

GREATER GLASGOW NHS BOARD

**Minutes of the meeting of the  
Performance Review Group held at 2.00 p.m.  
on Tuesday, 23 September 2003 in  
Board Room 1, Dalian House, Glasgow**

**PRESENT**

Mr A O Robertson OBE (in the Chair)

Sir John Arbuthnott (to Item 8)	Cllr. J Handibode
Mr R Cleland	Mrs S Kuenssberg CBE
Cllr. D Collins	Dr J Nugent
Mrs E Smith	

**IN ATTENDANCE**

Mr R Calderwood	...	Chief Executive, South Acute Trust
Mr T P Davison	...	Chief Executive, North Acute Trust
Mr T A Divers OBE	...	Chief Executive, NHS Board
Mrs W Hull	...	Director of Finance, NHS Board
Mr I Reid	...	Chief Executive, Primary Care Trust
Mr J C Hamilton	...	Head of Board Administration

**ACTION BY**

6. **APOLOGIES AND WELCOME**

Apologies for absence were submitted on behalf of Mr J Best, Cllr. J Coleman and Mr W Goudie.

Andrew Robertson welcomed Wendy Hull, Robert Calderwood, Tim Davison and Ian Reid to their first meeting of the Performance Review Group.

7. **MINUTES**

On the motion of Mrs S Kuenssberg and seconded by Mrs E Smith, the Minutes of the meeting of the Performance Review Group held on Friday, 29 August 2003 [PRG(M)03/01] were approved as an accurate record.

8. **REVENUE ALLOCATION POSITION AT 4 MONTHS TO END JULY 2003**

There was submitted a paper by the Director of Finance [Paper No. 03/01] which set out the Revenue Allocation position at 4 months to the end of July 2003 for Members to note.

Mr Robertson asked that Members initially ask questions of clarification on the Report to the Director of Finance. In reply to Members' questions, the Director of Finance provided a description of Table 1 – Revenue Analysis and explained that each NHS Trust was able to profile its own budget over the 12-month period as it felt necessary to take account of matters like seasonal variations; she explained that future allocations from the Scottish Executive Health Department this year were likely to be earmarked funds for specific projects and she provided specific clarity in relation to the Cumulative Year to Date Table and the Table showing the Estimated Year End Position.

- i) detailed analysis of all funds remaining with the NHS Board to identify any slippage on not yet committed developments and similar funds;
- ii) re-assessment by NHS Trusts of the impact in-year of cost improvements and other recovery plans.

Spending pressures were arising from:-

- i) cost of ensuring Junior Doctors rotas are compliant;
- ii) rising cost of hospital drugs;
- iii) increased spend on nursing staff, including bank and agency staff;
- iv) increased cost of medical consumables, including decontamination clean hospitals related spend;
- v) capital charges;
- vi) continuing increased GP prescribing costs.

In addition to the new issues which were arising in-year, the Director of Finance added the introduction of the PIN Guidelines – particularly the likely impact of introducing the family friendly policies, including the Parental Leave Policy.

The estimated cost for the implementation of the senior medical staff new contract was possibly under-estimated and the settlement figure on the outcome of arbitration with NHS Lanarkshire was a net figure which took account of the other outstanding issues.

Mr. Divers raised the need for discussion with the Health Department on the principle of giving greater local flexibility in the deployment of ring-fenced allocations. In addition, he raised the need to continue to press for a fairer set of financial arrangements which gave recognition to the significance and cost implications of dealing with more complex cases coming from other parts of the West of Scotland.

**Chief Executive,  
NHS Board**

The Director of Finance stressed that the Monitoring Report and paper concentrated on actions that were required to deal with the projected deficit in this financial year and the following paper from Mr Divers looked at a more fundamental review for future years. It was important to recognise that the underlying recurrent deficit remained and needed to be tackled.

The Director of Finance then took Members through the tabled paper on ‘Immediate In-Year Actions’, which identified possible in-year actions for discussion and consideration. Trusts were already reviewing staff, medical consumables and medicine costs. The aim was to achieve break-even at the year-end but, at the same time, deliver the national waiting time targets.

The acute Trusts were reviewing the provision of continuing care beds with Social Work to get the right balance of social care and NHS continuing care beds.

A review was currently under way on bank and agency nursing staff; this would be extended to include “premium rate” agency staff.

The NHS Board and Trusts had a visible scrutiny process in place to review vacancies and new posts at senior level to ensure balanced judgements were made around decisions taken on posts.

On consumable costs, issues being taken forward included better purchasing and this was being monitored by the eProcurement/Better Buying Working Group and the Supplies Working Group was looking at a review of high spend items.

In the longer term new arrangements for TSSU/Decontamination Unit and replacement of the Laundry would have implications for future budget forecasts.

Dr I Wallace Chaired a Working Group which had produced a draft report on prescribing costs; its findings and implications for 2003/04 and beyond would be considered shortly.

It was recognised that with the reviews currently under way and a review of the prior commitments highlighted in the Health Improvement Plan that finely balanced judgements would be required to be taken by NHS Executive Directors to lead to improvements in the in-year financial position. Members would want to be kept informed of ongoing implications of actions under way and for any new actions being considered they would wish to receive options with recommendations and likely impact in order to ensure decisions could be taken with the fullest information available.

**DECIDED:**

1. That the Financial Monitoring Report to 31 July 2003 be noted.
2. That the reviews described in the 'Immediate In-Year Actions' be endorsed.
3. That a rigorous reporting process on progress be incorporated into the Financial Monitoring Report and the Group scrutinise future proposals for action.

**Chief Executive/  
Director of Finance,  
NHS Board**

**Chief Executive/  
Director of Finance,  
NHS Board**

9. **RECOVERY PLAN – 2004-2007: THE PROCESS**

There was submitted a paper by the Chief Executive [Paper No. 03/02] which set out the work in progress to develop plans to return the NHS Board to a position of recurrent balance over the next 2/3 years.

This paper sat alongside the Director of Finance's Financial Monitoring Report and summarised how the development of a Recovery Plan was being taken forward by the Executive Team through review of a series of major services and strategic issues.

The Director of Finance's Financial Monitoring Report had set out the range of factors contributing to the scale of the recurrent gap. It was necessary, therefore, to re-model the 5/10 year financial plan and update it by reflecting the new factors and the revised national resource allocation assumptions and revised assumptions about the recurrent deficit position.

Mr Divers covered the themes which had been identified by the Executive Team and which detailed work would be undertaken over the coming months.

The Group discussed the areas identified and the ongoing implementation of approved strategies and how might progress be achieved at an earlier point than envisaged. Discussions with clinical groups and NHS Board Members would help provide insights as to how that might be best achieved.

**ACTION BY**

**DECIDED:**

1. That the early work under way to return the NHS Board to a position of recurrent balance in 2/3 years be endorsed.
2. That the next meeting of the Performance Review Group consider the possibility of progressing strategic changes earlier than originally envisaged.

**Chief Executive,  
NHS Board**

**Chief Executive.  
NHS Board**

10. **KEY ELEMENTS OF THE NHS BOARD'S ANNUAL BUSINESS CYCLE**

There was submitted a paper from the Chief Executive [Paper No. 03/03] which set out the key elements of the NHS Board's annual business cycle.

Also attached was the summary of arrangements which had been developed for approval of the NHS Board's annual Capital Plan.

**DECIDED:**

That the key elements of the NHS Board's Annual Business Cycle be noted.

11. **DATE OF NEXT MEETING**

The date of the next meeting was Wednesday, 22 October 2003 at 2.00 p.m. in the Meeting Room, Level 3/West, Dalian House.

It was agreed that a meeting of the Group also be arranged in November and December 2003.

**Head of Board  
Administration**

The meeting ended at 4.00 p.m.