

NHS GREATER GLASGOW AND CLYDE

**Minutes of the meeting of the
Performance Review Group held at 9.30 a.m.
on Tuesday, 21 November 2006 in
the Board Room, Dalian House,
350 St Vincent Street, Glasgow, G3 8YZ**

PRESENT

Mr A O Robertson OBE (in the Chair)

Ms R Dhir MBE
Cllr. R Duncan
Mr P Hamilton

Mr D Sime
Mrs E Smith
Mrs A Stewart MBE

OTHER NHS BOARD MEMBERS IN ATTENDANCE

Sir John Arbuthnott
Mr T A Divers OBE
Mr D Griffin

Dr M Kapasi MBE
Ms G Leslie
Mr B Williamson

IN ATTENDANCE

Ms H Byrne	...	Director of Acute Services Strategy Implementation and Planning
Mr R Calderwood	...	Chief Operating Officer – Acute Services Division
Ms E Campbell	...	Communications Manager
Mr B Clark	...	Audit Scotland
Mr J C Hamilton	...	Head of Board Administration
Ms C Renfrew	...	Director of Corporate Planning and Policy
Mr A Seabourne	...	Project Director, New South Glasgow Hospitals Project

ACTION BY

50. **WELCOME AND APOLOGY**

The Chair welcomed Mr Brendan Clark, Audit Scotland, and Mr Alan Seabourne to their first meeting of the Performance Review Group.

An apology for absence was intimated on behalf of Cllr. J Handibode.

51. **MINUTES**

On the motion of Mr P Hamilton and seconded by Mrs E Smith, the Minutes of the Performance Review Group meeting held on 19 September 2006 [PRG(M)06/05] were approved as an accurate record.

52. **MATTERS ARISING**

a) New Stobhill and Victoria Hospitals – Update

In relation to Minute 42(a) – New Stobhill and Victoria Hospitals Update – Mr Calderwood advised that the Minister for Health and Community Care had cut the first sod at the Victoria site on 13 November and at Stobhill on 20 November 2006 in order to formally commence the construction of both new hospitals. Both were planned to be completed by 31 March 2009.

ACTION BY

Mr Calderwood updated Members on the other construction work at Stobhill and the progress being made with the West of Scotland Forensic Psychiatric Unit.

NOTED

b) Disposal of the former Broomhill Hospital

In relation to Minute 42(a) – Disposal of Broomhill Hospital, it was reported that negotiations were continuing with the prospective purchaser and that a formal paper on progress would be submitted to the Endowment Trustees meeting in December 2006 and the next Performance Review Group meeting in January 2007.

**Director of
Acute Services
Strategy,
Implementation
and Planning**

NOTED

c) Disposal of the former Hawkhead Hospital

In response to a question from the Chair, Mr Griffin advised that discussions were at an advanced stage on the timing of the payments for the sale of the former Hawkhead Hospital site.

Mr Griffin also reported that the disposal of the former Woodilee Hospital site was planned to be concluded by 31 March 2007.

NOTED

53. **NEW SOUTH SIDE HOSPITAL**

a) New South-side Hospital and Children's Hospital – Procurement Options

There was submitted a report [Paper No. 06/33(a)] from the Director of Acute Services Strategy, Implementation and Planning, about the preferred procurement option for the new South-side Hospital including the new Children's Hospital.

Ms Byrne introduced the paper and referred to the discussion which had taken place at the NHS Board Seminar on 7 November 2006 when discussions were held on the procurement strategy. She introduced Mr Alan Seabourne, Project Director, New South Glasgow Hospitals Project, and asked that he take Members through the options and procurement methods considered.

Mr Seabourne advised that the new South Glasgow Adult and New Children's Hospitals were planned to be built on the Southern General Hospital site within a similar construction timeframe (construction to start in autumn 2008 and both finalised by late 2012).

Mr Seabourne described the process to review the four identified options for procurement. This included the assessment of qualitative and quantitative factors which was undertaken in a number of workshops attended by clinicians and senior managers, staffside representatives, technical advisers, representatives from the Scottish Executive Health Department (SEHD) and the Board's Project Team.

ACTION BY

From the four options considered, the preferred option was the construction of combined facilities on the Southern General Hospital site by means of a PFI contract. This was considered clinically safe and suitable for the delivery of modern models of care; good use of existing site; maximises patient journeys and patient flows; utilises existing facilities and allows enabling works to be completed prior to financial close of the construction contract.

Mr Sime sought assurances about the utilisation of the £100m provided by the Minister for Health to enable the new Children's Hospital to be built on a site which would support the triple co-location of obstetric care for mothers, preservation of the links between maternal and specialist children's services and the links between paediatric and adult services. Mr Divers advised that the SEHD had described this Treasury sum as a contribution to the costs of delivering the new Children's Hospital in a way which achieved the triple co-location required. An important challenge was to remain within the affordability envelope of the new South-side Hospital and the Treasury sum identified for the new Children's Hospital and to deliver an affordable revenue profile.

DECIDED:

1. That the preferred procurement option of the construction of combined facilities on the Southern General Hospital site (PFI and Treasury funds) for the new South-side and new Children's Hospital as an integrated PFI building be approved.
2. That the Outline Business Case for the new South-side and new Children's Hospital be submitted to a future NHS Board meeting for approval.

**Director of
Acute Services
Strategy,
Implementation
and Planning**

**Director of
Acute Services
Strategy,
Implementation
and Planning**

b) **Soft and Hard Facilities Management Services (FM)**

There was submitted a paper [Paper No. 06/33(b)] from the Chief Operating Officer, Acute Services Division, which set out the management and partnership perspectives on the options for FM services delivery in the new hospitals which reflected the SEHD/STUC Protocol on staffing matters in Public Private Partnership (PPP) and the relevant SEHD Circular (HDL (2003)50).

Mr Calderwood took Members through the paper and explained that the key issues were:-

- The scope of facilities management services for the capital project and what should be defined as hard and soft FM services;
- At what stage in the procurement process should the NHS Board consider undertaking a best value assessment, how might this be taken forward and the preferred service delivery model for soft FM services.

The re-development of the Southern General site will create a mixture of PPP (new and existing) and retained estate. There will be a need to achieve consistency and economies of scale in how FM services were delivered on the site.

ACTION BY

The paper identified those NHS Greater Glasgow and Clyde-wide services which would not be incorporated into the PPP solution due to the nature of their pan-Board contractual arrangements or physical existence off site in commercial units.

Mr Calderwood highlighted the position of the existing PFI arrangement with Town Hospitals in the Langlands Buildings; the scope of facilities management services to be included and the impact on the Outline Business Case; the SEHD/STUC Protocol and SEHD guidance; the potential scope of facilities management services; the procurement options in terms of considering value for money; the inclusion of FM services for the retained estate in the procurement process and the potential service delivery options for soft facilities management services.

The process by which the NHS Board determined a decision on the scope of facilities management services required to be undertaken in partnership with staff representatives and a joint process had been established with full-time officials of UNISON, GMB and Amicus. Appendix I to the paper set out the partnership representations on the options available to the NHS Board.

The services to be managed by a single management team were set out in the paper with the advantage and disadvantage of the three options –

- Option A: Soft FM provided by PFI service provider;
- Option B: Test Value for Money (VFM) for In-House Services Provision Before Procurement; and
- Option C: Determine VFM During the Procurement

The advice of professional advisers, project team and the Director of Facilities was that the preferred option was to test value for money during the procurement process. The next step would be to determine the scope of services to be assessed for value for money recognising the impact of the retained estate.

In summary, Mr Calderwood advised that the preferred model for Hard FM Services would see the TUPE transfer of staff to the alternative supplier and the in-house team supported in submitting a bid for Soft FM Services to compete with the variant bid. The partnership representatives sought the withdrawal of the mandatory inclusion and the retention of all soft FM services in-house.

Mr Sime expressed his concern at the recommendations within the paper and believed that time was available to test the value for money for in-house service provision before the procurement process was launched. He would also have preferred a more imaginative approach to Hard FM services, by sub-contracting for the estate work.

Mr Calderwood advised on the tight timescale for the submission of the Outline Business Case to the SEHD and the need to have a clear direction of travel for these important issues. There would be an opportunity to return to the Soft FM services ahead of the launch of the procurement process in May/June 2007. In addition, the in-house team would be well supported in the preparation of their bid.

ACTION BY

There was flexibility in the approach being recommended and while the partnership representatives had concerns and these concerns had been made available to members, it was important to remain within extant and due process and have the flexibility of returning to this issue should circumstances change.

Mr Sime wished to abstain from the decision.

DECIDED:

- | | | |
|----|---|--|
| 1. | That Hard FM Services being included within the scope of the PPP project for provision by the successful bidder be approved. | Chief Operating Officer - Acute |
| 2. | That Soft FM Services being included within the scope of the PPP project be approved. | Chief Operating Officer - Acute |
| 3. | That an in-house bid for Soft FM Services as part of the overall procurement exercise be approved. | Chief Operating Officer - Acute |
| 4. | That an in-house team be formed to prepare a bid based on the secondment of management and partnership representatives supported by external advisers be approved. | Chief Operating Officer - Acute |
| 5. | That the pan-NHS Greater Glasgow and Clyde services identified in paragraph 3(i) of the paper be excluded from the procurement exercise. | Chief Operating Officer - Acute |
| 6. | That the Town Hospitals contract at the Southern General Hospital be excluded from the procurement exercise. | Chief Operating Officer - Acute |
| 7. | That the procurement exercise should invite a variant bid from the bidders including the in-house team to provide services to the new and retained premises on the Southern General site be approved. | Chief Operating Officer - Acute |

54. PPP – INSURANCE PROCEEDS ACCOUNT

There was submitted a paper [Paper No. 06/34] from the Chief Operating Officer – Acute Services Division, in which the Royal Bank of Scotland had requested a written resolution from the Board authorising the bank account and its operation in the joint names of the Board and Glasgow Health Care Facilities Ltd. (the PPP Consortium) in relation to the New Ambulatory Care Hospitals at Stobhill and the Victoria.

DECIDED:

- | | | |
|----|---|--|
| 1. | That the Royal Bank of Scotland plc be authorised to open a bank account in the name of Greater Glasgow Health Board and Glasgow Health Care Facilities Ltd., to be held jointly by the Board and Glasgow Health Care Facilities Ltd. and approval will be granted to the bank to act upon the instructions detailed in the Operating Accounts Mandate. | Chief Operating Officer - Acute |
| 2. | That the signing of the Operating Accounts Mandate by Mr Peter Gallagher, Finance Director – Acute Services Division, on behalf of the Board, be approved. | Chief Operating Officer - Acute |

ACTION BY

3. That any one of the officers of the Board listed below can give instructions to the bank in respect of the account be approved:-
- Peter Gallagher, Finance Director – Acute Services Division
 - Robert Calderwood, Chief Operating Officer – Acute Services Division
 - Alex McIntyre, Director of Facilities – Acute Services Division

**Chief Operating
Officer - Acute**

55. **PLANNING AND PRIORITIES GUIDANCE**

There was submitted a report [Paper No. 06/35] from the Director of Corporate Planning and Policy on the finalised version of the Planning and Priorities Guidance for 2007/10 for NHS Greater Glasgow and Clyde.

Ms Renfrew advised that the guidance established a framework within which NHS Greater Glasgow and Clyde would operate to deliver its corporate responsibilities and this would be achieved through partnerships with other organisations and, in particular, the Local Authorities. The guidance had been produced through an interactive process across the NHS Board and it would be reviewed and further developed during 2007/08 to improve its usefulness.

It will be the CH(C)Ps, Acute Directorates, Acute Planning Team, Mental Health, Addictions and Learning Disabilities Partnerships who will utilise the guidance to develop their plans and efforts have been made to synchronise the guidance with Local Authorities where the NHS Board has integrated organisations and services.

Ms Renfrew advised that the table missing in Section 6 – Resourcing Our Plans and Priorities would be forwarded to members shortly and she would make contact with the Centre for Population Health in connection with the section on data around risk factors for illness and premature deaths.

The Planning and Priorities Guidance had been shared with senior managers at the recent OD event and bringing forward the timetable and setting out the clear planning cycle had been particularly helpful.

Mr Williamson commended the document and indicated that the process had been visible to clinicians and there had been an equity of process across primary care and acute services.

Ms Leslie enquired about the recent rise in the birth rate across Scotland, however, was advised that the Registrar General had not viewed this as a trend.

NOTED

56. **FINANCIAL PLANNING 2007/08 AND BEYOND**

There was submitted a report [Paper No. 06/36] from the Director of Corporate Planning and Policy which pulled together the outputs of a number of discussions about the forward financial planning, including the programme of work to address the financial deficit in relation to Clyde.

ACTION BY

Ms Renfrew advised that the paper established the financial planning process and parameters for 2006/07; described the wider context for longer term financial planning and set out a programme of action to ensure that the NHS Board can develop a detailed and robust Financial Plan for the years beyond April 2008 which met the NHS Board's financial responsibilities but also aligned with and underpinned the NHS Board's strategic priorities.

The paper highlighted a range of significant challenges facing the NHS Board over the coming year as well as the areas where there continued to be scope to improve efficiency, effectiveness and resource utilisation. The challenge also had to be seen in the context that the NHS Board has inherited a £30m deficit for the Clyde part of its responsibilities and that this required to be addressed by the middle of 2009.

There was discussion about the 3-year plan to bring the Clyde part of the NHS Board's responsibilities back into financial balance. Some adjustments to the plan have been necessary during 2006/07 and the discussions and reasons for the changes had been documented. Discussions were continuing with the Scottish Executive Health Department and further reports would be provided to the Board/Performance Review Group.

**Director of
Finance**

NOTED

57. OUTCOME OF ANNUAL REVIEW – 2005/06

There was submitted a report [Paper No. 06/37] from the Chief Executive on the Minister for Health letter which detailed the outcome of the NHS Board's Annual Review which had taken place on 22 August 2006.

The Minister's letter had pointed out that substantial progress had been made across the Board's area, including the integration with Clyde and he had been encouraged by the Board's financial management, improvement in waiting times, implementation of Delivering for Health, control of health acquired infection and the establishment and potential of CH(C)Ps. He did, however, expect the NHS Board to make further progress in developing performance management for CH(C)Ps, realising benefits from new contracts and getting more from service re-design and capitalising on its planned developments to maximise gains for patients.

The Minister had included key action points for the NHS Board and he had asked that reports be submitted to him on progress against each.

DECIDED:

1. That the Minister's summary of the NHS Board 2005/06 Annual Review be noted.
2. That periodic reports on progress on the actions identified in the Minister's letter be submitted to the NHS Board/Performance Review Group.
3. That the 2010 initiative be included in a forthcoming NHS Board Seminar.

Chief Executive

**Head of Board
Administration**

ACTION BY

58. **FINANCIAL REPORT TO 30 SEPTEMBER 2006**

There was submitted a report [Paper No. 06/38] from the Director of Finance setting out the Financial Monitoring Report to September 2006 which had been developed in line with the new organisational structure and provided an overview of the financial performance across the Acute Services Division, Community Health (and Care) Partnerships, other Partnerships and Clyde.

Mr Griffin advised that the out-turn for the period to September 2006 showed overall expenditure was in line with the budget. Challenges lay ahead in managing expenditure to achieve waiting time targets and treating those patients with availability status codes. In relation to energy costs, NHS Scotland had recently put in place a new energy contract for the supply of gas and electricity fixing prices at current levels. This will enable NHS Boards to contain the risk of rising energy costs associated with price rises and allow them to focus specifically on managing energy efficiency and levels of energy usage.

Mr Griffin highlighted that the financial out-turn for the Clyde area of the NHS Board remained closely in line with expectation, meaning that the Clyde area continued to operate at an expenditure level of some £30m in excess of available recurrent funds. Work continued on the development of cost saving plans aimed at addressing this funding gap. As highlighted earlier in the meeting, discussions were continuing to take place with SEHD colleagues which would include discussions to finalise arrangements for addressing the residual funding gap of £4.9m - £7.4m in 2006/07.

DECIDED:

That the Financial Monitoring Report to 30 September 2006 be noted.

59. **DELIVERING FOR HEALTH – QUARTERLY MONITORING REPORT**

There was submitted a report (Paper No. 06/39) from the Director of Corporate Planning and Policy which set out the Quarterly Report on the progress on delivering local elements of Delivering for Health.

The SEHD had issued guidance on implementation of Delivering for Health and had identified three levels of action – national, regional and local. NHS Boards are required to prepare a quarterly report to SEHD on the progress of delivering the local elements whilst contributing to regional level actions co-ordinated by the appropriate regional planning process.

Ms Renfrew advised that the information for the child and maternal section had now been completed and this would be incorporated into the quarterly report and re-sent to members. Following discussion, it was agreed that in order to show movement/progress in the targets, the previous quarter's status would be included in future reports.

**Director of
Corporate Policy
and Planning**

DECIDED:

That the Quarterly Progress Report on Delivering for Health be approved for submission to the Scottish Executive Health Department.

**Director of
Corporate Policy
and Planning**

ACTION BY

60. QUARTERLY PERFORMANCE REPORT – NHS GREATER GLASGOW AND CLYDE

There was submitted a report [Paper No. 06/40] from the Director of Corporate Planning and Policy which enclosed the Performance Report for NHS Greater Glasgow and Clyde to the period September 2006. This was the second quarterly report and, for the first time, incorporated an additional section on performance within Clyde. Both reports comprised the same targets and measures reflecting the mix of national and local priorities structured by the NHS Board's corporate priorities.

Ms Renfrew advised that the latest Performance Report contained more performance information and many of the gaps observed in the first report had been successfully addressed although a few data gaps still remained. Performance reporting was now active in the Acute Services Division (and in each of its individual Directorates), each of the CH(C)Ps, including the creation of joint frameworks with Glasgow City and East Renfrewshire Councils and would commence shortly within the Mental Health Partnership.

It was highlighted that in regard to Accident and Emergency services there was currently a variable performance in reaching the target of December 2006 whereby 95% of patients would spend less than four hours in A&E Departments. Some A&E Departments were achieving this target but the overall performance was around 90%. The data required to support this target was still manually compiled and therefore variations were possible. Steps were being taken to try and improve the position and the future design of A&E services, as part of the Acute Services Strategy, was seen as having a helpful input to improving services for patients and meeting the national target. Members asked about the A&E Group which had been set up to provide recommendations to improve Accident and Emergency services and while it helped shape the design of future services, not all of its recommendations had been implemented by clinicians working in A&E Departments.

It was agreed that comments on the layout of the report, the use of exception reporting or any other comments on how members would wish reports to address areas of under-performance should be provided to Ms Renfrew or Mr Walker in order that the report can be refined and further developed ahead of the next submission in February 2007.

NOTED

61. COMMUNICATION ISSUES: 11 SEPTEMBER 2006 – 14 NOVEMBER 2006

There was submitted a report [Paper No. 06/41] from the Director of Corporate Communications covering communication actions and issues from 11 September 2006 - 14 November 2006.

Ms Campbell highlighted the following:-

1. The publication by the Scottish Executive of the Unintended Over-Exposure of a Patient During Radiotherapy Treatment at the Beatson Oncology Centre, Glasgow in January 2006.

ACTION BY

2. The launch of the new Evening Visitor Hospital Transport Scheme.
3. Publicising the Sandyford Survey which looked at the sexual behaviours of men within the city.
4. The NHS Celebration Lunch for Volunteers on 27 September 2006 – more than 400 volunteers attended and the event was compered by Andy Cameron.

Ms Campbell advised of the pre-engagement full consultation on the Future of Acute Services for South Clyde which was due to get under way in the second week of December 2006.

Members are reminded that the visit to the new West of Scotland Beatson Oncology Centre had been arranged for 1.30 p.m. on Monday, 27 November 2006.

Ms Dhir asked if the Scottish Public Services Ombudsman monthly Compendium Report could be made available to members and this was agreed.

**Head of Board
Administration**

Mr Divers gave an update on the judicial review process for the consideration of prescribing the drug Laronidase. A process to consider this individual case was now in place and the Regional Planning Group would discuss how such drugs would be considered in the future.

Chief Executive

NOTED

62. DATE OF NEXT MEETING

The next meeting of the Performance Review Group would be held at 9.30 a.m. on Tuesday, 16 January 2007 in the Board Room, Dalian House, 350 St Vincent Street, Glasgow, G3 8YX.

The meeting ended at 11.35 a.m.