

PRG(M)04/06
Minutes : 31 - 39

GREATER GLASGOW NHS BOARD

**Minutes of the meeting of the
Performance Review Group held at 9.30 a.m.
on Tuesday, 21 September 2004 in
the Board Room, Dalian House,
350 St Vincent Street, Glasgow**

PRESENT

Mr A O Robertson OBE (in the Chair)

Mr R Cleland	Cllr. J Handibode
Mr W Goudie	Mrs S Kuenssberg CBE
Dr R Groden	Mrs E Smith

OTHER NHS BOARD MEMBERS IN ATTENDANCE

Dr F Angell	Mr T A Divers OBE
Prof. Sir John Arbuthnott	Mr P Hamilton
Mr J Best	Mrs W Hull
Mr R Calderwood	Mr I Reid
Mr T P Davison	Mrs A Stewart MBE

IN ATTENDANCE

Mr D Griffin	...	Director of Finance, Primary Care Division
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

31. **APOLOGIES**

Apologies for absence were intimated on behalf of Cllr. J Coleman, Cllr. D Collins, Ms R Crocket and Mrs J Murray.

32. **MINUTES**

On the motion of Mrs E Smith and seconded by Mrs S Kuenssberg, the Minutes of the Performance Review Group held on 23 August 2004 [PRG(M)04/05] were approved as an accurate record.

33. **MATTERS ARISING**

There were no matters arising.

34. **FINANCIAL POSITION – 200405**

The Director of Finance submitted two reports for discussion: Financial Position – Update to End of July 2004 [Paper No. 04/18A] and 2004/05 Financial Monitoring – Corporate Recovery Plan – Update [Paper No. 04/18B].

Mrs Hull advised that Divisional and Board allocations had been updated to include inflation, cost pressures and service developments, together with agreed savings plans targets as set out in the Corporate Recovery Plan and therefore the financial monitoring reports had been prepared against consistent baseline allocations.

At the end of July 2004 all Divisions were forecasting year-end breakeven, although cost pressures had been identified – the most significant being a projected overspend on oncology drugs.

It was important to maintain that position and focus on achieving the Corporate Recovery Plan targets as well as identifying further in-year actions to address the outstanding sum of £11.7M.

Table 1 in the papers set out the make-up of the deficit of £58.8M, including inflation, cost pressures and commitments to agreed service developments. Table 2 presented the agreed actions to address the in-year deficit and identified the remaining gap of £11.7M of savings to be found.

There still remained a major challenge in identifying recurrent savings and moving away from the reliance in non-recurrent savings.

Mrs Hull also reported on the funding required (£25.6M) to meet the waiting times targets in 2004/05 and the plans to meet this commitment.

Mr Robertson invited each Chief Executive to highlight issues and pressures relevant to their area and how they were tackling these pressures. In particular, the initial forecasts provided by GP practices in relation to the GMS Contract quality and outcomes framework suggested the level of quality points achieved could be significantly higher than the national assumptions and could lead to an exposure of an additional £3.3M. The Chief Executive would be raising this issue with the Scottish Executive Health Department (SEHD).

Chief Executive

It had been planned that the Corporate Management Team would re-visit the Corporate Recovery Plan in late September 2004 to identify further actions and proposals to address the remaining deficit in year. The opportunity would be taken at the NHS Board Seminar in October 2004 to discuss with Members the outcome of these discussions.

Mr Griffin reported on the progress with the development of the Corporate Recovery Plan in terms of process and implementation during August/September 2004. He highlighted the risk factors associated with elements of the plan and explained the phasing of savings towards the latter part of the financial year. The Corporate Recovery Plan was targeted to contribute £22.55M savings and this excluded the sum of £10M from cross-subsidisation negotiations with the West of Scotland NHS Boards.

In response to a question from Sir John, Mr Griffin explained the phasing of the savings to be achieved in primary care prescribing and the likely impact in the second half of the year of the incentive scheme recently introduced. The effect of the GMS Contract implementation on prescribing savings remained unclear and expenditure would be tracked closely to identify any risk/trend.

Sir John highlighted the discussions at the Accountability Review meeting with the SEHD on the Financial Plan and Corporate Recovery Plan and that the Director of Finance would be keen to maintain the contact established with the SEHD Director of Finance on the Recovery Plan and the Regional Planning work being taken forward with the other West of Scotland NHS Boards.

**Director of
Finance/
Chief Executive**

NOTED

35. **WEST OF SCOTLAND INCOME – UPDATE**

There was submitted a report from the Director of Planning and Community Care and the Director of Finance [Paper No. 04/19] updating Members on the progress with West of Scotland NHS Boards on discussions about cross-subsidisation.

Meetings had been held with West of Scotland NHS Boards and agreement reached to carry out a full costing exercise for hospitals in Greater Glasgow. West of Scotland Directors of Finance were project sponsors of that work, which was due for completion in October 2004.

Formal financial proposals for 2004/05 had been made to each West of Scotland NHS Board and following meetings with Lanarkshire and Argyll & Clyde NHS Boards, agreement had been reached that the desk-top exercise, if it was confirmed by the full costing exercise currently under way, would be accepted with effect from April 2004. This would relate to the bulk of the cross-subsidisation and volume issues facing NHS Greater Glasgow.

Further progress on waiting times contributions was required and the need to meet with the remaining NHS Board in the West of Scotland was essential. Keeping this connected to the Regional Planning Work under way nationally was important work.

NOTED

36. **OUTCOME OF ACCOUNTABILITY REVIEW – 2004**

There was submitted a report from the Chief Executive [Paper No. 04/20] detailing the outcome of the 2004 Accountability Review and setting out the immediate action already taken to date. The letter from Mr Trevor Jones, Chief Executive, NHS Scotland (attached with the paper) summarised the outcome and included an Action Plan for 2004/05 which would be the principal means of monitoring in-year progress against the agreed Action Plan.

The immediate follow-up actions had related to waiting times and the Corporate Recovery Plan and both had been actioned.

The role of the Area Clinical Forum would be discussed in order to identify a clearer strategic role. Dr Angell asked that this discussion take place after the National Area Clinical Forum event planned for October, which would also include a meeting of Area Clinical Forum Chairs across Scotland.

A report would be submitted to the NHS Board meeting in October 2004 on the outcome of the Accountability Review and an updated Action Plan with timescales would be included. Regular progress reports would be submitted to the Performance Review Group on progress against the Action Plan.

DECIDED:

1. That the outcome of the 2004 Accountability Review and immediate follow-up actions be noted.
2. That regular updates on progress against the Action Plan be submitted to future meetings as part of the Group's developing performance management role, be accepted.

Chief Executive

37. **REVIEW OF REMIT AND RESPONSIBILITIES OF THE PERFORMANCE REVIEW GROUP**

There was submitted a paper from the Head of Board Administration [Paper No. 04/21] which enclosed for review the functions, composition and remit of the Performance Review Group, together with suggested areas in which the Group could exercise greater delegated authority from the NHS Board.

The Members were keen to update the remit to take account of approving key stages of implementing approved Strategies.

DECIDED:

That the functions, composition and remit be re-drafted to take account of approving key stages of implementing agreed strategies of the NHS Board and responsibility for property matters and that it be submitted to Members for comment prior to submission to the next meeting.

**Head of Board
Administration**

38. **ANY OTHER COMPETENT BUSINESS**

i) Staff and External Communications

It was recognised that in a period of significant change, every effort had to be made to ensure that staff and the public were kept informed of proposed changes, were given an opportunity to shape that change and fully understand the reasons why change was necessary. In addition to the Patient Focus/Public Involvement work being led by the People Involving Committee and Chaired by Mr Peter Hamilton, Non-Executive Director, an update was given on the discussions with the Area Partnership Forum on the Corporate Recovery Plan and the steps taken by the Director of Corporate Communications in relation to internal and external communications.

DECIDED:

That communications issues with staff and the public be a standing item for future meetings.

**Director of
Corporate Comms**

ii) Prescription Fraud

In response to a question, Mr Griffin described the work under way with community pharmacists in piloting an incentive scheme to assist in reducing prescription fraud. Any decision to roll this out across the NHS Board would depend on the evaluation of the pilot scheme.

NOTED

39. **DATE OF NEXT MEETING**

The next meeting was scheduled for 9.30 a.m. on Tuesday, 16 November 2004, however, to incorporate the presentation of the mid-year review of the financial position into the agenda, it was agreed that the Head of Board Administration check the availability of Members for the meeting to be held at 9.30 a.m. on Tuesday, 30 November 2004 in the Board Room, Dalian House, 350 St Vincent Street, Glasgow, G3 8YZ.

**Head of Board
Administration**

The meeting ended at 10.45 a.m.