Performance Governance Committee – Minute of Meeting
Monday 01 June 2026 at 2.00pm
Via Microsoft Teams

1.0 Attendance

Present:	**Non-Executive Members**	
	Sheila Cowan	
	Marc Mazzucco	
	Joyce White	
	Linda Semple	
	Board Advisor/Ex-Officio	
	Lesley Bowie	Board Chair
	Gordon James	Chief Executive
	David Stonehouse	Interim Director of Finance
	Kirstin Dickson	Director of Transformation and Sustainability
In Attendance:	Vicki Campbell	
	Brian Steven	
	Alistair Grant	
	Roisin Kavanagh	
	Shirley Taylor	Committee Secretary (Minutes)

1.1 Apologies

The chair welcomed everyone to the committee. Apologies were received from Ewing Hope, Crawford McGuffie and Jenny Wilson.

2. Declarations of interest

Linda Semple declared an interest in the discussions around the Golden Jubilee.

3. Minutes of the previous meeting – 26 March and 12 March 2026

The minutes were approved as an accurate record of the meeting with the following amendment – PGC Light minute to be changed to £30m as opposed to 330m.

It was also highlighted that in the minute from 26 March there were some discrepancies in relation to the values at 7.3. This should read £3m to move to green and £2.9m in red.

It was confirmed that Linda Semple was present at the meeting.

4. Matters Arising

4.1 Action Log

The Chair mentioned the importance of time management and ensuring that discussions take place within the allotted time slot on the agenda.

Item 6.1 in relation to the progress against realistic care work will be discussed at a later date with the medical Director.

An update was provided on the Woodland View invoices, the full invoice amounts have been provided for with Scottish Government Support and has been written off in the 2025-26 accounts. The CLO has requested more information on one of the claims which is less than £90k and it may be within our scope to pursue this.

Feedback is still awaited around the 15 box grid, it was confirmed that the benchmarking data has now been received but the timing of this did not fit within the scope of the meeting. This has been shared with CMT for review and will be brought to the next meeting, likewise if Quarter 4 data is available then this will also be shared.

Discussion took place on the revision of the performance report. CMT are now working with a new iteration of the report and as long as this is satisfactory a request will be made for the same report to come to PGC. It was agreed the date would be moved to July 2026.

An update was provide on risk item 494. Significant progress has been made in planned care and although the 12 week guarantee is not being met discussions are ongoing and an approach to reduce this has been taken through ongoing executive oversight. Although there is still a reputational risk to the board the progress can be recognised. It was agreed the action could be closed.

It was confirmed that the terms of reference for the assurance board has been shared with members and can be closed.

With regard to the action in relation to the Colon Capsule it was confirmed that this was stopped in March 2025 as it was costing more in the long run and not having the anticipated impact.

Outcome: *The committee received the update*

4.2 Committee Workplan

The Chair confirmed that the committee workplan has been modified based on some of the ongoing assurance work to encompass savings plans as well as deep dives in finance and performance. Dates have also been added for PGC Light meetings will focus on the FMR and programme savings.

Discussion took place on what areas could be put forward for deep dives and it was agreed that this would be focussed to areas who were not performing as well

to allow for some scrutiny. It was confirmed that a framework will be developed for the scheduled deep dives and circulated to the committee for review.

ACTION – Kirstin Dickson

Outcome: T*he committee received the workplan*

5. Risk Register

5.1 Strategic Risk Register
The Director of Transformation and Sustainability shared the strategic risk register and highlighted that the timing of the paper has resulted in this following the old process. It is anticipated this will be fully revised and implanted by the end of July 2026.

Five risks are aligned to PGC and three of these have been reviewed and updated since the last RARSAG meeting. The outcome of these reviews is outlined within section 2.3 of the paper. The key element of note was the proposal to terminate risk 668 with a new risk proposed which was accepted at RARSAG in May 2026.

A question was raised with regard to risk 961 and it was noted that the current control measures are the things that are in progress however once the new process is in place there will be less multiple scoring elements and the timings of review will be aligned to the governance process timings. The Chief Executive advised that a revised high level summary has been through CMT and will include elements from the new dashboard. It has also been agreed that the Corporate Risk Register will be reported at the public board meetings as part of the new process.

A question was raised with regard to the review cycle of risks going forward and it was confirmed that a monthly cycle of review is being considered going forward however the pathway through RARSAG will need to be considered for committee updates to flow through.

Outcome: *The committee received the risk register*

6. Financial and Service Management

6.1 Performance Report – Month 12
The Director of Transformation and Sustainability shared the routine performance report for month 12 and advised that it is anticipated that the revised version of the report will be brought to the next committee.

A mixed position was noted across the board with some significant improvements in some areas. Long waits of more than 52 weeks are still being experienced across outpatients, inpatients and day cases.

There has been an improvement in the 62 day cancer pathway which has been an area of prolonged challenge. Mental Health pathway targets are all reported to be in a positive position.

There are still some challenges being experienced within the MSK pathway as well as unscheduled care in terms of flow and impact on the front door, bed occupancy, length of stay and delayed discharges.

Sickness absence targets have shown an improving position however they are still higher than anticipated.

It was agreed that further investigation should be made into imaging and MSK who, although have recently had some deep dive work, continue to deteriorate. It was confirmed from an imaging perspective that there had been staffing gaps and recruitment challenges however recent reporting has shown an improved picture and is back on track for May 2026 data. The other area discussed was Rapid Respiratory Response and why there has been no update to the wording on the cover paper. It was agreed this would be looked at for the next meeting.

ACTION – Kirstin Dickson

A committee advised that the weekly briefings have been helpful and these may provide an opportunity to see where improvements are being made. It was agreed this would be included where appropriate.

A question was raised as to whether there is a link between delayed discharge and length of stay data. It was confirmed this will be the case as delayed discharges have an impact on the system as does non-delayed length of stay as this is longer than average and is reflected in the overall length of stay. Individual patient data is monitored, and a workshop has been arranged to focus on non-delayed length of stay to see what care be done in this area in terms of potential savings and to provide a level of assurance to members.

It was agreed that MSK needs to be looked at again in terms of a deep dive due to the downward trend. It was also suggested that length of stay and delayed discharges should be explored as well as discharge from frailty assessment units.

Outcome: *The committee received the performance report*

6.2 Unscheduled Care Performance Update

The Director of Acute Services presented the position up to the end of April for Unscheduled Care. There has been a slight decline in April due to a decision being made to reduce non-standard spaces. This was due to Crosshouse having 600 patients and Ayr around 350 patients. The data does not show that approximately 100 non-standard spaces have been relieved at Crosshouse. The vast numbers of non-standard spaces cause the areas to become inefficient due to additional beds however protocols have now been tightened. Work is taking place with ED colleagues regarding the risk at the front door to ensure that scoring and triggers are tightened. There has also been a dip in SAS performance with delays at peak times however it is also important not to over congest wards. This has mainly had an expected impact on the data for out of hours CAU. ED has improved.

It was previously reported about the three unfunded wards, these wards are now being funded which takes the whole system occupancy down to 98%. Consistent

leadership is required now the areas are being funded and focus will be placed on acute delays, non-delayed length of stay as improvement can be made in these areas to reduce the bed base.

Acute improvement actions have been introduced with additional triage capacity, an increase in ED attendances and a dedicated space for faster triage and assessment to keep the department moving. Two hour huddles are now well embedded to continually monitor flow and the continuous flow model has improved. The OPEL framework is now being included in the site huddle. Work is also taking place to look at a CAU reset. A virtual capacity model is also being developed, and deep dives are taking place on the palliative care pathways to facilitate quicker discharges. It was also highlighted that there is now a Clinical Reference Group aligned to the SAFER rollout plan in order to work through any challenges. As well as this a divisional led performance group has been developed and there is a plan to move to 7 day working and discharge without delay.

Various actions have been taken forward such as the recruitment of a new Associate Medical Director which is taking place in July 2026. The service is also working under the guidance of the executive flow assurance group to look at transfer of care options including meeting with partners every few days to discuss these.

A question was raised regarding delayed discharges with the HSCP and whether any modelling has been done on the eligibility criteria to move to critical only. It was confirmed that a weekly report is provided on delays which is reviewed. The non-complex patients are generally turned around quickly however the majority of patients are waiting a more complex intervention. If the criteria is met then the patient will remain on site. It was noted the governance criteria is the cause of the backlog.

It was agreed that an update on non-delayed length of stay over 14 days would be brought to the next committee meeting.

ACTION – Vicki Campbell

A committee member highlighted that reducing length of stay remains a key component of the financial recovery plan and that the Committee requires clarity on the current position, the target LoS to be achieved, the timescales for delivery, the level of savings expected by year-end, and the potential impact of any changes on LoS performance. It was noted that a detailed analysis for discussion is being undertaken for the forthcoming session on Wednesday. The figures referenced were a current position of 8.7 days, with an aspiration to reduce this to 5 days. Caution was advised in focusing solely on non-delayed LoS, noting that it represents only one element of a wider programme of improvement actions and consideration should be given to how the Committee monitors progress across the broader range of interventions rather than viewing LoS in isolation.

Members heard that two significant strands of work are underway. The Scottish Government is providing £7.2 million through the Operational Improvement Plan to

support improvements in unscheduled care across the whole system, with individual areas developing initiatives tailored to their local circumstances. Work is also progressing on a model that would remove 115 beds from the acute sector and reprovision capacity within more appropriate community-based settings.

It was noted that the proposed reprovisioning model has already been shared with the Scottish Government and would require Board approval before implementation. If progressed at pace and implemented before winter, the proposal could deliver approximately six months of acute-sector cost avoidance. Members also recognised that, should funding be transferred to support the change, financial discipline would need to be maintained across the whole system to ensure benefits are realised.

The Scottish Government Assurance Board is seeking transformational ideas that can deliver meaningful system-wide change, and there was agreement that this work should be advanced urgently. A working draft document is expected to be available within the next few weeks.

The Committee also heard that members of the Assurance Board had visited a number of operational areas, including hospital wards, the Flow and Navigation Centre, and Ward 5D. These visits helped demonstrate the challenges associated with patients remaining in settings that do not best meet their needs and provided practical insight into patient flow issues across the system.

Members noted the progress being made on both the unscheduled care improvement programme and the development of alternative community-based care models.

Outcome: *The committee received the update*

6.3.0 Financial Management Report – Month 12

The Interim Director of Finance reported that the year-end financial outturn delivered a deficit of £24.3 million against the £25m target. The Value-Based Efficiency Programme delivered savings of £29.9 million with £19.3 million of these being recurring. This represents an improvement on the level of recurring savings achieved in the previous year. While progress has been made, further work is required to increase the proportion of recurring efficiencies delivered.

Further capital to revenue slippage

Members noted that £4.6 million of operational improvement plan funding will be carried forward through the IJB reserves into the next financial year to support initiatives aimed at reducing length of stay.

Other favourable movements which contributed to the final outturn include a £1.6m capital-to-revenue transfer benefit, although it was acknowledged that it would be been preferable to fully utilise this as part of the planned capital programme. There

were also benefits within ISS and Pharmacy stock and reserves which were not released. Overspends were noted in relation to vaccines and SLA's and there was a year-end increase within acute services.

Members were advised that the external audit process is currently underway. At this stage no material issues have been identified, and the audit clearance meeting has been scheduled to take place next week.

The Committee noted the positive year-end outturn, the improvement in recurring efficiency delivery, and the absence of any material concerns arising from the external audit process to date.

The team were thanked for their hard work and level of transparency in relation to this.

Outcome: *The committee received the Financial Management Report*

6.3.1 Draft High Level Report – Month 1

The Interim Director of Finance presented a draft, high level month one position which had been produced for the assurance board with the key point to note being the phased savings plan is profiled in straight twelfths in line with the plan submission. However in reality it was noted that a proportion of this is back loaded at circa £1m at month 1.

In this context There has been under-delivery delivery of the savings programme in acute offset by slippages in corporate and ISS DS month1. delivered savings in month 1 are £2.4m subject to validation.

Realistic budgets have been set and are outturn driven, unfunded wards are included in budgets and the reduced working week is also being funded. The first month of performance meetings have taken place and were thought to be a benefit.

The summary position shows a deficit of £4m which is over plan by £237k at the moment. It was noted that month one nursing spend is typically low in april however there is a confidence level in the nursing team around the savings plan.

It was highlighted that both of the above report will be taken to board for awareness with the caveat that the month one report has not be through the same process.

A committee member queried whether the current trajectory was sufficient to achieve the year-end savings target. It was responded that this would be reflected through the Best Value Plan and further narrative regarding the phasing of savings delivery will be included within the report going forward. The distinction between recurrent and non-recurrent savings was queried and whether recurrent savings was still behind. It was confirmed that the position is correct and reflects the planned profile of service delivery.. Under-delivery on the Acute services variance will have a large consequence on the overall savings plan. The recurring savings plan total £36.2m with a further £11.9m of non-recurring savings giving a total

savings programme of £48m excluding IJBs. A further £9m of savings is attributed to IJBs bringing the total system-wide savings plan to £57m.

It was clarified that the reduced working week is being funded by Scottish Government and decisions are being made as to how this funding should be allocated with admin posts being considered. All clinical front line agenda for change posts are fully funded including IJBs.

A question was regarding funding for new medicines and whether this is the same level as in 2025-26 plus £3.24m anticipated spend. It was confirmed that some movement is expected in all areas however an additional budget is not being assumed for new medicines.

Outcome: *The committee received the report*

6.4.0 Best Value Savings Plan Latest Plan

The Director of Transformation and Sustainability presented the Best Value Savings plan and advised that there are currently 56 plans on a page (POAP) created to inform the best value plan. 35 of these related to programmes which are green rated or of high confidence and have been signed off by the Best Value Steering Group and CMT. Nine are amber and 12 are red and work is ongoing to finalise the position in terms of risk, confidence and delivery and value to the best value plan. QIA/EQIA have taken place for each programme and it was highlighted that the QIA is a two stage programme whereby an initial assessment is undertaken and if the criteria is met then a full EQIA assessment will be taken for each programme.

A change control process has been implemented and once the POAP reaches the point of approval any changes will go through this process with a tracker to log any changes. The Director sponsor and Director of Finance require to agree any changes which will then go through the Best Value Steering Group and CMT for approval.

It was highlighted that this will form part of the Scottish Government Assurance Board agenda and deep dives will be progressed.

Non-delayed length of stay forms part of the Best Value Steering Group work and a succession of deep dive workshops have been agreed throughout June 2026 to look at doing things differently incorporating community infrastructure and maximising digital opportunities.

The current snapshot positions were shared and discussed and the current plan value is £26.3 with £4.9 being progressed to bring the total to £31.2m. Within the green column work has been done to some value to recurring vs non-recurring. More of the projects within amber have moved to green and projects within the red category have increased.

SA committee member questioned the snapshot position and highlighted that £57m is required with IJBs being £9m of this. It was agreed that the plan needs to be linked to show the gap and also link this to risk 703 to align the mitigations and

controls. It was responded that the programmes of work are aligned to the £36.2m component. It was also highlighted that a key element is the sale of Carrick Glen, this has been factored into discussions with Scottish Government.

Clarification was sought on the timing of when programmes currently rated red would be moved to green in order to deliver recurring savings of £36.2m. It was responded that not all savings identified to date are recurrent and further work is required to deliver a fully sustainable savings plan with a focus on strengthening delivery confidence and converting opportunities into deliverable schemes.

The Director of transformation and Sustainability advised that the key red areas are medical workforce at £1.466m due to the risk around this and certainty will not be gained until the new doctor rotation is in place and there is confirmation of rota compliance arrangements. Unscheduled care at £1.5m was not included on the previous summary and delivery of this is linked to bed closures and non-delay length of stay. There is an element of opportunity in year but clarity of the plan is needed. £500k is aligned to the Caring for Ayrshire work. A draft business case and modelling work has been developed.

A number of schemes have been assessed as green and are expected to deliver such as the theatre and outpatient improvement programme at £1.7m and £100k for order comms which needs to be progressed with the digital team.

Opportunities are being explored in terms of Primary Care Prescribing although a risk assessment is required. There are also opportunities being explore in transport and the A&C reviews. It was confirmed that the only reason for projects not to be progressed would be if there is a high element of risk.

It was agreed that a high level narrative report would be produced for both PGC and PGC Light.

The Chief Executive advised members that this is being considered on a weekly basis at the Best Value Steering Group and plans will only move if there is assurance in place regarding delivery.

Outcome: *The committee received the plan*

6.4.1 Assurance Board Savings Deep Dive

The Director of Transformation and Sustainability shared the Assurance Board Savings deep dive with members and advised that this is a line by line review of the Best Value plan. The paper provides detail of the level of scrutiny undertaken and the recommendations provided for assurance.

The Interim Director of Finance advised that a key action for the finance team will be mapping and integration into the next steps of the report.

Any further detail will be shared with the committee for awareness.

Outcome: *The committee received the update*

6.4.2 Assurance Board PMO Deep Dive

The Director of Transformation and Sustainability presented the Assurance Board PMO deep dive on 14 April 2025 to support the best value plan, governance, delivery confidence and pace given the scale of the financial challenge. Processes and documentation were explored around governance and regularity of meetings and feedback was given on the weekly best value steering group to bring visibility and oversight. There was also discussions on the development of the pipelines and grip and control which met the expectations of Scottish Government. Learning opportunities have been shared in terms of best practice from other boards and deep dive workshops are being arranged. A number of actions have already been progressed.

The Interim Director of Finance advised that effective recruitment needs to take place to get the capacity and support for the savings programme. The PMO is almost fully staffed with the recruitment programme concluding at the end of March. There are still some gaps due to notice periods.

It was highlighted that informal catch ups are also taking place outwith the schedule of meetings and an All Staff Communication has been developed with QR codes to allow staff to share ideas.

It was agreed that the support provided to date has been very positive.

Outcome: *The committee received the update*

6.5 Quarter 4 Letter from Scottish Government

The Chief Executive shared the Q4 letter and advised that a positive position has been reached with 3% recurring savings being a focus. There is no expectation to repay the deficit support funding.

Outcome: *The committee received the letter*

6.6 SLA Review Process

Members received an update on the financial risks associated with SLA's. The Committee were advised that the Scottish Government has been reluctant to become involved in formal arbitration of these disputes, however, it has recently established a national Finance Sub-Group to review the operation of these arrangements across Scotland. While this work is expected to provide greater scrutiny and facilitate deeper analysis, it is unlikely to determine a definitive outcome in relation to individual disputes. As a result, continued engagement with Greater Glasgow and Clyde will be required as discussions progress.

Members noted that SLA expenditure represents a significant area of spend, estimated at around £100 million across a range of hosted and commissioned services. Work is therefore underway to identify mitigating savings opportunities to offset potential financial pressures associated with the Glasgow position.

Approximately £0.5 million of savings opportunities have been identified and are close to confirmation, which would help reduce some of the associated risk.

Further pressures were highlighted in relation to the commencement of charging arrangements for SPA and palliative care-related costs. These developments add to the broader financial challenge and reinforce the need for greater oversight of SLA and hosted service expenditure.

Discussion also focused on organisational capacity to manage this complex area effectively. Members heard that there is currently limited dedicated resource available to oversee SLA management, contract scrutiny and challenge processes. Existing support largely consists of a Band 5 role focused on administration of the process rather than detailed contractual or financial challenge. Given the range and complexity of issues involved, including the interaction between contractual arrangements and service delivery, consideration is being given to whether additional non-recurring resource may be required across both Finance and Turnaround & Sustainability functions.

The Committee agreed that SLA and hosted service management should be regarded as a significant programme of work in its own right, reflecting the scale of expenditure involved, the financial risks arising, and the need for strengthened governance, analytical capacity and oversight. The committee requested this work to be continued on and aligned into the Best Value Plan update for savings and the results will come through this overall plan summary.

Outcome: *The committee received the update*

7. Key issues to report to the NHS Board

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

- Strategic Risk Register
- Performance Management Report
- Unscheduled Care Deep Dive
- Financial Management Report FMR
- Month 1 draft financials
- Various communication from Assurance board

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 Annual Report

Approved.

Outcome: *The Committee agreed the annual report for submission to the NHs Board*

10. For information

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

- Internal Audit – CRES Follow Up
- CNORIS Annual Report
- 15 Box Grid Submission

11. Date of next meeting

PGC Light - Thursday 02 July at 9.30am via Microsoft Teams
Committee – Thursday 30 July at 9.30am via Microsoft Teams

Signature ……Date ……