

PRG(M)04/03
Minutes : 13 - 19

GREATER GLASGOW NHS BOARD

**Minutes of the meeting of the
Performance Review Group held at 9.00 a.m.
on Monday, 14 June 2004 in the
Conference Room, Dalian House,
350 St Vincent Street, Glasgow**

PRESENT

Mr A O Robertson OBE (in the Chair)

Cllr. J Coleman Cllr. D Collins
Mrs S Kuenssberg CBE

OTHER NHS BOARD MEMBERS IN ATTENDANCE

Mr J Best Mr T A Divers OBE
Mr R Calderwood Mrs W Hull
Mr T P Davison (from Item 16) Mr I Reid

IN ATTENDANCE

Mr D Griffin ... Director of Finance, Primary Care Division
Mr A McLaws (from Item 17) ... Director of Corporate Communications
Ms C Renfrew ... Director of Planning and Community Care
Mr J C Hamilton ... Head of Board Administration

ACTION BY

13. APOLOGIES

Apologies were intimated on behalf of Sir John Arbuthnott, Mr R Cleland, Mr W Goudie, Dr R Groden, Cllr J Handibode and Mrs E Smith.

14. MINUTES

On the motion of Mrs S Kuenssberg and seconded by Cllr. Coleman, the Minutes of the Performance Review Group held on 9 March 2004 [PRG(M)04/02] were approved as an accurate record.

15. MATTERS ARISING

Further to Minute 11 – there had been submitted a copy of the Chief Executive’s letter to West of Scotland NHS Boards setting out the NHS Board’s proposal for all in-year recharges, including cross boundary flows and cross subsidisation. The NHS Board was looking for a fair assessment of the costs incurred in treating complex cases referred to it from other West of Scotland Boards. Two meetings had been held and discussions had taken place at the West of Scotland Regional Planning meeting on 2 June 2004.

It was important to establish an agreed common approach across West of Scotland Boards to cross subsidisation and additionally to get recognition to the pressures created by the costs of chemotherapy drugs. The Scottish Executive Health Department (SEHD) are engaged with the efforts to obtain an agreed common approach and local negotiations will take place on the details of costs and timescales.

In the absence of an agreed national costing scheme, the NHS Board had produced a method of analysing the costs of treating cross boundary patients based on that used by West of Scotland and East of Scotland NHS Boards. West of Scotland NHS Boards have agreed arrangements to monitor the process.

The Corporate Recovery Plan continued to show a figure of £10M against cross subsidisation.

NOTED

16. OUT-TURN – 2003/04 AND IMPLICATIONS FOR 2004/05

There was submitted a paper from the Director of Finance [Paper No. 04/11] on the out-turn for 2003/04 and implications for 2004/05.

The financial plan for 2003/04 had assumed a planned over-commitment on service developments which would be covered in-year from non-recurrent funds. The Final Accounts had still to be completed, audited and signed off, however, it was anticipated that the year-end position would see the NHS Board breaking even. This position was achieved through a combination of:-

- i) the use of retained pan-Glasgow reserves;
- ii) the SEHD additional allocation of £5.5M towards the Consultants Contract back pay;
- iii) deferred income and slippage on developments.

The Corporate Management Team was considering the net deficit across the Divisions of £18M and whether this full sum was required to be taking account of in the 2004/05 allocations.

NOTED

17. FINANCIAL PLAN – 2004/05 AND BEYOND

There was submitted a paper in three parts covering:-

- i) the Updated Position in 2004/05 and Beyond Financial Plan [Paper No. 04/12(a)]
- ii) the Single Corporate Recovery Plan [Paper No. 04/12(b)]
- iii) a Review of Existing and Forward Investment Proposals [Paper No. 04/12(c)]

(i) Updated 2004/05 and Beyond Financial Plan

The Director of Finance introduced the paper and advised of an additional non-recurrent allocation from the SEHD of £12.604M to take account of the significant changes to NHS staff's pay and conditions. Position statements were presented that modelled the impact of this additional funding in combination with further analysis of:-

- a) the 2003/04 year end position
- b) the review of the Corporate Recovery Plan
- c) the review of the existing and forward investment proposals for new developments.

The financial reports for the first two months of the new financial year would be available for scrutiny at the Directors of Finance meeting on 21 June 2004 and cognisance would be taken of any trends in delivering a return to recurrent balance. The Corporate Management Team (CMT) had discussed further measures to reduce expenditure and a revised 5-Year Financial Plan had been requested by the SEHD. There was a need to identify a further contribution of £10M to the Recovery Plan in year.

NOTED

ii) Corporate Recovery Plan

Douglas Griffin had been appointed Programme Manager for the Corporate Recovery Plan and he took members through the different elements of the plan and monitoring arrangements.

The plan consisted of a series of CMT agreed projects which currently totalled a savings target of £22M, with the expectation that further financial targets would be added.

The plan had two phases – those projects which were likely to deliver a significant contribution to in-year savings and those projects which would have a lower impact in financial terms in 2004/05.

Each project had a CMT sponsor responsible for overseeing the progress and a project manager who would be accountable for the achievement of the project objectives. Implementation of the Recovery Plan would be monitored by setting up a Project Initiation Document for each project and the milestones/deliverables monitored at a regular basis and reported to the CMT and Performance Review Group.

Cllr. Collins asked about separating out the internal NHS projects from those that relied or had an impact on an external body like, say, a Local Authority. This would be captured in the Project Initiation documentation.

D Griffin

Mr Divers advised that the completion of the Corporate Recovery Plan had allowed fuller discussion with the Area Partnership Forum and Trade Unions. There were also ongoing discussions with Local Authority and partner organisations, particularly through the Local Health Plan Steering Group.

There would be a continued need to review other opportunities to reduce expenditure and add projects to the Corporate Recovery Plan.

NOTED

iii) 2005/06 Forward Investment Proposals

The Director of Planning and Community Care introduced the schedules which set out the funding required to support commitments made in the Local Health Plan for 2005/06 and beyond. An initial review of commitments had identified the potential not to proceed with some developments and the consequences of this action on planned service improvements was recognised.

A further review would be undertaken of the remaining commitments to test whether there may be a facility to delay implementation or whether some slippage may occur.

Cllr. Collins asked about the social care services with Local Authorities. Ms Renfrew confirmed that negotiations had taken place with each Local Authority affected and any avoidance of new service development had been achieved by agreement. This would be made clear in the 'comments' section of this schedule in future reports.

NOTED

18. PERFORMANCE MANAGEMENT

There was submitted a paper [Paper No. 04/13] from the Director of Planning and Community Care about the Performance Review Group's role in the preparation of the Performance Assessment Framework in connection with the NHS Board's Accountability Review meeting on 21 July 2004 with the SEHD and the need to develop the Group's role in performance review.

National policy highlighted the need to subject to public examination, comment and accountability the performance of the NHS. This was particularly so in producing evidence of improved health services from the increased investment in services and a demonstration of better outcomes for patients and the public. One of the NHS Board's strategic functions was performance managing services to ensure continuous improvements and to ensure that priorities were being delivered. The paper set out proposals for a performance management cycle and programme to be established and considered at the next meeting of the Group. This would build on the previously established performance management routines currently under way at the NHS Board and Divisions.

The NHS Board was required to account for its performance across a range of national and local targets and objectives in an annual meeting with the SEHD. The principal mechanism of assessing performance was the Performance Assessment Framework (PAF) which comprised 71 quantifiable indicators and 23 qualitative self-assessments. The PAF represented one of the main inputs to the annual Accountability Review process. The other two elements this year will be:-

- i) other priority performance issues notified by the SEHD;
- ii) a strategic overview of the key strategic issues from the Local Health Plan, including progress on the 12 national priorities.

ACTION BY

The Performance Review Group welcomed a more explicit role in the preparation for the annual Accountability Review meetings and agreed to meet in mid-July to assess the Accountability Review submission before the meeting on 21 July 2004.

DECIDED:

1. That the Performance Review Group assume a formal role in the Accountability Review process, be agreed.
2. That a proposal for a performance management cycle and programme be submitted to the next meeting, be agreed.

***Director of
Planning &
Community Care***

19. **DATE OF NEXT MEETING**

It was agreed that the next meeting would be held at 12 noon on Thursday, 15 July 2004 in Board Room 1, Dalian House, 350 St Vincent Street, Glasgow and would consider the Accountability Review submission and performance management cycle and programme.

The meeting ended at 10.10 a.m.