

Performance Governance Committee – Minute of Meeting
Thursday 26th March 2026 at 9.30am
Via Microsoft Teams

1.0 Attendance

Present: Non-Executive Members

Sheila Cowan
Marc Mazzucco
Joyce White
Liam Gallacher
Linda Semple

Board Advisor/Ex-Officio

David Stonehouse	Interim Director of Finance
Kirstin Dickson	Director of Transformation and Sustainability

In Attendance:	Vicki Campbell	Director of Acute Services
	Lisa Marley	Head of Service Medical Imaging
	Nicola Graham	Director of Infrastructure and Support Services
	Brian Steven	Turnaround Director
	Natalie Calder	Scottish Government
	Shirley Taylor	Committee Secretary (Minutes)

1.1 Apologies

The chair welcomed everyone to the committee. Apologies were received from Linda Semple, Ewing Hope, Lee Lyons, Gordon James, Lesley Bowie, Jennifer Wilson and Crawford McGuffie.

2. Declarations of interest

None Noted.

3. Minutes of the previous meeting – 29 January and 12 March 2026

The minutes of 29 January was approved as an accurate record of the meeting. The minute of the “Light” meeting on 12 March was not approved as one member did not feel that the minute represented the discussions which took place. Detail

was requested behind the savings options with the 330m tabled and the other £6m discussed. The conclusion does not fully capture the discussion and the action arising from the meeting should be added to the action tracker. With concerns noted regarding the 2026/27 savings option.

Another member added that paragraph three showing the budget rationalisation shows the assurance of deliverable plans from red to amber but does not show amber to green and this should be added with assurance of deliverable plans requested.

It was agreed this would be added to the matters arising as an audit trail and the minute should capture strong communication regarding a robust savings option plan for the first year and thereafter.

It was also suggested with regard to zero based budgeting that this should be changed to had happened rather than will happen.

ACTION – Shirley Taylor

4. Matters Arising

4.1 Action Log

Additional action from PGC “Light” meeting to be added as discussed above.

The Interim Director of Finance provided an update on the action regarding Woodland View, more information has to be provided to the legal team to be able to make the case and hold up the Freedom of Information component regarding this. Additional funding has been provided by Scottish Government although there is an overarching concern of setting a precedent regarding residency. It was confirmed that this will not be resolved by year end and this will be discussed with the Auditors in terms of correct recording in the accounts. It was agreed the action would remain open.

It was suggested that all actions should remain open until it is agreed by committee members that the information provided is sufficient to be able to close the action.

With regard to the SLA action it was confirmed that not all issues have been resolved however there is a workplan in place to manage this. A 50% bill was received and accepted this will be managed through the prescribed underspends. A full year value will be received next year. It was agreed that a paper would be produced to provide members with detail of the changed to the overall process with regular updates to follow thereafter.

ACTION – David Stonehouse

The 15 box grid has been included within the papers for noting however the action has not been completed due to the benchmarking data not being available at the time of the meeting. It was agreed this action would remain open.

It was agreed the last two actions would remain in progress until the agenda has been concluded.

Outcome: *The committee received the update*

4.2 Committee Workplan

The committee receive the workplan with changes noted in red for ease of reference.

Outcome: *The committee received the workplan*

5. Capital Planning

5.1 Capital Plan 2026/27

The Director of Infrastructure and Support Services presented the draft capital plan for 2026/27 and advised that the plan lays out what will be prioritised for the year and although the funding allocation is still awaited from Scottish Government the team are comfortable that the assumptions within the paper are accurate. As always, demand exceeds capacity so the plan has been prioritised and focussing on areas which will have the biggest impact. Larger scale developments don't feature in the plan due to the capital position. The £12m investment is mainly focussed on medical equipment, estates and digital to maintain core services and enable improvements. The plan will be monitored throughout the year.

A question was raised with regard to how business continuity fits into the £12m. It was responded that a similar level should be anticipated for the forthcoming year however in November 2025 a request was made for the business continuity plans to be re-profiled. A separate paper will be presented to committee once the figures have been finalised. There are no concerns regarding any risks.

It was confirmed that any money given back to the Scottish Government will be returned and will become revenue.

The draft capital was endorsed by the committee for submission to the NHS Board for approval.

Outcome: *The committee endorsed the draft capital plan*

6. Risk Register

6.1 Strategic Risk Register

The Chair advised members that work is taking place in the background to change the risk template and make this more fit for purpose.

The Director of Transformation and Sustainability presented the risk register and highlighted that all risks have been reviewed and updated within the period. There will be a change of score to risk 494, planned care waiting times, however this will remain in the high category, Risk 668 in relation to transformational change is planned to be re-scoped due to the evolving transformation agenda. Any potential changes will go to the next meeting of RARSAG where a decision will be made to add these to the register and they will be visible to members thereafter.

A member raised concerns regarding the actions being taken to mitigate risks and how this is not being articulated well enough within the updates and the quality of information within the paper is not able to execute responsibility on governance. It was confirmed that there can sometimes be a timing issue with regard to when the updates are made to the register and when the committee sees the paper.

A further query was raised with regard to risk 494 and the increase in likelihood of this risk however there are no ongoing control measures in place. It was agreed the detail of this risk would be checked with the relevant Director.

ACTION – Kirstin Dickson

The Chair raised a question regarding the actions for mitigation of the risks and how the committee do not see the detail of discussions which have taken place. It was also suggested that the PMO structure and best value service reporting should be added to the list. It was responded that there is a proposal to change the structure which will be presented to RARSAG for approval. It was agreed that due to the changes being made the risk register should be presented to the committee again at the next meeting.

ACTION – Shirley Taylor

Members did not feel assured that the work being undertaken was sufficiently captured within the report and there is minimal assurance in the process overall.

Outcome: *The committee received the risk register*

7. Financial and Service Management

7.1 Performance Report

The Director of Transformation and Sustainability presented the routine Performance report which covers data to February 2026 with some data to January 2026 due to publishing dates.

Planned care – there has been some progress in relation to reducing long waits of more than 52 week which has been a target and has an impact in terms of new outpatients as well as inpatients and day cases.

There is still significant pressures in terms of diagnostics although imaging are performing comparatively well. There are ongoing issues in endoscopy due to capacity and workforce constraints which will potentially have an impact on the 62 day cancer target although it is expected that this figure will jump back to 80% going on what local management data is predicting. Due to the small numbers of patients the target can be affected by one outlier.

Unscheduled care – This area is significantly challenged due to flow issues through the hospitals, ambulance handover times are also impacted due to flow as well as hospital occupancy data too. Flow issues are visible through every measure.

Mental health and addictions – We are continuing to see good performance in relation to CAMHS and drug and alcohol treatment.

Workforce sickness absence has slightly improved.

A member advised that due to the vast amount of information within the performance report there is a reliance on the summary paper to give key messages.

A query was raised with regard to the spike in South Ayrshire Delayed Discharges, it was responded that this is due to issues with care home placement availability as a result of recent inspection issues as well as ongoing staffing problems.

Although it was agreed there was lots of good information in terms of the graphics, the value and purpose to the committee was questioned as a lot of the information was deemed to be operational. The Director of Transformation and Sustainability advised that there has been a review of how this information is presented to CMT and it is anticipated that the new CMT format will be brought to PGC from July 2026.

Outcome: *The committee received the Performance Report*

7.2 Financial Management Report – Month 11

The Interim Director of Finance presented the month 11 position and highlighted a deficit of £24.9m. Scottish Government assume a planned delivery of £25m and this is expected to be delivered. The value based efficiency forecast is to achieve £30.1m which is being driven through improved funding assumptions. There has been an analysis of acute areas of pressure, ward escalation capacity and pressures at the front door. The NSD risk share has also matched assumptions.

Historically the efficiency programme delivery has been around £10m. The current forecast is for achievement of £30.1, including £11m of non-recurrent savings. The Acute Savings programme has seen very little recurrent delivery within the current year. January actuals capture the first element of the reduced working week, recognising approximately £1m of savings.

Changes to the forecast were reported with an additional £4.8m being offset to Carrick Glen, Viridian costs and the Learning Disability client disputes. There has been some benefit from NRAC and CNORIS. £2m was earmarked for new medicines however the goods received period-end processes have delivered a £6m benefit. There remains a small element of volatility in the acute position with grip and control required to manage the risk in this area.

From a £29.7m forecast last month all of this movement brings the position back to £25m with support from capital to revenue transfers, national risk share underspends and PFI contract penalties.

The overarching message is that Scottish Government are supportive and recognise that the position is challenging provided we continue to demonstrate

actions to improve the position. Many of the movements are one-off and do not address the underlying recurrent gap.

A member raised concerns with the month 11 position showing as 37.1m worst case and whether this is likely. It was responded that we remain at the base forecast position with no deterioration towards the downside scenario at this stage. February performance fell short of the blue plan with savings not fully being delivered. There was no run-rate improvement in March however despite this assurance was given that the £7.1m downside will not develop.

A query was raised with regard to the ongoing Agenda for Change debate regarding the North Ayrshire IJB allocation of funding. It would also be helpful to focus on a forward forecast of the value based efficiency programme. It was agreed that the total funding from Scottish Government would be summarised.

ACTION – David Stonehouse

Discussion took place on the savings plan at Annex A and it was highlighted that there are issues around what is being counted and some things are not allowed as they are offset by other things or classed as cost avoidance. From next year budgets will be better aligned with actual spend. Savings recognition needs to be considered with a different perspective. There is lots of good work taking place in the background in terms of next year's savings programme which will be assisted with a refreshed PMO.

A question was raised with regard to the Scottish Government stance on cumulative brokerage. The Scottish Government representative responded that once breakeven has been reached then consideration would be given to repayment of brokerage.

It was agreed that options appraisals would be considered when preparing the financial management report in future to be sure of possible savings options.

Outcome: *The committee received the Financial Management Report*

7.3 Best Value Plan 2026/27 Update

Concerns were raised as to the limited number of committee members available at this point in the meeting to ensure clear understanding of the new processes. It was confirmed that this has been shared with the executive team and CMT.

Slides were shared with members to give a snapshot of the most up to date position. There has been movement within the plan and the values have now changes within the columns with the green column now totalling £18.5m and the amber totalling £3.2m. There is an additional 33m which will shortly move to green following review. 33m remains in the red category due to low confidence in delivery.

The chair questioned the process of moving through the different colour categories and ensuring high confidence. It was responded that a risk process is undertaken to agree a position in terms of risk whilst the scoring is captured on a Plan on a

Page (POAP) and will then feed into the RAG status. Director sponsors, finance and budget holders are fully involved in the delivery of this.

A question was raised with regard to phasing, it was confirmed that this will be determined on how the plan is profiled and will be made clear at the assurance board. Risks will be made clear month by month. It was agreed that the phasing would be shared with members to provide assurance of the detail behind the plan and that targets are deliverable.

ACTION – David Stonehouse

It was confirmed that the POAP will show the phasing and this will be captured as part of the sign off process. The overarching plan is still being finalised to be presented at the Best Value Steering group however assurance was given to members that the detail behind the plan is in place.

Opportunities were discussed and there has been some movement especially with regard to the admin and clerical work which was planned, discussions are ongoing however there is a potential opportunity to translate this into overarching plan.

Discussions had taken place at PGC Light regarding QIA and EQIA process requirements. This is a two stage process and a score of nine or more will result in a full QIA. EQIA picks up equality and diversity impacts which are also captured within the POAP. All documents related to this are awaiting the approval process at present. There are currently 59 POAPs with a RAG rating regarding confidence and delivery.

A question was raised regarding the red category items and the impact on the financial savings. There are currently nine POAPs in place for red projects. Two have been signed off, one has been drafted and six are in the development phase. POAPs will be classed as operational documents for the programme management office team to be kept updated of actions and delivery. It is the intention for a summary level paper to be presented to PGC members to show progress. .

Discussion took place on the flow of information to various committees and concerns were raised regarding how readily available the information will be for PGC members.

It is also proposed that CRES will be separated out from the FMR to form a standalone paper with report on a month by month basis.

Committee members agreed that further discussions were required to ascertain what information would be meaningful for the committee to receive at each meeting. It was agreed that the presentation along with examples of proposed reporting would be shared with members for agreement and will be approved via email.

ACTION – Kirstin Dickson

Outcome: *The committee received the plan*

7.4 Level 4 Escalation Feedback

The Interim Director of Finance advised members that the first Assurance Board took place chaired by Steven Gallagher. The process was discussed in terms of the current situation and an emphasis was put on a challenging but supportive process. There is an importance of highlighting detail for questions. The month 11 position was discussed, detail regarding the vacancy control panel and the slide deck from the recent board workshop along with the savings programme. Key next steps were discussed along with a RAG rating status. A further key component that was examined was how we are working as a health system to deliver financial improvement and how representation from IJBs is feeding into the challenge regarding governance arrangements.

The next meeting will have a focus on grip and control.

There was a request from members to circulate the Terms of Reference for the Assurance Board.

ACTION – David Stonehouse

It was reported that the NHS Ayrshire and Arran membership is fluid and will vary depending on the agenda topics for that week. The plan for minutes was also discussed and it was noted that these will be available on their own public site once agreed. There is no plan for these to be shared with non-executive directors separately. The process will take place fortnightly and it is anticipated that the information created will suit everyone's however there is no capacity to produce more than this.

Outcome: *The committee received the update*

7.5 Quarter 3 Letter from Scottish Government

Actions from Q3 letter, DS focus on actions. Picked up issue forecast outturn 2025.26 dealt with. Three year financial plan 45m deficit was submitted and has been approved. Value based healthcare and CRES, savings but play into 15 box grid to drive to savings programme, BS to pick up band 7 nurses. Whole system working, IJB colleagues need to be included for flow. Grip and control, deep dive piece for assurance board. Budget rate basing TRANSCRIPTION 11.56. subnational working programme in development, not seen yet. Financial reporting, organisation is making improvements in this area, finally finalising plans for 500k support.

BS – band 7 nurses, context working with CD for CFSD since November to look at improvement identified re no of locums and performance data we could better utilise the existing ANPs and recruit additionally where required to be accredited to do higher level of work, individuals would be scheduled in job plans and requirement would be based on demand, capacity, productivity and waiting lists, based on need. Huge piece of work. Presentations to CMT. Unsure when get final report. Will be soon. Practically should come to PGC after CMT. Raised with colleagues in SG re test of change and requested funding, once see final paper and work up benefits more clearly then go back to Scottish Government. NC

responded to note attention on q3 letter, set out that test of change to be taken forward as the support funding already allocated as part of the funding.

KD external support funding, at moment all CMT have considered is support to the best value plan, considered proposal for this.

Outcome: *The committee received the letter*

Governance

- 7.6 Strength and Governance
Item deferred

Outcome: *The committee received the presentation*

- 7.7 Update on Transition from Viridian to PMO
Item deferred

Outcome: *The committee received the presentation*

- 7.8 Best Value Reporting Template
Item deferred

Outcome: *The committee received the update*

Performance Deep Dives

- 7.9 Imaging and Endoscopy Performance Update

The Head of Medical Imaging shared a presentation with members to highlight the challenging performance within Imaging services with the target of 95% within six weeks by March 2026. The position had improved up until November 2025 when there were setbacks due to staff sickness, high DNA's and flu within the community. This recovered in January and February and the team were hopeful this would continue into March.

Data for February 2026 was considered to be above trajectory at 92.6% overall. CT was 94% and MRI 98% however ultrasound has seen some challenges in terms of staffing with a figure of 88%. Barium was sitting at 55% however this is a small Radiographer led service.

In terms of MRI performance, since April 2020 there have been fluctuations in the waiting list size due to the MRI vans. There are currently two on site but this will be reduced to one from April 2026. There is not enough core capacity to meet demand so there has been reliance on an extra van and the AI software on both scanners make the process a lot quicker. Extra clinics are taking place now in both Ay and Crosshouse and although there is additional capacity, demand for this services increases every year. The static scanners focus on specialist areas such as prostate, with demand for these also increasing every month.

Ultrasound performance varies month to month and is driven by workforce. There is a national shortage of sonographers and trainees are being recruited and put through their post graduate certificate. Over six weeks of backlog was recovered by using locums and additional hours for substantive staff.

With regard to CT an additional scanner was acquired from Scottish Government which was purchased during covid. Demand has increased although there are four scanners on site. A Radiology led blood sampling service has been introduced which has had a positive impact on waiting times. There are concerns with regard to the scanner at ACH which is in a temporary building so longer term plans will be required for this. It was also highlighted that there are currently 800 cancer referrals per month which are prioritised within two weeks of referral.

The Chair questioned the position on potential capital funding for MRI and CT. It was confirmed that for MRI a bid is submitted to Scottish Government through the National Programme for ongoing capacity requirements which include Radiologists and reporting as well as equipment. This is separate to core capital.

A further question was raised on how long the MRI machines are working on a weekly basis. It was confirmed at Crosshouse this is 12 hours per day, five days per week and at Ayr it was 9am – 5pm, Monday to Friday however there is now an extended day model. Opening scanners over the weekend would not meet the shortfall however the extremity scanners will take 1500 patients and will assist claustrophobic patients to have a better experience.

It was highlighted that it may be helpful for extra capital to be reprioritised to areas of greater need. It was responded that there is a clear process for the specific national pot for MRI and CT scanners and this is not part of the core capital allocation.

A member questioned deprivation and age curve and the demand of this for imaging services, specifically with regard to the colon capsule and where Ayrshire and Arran is in terms of the rest of Scotland. This will be checked and fed back to members.

ACTION – Vicki Campbell

The Director of Acute Services gave an overview of the Endoscopy delivery model. There are four treatment rooms at Ayr and four at Crosshouse although one of these is currently being used as a recovery space. The performance measure is set at 613 patients waiting no longer than six weeks. This is sitting at just over 1500. Due to the concerns within the areas there has been a great deal of deep dive work over the past six months and a lot of focus on the loss of the fourth room. Since October CFSD colleagues have been working with the teams to look at the pathways and maximising core activity.

Since February 2026 an insourcing company has been used to undertake 100 endoscopies over weekend using the Ayr suite. A mitigation which has been considered is additional capacity from Golden Jubilee, however there are 130 patients who do not want to travel for the procedure. Conversations are ongoing regarding this.

Insourcing has also assisted in providing transnasal endoscopy as an alternative streamed pathway. NHS Fife and CFSD are also working to increase the nurse endoscopist pathway. Local vetting has enhanced and work is ongoing to understand the scheduling tool to ensure that the booking system is being maximised. Focus and mind-set has been changed to remove some of the patients who have been referred straight for endoscopy to see if another service would be more appropriate. The team are working with three different lists including urgent referrals, urgent cancer suspected and patients under surveillance.

A new Divisional General Manager has been appointed in this area who will bring fresh eyes in terms of improvement.

The Chair advised that a recent quality and safety walkround had taken place and there were bottlenecks within the waiting list management as this was being managed by one staff member. It was confirmed this was being managed and a new method has been introduced to ensure every clinic is being maximised with a two week checkpoint.

A question was raised as to the risks of patients being moved off the waiting list. It was responded that the guidelines on GP referrals to Endoscopy are being reconsidered to ensure these are appropriate with alternatives being explored which may result in patients being added back on to the list. Previously there had been many missed steps on the pathways and NHS Ayrshire and Arran is an outlier in terms of the data.

A brief update was also provided on the cancer results. It is anticipated there will be a decline in January within the higher volume pathways such as Urology and breast due to sickness absence. A further driver for this was planned leave and although the service tried to mitigate for this as much as possible there were complexities in the pathway with regard to the planning for the four public holidays.

Outcome: *The committee received the update*

7.10 Orthotics Performance Update
Item deferred.

Outcome: *Item deferred*

8. Key issues to report to the NHS Board

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

- Draft Capital Plan 2026/27
- Strategic risk Register
- Performance Management Report
- Financial Management Report
- Best Value Service report and governance around delivery.

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 Workplan 2026/27
The draft workplan for 2026/27 was received.

Outcome: *The Committee received the Workplan*

10.2 PGC 'Light' Schedule 2026/27
The PGC Light schedule was received by members.

Outcome: *The committee received the schedule*

10. For information

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

- 15 Box Grid Submission

11. Date of next meeting

Thursday 28th May at 9.30am via Microsoft Teams

SignatureDate