

GGNHSB(M)03/7
Minutes: 84 - 96

GREATER GLASGOW NHS BOARD

**Minutes of a Meeting of the
Greater Glasgow NHS Board
held in the Board Room, Dalian House,
350 St Vincent Street, Glasgow
on Tuesday 15 July 2003 at 9.30 am**

P R E S E N T

Professor Sir J Arbuthnott (in the Chair)

Dr F Angell	Mr T A Divers OBE
Mr J Best	Professor M Farthing
Dr H Burns	Mr W Goudie
Mr R Calderwood	Mr P Hamilton
Mr R Cleland	Councillor J Handibode
Councillor J Coleman	Mrs R K Nijjar
Dr B Cowan	Dr J Nugent
Ms R Crocket	Mr I Reid
Mr T Davison	Mr A O Robertson OBE

Mrs E Smith

I N A T T E N D A N C E

Mr A Bowie	Project Manager, ACADs Procurement (from Minute 94)
Ms S Gordon	Secretariat Manager
Mr J C Hamilton	Head of Board Administration
Mr J Hamilton	Assistant Director of Finance (to Minute 93)
Mr A Lindsay	Head Control and Support Services (to Minute 93)
Mr C B Revie	External Auditors, PricewaterhouseCoopers (to Minute 93)
Ms C Renfrew	Director of Planning and Community Care
Mr M Thomson	External Auditors, PricewaterhouseCoopers (to Minute 93)
Mr J Whyteside	Public Affairs Manager (to Minute No 93)

BY INVITATION (TO MINUTE 93)

Mrs P Bryson	Convener, Greater Glasgow Health Council
Mrs F Needleman	Chair, Area Pharmaceutical Committee
Mr H Smith	Chair, Area Allied Health Professionals Committee
Dr B West	Chair, Area Medical Committee

ACTION BY

84. APOLOGIES AND WELCOME

Apologies for absence were intimated on behalf of Councillor D Collins, Councillor R Duncan, Mrs W Hull, Mrs S Kuenssberg CBE, Mrs E Borland, Mr A McLaws, Mr J Cassidy (Chair, Area Nursing and Midwifery Committee) and Ms Gale Leslie (Chair, Area Optometric Committee).

Sir John welcomed Mr Revie and Mr Thomson who were representing the NHS Board's External Auditors, PricewaterhouseCoopers.

85. CHAIRMAN'S REPORT

The Chairman updated on the following events which had occurred since the last NHS Board meeting:

- (a) He had attended on 25 June 2003, the Accountability Review meeting with the Chief Executive of NHS Scotland and senior officers from the Scottish Executive Health Department. Mr Divers would provide further detail on this meeting in the Chief Executive's update.
- (b) The Working Group established to look at an open process of assessment regarding Greater Glasgow's Maternity Services (chaired by Professor Margaret Reid) had met and was shortly to publish dates to hear evidence prior to the evaluation process. The Working Group would be supported by six clinical advisers representing Anaesthetics, Obstetrics, Paediatrics and Perinatal areas of Maternity Services.
- (c) The NHS Board's response to the Scottish Executive Health Department's document "Partnership for Care" was being prepared and the first draft would be submitted to the August Board Seminar for discussion.
- (d) He had attended the interviews for the Executive Dean of Medicine, University of Glasgow, on 14 July 2003. The recruitment process was now reaching its final stages.

NOTED

86. CHIEF EXECUTIVE'S UPDATE

Mr Divers updated on the following developments since the last NHS Board meeting:

- (a) Following on from the Chairman's introductory remarks, Mr Divers provided a brief description of the Accountability Review meeting which had taken place on 25 June 2003. The formal letter to the Chairman was awaited from the Scottish Executive Health Department and would be submitted to the NHS Board at its August meeting. Furthermore, the letter would be included in the Board's Annual Report.

The Accountability Review meeting had been conducted in four parts as follows:

- (i) A meeting between the Chairman and the Chief Executive of NHS Scotland, Trevor Jones.

ACTION BY

- (ii) A meeting between Members of the Area Clinical Forum and Trevor Jones. This had been a constructive exchange particularly around how the role of the Area Clinical Forum could develop.
- (iii) A meeting between Bill Goudie, Employee Director, Area Partnership Forum colleagues and Trevor Jones. Key points of discussion included the implementation of PIN Guidelines and the Joint Future Agenda.
- (iv) A business meeting with NHS Greater Glasgow Chairs and senior officers and the Scottish Executive Health Department which focused on the following items:
 - A. Looking at the Board's progress against the action points for implementation of the Acute Services Review and the recommendations made by the Expert Advisory Group set up to look at operational aspects of the Beatson Oncology Centre.
 - B. Performance assessment framework and, in particular, areas of progress in reducing premature mortality in NHS Greater Glasgow. Achievements were recognised and other areas of development, such as Greater Glasgow's oral health, were discussed and how best this could be progressed.
 - C. Patient focus and public involvement – a first meeting had taken place on Thursday 10 July with key players and had been very useful. A report had been prepared on the outcomes of the meeting and how this area could be best taken forward.
 - D. Provision of primary care services.
 - E. Local Health Plan – looking particularly at the NHS Board's financial position, waiting times and delayed discharges. Also discussed was the provision of Beta-interferon for MS sufferers. Mr Divers outlined the service provision to MS sufferers in Greater Glasgow and described the NHS Board's investment in this area – particularly in developing community teams and the contribution made to the MS centre. It was important to maintain a balanced level of investment and Beta-interferon formed only one part of that programme. The NHS Board's efforts had been acknowledged and appreciated by organisations in this field. Nonetheless, the Scottish Executive Health Department had explained that it was not feasible for Greater Glasgow to take a different approach to the treatment of MS from other areas. The clinics had, therefore, been re-instated and the NHS Board's financial plan would be reviewed to accommodate the continued use of Beta-interferon. Dr Burns commented that the use of Beta-interferon was not well evidence-based and the NHS Board's well intentioned decision was based on this.

ACTION BY

- F. The implications for NHS Greater Glasgow on introducing the initiatives within the Partnership for Care White Paper.
- G. Clean hospitals and infection control.
- H. Maternity Strategy.

The meeting had been constructive and provided positive recognition of the NHS Board's work throughout the year. An action plan would be compiled following receipt of the formal letter from the Scottish Executive Health Department taking forward any recommendations made.

NOTED

87. MINUTES

On the motion of Professor M Farthing, seconded by Dr J Nugent, the Minutes of the meeting of the NHS Board held on Tuesday 17 June 2003 [GGNHSB(M)03/6] were approved as an accurate record and signed by the Chairman pending the following amendments:

- Minute 74 – Local Health Plan (c) – 2003/04 Revenue Start Points: Page 7

add: "Councillor Handibode asked if there were more details available on the 2-3% efficiency savings required to be achieved by NHS Trusts. Mrs Hull replied that while the detail was not available at this stage, the NHS Trusts had indicated that to meet the financial targets they would be required to achieve this level of savings".

- Minute 74 – Local Health Plan (c) – 2003/04 Revenue Start Points: Page 8, third paragraph

delete: "Mr Goudie expressed disappointment at the Government's continual announcements of new initiatives which had cost implications to NHS Boards and raised expectations of staff and members of the public."

add: "Mr Goudie, in welcoming Government announcements of new initiatives within the NHS, was disappointed that the cost implications to NHS Boards were not always fully funded and this made it more difficult to implement, particularly when the initiatives have raised the expectations of staff and members of the public."

88. MATTERS ARISING

Members were circulated with the rolling action list which updated on the progress and timescales of ongoing matters arising.

NOTED

89. REVIEW OF SYSTEM OF INTERNAL CONTROL 2002/2003

A report of the Convener of the Audit Committee [Board Paper No 03/46] was submitted enclosing a report by the Audit Committee on the outcome of the Committee's evaluation of the NHS Board's system of internal financial control during 2002/2003.

Subject to approval of the report, the NHS Board was asked to authorise the Chief Executive to sign the Statement of Internal Control which formed part of the NHS Board's annual accounts.

The Convener of the Audit Committee, Mr C Scott, presented the report.

The Audit Committee, at its meeting held on 1 July 2003, received a report which provided Members with the evidence to allow the Committee to review the NHS Board's system of internal control for 2002/2003.

Based on its review of the available evidence, the Audit Committee concluded that, subject to the following two exceptions, the system of internal control complied with the required control standards and recommended that the Chief Executive sign the Statement of Internal Control:

- (i) The NHS Board had since been awarded (in May 2003) recognition at CNORIS Level 1. This followed the original submission in November 2002 where one standard had fallen short of the required 75% pass mark. Under the "fast track" procedure, a re-submission was made in April 2003 with CNORIS Level 1 being awarded thereafter.
- (ii) A number of weaknesses identified relating to payments for Family Health Services – processed by the Practitioner Services Division of the Common Services Agency. For the year to 31 March 2003, the external auditor of the CSA, Audit Scotland, reported on the process of appointing the new Service Auditor and reviewed the scope work and findings arising from the 2002/2003 Service Audit. Audit Scotland also reported on progress made in implementing recommendations arising from previous Service and External Audits. In 2002/2003 there were no "critical" issues noted by Audit Scotland, however, some issues of "high" importance where further improvement was required were identified.

Nonetheless, the CSA had made substantial improvements in areas previously reported, in particular, the area of payment verification. The CSA had agreed an action plan to resolve outstanding matters and any new issues raised by Audit Scotland during the 2002/2003 audit.

Sir John thanked the Convener and members of the Audit Committee for their valued work throughout the year.

DECIDED:

- (i) That the Audit Committee's report on the outcome of the evaluation of the NHS Board's system of internal control 2002/2003 be approved.

**Director of
Finance**

- (ii) That the Chief Executive be authorised to sign the Statement of Internal Control subject to the statement disclosing the matters identified in the review.

90. EXTERNAL AUDIT : ANNUAL REPORT TO BOARD MEMBERS

A report of the External Auditors, PricewaterhouseCoopers [Board Paper No 03/47] was submitted enclosing the final report to NHS Board Members in respect of the statutory audit of the Annual Accounts for 2002/2003.

Mr Revie from PricewaterhouseCoopers presented the External Auditor's final report to NHS Board Members on the year ending 31 March 2003.

The final report was primarily designed to direct the attention of the NHS Board to matters of significance that had arisen out of the 2002/2003 audit process and to confirm what action was planned by management to address any of the more significant matters identified for review or improvement.

The matters dealt with in the final report were identified by PricewaterhouseCoopers during its conduct of its normal audit procedures which were carried out in accordance with the framework and principles embodied within the Code of Audit Practice.

Mr Revie led the NHS Board through the final audit report and highlighted the following:

- The true and fair opinion on the financial statements was unqualified.
- The regularity opinion was qualified on the grounds of:
 - ❖ the absence of a systematic programme of payment verification of Family Health Services expenditure throughout the year – Mr Revie reported that although all the controls were in place in the latter part of the year they were not in place for the full year. As a consequence this qualification was necessary. It could be anticipated that if this situation continued this qualification would be removed next year.
 - ❖ the potential for the possibility of incorrect claims for payment exemption highlighted by the Fraud Investigation Unit of the Common Services Agency.
- The NHS Board had achieved its three financial targets:
 - ❖ The net resource outturn did not exceed the Revenue Resource Limit – the NHS Board spent £1,023 million against its Revenue Resource Limit of £1,035 million.
 - ❖ Staying within its Capital Resource Limit – the NHS Board spent £1.123 million against its Capital Resource Limit of £1.341 million.
 - ❖ The NHS Board did not exceed the Cash Requirement target – the NHS Board spent £1,048.489 million against a limit of £1,048.5 million.

ACTION BY

- The External Auditors had kept an overview of the Project Management arrangements put in place for the Acute Services Review and Mr Revie reported that although delayed, the project arrangements for the Acute Services implementation had now been agreed.

Mr Revie thanked all staff, particularly those within the Finance Directorate, for their assistance throughout the audit process – this was echoed by Sir John.

In relation to the continuing work being done by the Scottish Executive Health Department to reduce fraud, Mr Revie confirmed that the potential error rate throughout Scotland was estimated at £12.6 million – this included the possibility of fraudulent claims made by patients presenting at all FHS practitioners (doctors, dentists, pharmacists and opticians).

Dr Nugent referred to the new GP contract and the payment structure which would be simplified and based on the number of patients a GP practice had. Payment would be quality and outcome based and, therefore, easily verifiable and scrutinised while providing a simplified payment structure.

The role of the Community Pharmacist was discussed and, in particular, any central support that could be provided to assist pharmacists to ensure that patients were not fraudulently claiming for free prescriptions.

In response to a question from Councillor Handibode, Mr Calderwood described the arrangement agreed on receipts from disposals of land and the measures that could be utilised in year to meet the efficiency saving programmes. Various modest savings could be met at NHS Trust level which accumulated to the 2/3% required. Each NHS Trust in NHS Greater Glasgow currently built up its own recovery plan via various initiatives and raft of areas of savings. As such, there was not an overall agreed plan across NHS Greater Glasgow which dealt with this – it was handled operationally at NHS Trust level. This gave cognisance to the year-on-year fresh challenges that providing modern health care encompassed. Councillor Handibode noted that the 2/3% was not a virtual saving but real in financial planning terms at the Trusts.

DECIDED:

That the final report to NHS Board Members from the Board's External Auditors, PricewaterhouseCoopers, in respect of the Statutory Audit of Annual Accounts for 2002/2003 be noted.

91. STATEMENT OF ACCOUNTS FOR 2002/03

A report of the Director of Finance [Board Paper No 03/48] was submitted enclosing the Statement of Accounts for the year to 31 March 2003. In line with the requirement of the NHS Scottish Executive Health Department, the Statement of Accounts was required to be adopted by the NHS Board, certified by the External Auditors and submitted to the Scottish Executive Health Department by 31 July 2003.

ACTION BY

Mr Hamilton introduced the accounts which had previously been considered by the Audit Committee. The External Auditors had completed their audit of the accounts and had issued their final report to NHS Board Members which confirmed that their audit certificate on the NHS Board's financial statements for the year ended 31 March 2003 would be unqualified in respect of their true and fair opinion.

Mr Hamilton confirmed that the NHS Board's financial statement disclosed that the NHS Board had met its financial targets.

Mr Hamilton referred to the NHS Board's performance against its financial targets as highlighted on page 73 (paragraph 5) of the Board Papers. He confirmed that the variance (savings made) would be carried forward to the next financial year to fund schemes which had straddled the previous and current financial year.

In commending the accounts for approval, Mr Hamilton recorded his appreciation of the considerable efforts of all members of staff who had contributed to the financial year outcome and also to the External Auditors for their assistance and forbearance. Sir John endorsed these sentiments and Mr Revie thanked Mr Hamilton and his staff for the helpful and productive way they had assisted the External Auditors in their role.

DECIDED:

- (i) That the Statement of Accounts for the financial year ended 31 March 2003 be approved and submitted to the Scottish Executive Health Department.
- (ii) That the Chairman and Director of Finance sign the Statement of NHS Board Members Responsibilities in Respect of Accounts.
- (iii) That the Chief Executive sign the Statement of Internal Control.
- (iv) That the Chief Executive and Director of Finance sign the Balance Sheet (Form A3.0).

**Chairman/
Director of
Finance
Chief Executive**

**Chief Executive/
Director of
Finance**

92. MINUTES OF THE AUDIT COMMITTEE MEETING

The Minutes of the meeting of the Audit Committee [A(M) 03/3] held on 1 July 2003 were noted.

93. EXCLUSION OF PUBLIC AND PRESS

On the motion of the Chairman, seconded by Mr A O Robertson, it was -

DECIDED:

That the public and press be excluded from the remainder of the meeting in view of the confidential nature of the business to be transacted.

94. GLASGOW ROYAL INFIRMARY MULTI-STOREY CAR PARK

A report of the Chief Executive, North Glasgow University Hospitals NHS Trust [Board Paper No 03/50] asked the Board to:

ACTION BY

- Note the detail of the proposal and approve the development of a multi storey car park at Glasgow Royal Infirmary.
- Note that the North Glasgow University Hospitals NHS Trust would subsequently sign an agreement with a contract duration of 30 years.
- Agree to receive a proposal for a pan Glasgow single system car park charging policy in the autumn of this year.

Mr Davison explained:

- The background to this proposal.
- The process to date made in relation to the contractual arrangements.
- The future process whereby the Scottish Executive Health Department Capital Investment Group would consider the Business Case at its next meeting.

The NHS Board discussed the proposal also in the context of the outcomes anticipated from the Transport Policy Group who were looking at ways to cut major congestion and form a green transport plan.

DECIDED:

- That the detail of this proposal be noted and the development of a multi storey car park at Glasgow Royal Infirmary be approved.
- That the North Glasgow University Hospitals NHS Trust would subsequently sign an agreement with a contract duration of 30 years be noted.
- That a proposal for a pan Glasgow single system car park charging policy be received in the autumn of this year.

Chief Executive

95. ACUTE SERVICES STRATEGY IMPLEMENTATION : ACADs PROCUREMENT

A report of the Programme Director, Acute Services Implementation [Board Paper No 03/49] was submitted updating the NHS Board on the procurement of the Ambulatory Care Hospitals following the project launch on 1 April 2003.

Mr Robert Calderwood, Programme Director, Acute Services, presented the paper and a range of options for the way ahead, following the receipt of a single pre-qualification questionnaire (PQQ) in response to the procurement launch.

DECIDED:

- (i) That the Programme Director progress to the next stage in the procurement process with a potential partner and with the other agencies and interests involved in the process of approving the project.

ACTION BY
Programme
Director

- (ii) That a further report be submitted to the NHS Board in October 2003.

96. WHITE PAPER – PARTNERSHIP FOR CARE

The Chairman advised Members of the timescale and process being followed by the officers in the preparation of a consultation document to take account of the implications of the Scottish White Paper on Health – “Partnership for Care”.

The Chairman also intimated that correspondence had been received from Members about ways in which the workings of the NHS Board could be improved. He would be keen to use the opportunity of the August NHS Board Seminar on the White Paper to consider how the NHS Board’s business cycle could be improved in light of the comments received and the amendments which would be required to the NHS Board’s Committee structure as a result of the White Paper.

NOTED

The meeting ended at 12.35 pm