

EMBARGOED UNTIL MEETING

PRG(M) 03/04
Minutes: 20-25

GREATER GLASGOW NHS BOARD

Minutes of the Meeting of the
Performance Review Group held at
10.50 am on Tuesday 18 November 2003 in
the Board Room, Dalian House, Glasgow

P R E S E N T :

Mr A O Robertson OBE (in the Chair)

Mr R Cleland
Cllr J Coleman
Cllr D Collins

Mrs E Smith

Mr W Goudie
Mrs S Kuensberg CBE
Dr J Nugent

OTHER NHS BOARD MEMBERS IN ATTENDANCE

Sir John Arbuthnott
Dr F Angell
Mr R Calderwood
Mr T P Davison

Mr T A Divers
Mr P Hamilton (to Minute 23)
Mrs W Hull
Mr I Reid

IN ATTENDANCE

Ms C Renfrew .. Director of Planning and Community Care
Mr J C Hamilton .. Head of Board Administration

ACTION BY

20 APOLOGY

An apology was intimated on behalf of Cllr J Handibode.

21 MINUTES

On the motion of Mr W Goudie and seconded by Dr J Nugent the Minutes of the Performance Review Group held on 22 October 2003 [PRG(M) 03/03] were approved as an accurate record.

22 MATTERS ARISING

In relation to Minute 16 – Matters Arising: Revenue Allocations, Mrs Hull updated members on the significance and cost implications of NHS Greater Glasgow dealing with complex cases from other parts of the West of Scotland without receiving the commensurate cost for carrying out such cases from the referring NHS Boards.

EMBARGOED UNTIL MEETING

The emphasis in the White Paper – Partnership for Care towards greater regional planning arrangements offered an opportunity to have this issue discussed at a national level.

DECIDED:

That a paper be submitted to the December meeting of the Group which sets out the issues in detail, the implications and a commentary on the draft framework for cross-charging neighbouring NHS Boards which can then be submitted to the Scottish Executive Health Department as part of a response to setting up regional planning arrangements.

*Chief Executive/
Director of Finance*

23 FINANCIAL MONITORING REPORT FOR 6 MONTHS ENDED 30 SEPTEMBER 2003

There was submitted a report from the Director of Finance [Paper No 03/07] which set out the Revenue Allocation position as at 6 months to the end of September 2003. The paper also provided a forecast of the year end outturn.

The year end forecast was for a deficit of up to £10m and assumed the following:

- (a) the agreed underwriting of up to £23m from capital receipts and other capital to revenue transfers
- (b) the measures in place within NHS Trusts to contain expenditure continued to the year end and would be augmented by ongoing reviews of any reserves to offset the overall position.

The projected deficit took account of inflationary costs being higher than expected and the NHS Trusts delivering approximately a 2% saving overall against a target of 3% for each NHS Trust. The savings achieved had been against the continued pressures on expenditure as a result of:

- (a) cost of ensuring Junior Doctors' rotas are compliant
- (b) the rising costs and usage of new medicines
- (c) covering nursing vacancies with bank and agency staff
- (d) increased use of medical consumables, including disposables required to combat health acquired infection, despite savings through "better buying" initiatives
- (e) capital charges
- (f) continued increases in GP prescribing costs

The positive movement in the month-on-month spending position reflected the impact of the scrutiny undertaken by the NHS Trusts and NHS Board on all vacancies.

There were additional variables which could have an impact on the financial position. The intention was to manage the year end forecast recognising the possible, but as yet unquantified, impact of the outcome of the negotiations on the consultants contract, winter pressures and monitoring acute emergency receiving services, meeting the national waiting time targets, cross-boundary issues with Lanarkshire Health Board and addressing capital charges.

EMBARGOED UNTIL MEETING

The continued delivery of health care services to patients was the priority of NHS Greater Glasgow and any recovery actions undertaken, and planned, to return the NHS Board to financial balance had and would continue to take that into account.

The Performance Review Group as a whole were determined to fully understand the current assessed risks and what further actions were open to the NHS Board to consider to seek financial balance at the year end and the consequences of such actions. It was important to seek the assurance that everything possible was being done to address the overspend in the context of delivering the identified priorities of the NHS Board.

The exact impact of the outcome of the consultants contract was not yet quantifiable although it could be described in future within a range depending on possible scenarios.

A paper would be submitted to the NHS Board meeting in December setting out the financial position with a prudent forecast of the likely year end outturn and a full assessment of risks recognising the primary responsibility to deliver health care services to patients and meet the pre-set national targets. The Director of Finance would produce elements of the financial assumptions across a range of outcomes and produce graphs on the month-to-month revenue position for 2003/04.

AGREED:

- 1 To note the Financial Monitoring Report for 6 months ended 30 September 2003.
- 2 A paper should be submitted to the NHS Board meeting in December taking account of the Performance Review Group's comments and includes a year end forecast with the full range of risks identified and options to address a projected deficit and the consequences of taking action beyond that underway.

*Chief Executive/
Director of Finance*

24 RECOVERY PLAN 2004-07: UPDATE

There was submitted a report of the Chief Executive [Paper No 03/08] which gave an update of the programme of work which was being developed in overhauling the NHS Board's Financial Plan.

The current year (2003/04) had elements of non-recurrent monies built in, however, in 2004/05 the recurrent deficit to be carried forward from 2003/04 was likely to be in the region of £10m and therefore a sustainable delivery plan was required to get the NHS Board back into recurrent balance over the next 3 years. It was the case therefore that all lines of expenditure would be subject to robust appraisal.

Mr Divers stated that any impact the NHS Board's financial position could have on the joint work with local authorities, recognising that their budget process was now getting under way, would be on the agenda of the forthcoming Local Health Plan Steering Group for discussion with local authority colleagues.

Chief Executive

EMBARGOED UNTIL MEETING

Mr Divers advised that the Financial Plan for 2004/05-2007/08 would be informed by the Corporate Management Team's discussions at the Away Day on 12 November 2003. The detailed work following the Away Day would be pulled together for the next meeting of the Group.

Executive Team

The NHS Board had to discuss whether it remained committed to delivering all the developments and consequent investments which had been previously approved as part of the consideration of developing an extended Financial Plan. There was therefore a significant and major challenge facing the NHS Board in addressing the consequences of planned reductions in expenditure over the immediate months and years.

Mr Divers went through the sections of his paper and took questions from members. In addition to the actions contained in the paper the following was also agreed:

- (a) a paper would be presented to the Performance Review Group shortly on the re-assessment of the extent of NHS responsibility for the provision of continuing care, recognising the importance of agreeing any revised models with local authorities and other key partners;
- (b) the issue of oncology prescribing had been raised at the West of Scotland Planning Group on 12 November and Mr Divers had agreed to present a paper on this subject to the next meeting of the Planning Group;
- (c) the review of estates would include property management and transport issues.

Director of Planning & Community Care

Chief Executive

Once a Working Group had been established the progress would be reported to the Performance Review Group;

- (d) the importance of a linked communications strategy to the work underway was emphasised. Ally McLaws, Director of Corporate Communications would be invited to the next meeting;
- (e) benchmarking of manpower levels would be discussed with the Area Partnership Forum – an update would be reported to the Performance Review Group in January 2004.

Chief Executive – South Trust

Director of Corporate Communications

Chief Executive – Primary Care Trust

DECIDED:

- 1 That the agreed actions contained in the Report and the further actions minuted be endorsed and the progress be reported to the Performance Review Group on a regular basis.
- 2 That the draft Local Health Plan, including the Financial Strategy - 2004-07 be presented to the Performance Review Group in January 2004.

All

Chief Executive/ Director of Finance

25 DATE OF NEXT MEETING

The next meeting would be held at 2.30 pm on Thursday 18 December 2003 in Board Room 2. Dalian House.

The meeting ended at 1.00 pm