

BOARD OFFICIAL

F&P(M)18/02
Minutes: 15-32

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Finance & Planning Committee held at
9.30am on Tuesday, 3 April 2018 in the
Board Room, J B Russell House, Gartnavel Royal Hospital,
1055 Great Western Road,
Glasgow, G12 0XH**

P R E S E N T

Mr J Brown CBE (In the Chair)

Ms S Brimelaw OBE	Dr D Lyons
Ms M Brown	Mr A Macleod
Mr S Carr	Mrs P McAuley OBE
Mr R Finnie	Mrs D McErlean
Mrs J Forbes	

O T H E R B O A R D M E M B E R S I N A T T E N D A N C E

Dr J Armstrong	Mr M White
Ms J Grant	

I N A T T E N D A N C E

Ms A Harkness	..	Director, South Sector (<i>To Minute 20</i>)
Ms M A Kane	..	Interim Director of Property, Procurement and Facilities Management
Mrs A MacPherson	..	Director of Human Resources & Organisational Development
Ms L McConnachie	..	Audit Scotland
Mrs L McGrath	..	Performance Manager
Mr C Neil	..	Assistant Director of Finance Acute
Mr P Ramsay	..	Assistant Director of Finance (<i>From Minute 21</i>)
Mr B Skelly	..	General Manager Strategic Assets

15. APOLOGIES

Apologies were intimated on behalf of Prof Dame A Dominiczak, Mr J Matthews OBE, Mr I Fraser and Ms R Sweeney.

NOTED

16. DECLARATIONS OF INTEREST

There were no declarations of interest.

NOTED

17. MINUTES OF PREVIOUS MEETING

The Minutes of the Finance & Planning Committee meeting held on 6 February 2018 [F&P(M)18/01] were discussed and Mr Carr suggested that Board Members comments and the general discussion were not captured in sufficient detail. The style of the Minutes had changed from the previous format; this had resulted in a summary that did not capture the full and robust discussions that had taken place.

Mrs McAuley agreed and highlighted the importance of the Meeting Minutes reflecting the challenge and examination of items provided by Board Members.

Mr Brown acknowledged these concerns and added that there needed to be a balance of recording challenges and decisions made at the Committee Meeting while ensuring the Minutes were concise. Mrs Grant agreed to feed this back to the Administration Team.

Members agreed that the revised Minutes would be circulated for comment.

**Deputy Head of
Administration**

TO BE CIRCULATED FOR FINAL APPROVAL

18. MATTERS ARISING

a) Rolling Action List

The Committee noted the current Rolling Action List [Paper No 18/10].

Members acknowledged the action list updates and agreed to accept the recommendation that three actions be closed. The other actions were recognised as work in progress and further updates would be given to the Committee through the Rolling Actions List in due course.

NOTED

19. WEST GLASGOW MINOR INJURIES UNIT

Ms Harkness highlighted the submitted paper from the Interim Chief Officer for Acute Services [Paper No. 18/16] noting the update on the temporary re-opening of the West Glasgow Minor Injuries Unit (MIU). Ms Harkness asked the Committee to note that the unit would close on 21st April 2018.

The unit was temporarily re-opened in January 2018 as a measure to support winter pressures. Ms Harkness highlighted the reduced use of the unit during the period of temporary re-opening compared to the same time period last year.

Mr Brown advised that while the decision had been made to close the West MIU on the Yorkhill Hospital site there had been no decision on the permanent solution for minor injury services in West Glasgow. The permanent solution would be part of Moving Forward Together Programme. The issue currently referred to was the planned closure of the unit on the Yorkhill Hospital site following the temporary re-opening.

Mr Finnie added that the Board's extant decision was to vacate the Yorkhill Hospital site and therefore the closure of the West MIU from this site was required. He agreed that the longer term plan on the MIU service was yet to be finalised.

Mrs Grant confirmed that the unit had been temporarily opened over the winter period, and originally the plan had been to close again on 6 April 2018; however it was agreed to extend this to the 21st April 2018.

Members noted this and discussed the future review of MIU services. Mrs Brown highlighted the importance of a clear strategy regarding MIU and GP Out of Hours Services. While the population may be entitled to access services in other parts of the city this may not be tenable for all; therefore, a robust Equalities Impact Assessment (EQIA) and wide consultation process would be required as part of the review

Mr Finnie advised that there must be a separation between West MIU service provision and closing the particular unit on the Yorkhill site. The unit was closed as part of a practical decision taken by the Board; the future service provision is a strategic decision that remains under consideration.

The Committee noted the closure of the West MIU as planned following temporary re-opening as part of the winter plan.

NOTED

20. FINANCE AND CAPITAL REPORT – MONTH 11

The Director of Finance submitted a paper [Paper No 18/11] on the Board's financial performance to Month 11 and the revenue and capital projection to the end of the year.

Mr White advised that the year end deficit had been decreasing month on month and was currently predicted to be circa £8m. Work continued both internally and with the Scottish Government to reduce the deficit further. Significant progress had been made in the recent weeks and it was anticipated that a break even position would be achieved at year end. This position would largely be as a result of internal management but may potentially include a small level of support from the Scottish Government.

Mr Carr welcomed this report and asked that the non-recurring element of the financial position be detailed in future reports to highlight the source of this budget, for example, Scottish Government, balance sheet adjustment etc. Mr MacLeod noted that a breakdown of non-recurring funding would be useful in understanding the sustainability of the financial position.

Mrs McAuley also welcomed this report, noting the positive predicted year end position, and asked for more detail on the reason behind this improved position. Mr White noted that the improved position was not just dependent on income, the Acute Sector had worked extremely hard to crystallise saving schemes, which had happened in the last quarter. A number of these schemes had been classified as high risk and therefore were not included in earlier projections. This was a prudent approach designed to ensure the Board was prepared for a potentially adverse year end position.

In addition, a range of improved financial controls and financial 'grip', including greater monitoring, were also responsible for the improved out-turn. The Board had also been largely successful in delivering winter pressures within the specified financial envelope.

**Director of
Finance**

Mr White agreed to include more detail on non-recurring funding in the year end report.

Mr Finnie noted that efficiencies had changed the predicted performance, therefore

going forward; it would be useful to highlight efficiencies and movement at a high level in a separate column in the report. The Financial Improvement Programme (FIP) would assist with this, bringing a more robust and consistent process for recording these figures.

Mr White highlighted the main areas of overspend noting the Acute overspend at £29.3m. A programmed reduction in agency spend had taken place which significantly reduced spend in the second part of the year. The Corporate Directorates were reporting an overspend of £3.6m, however the majority of areas had achieved their saving targets. HSCPs were largely in operational balance, however an overspend was reported as £8.2m, this was mainly due to the in year impact of increased expenditure within primary care as a result of a number of drugs going into short supply. The impact on supply had resulted in considerable price increases; however, as a result of the risk sharing arrangement, the Board absorbed this cost.

Mr Brown noted that North East Glasgow had the largest underspend, which was interesting given the high levels of deprivation in this area of the City. Mrs McAuley also noted this and agreed to take this query back to the IJB.

Mr Brown also noted that it would be helpful to detail the underspend in HSCP areas and the level of finance that was going into reserves. Members exchanged views on this and agreed that although reserves are often assigned to specific programmes/contracts it was important to have visibility of reserve levels. Mrs Brown recognised an improvement in financial transparency between IJBs and the Board; the organisations were mutually interdependent and therefore need to share financial information. Mrs Grant highlighted the importance of trying to achieve balance and manage risks. Mr White agreed to detail reserve levels in the year end report.

**Director of
Finance**

Mr White reported on the Capital projections, confirming that the Board was currently predicting achievement of the Capital Resource Limit (CRL) at year end. A significant proportion of the annual allocation was due to be spent during March; however, this was anticipated to be achieved.

Mrs McAuley acknowledged that back loading Capital expenditure was expected, however, this seemed high. Mr White advised that this year's position was better than in previous ones however accepted that this needed to improve in forthcoming years.

Mr MacLeod asked if consideration could be given to including information on the progress of capital work and to show areas that remained outstanding. Mr White confirmed that, going forward, a project dashboard would be worked on to give details throughout the year.

Mr Brown thanked Mr White and the Finance Team for the comprehensive report.

NOTED

21. 2018/19 FINANCIAL PLAN (INITIAL DRAFT)

The Director of Finance submitted a paper [Paper No 18/12] on the Board's projected revenue and capital positions for 2018-19 and plans to deliver key financial targets.

Mr White outlined the report advising that the paper assessed the financial landscape, assumptions and actions to address these challenges. Mr White asked Members to note the financial challenge of 2018-19 and advised that a report with more detail would follow in June 2018.

The report gave a five year projection noting that, even with a consistent level of savings, the Board faced a significant challenge in reducing the underlying recurring deficit. The Moving Forward Together and Regional Programmes were working to address long term financial performance, however, the underlying financial position was a challenge.

Mr White highlighted the main points from the five year projection and advised that uplift from other Boards was anticipated to be achieved in the forthcoming years; Service Level Agreements (SLAs) were in place and the Board was reviewing the processes to recover funds as appropriate.

Mr White went on to summarise the initial assessment of the 2018-19 budget, noting that the pay rate award was a key change. The Scottish Government expect to receive Barnett consequentials and have provided an undertaking that this will be passed straight to Boards, therefore the corresponding £18m for NHSGGC had been included in the Financial Plan with a note highlighting that a proportion will be passed through to HSPPCs.

The total new resource was discussed and Mr Brown noted that this did not include any non-recurring funding that the Board may receive.

Members discussed the impact of the new Junior Doctors GP rotation on staffing numbers, Dr Armstrong noted that this will leave the Board with resource requirements. There had been debate on finance for these requirements and the Scottish Government had provisionally agreed to provide funding. The Chief Executive group will discuss the issue of recruitment and funding. Dr Armstrong confirmed that the West of Scotland Boards would continue with recruitment to mitigate against the operational risk of reduced staffing levels, however, the Boards would carry a financial risk at present.

Mr White referred to the actions required to address the financial challenge including local CRES targets, Organisational Wide Sustainability and Value Initiatives and the Financial Improvement Programme (FIP). The FIP was a key part of the Board's plan to deliver sustainable financial balance. The governance process supporting the programme was discussed and Mr White detailed the current position, noting that 13 separate workstreams had been identified and each had been allocated a cash savings target.

Members welcomed the FIP and Mr Finnie commended the systematic approach being implemented. However, Mr Finnie noted that a savings target range may be more useful than a definitive figure at this stage to account for risks. Mr White advised that different iterations of the plan would be drafted as risk assessments were conducted.

Mr Carr highlighted the scale of the savings challenge and advised that the sustainability of any actions needed to be considered. Demand management and the link to the Transformation programme were key to a successful outcome, not just achieving savings.

Mr Brown acknowledged the extent of the savings required, confirming that the FIP was primarily focused on reducing the underlying deficit that the Board has been carrying. Demand management was linked to the Transformational Programme and Regional/National planning. All elements were being overseen by the Executive Team and Mrs Grant reassured Members that a structured approach was being taken to ensure attention was given to all areas.

Mrs McAuley asked for more detail on the non-recurring element of the plan, noting that the risk associated with projecting non-recurring funding levels beyond the next 12 months must be considered. Mr White acknowledged this and agreed to include more detail in the Financial Plan.

Members also discussed staff engagement and Mr Finnie noted that staff communications on savings must be carefully considered especially when a break-even position was potentially being reported. The recurring deficit must be highlighted to ensure staff appreciate the challenge. Mr White agreed and confirmed that a communications plan was in draft. 'Small Change Matters' was a key initiative to assist with the savings targets and was being re-launched in the coming weeks; Mrs McErlean highlighted the importance of feeding back to staff on how ideas were taken forward.

Mr White summarised the process for the 2018-19 budget settlement with HSCPs. The proposed allocation had been agreed in principle with the HSCPs and the final allocation will be brought back to the Finance and Planning Committee for approval when available. The issue was debated by the Committee and Mr Brown confirmed that as per the governance process the Board will delegate the budget from April 2018.

Finally, Mr White highlighted the Capital Plan including the Board's share of new national capital funding, ring fenced funding for specific projects and asset disposal where agreement had been reached regarding the Board retaining proceeds. Mr White also confirmed that there were a range of schemes being reviewed to deploy the currently unallocated funding.

Mr Brown thanked Mr White for the overview. The Committee noted the assessment of the 2018-19 financial challenge; approved the high level financial plan and approach; approved the Capital Plan and approved the proposition on the devolved budget for HSCPs.

APPROVED

22. INTERNAL AUDIT REPORT (DRAFT) FINANCIAL PLANNING 2018/19

The Director of Finance submitted a paper [Paper No 18/13] on the Internal Audit Report, Financial Planning Process 2018-19.

Mr White advised that the audit was conducted to provide assurance around the 2018/19 budget setting and financial planning process. It remained in draft subject to completion of the management comments and approval by the Audit Committee.

Overall, the review concluded that the planning process had been undertaken with an objective of transparency and there was clarity over the key assumptions underpinning the 2018-19 cash efficiency savings. Mr White outlined the three medium risk findings noted in the report and assured the Committee that these findings would be addressed.

The Committee noted the report and Mr Brown acknowledged that the audit gave an additional level of assurance on the financial planning process to the Board.

NOTED

23. INTERNAL AUDIT 2018/19 PLANNING PROCESS

Mr White advised that the tender process for the Board's Internal Auditors was underway; parties had been invited to return a three year audit plan as part of their submission. Upon appointment, the successful party will then be required to formalise the plan.

NOTED

24. NHSGGC 2018/19 ANNUAL OPERATIONAL PLAN

The Director of Finance submitted a paper [Paper No 18/14] detailing the initial draft of the Annual Operational Plan (AOP) and asked Members to accept this for submission to the Board Meeting in April 2018.

Mr White noted that the Scottish Government had asked Board's to submit an AOP this year rather than the Local Delivery Plan (LDP) to increase focus on Finance, Performance, Workforce and Key Patient Centred Standards. The draft plan had been discussed at the Acute Services Committee.

Board's had been asked to set a trajectory over the coming year to bring performance back in line with the March 2017 position by the end of this year. The Board has accepted this position with the exception of the Outpatient 12 week waiting time target, where the trajectory had been provisionally extended to the end of March 2020. The projected additional resource required to meet this challenge had been included in the AOP and would be subject to on-going discussion with the Scottish Government.

Members welcomed the report and Mrs Brimelow noted that it was a succinct plan that clearly sets out the challenge.

The Committee noted the report and Mr Brown confirmed that Members were satisfied that this be presented at the April Board Meeting.

NOTED

25. MOVING FORWARD TOGETHER UPDATE

The Medical Director submitted a paper [Paper No 18/15] which gave an update on progress with the development of a Transformational Strategic Programme for GGC Health and Social Care Services, Moving Forward Together.

Dr Armstrong gave a detailed update to the Committee noting that Phases 1 and 2 were complete and achieved all deliverables set out. A key milestone in Phase 2 was the first whole system event which took place on 30 January 2018 in the City Chambers, the event was attended by over 270 participants from across GGC Health and Social Care and the West of Scotland Programme.

Dr Armstrong reported that Phase 3 of the Programme was on schedule to complete at the end of April 2018. Vast amounts of information had been collated during the first two phases of the programme, this was being analysed and prepared into a Strategic Plan. The Financial and Capital Plans would also be linked into this phase.

Dr Armstrong highlighted that a number of emerging themes were being developed via a series of intensive workshops with key stakeholders. These themes included Empowering the Population, Opportunities of the new GP contract, e-Health as a key enabler and System Wide Unscheduled Care.

Members welcomed the progress to date and the extensive work that had been carried out to date. Members noted the clinical view of services that had been given, links to other strategies and social care and the joint approach being undertaken.

The Committee agreed that Phase 3 should include ongoing engagement and discussion to widen the themes noted so far, this would then develop into a Business Case and Implementation Plan.

Dr Lyons noted that it would be helpful to report to Phase 3 at the April Board meeting to highlight the ongoing work and direction of the programme. Members agreed and conveyed their recognition of the in-depth work that had been carried out to date.

APPROVED

26. WEST OF SCOTLAND REGIONAL PLAN

Mr White advised that the Regional Plan had been drafted, however, after robust discussion at various sessions a number of questions had been raised. Therefore, further consideration was currently being given to the plan and more feedback was being gathered prior to submission to the Scottish Government.

Mr Brown anticipated that the plan would contain a significant level of service redesign and therefore consultation would be a key consideration.

Mrs Brimelow noted that communication on Regional Planning seemed to have reduced in recent months; Mrs Grant agreed that engagement was vital and advised that the planning event in March had been cancelled due to adverse weather. A further meeting was currently being planned and Members would be updated on progress once this meeting had taken place.

NOTED

27. INTERIM PROPERTY AND ASSET MANAGEMENT STRATEGY

The Interim Director of Property, Procurement and Facilities Management submitted a paper [Paper No 18/17] on the Board Interim Property and Asset Management Strategy (PAMS).

Mrs Kane advised that the Board was required to submit an interim PAMS on a bi-annual basis to inform the Scottish Government. The PAMS noted the current state of the Board's assets and identified where this required further investment.

Mr Skelly noted the key highlights from the paper and advised that the Estates Department had conducted a snapshot audit as at 31 March 2018 of the Board's Estate. The audit detailed the Age Profile of the Estate, Condition of the Estate, Space Utilisation and Backlog Maintenance requirement.

Mr Skelly advised that the Estates department was aiming to survey at least a fifth of the Board's Estate on an annual basis over and above the formal audit process.

Members discussed the backlog maintenance estimate related to the PAMS standard and Mr Finnie noted that the funding figure quoted was required to bring current Estate up to the 2018 standard. In practice, it was unlikely that this would be deemed a

valuable exercise given the age of some of the estate. Mrs Kane confirmed this position and advised that Regional discussions regarding future classification were underway. Mr Finnie noted the importance of stating that this was not a liability the Board was not meeting; a more realistic figure would be helpful to outline the cost of ensuring current estate was fit for purpose compared to the cost for achieving the 2018 model.

Mr Brown asked for clarity on the source of the Boards assessment. Mrs Kane confirmed that the audit was completed from a variety of sources including the Board's Estates department, minor work surveys and clinical team feedback. A number of sources were used to ensure an informed view was achieved; this was in line with other NHS Scotland Health Boards.

Mr MacLeod noted that the Vale of Leven hospital was not referred to within the document; Mrs Kane acknowledged this and agreed to ensure this was added.

Mrs Kane also advised the Committee that knowledge of the Estate was at its highest level and the data refresh carried out for the Interim PAMs gave an up to date picture on the baseline.

The Finance and Planning Committee approved the Interim PAMS, subject to the addition of the Vale of Leven information.

APPROVED

28. PATIENT TRAVEL EXPENSES SCHEME

The Director of Finance submitted a paper [Paper No 18/18] on the Financial Operating Procedure in respect of the Patients' Travelling Expenses Scheme. Mr White summarised the paper noting that the aim of the updated procedure was to standardise processes for reimbursing patient travel expenses across NHSGGC. The procedure had been drafted by the Head Cashier and did not change current practice; it ensured a consistent approach would be taken to templates for patient forms and processes.

Committee Members discussed the procedure; Dr Lyons referred to Appendix 3 and asked for clarification on the question related to date of travel. Mr Ramsay agreed to find out more on this point.

Mrs McAuley asked that the £50 cap on accommodation be reviewed noting that Board needed to ensure patient access is supported and the seeming low financial cap on accommodation reimbursement may impact a patient's ability to access care. Mrs McAuley also asked for confirmation on how this policy was communicated to patients. Mr Ramsay advised that the purpose of Financial Operating Procedure under discussion at the Committee was to provide a consistent approach to expense processing rather than promoting the travel expenses policy, however, confirmation on accommodation reimbursement and what communication patients receive will be brought to the next meeting.

**Assistant
Director of
Finance**

Mrs Brown noted that a number of relevant initiatives were not mentioned in the document including the Personal Independence Payment and Crisis and Community Care Grants. The procedure should include current references to the benefits system.

Mr Brown asked that the policy and procedure be compared with policies from other Health Boards to ensure the NHSGGC process was of an equivalent standing.

Assistant

Mr Ramsay agreed to review and update the procedure in line with Members' comments and will bring the revised version back to the Committee for approval.

Director of Finance

NOTED

29. FINANCE AND PLANNING COMMITTEE – ANNUAL REVIEW OF REMIT

The Deputy Head of Administration submitted a paper [Paper No 18/19] on the annual review of the Finance and Planning Committee Remit. Mr Forrester advised that the paper set out the Terms of Reference last considered in August 2017. In order to return to an annual cycle of review at the start of each financial year, the remit was presented for Members' comment.

Mrs McAuley asked that 'oversight of Community Planning' be added to the Remit to ensure this element of the Committee's role was formally noted.

Mr Carr highlighted the recent challenges in circulating Committee papers in advance of meetings, as required in the Terms of Reference. If this was anticipated to be an ongoing challenge it may be prudent to introduce a more flexible timeframe into the Committee Remit.

Mr McLeod referred to the Property and Asset Management section and asked that this section be expanded to reference alignment with the Clinical Strategy and recommendations from Regional Planning and the Transformational Change Programme.

Mr Forrester thanked Members for their comments and advised that the remit would be amended and circulated for approval prior to the April Board meeting.

Deputy Head of Administration

TO BE CIRCULATED FOR FINAL APPROVAL

MINUTES FOR NOTING

30. CAPITAL PLANNING GROUP – 4 DECEMBER 2017

NOTED

31. PROPERTY COMMITTEE – 10 NOVEMBER 2017 AND 31 JANUARY 2018

NOTED

32. DATE AND TIME OF NEXT MEETING

Tuesday 5th June at 9.30am, in the Board Room , JB Russell House, Gartnavel Royal Hospital, 1055 Great Western Road, Glasgow, G12 0XH