend.

£1.2bn has been received in revenue allocations to date with planned care receiving £1.7m and £0.75m the shingles vaccination programme in Month 7.

£66m is expected for non-cash limited services, there is no risk with regard to this funding. Further Urgent and Unscheduled Care funding is also anticipated along with a balance of the planned care funding.

With regard to the value based efficiency programme (previously CRES) the Scottish Government has set a target of £36.7m with £30.2m expected to be recurring. The forecasted achievement is £28.3m with only £16.4m being recurring. This would create a challenge in future years.

It was noted that as at month 7 there are now five months of Primary Care Prescribing data available with a likely underspend of £3m which will offset the SLA charges with Glasgow. There will likely be a £200k overspend on TAVIs at year end and there is uncertainty with regard to cost of the band 5 to 6 agenda for change implementation. CNORIS and the North HSCP year-end position are also unknown at this point. Volatility is also expected with regard to new medicines which is expected to be £1m higher spend in the worst case scenario. Work is required with regard to the accrual of annual leave to ensure that all staff have taken their leave by year end.

It was agreed that going forward the slides accompanying the FMR would be shared prior to the meeting. It would also be helpful to see what the continuing areas of overspend are along with future plans to address them.

ACTION – Rob Whiteford

The Board Chair questioned the position regarding the TAVI overspend and whether there is a plan for this budget to be centralised due to the increasing patients requiring this procedure. The Director of Finance responded that this was fully covered by Scottish Government last year and additional funding had been made available this year. However the numbers are higher than anticipated. The Chief Executive declared an interest with regard to this item and advised that the funding is based on the per million population rate across three centres. This was taken to Directors of Finance and the decision was made to allocate on a board basis by demographic profile. It was noted that this will always be an issue due to the higher prevalence within the West of Scotland and it was requested this concern was taken forward to Scottish Government.

ACTION – Alistair Grant

The Board Chair also questioned the increased GGC SLA and whether this is recovered if the service is not used. For the past 6-7 years SLA's have been based on a block contract with an increase to cover inflation. Costs have increased by a greater amount than the national SLA funding uplift. It was agreed this would be discussed further.

ACTION – Lesley Bowie / Joyce White

Members had some questions of detail and presentation regarding the FMR and the presentation with the latter being well received. The Assistant Director of Finance offered to meet with those members.

ACTION – Rob Whiteford / Joyce White / Marc Mazzucco

The Chief Executive advised that planning for future years along with full visibility of the implications will be discussed as part of a future board workshop. This will include a look at service transformation over the coming three years in order to improve the financial position.

The committee did not feel assured regarding this position and additional work is required to put action plans in place for the continued cost overruns and savings under achievement versus the plan.

Outcome: *The committee received the Financial Management Report and Presentation*

6.2 15 Box Grid Return

The Director of Transformation and Sustainability shared the 15 box grid quarterly submission for member's awareness and discussion. This is a mandatory self-assessment submission to Scottish Government and was submitted on 11th November. The paper provides the key areas of opportunity for savings with an update provided by each lead Director aligned to the grid. It was highlighted that the template was amended this quarter to include detail on the savings delivered.

Feedback is not routinely provided and data is used as a benchmarking to be shared with other board. Locally the report is distributed to operational leads for each area. As well as this the submissions are shared with Director Leads and meetings are attended by Finance and PMO.

There has been some overlap in areas identified within the 15 box grid that was being worked on already however the formalisation of the template has allowed for shared learning with other boards with governance and grip being provided internally. It also links well with the best value plan.

The Nurse Director shared that from a nursing and medical agency point of view this is not new work and give the opportunity to share the work taking place in Ayrshire and Arran to influence improvements within the wider system.

It was agreed it would be helpful for PGC members to see a benchmarking piece to show where we lie against other boards. This will be included within the next

report. It was also felt it would be helpful for good practice and a reconciliation to the value based efficiency programme to be highlighted within the covering paper along with areas in which we are excelling to boost morale.

ACTION – Kirstin Dickson

Outcome: *The committee received the update*

6.3 Performance Report

The Director of Transformation and Sustainability presented the routine performance report to members and advised that the report covers progress towards the national standards and Operational Improvement Plan priorities. Most of the data is from October 2025 with some data being from September due to when it was published.

Planned care – This area has seen an improving trend however is failing to meet the delivery plan trajectory. The numbers of patients waiting over 52 weeks has seen a decreasing trend and exceeds the trajectory. There has been an improving position with regard to the in-month activity levels and some challenges have been experienced in longer waits.

Inpatients and day cases – The numbers waiting over 52 weeks has seen a decreasing trend and has exceeded trajectory, as has in month activity which meets trajectory. There are still some challenges but an overall improvement in this area.

Diagnostics – The trajectory is being met for imaging which has seen an improving position however there is still challenges due to waiting list size and waiting lists over six weeks. Endoscopy continues to be an area of challenge and has failed to meet trajectory.

Cancer – There has been improving trend regarding the 62 day target with the delivery plan trajectory being met. The 31 day target is also being met. There has been excellent performance in this area due to the filling of workforce gaps and increased diagnostic capacity.

MSK – There have been lengthy discussions regarding this area who are still not meeting the trajectories despite a detailed improvement plan. The challenges in this area are mainly around recruitment.

Mental Health – This service is in a good position with CAMHS showing 100% compliance. Also exceeding the standard are both Psychological Therapies and the Drug and Alcohol service.

Urgent and Unscheduled Care – Urgent care performance continues to show significant progress delivering 75% compliance. There have been some signs of improvement in unscheduled care however there are still a number of areas not meeting the trajectory such as occupancy and length of stay.

Delayed discharges have been steadily increasing each month. Most of the delays recorded in September were within South Ayrshire. All partnerships are reporting higher delay numbers. The Assistant Director of Finance commented that delayed discharges at current levels were costing the Board c£20 million a year.

Workforce sickness absence rates are also above trajectory for absence. Mental health continues to be the significant driver for this.

It was suggested that a higher level report could be provided which shows where trends are improving. A question was raised regarding the North Ayrshire Partnership data being up to June 2025. It was responded that all data included within the report is the latest information that has been provided. The overall format of the report is being considered at CMT for potential improvements of what is being provided to both the committee and the board. Although the report needs to reflect some statutory requirements it is possibly to review the format again if the committee feel this is necessary. It was agreed that another short life working group would be convened to review the report in the early part of the 2026-27 financial year.

ACTION – Lesley Bowie / Sheila Cowan

The Chair confirmed that a deep dive is planned for Imaging and Endoscopy at the next meeting.

Discussion took place on staff absence and it was confirmed that this is reviewed at each Staff Governance Committee. There is also an internal audit on promoting Attendance and although this area is not meeting trajectory it has been recognised by Scottish Government as the best territorial board in the West of Scotland.

Outcome: *The committee received the Performance Report*

6.4 Update on Transition from Viridian to PMO

The Director of transformation and Sustainability gave a verbal update on the work taking place to move to the end of the Viridian contract and on to an in-house PMO function. This has been approved by CMT in order to ensure continuity. In terms of governance a comprehensive review of best value and transformation governance arrangements will be conducted to ensure accountability and reporting is fit for purpose. It is expected that the Viridian contract will be concluded by the end of the financial year. A comprehensive best value plan will be put in place for 2026/27 to ensure that there is clear guidance of what should be achieved.

Discussions are taking place with Viridian to ascertain what can and cannot be achieved within the last four months of the year. Benchmarking will take place going forward through the 15 box grid and working with Lanarkshire. There is a great deal of progress being made towards grip and control. A paper will be presented to CMT with regard to non-pay and what needs to be done in this area. Performance reviews will be put in place for each division with dedicated staff to deliver these. It was noted that all of this work won't be immediate but is in progress.

A paper will also be presented to CMT with regard to governance of IPSG to provide assurance to improve this area.

It was suggested that a benefits analysis be conducted on the work that has taken place by Viridian and assurance is required by the committee that there is adequate provision to ensure the PMO has the capacity and capability to deliver what is required.

It was confirmed that regular feedback will be given to the committee as part of the governance arrangements.

Outcome: *The committee received the update*

6.5 Quarter 2 Finance Review Letter

The Chief Executive shared the quarter two review letter received after the recent review with Scottish Government. The main areas raised were around the approach to grip and control, transformation, the FMR and the work taking place with Viridian. It was confirmed that some of these actions are in the process of being closed. The board was challenged on its use of the “CRES” language as opposed to value based savings. The quarter two letter was received this week and will be taken forward to CMT to agree actions for each point noted within the letter. Both letters will be shared with board members.

The chair questioned what the governance route will be for completion of the actions. It was confirmed that this will be through CMT with a status report back to committee for assurance. This will be added to the workplan.

ACTION – Gordon James/ Shirley Taylor

Outcome: *The committee received the letter*

6.6 Unscheduled Care Update including LOS / SAFER

The Deputy Nurse Director presented the progress update on Unscheduled Care and noted that the current situation is challenging with regard to compliance despite improvements in the ED four hour performance which remains below trajectory. This is a sustained improvement with the average total wait being reduced from July through to September across both UHA and UHC. Paediatric emergency compliance was above 90% for September. Ambulance handovers have been stable. Frailty unit discharges are improving, length of stay is on a downward trend and delayed discharges have increased by 43% since January 2025.

Monthly and weekly meetings continue to take place along with enhanced governance throughout the system. In terms of key initiatives the unscheduled care improvement plan is continuing with nine focus areas and the Opal escalation framework is now live and being utilised well. With regard to leadership and culture there has been improved staff engagement, retention and wellbeing and PDR rates are up by 5%. There are still medical workforce gaps but a recruitment campaign is underway to manage this.

In terms of next steps, a winter resilience plan is in place focussing on admission avoidance, discharges and frailty care. Real time dashboards are being utilised to improve patient flow.

It was agreed that the PowerPoint slide with regard to funding would be sent to the committee for information.

ACTION – Ruth McMurdo

The Assistant Director of Finance confirmed that unscheduled care funding is awaited and would be received based on results.

The Chief Executive advised that work was consolidated between the three partnerships and Acute with a meeting in place twice weekly to focus on this. Some of the funding will be used for project work as each partnership has different challenges. Within North Ayrshire the focus area will be adults with incapacity and good work is currently taking place by bringing in agency staff to align with legal elements of care. South will be focussing on the community equipment store as they run this service for the whole of Ayrshire. Frailty will also be a focus in this area. Within Acute there is a test of change being implemented with out of hours GPs being utilised at the front door to allow patients to use this pathway rather than ED. Hospital at home has received £1.6m of funding to allow these teams to be enhanced. This will help to reduce the overall pressure on hospital-based services.

The Nurse Director advised that the funding will impact on length of stay and decrease delays. There has also been an impact with the newly qualified nurses who have reduced the vacancy gaps. It was also noted that the Shrewd dashboard is now up and running offering real time data. NHS Ayrshire and Arran is leading the way on this within Scotland.

Members were reassured with the work taking place and questioned whether the funding would be recurring. It was also highlighted that delayed discharges continue to be a huge issue and the Assistant Director of Finance re-iterated the financial consequence of them.

A question was raised with regard to the funding not being available until there has been an efficiency improvement and whether there is a deadline for this.

The Assistant Director of Finance responded that this will be based on a reimbursement of spend for this year from Scottish Government which should alleviate any associated risk.

Outcome: *The committee received the update*

6.7 Planned Care Performance Update

The Head of Access attended the meeting to present the Planned Care performance update as at 10th November 2025. Outpatients is currently not meeting trajectory however inpatient and day cases are ahead of the trajectory. Imaging is also behind trajectory although is improving rapidly for both CT and MRI scanning. Although Endoscopy is behind trajectory there has been a marginal

improvement in this most recent week. It was noted that Endoscopy is not running at full capacity within UHC with only three out of four rooms being utilised as the fourth room was being used as a recovery space for critical care patients. A longer term plan for critical care is being explored. A plan is also being developed to initiate weekend working at Ayr where there is sufficient recovery space and will be maintained with additional hours and out sourcing. It is anticipated that improvements will be demonstrated within the next 4-5 weeks.

It was highlighted that even though some specialties are ahead of trajectory there are still some that are more challenged. General surgery was highlighted as a higher risk area however although additional staff have been recruited there have been delays in getting staff in to post as well as some on call changes. The mitigations for this has been to tender for an insourcing contract which is being scored with Procurement at present. This is being funded through the Scottish Government access funding and it is anticipated it will go live in the next 4-5 weeks.

Gynaecology is also showing as a higher risk area. Although ahead of trajectory there have been some coding issues highlighted which has increased the number of patients on the TTG list. To mitigate this extra WLI clinics have been initiated along with removing two Gynaecologists from the Obstetric rota and backfilling these staff with locums. There is also a new Divisional General Manager who is conducting more detailed work in this areas to develop a plan and monitor this closely.

Imaging ultrasound is also showing as higher risk. A plan is in place to recruit and train new staff and locums however the market this year is not a favourable for temporary capacity which has caused the increase in the waiting list. As a mitigation, independent sector insourcing and extra hours will be offered to staff to help with the waiting list.

Some good news stories were shared in terms of ENT, Dermatology and neurology which have all been downgraded from high to medium risk. Various initiatives have been put in place in all these areas and will be closely monitored. Another good new story was highlighted with regard to Diabetes which was the highest risk area. A service redesign has taken place as well as investment in specialist nursing posts and insourcing which has led to no patients now waiting over two years to be seen.

There has been improvement in terms of CT and MRI due to an additional mobile MRI scanner which has made a significant improvement. There is a challenge regarding this as mobile scanners are purchased through non-recurring funding so there is always a risk of the list deteriorating again.

Finally, a theatre nursing insourcing contract has been developed to create eight additional lists per month. Work is also ongoing with neighbouring board for breast cancer clinics.

In terms of funding, Scottish Government have committed £7.88m this year provided on a quarterly basis upon evidence of delivery of projects. £3.07m has been received and likely expenditure within the year is £6.63m. Scottish

Government have been advised of likely slippage of £1.2m and retention of this to repurpose and support high risk areas. Confirmation of this is expected in the next few days.

Outcome: *The committee received the update*

6.8 Cancer Services Performance Update

The Head of Access presented the Cancer update and noted an improvement on the 62 day target and a maintained position for the 31 day target. It was highlighted that individual cancer pathways all have their own trajectory. Some of these were discussed in more detail. Both the Lymphoma and Melanoma pathways have not met their trajectories however they are very small volume pathways. The prostate pathway is higher volume and did not meet trajectory. The trajectory for this contributes to the overall urology target. Both Breast and Colorectal are high volume pathways which also did not meet their trajectories.

The key issue identified for breast performance has been wait for a first appointment as well as resource issues within breast radiology team. NHS Lanarkshire has assisted with this by running clinics for Ayrshire patients. A third breast Radiologist has commenced in post and it is anticipated there will be a huge improvement in the coming weeks.

No individual issue has been identified for colorectal. The pathway itself can take too long due to pathology waiting times. This can be an issue across many of the pathways. A weekly tracker is in place to assist in improving this.

Improvements are being made within the lung pathway by amended the fast track process.

There is a focus on Urology and prostate and improvements are being made to the diagnostic element of this pathway. There is currently a 6-8 week wait for robotic surgery and the majority of treatment is hormone based therapy.

Work is ongoing to try and co-ordinate MRI scans with the biopsy time to try and lessen waits. Robotic theatre lists are taking place at the weekend and there is work underway on the national demand and capacity tool for urology cancer. Support has been enlisted from a data analyst to populate the data and provide more detailed information to be able to plan the different stages in the pathway and what capacity is required. There is also an expectation of future increases in demand for the prostate pathway. It is anticipated that a screening programme may be developed which will lead to an increased demand on resources.

Delays have been experienced in relation to upper GI first appointments and a new triage process has been put in place to help with this.

The committee was assured by the work taking place in this area.

Outcome: *The committee received the update*

6.9 Budget Setting Process 2026/27

The Director of Finance presented the 2026/27 budget setting process paper and noted that the planning assumptions have been received from Scottish Government. There are various areas that are required within the process such as estimated pay inflation costs and prescribing increases as well as the safe staffing exercise. There will be an engagement exercise over the next two months with budget holders to identify areas of activity increase and what will require funding. Value based savings also need to be identified as part of the process which has been commenced by Viridian with sign off from executive sponsors. The draft three year plan will be presented to the PGC at the next meeting on 29th January and will be submitted to Scottish Government on 2nd February. The final plan will be required to be submitted in mid-March.

It was agreed this would be added to the workplan for future meetings.

ACTION – Shirley Taylor

Outcome: *The committee discussed the process*

7. Key issues to report to the NHS Board

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

- Internal audit patient flow update
- Strategic risk register
- FMR and Performance Report
- Performance updates on planned care, unscheduled care and Cancer Services
- Budget Setting Process for 2026/27

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

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

Nothing to add.

9. Any other competent business

9.1 PGC Dates for 2026/27

The dates for 2026/27 were agreed by members.

Outcome: *The committee agreed the dates provided*

10. For information

The following papers were shared with members for information/awareness:

- Nothing to note

11. Date of next meeting

Thursday 29th January at 9.30am in Eglinton Room 1 / Microsoft Teams

SignatureDate