



**Performance Governance “Light” Committee – Minute of Meeting  
Thursday 03 September at 09.30am  
Via Microsoft Teams**

**1.0 Attendance**

**Present: Non-Executive Members**

Sheila Cowan (Chair)  
Marc Mazzucco  
Sharon Morrow  
Liam Gallacher

**Board Advisor/Ex-Officio**

|                  |                                               |
|------------------|-----------------------------------------------|
| Gordon James     | Chief Executive                               |
| David Stonehouse | Interim Director of Finance                   |
| Kirstin Dickson  | Director of Transformation and Sustainability |

|                       |                 |                               |
|-----------------------|-----------------|-------------------------------|
| <b>In Attendance:</b> | Jennifer Wilson | Nurse Director                |
|                       | Phil Tydeman    | Turnaround Director           |
|                       | Shirley Taylor  | Committee Secretary (Minutes) |

**1.1 Apologies**

The chair welcomed everyone to the committee. Apologies were received from Lesley Bowie, Linda Semple, Joyce White, Tom Hopkins and Roisin Kavanagh.

**2. Financial Management Report**

The Director of Finance shared the month 4 presentation and noted a deficit of £15.3m after four months excluding HSCPs. This is £0.3m adverse to the plan. There is a surplus of £1.9m for HSCPs and reassurances have been given that they should deliver efficiencies and breakeven. There are risks around packages of care and social care aspects. £14.8m has been achieved in the value based efficiency programme.

It was highlighted that Acute are £4m overspent, ISS £1.5m underspent and corporate is £1.3m underspent meaning this will be close to the end of year forecast. There are also uncommitted reserves of £0.8m.

In terms of the year end forecast and savings delivery, pharmacy has increased slightly and ISS and Corporate will be reviewed. £2m has been set aside for business cases and this is being factored in. It is assumed that the £45m will be delivered.

For the acute forecast, the flow board assumptions regarding bed closures from October will bring savings of £0.4m. The best value programme assumptions show £2.1m on pay and £1.6m on non-pay with a key part of pay being the nurse savings programme.

Risk rated delivery is £48m. East and South are confident of delivery and North has a current assumption that they should deliver with risk which has been feedback to the assurance board this morning.

The risk table was examined and an additional risk has been added regarding agenda for change reform funding of £2m due to the increase in the number of claims. It is thought this will be the most likely case and assumptions should be examined for some movement to offset this.

The underlying position was discussed and a plan was set with a forecast delivery of £45m. There is a non-recurrent efficiency programme of £11.9m, non-recurrent spend assumptions of £4m and non-recurrent sustainability funding £10.9m which gives a starting point for year two of the plan. There will be a reliance on driving the flow board programme and maximising grip and control measures to get close to the assumption. This creates an urgency of driving forward the savings programme and doing more on a recurrent basis as quickly as possible.

The Chair question East Ayrshire and the underspend of £1.1m for recruitment activity and whether this was a true underspend. It was confirmed that the lack of recruitment is an underspend rather than a saving. The Chief Executive and Nurse Director have met with the three IJBs to discuss underspends in nursing and ensuring that quality of care is the primary focus inclusive of safe staffing levels. Feedback will be given to the committee once discussions have taken place.

ACTION – Jenny Wilson

The Chair also questioned the gap in the improving flow project. The Director of Finance clarified that £300k is the overall gap and the savings programme for the flow project will not kick in until October 2026 with bed closure assumptions being made at the end of September. The Chief Executive confirmed that a programme tracker has been developed for this and eight beds at UHA have been closed ahead of schedule. Acute and North are on trajectory however East and South are slightly off with mitigations in place for this such as opening further beds at Biggart as well as additional care home and community hospital recruitment taking place. It was also confirmed that the programme status is green at the moment however there is a need to track delivery versus financial savings. Lots of work is taking place across all partners and positive engagement was noted at the assurance board.

A question was raised with regard to the risks and whether there were other worst case scenarios regarding this. It was confirmed that Primary Care Prescribing is

currently still on track, there has been some under-delivery in terms of the savings programme at month 4 which was the main focus of discussion at the assurance board with some deep dive work being requested for both medical and nursing spend. There is some risk around this. In terms of the new medicines fund there is an element of recharge awaited from Glasgow to understand the position regarding this as there is a number of high cost, low volume items. It is anticipated there will be a benefit from CNORIS and discussions have taken place with Estates in terms of the £1m capital to revenue slippage and what this will look like. It was also confirmed that asset disposal has been raised again for Scottish Government to take forward and a letter has been received in terms of the improving flow work to advise that this will be underwritten on a non-recurring basis once evidence has been provided.

The overspends in supplies were discussed especially in terms of hotel services and ambulance use. There have been some issues in Crosshouse regarding the management of the stores and a deep dive is required in this area with some invest to save funding to undertake this work. It was noted that some areas have improved with some tighter grip.

The Director of Finance highlighted feedback from the assurance board regarding the underlying position and the need to drive recurrent savings. If savings are non-recurrent this will affect the budget for next year.

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

### 3. Best Value Plan Update

The Turnaround Director presented the best value update and noted that the current forecast of in-year savings is £48.6m assuming 100% delivery of green schemes, 50% amber and 0% for red. The focus is on recurrent savings and the assurance board focussed on the amber and red schemes.

£200k is attributed to acute for order comms systems, one is expected to roll out November with savings in year and the GP order comms, has been delayed so the benefit of this will not be realised until next year.

Paediatric nursing workforce and optimisation will deliver in the month 5 position.

Nine programmes of work have been approved in the Scottish Government Invest to Save programme which will be presented to the Best Value Steering Group. £1.9m of funding was provided with a return on investment expected at £536,000 this year and £2.5m next year.

The £1.466 on medical workforce is reporting against supplementary pay savings and is expect to deliver £600k in the month 5 plan. The second part of this is around non-complaint rotas, there remains a risk with the ED rota however if this becomes compliant a benefit of £772k will be realised in best case. If not the benefit will be £187k. A great deal of work is being done regarding nursing workforce with daily meetings in place.

All actions have been completed in terms of primary Care Prescribing with savings taking a few months to evidence however this should be available in quarter three and there is optimism around over-delivery in this area.

It is anticipated that £250k will be realised in terms of SLAs due to cross-charging of other boards. Invoices will be released this month.

Lots of work is being done on transport and the use of patient transport and taxis. A meeting will take place with the Transport board tomorrow.

The overwriting message from the slides is that there is a huge amount of work taking place and although there is still £1.3m in the amber and red columns there is confidence of delivery.

A question was raised with regard to the unidentified schemes of £4.6m and whether these will be this year or next. It was responded that as the number will reduce as more of the amber and red schemes are converted and a draft plan will be developed by December to bring savings forward. It was also noted that there is a huge amount of effort which is going into the flow programme and will affect the overall efficiency programme.

The Turnaround Director added that there is a focus on next year's programme with assurance that there will be a clear structure of programmes to formulate next year's plan. Programme meetings will be launched from next week with two weeks being given to engage with teams and get ideas from staff. Work will take place to understand the scope in terms of the workstreams. Transformational schemes such as delivering Caring for Ayrshire and the flow board will feed into this and the Best Value Steering Group will meet weekly to ensure grip and control of delivery.

The Chief Executive advised that the assurance board has asked for a deep dive into medical and nursing staffing and it was highlighted that this will tie into the deep dive schedule with medical workforce expected at the next meeting.

**Outcome:** *The committee received the plan*

### **3. Date and Time of Next Meeting**

The next meeting will take place on Thursday 1<sup>st</sup> October at 14:00pm