

GREATER GLASGOW NHS BOARD

**Minutes of the meeting of the
Performance Review Group held at 2.00 p.m.
on Tuesday, 10 February 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. J Handibode
Cllr. D Collins (to during Minute 5)	Mrs S Kuenssberg CBE
Mr W Goudie	Dr J Nugent
Mrs E Smith	

OTHER NHS BOARD MEMBERS IN ATTENDANCE

Sir John Arbuthnott (to during Minute 5)	...	Mr T A Divers OBE
Mr J Best	...	Mr P Hamilton (to during Minute 5)
Mr R Calderwood	...	Mrs W Hull
Mr T P Davison	...	Mr I Reid

IN ATTENDANCE

Mrs E Borland	...	Director of Health Promotion
Mr A McLaws	...	Director of Corporate Communications
Ms C Renfrew	...	Director of Planning and Community Care
Mr J C Hamilton	...	Head of Board Administration

ACTION BY

1. **APOLOGY**

An apology was intimated on behalf of Mr R Cleland.

2. **MINUTES**

On the motion of Dr J Nugent and seconded by Mr W Goudie, the Minutes of the Performance Review Group held on 18 December 2003 [PRG(M)03/05] were approved as an accurate record.

3. **MATTERS ARISING**

a) West of Scotland Flows into NHS Greater Glasgow

Further to Minute 28(b) of the meeting held on 18 December 2003 there was circulated for members' information the letter sent by the Director of Planning and Community Care in response to the consultation on the Regional Planning Framework. It was important that the Scottish Executive Health Department was involved in regional planning to ensure a fair and consistent approach was applied across NHS Scotland.

In addition, Mr Divers advised of the approach being taken to engage with other West of Scotland NHS Boards on agreeing a financial framework for flows into NHS Greater Glasgow from areas outwith Greater Glasgow.

4. FINANCIAL MONITORING REPORT TO MONTH 8 – ENDED NOVEMBER 2003

There was submitted the Financial Monitoring Report to the end of November 2003. This report had been submitted to the January 2004 meeting of the NHS Board.

A deficit of £8.884 million was reported against the target of break-even: this was an increase of £14,000 on the October report. The year-end forecast was shown as £10.601 million.

In addition, it was reported that following a Ministerial agreement the NHS Board would be liable for the back pay to April 2000 of the settlement reached in agreeing that part-time workers should receive public holidays on a pro-rata basis to the days worked. This was likely to have a non-recurrent in-year effect of approximately £4 million and an estimated recurrent impact of approximately £1 million from next financial year onward.

Members were keen to see in future risk factors identified early with a financial assessment of the impact such matters may have on budgets and allocations.

**Director of
Finance**

NOTED

5. FINANCIAL PROSPECTS – 2004/05 AND BEYOND

The following papers were submitted for the Group's consideration:

- a) A Summary of Progress of Action Between Meetings
- b) Revenue Resource allocation – 2004/05 Letter and Commentary
- c) Action Plan – 2004/05 – 'First Cut'
- d) Review of the Local Health Plan Commitments
- e) Recovery Plan: 2004/07.

Mr Divers took members through the summary of progress which the Corporate Management Team had made on the key action points stemming from the 18 December 2003 Performance Review Group meeting and seminar.

It was important to determine the realistic level of financial challenge which had to be addressed over the next two financial years to return the NHS Board to a position of recurrent financial balance. As agreed at the last meeting of the Group, meetings had been held with each individual NHS Trust: a further review of the Local Health Plan commitments undertaken and the continued development of the Corporate Recovery Plan.

The outcome of the meetings with the NHS Trusts was that each Trust would need to deliver a significant cost reduction programme in order to achieve financial break-even in 2004/05. The detailed proposed actions and consequences of each would be submitted to the 9 March 2004 meeting of the Performance Review Group for discussion.

ACTION BY

In reviewing the Local Health Plan commitments it was acknowledged that there was a substantial programme of investments with which the NHS Board would be unable to proceed at this stage. The impact on partner organisations and the consequences of not proceeding with these plans, with the exception of the unavoidable commitments where resources were already committed and staff in post, would need to be discussed urgently with all those involved.

Directors

Cllr. Collins reminded members that Local Authorities were currently finalising their budget setting process and he hoped that discussions had been commenced with Council officers on areas where the NHS Board funding may be affected. Discussions had been ongoing through the Local Health Plan Steering Group. The issue of Social Inclusion Partnerships and other community projects was raised and a recognition that discussion would be required to take place with those groups as quickly as possible. Cllr. Handibode was concerned about the impact this may have on various community projects and those delivering them, although it was recognised that no decisions had yet been taken on funding or otherwise such projects.

Directors

Sir John Arbuthnott left the meeting.

Mr Divers explained the effort required to meet the nine-month in-patient and day-case guarantee at the end of December 2003. The national target was now to meet an improved waiting time standard by the end of December 2005 of six months, together with a maximum waiting time for a first out-patient appointment of 26 weeks. It had also been made known that those, for service reasons, who did not currently qualify for the national guarantees (those with Availability Status Codes (ASC)) would, in future, qualify and this would have a further impact on the financial plan over the next 2/3 years.

The updated Recovery Plan recognised the need to return the NHS Board to recurrent balance over the next two years; this was essential from the Scottish Executive Health Department perspective and also to ensure the affordability of the implementation of the Acute Services Strategy. In addition to benchmarking services and manpower and a review of estates, it was now necessary to develop a more radical set of proposals for discussion with the NHS Board to achieve the required levels of cost reduction. The proposals were likely to be sensitive and contentious and would require discussions with staff, partner organisations and elected representatives.

Mrs Hull described the Revenue Resource allocation Letter – 2004/05 and the outcome of the Directors of Finance meeting with the Director of Finance of the Health Department.

In reply to a question from Cllr. Handibode, there was tabled an early draft paper identifying the likely costs associated with funding the new Consultants Contract. There were additional factors to be built into the funding assumptions and obviously the figures were indicative as the negotiations with the individual Consultants had still to take place. An update would be given to the March meeting of the Group.

**Chief Executive –
North Glasgow**

Mrs Hull took members through the draft financial framework – 2004/07 and answered members' detailed questions on the assumptions made within the figures presented. Any deficit from 2003/04 would require to be carried forward into 2004/05 and would be an immediate call on the uplift monies made available to the NHS Board.

ACTION BY

Cllr. Collins and Mr Hamilton left the meeting.

Mr Robertson reminded members that the 9 March meeting should be concentrating on the budget process and allocations for 2004/05, together with the impact and consequences of Trusts breaking even; the further revision of the Local Health Plan commitments with options, consequences and risk analysis and the updated Recovery Plan – 2004/07.

Mr McLaws gave members an update on communications issues and the need for clarity of message for staff and the public when describing the financial position and likely impact on services.

DECIDED:

1. That the proposed actions and consequences of the NHS Trusts achieving break-even in 2004/05 be submitted for consideration to the next meeting of the Group.
2. That a draft Financial Plan for 2004/05, taking account of a further revision of the Local Health Plan commitments, be submitted to the next meeting.
3. That an update be provided to the next meeting on the progress of negotiations on the new Consultants Contract.

Chief Executives

**Director of
Finance/Director
of Planning &
Community Care**

**Chief Executive –
North Trust**

6. **DATE OF NEXT MEETING**

2.00 p.m. on Tuesday, 9 March 2004 in the Conference Room, Ground Floor, Dalian House, 350 St Vincent Street, Glasgow.

The meeting ended at 4.05 p.m.