

F&P (M) 18/06
Minutes: 76 - 92

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Finance & Planning Committee held at
9.30am on Tuesday, 4th December 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 Brimelow OBE	Mrs J Forbes
Mr J Matthews	Mr A Macleod
Ms R Sweeney	Mr J Matthews OBE
Mr R Finnie	Cllr Sheila Mechan
Dr D Lyons	Mr S Carr
Mrs D McErlean	Mr I Ritchie

OTHER BOARD MEMBERS IN ATTENDANCE

Ms J Grant (To item 84)	Mr M White
Dr J Armstrong (To item 84)	

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

Mr J Best	..	Interim Chief Operating Officer, Acute Division (To item 84)
Mr G Archibald	..	Chief Operating Officer, Acute Division (To item 80)
Mrs E Vanhegan	..	Head of Corporate Governance and Board Administration
Mr Tom Steele	..	Director of Estates and Facilities
Mr G Love	..	Senior Property Officer, Capital Planning
Mrs A MacPherson	..	Director of HR and OD
Mr Colin Neil	..	Assistant Director of Finance, Acute Division
Ms Danyele Higgins	..	Scott-Moncrieff
Mr Gary Dover	..	Head of Planning and Performance (For item 82)
Mr John Donnelly	..	Senior General Manager, Capital Planning (For item 82)
Mrs Anne Harkness	..	Director, South Sector (For item 84)
Mr David Leese	..	Chief Officer, Renfrewshire HSCP (For item 84)
Mrs G Mathew	..	Secretariat Manager

76. WELCOME AND APOLOGIES

Apologies were intimated on behalf of Ms Morag Brown and Prof Anna Dominiczak.

77. INTRODUCTORY REMARKS

Mr Brown noted the key topics for discussion today including the finance position, progress on the Moving Forward Together programme, an update on preparations for

Brexit, update on progress of the GP Out of Hours work, progress of the North East Glasgow Hub project and a review of the Corporate Risk Register.

NOTED

78. DECLARATIONS OF INTEREST

The Chair invited Members to declare any interests in any of the topics being discussed. No declarations were made.

NOTED

79. MINUTES OF PREVIOUS MEETINGS

a. Minutes of the meeting of the Finance and Planning Committee of Tuesday 2nd October 2018

On the motion of Mr John Matthews, and seconded by Cllr Sheila Mechan, the Minutes of the Finance and Planning Committee meeting held on 2nd October 2018 [F&P(M)18/05] were approved and accepted as a full and accurate record of the meeting.

AGREED

80. MATTERS ARISING

a) Rolling Action List

The Committee noted the current Rolling Action List [Paper No 18/37].

Members acknowledged the action list updates and agreed to accept the recommendation that five actions be closed.

The Committee noted that action of Minute 73 – Yorkhill Site, was included on the forward planner for February 2019, however agreed that this action would remain on the agenda until this was presented and discussed at the February 2019 meeting.

Secretary

The Committee accepted the Rolling Action List and no further comments were noted on the remaining actions.

NOTED

81. FINANCE AND CAPITAL REPORT – MONTH 7

The Committee considered the Board's financial performance to Month 7 [Paper No. 18/38] presented by the Mr White, Director of Finance.

Mr White advised the Committee that the report detailed the revenue position to Month 7, the Financial Improvement Programme position to Month 7 and the projections for both to 31st March 2019.

Mr White led Members through the report and noted that as of 31st October 2019,

the Board reported expenditure levels of £19.3m over budget. This compared to £18.5m overspend reported at the previous month end however was better than the initial trajectory forecast of £31.9m. The Financial Improvement Plan tracker recorded projects totalling circa £57.8m on a FYE and £40.1m on a CYE. The current financial gap predicted for 2018/19 was £17m. Focus remained to maximise the impact of the Financial Improvement Programme as much as possible, containment of costs and maximising potential sources of non recurrent funding.

The Acute Division reported an expenditure overspend at Month 7 of £27.7m. Partnerships reported an underspend of £1.6m. Corporate Departments reported an expenditure overspend of £7.2m. Non recurring relief of £14m was factored in to support the financial position.

The main challenges within the Acute Division continued to be £23.8m of unachieved savings, £2.4m associated with pay and £1.1m associated with non-pay.

In response to questions from Committee Members regarding the Board's ability to achieve the unachieved savings by the end of the last quarter of the financial year, Mr White was confident that a considerable sum of financial savings could be achieved, provided that the level of focus and efforts made thus far continued.

Overspends within medical and nursing salaries of £2.6m and £2.4m respectively, continued to be a concern, and these areas remain a key focus for cost containment initiatives. Monthly monitoring meetings with the Chief Executive and Director of Finance continued, and Mr White continued to work closely with Head of Finance colleagues to address this. Mr White was confident that the recruitment of 458 newly qualified nurses would help to address the issues within nursing bank and agency usage.

Ms Brimelow commended the work of teams to secure the recruitment of a record number of nursing staff and Mr White noted that work would be undertaken to monitor the impact of this on the nursing bank and agency spend.

Mr White described the Corporate Directorates expenditure overspend at Month 7 of £7.2m. Partnerships reported an expenditure underspend of £1.6m. Primary Care prescribing was reported at a breakeven position, based on the five months expenditure data available for the year to date. This remained the most likely financial pressure area for HSCPs due to the potential price increases related to emerging short supply issues and would likely cause a cost pressure in the second half of the year. The Reserves position as at 31st October 2018 was reported as £46.6m.

In response to questions from Board Members with regards to recommendations by Audit Scotland to set a minimum reserve carry forward, Mr White explained that IJBs adopt local government financial guidance, and included within that guidance were recommendations to set a reserve carry forward.

In response to questions from Board Members with regards to the calculation of set aside budget within IJBs dependent on usage of Acute Services, Mr White noted that this was a complex process and agreed to provide a briefing paper explaining the methodology. Mrs Grant further noted that consideration needed to be given to the efficacy of initiatives within community settings to address the objective to reduce Acute demand by 10%, however accepted that there was an issue regarding

**Director of
Finance**

understanding of the principles by which the set aside budget was calculated.

Committee Members noted the positive inclusion of the IJB Reserves information within the Finance Report, however felt that further information would be helpful to improve the flow of information from the HSCPs to the Board.

Committee Members requested that the briefing paper which detailed the calculation of set aside budget be developed for Board Members for discussion at a future Development Session and for presentation to the next cycle of IJB meetings.

**Director of
Finance**

Mrs Grant noted that the Scottish Government Integration Review Group had considered both the quality of guidance and the set aside budget calculations and planned to review this in detail. It would be helpful to include within the paper, scenario planning and defining of common challenges.

The Committee also agreed that the Board Seminar in January 2019, would be used to review the actions from the November Development Session and consider the Board's priorities for the coming year.

Secretary

Mr White noted the progress of the Financial Improvement Programme and highlighted an increase of £6.6m in the overall FYE figure, an increase of £9.7m in the Gateway 2 FYE number delivered an increase of £20.6m in those schemes that were deemed as delivered and removed from the ledger.

Mr Carr congratulated Mr White and team for their efforts to achieve an increase in the number of delivered schemes, however asked for clarification regarding the reported figure as this appeared to differ from that reported at the recent Acute Services Committee. Mr White advised this was a timing issue and clarified that a mid-year review had been carried out since the Acute Services Committee report to ensure that savings had been released, therefore the content in this report was more current.

In response to questions from Board Members with regards to the Moving Forward Together Programme, Mr White clarified that the financial element of the Programme was still under development however the Programme had been reviewed in the context of the Hospital Model. Committee Members expressed interest in further information on the Hospital Model, and Dr Armstrong agreed to circulate the documents and video clips available to the Committee and Mr White would provide further information on this as part of the planned presentation on a Financial Improvement Programme example, requested by Ms Brimelow.

**Medical
Director/
Director of
Finance**

Mr White went on to describe the financial Projection to 31st March 2019. The initial financial assessment, outlined in the Operational Plan submitted to the Scottish Government in February 2018, highlighted a potential financial gap of £49m. The expected gap has reduced as the anticipated savings from the Financial Improvement Programme have increased.

The Finance Team have reviewed each of the Work streams and assessed the risks and challenges, and have taken that into account in the year-end projection. The key cost pressures were noted as the recent water issue at Queen Elizabeth University Hospital (QEUH) campus which has created a projected revenue pressure of £1.5m; the fire at Stobhill Hospital which would require £1.5m of demolition costs; the

allocation by the Scottish Government of £2.1m towards increased winter costs. Discussions continued with colleagues at Scottish Government with regards to additional winter pressures. An additional £4m has been accounted for within the revised Financial Plan; and the increase in year of compensation claims for which an additional £2.2m has been accounted for within the revised Financial Plan. Mr White also noted potential additional pressures created by the recent closure of the Cowlairs Decontamination Unit, the effect of which would be monitored within the final quarter.

In relation to income, Mr White noted that the National New Medicines Fund was expected to yield £2m more than anticipated and that additional discount clawback and rebates of £1.5m were expected in relation to Acute prescribing.

Mr White noted that in terms of non-recurring income and accounting adjustments, the capital charges budget was expected to be less than originally budgeted. Delays in major capital schemes such as Rowanbank Clinic had created scope for some transfer to revenue and the sale of the former Johnstone Hospital site was anticipated in the final quarter. Accrual within the 2017/18 Accounts for road traffic income would require to be increased following further in-year analysis.

Taking all of this into account, the Board was currently predicting a £17m deficit at 31st March 2019.

In response to questions from Board Members regarding the increase in compensation claims and the source of claims, Mr White advised that it was difficult to identify a pattern with regards to this, however there appeared to be a significant increase in the number of small claims.

Mr MacLeod was disappointed to note the estimated deficit of £17m, contributed to by pressures out with the Boards control such as the water issue and the Stobhill fire, and questioned if the Scottish Government offer to accept a budget balance from Boards across 3 years applied to 2018/19 or 2019/20. Mr White clarified that the new arrangement would be available from 2019/20, however NHSGG&C continued to pursue a break even position on a yearly basis.

In response to Board Members questions regarding seemingly high demolition costs at Stobhill Hospital site, Mr White explained that there were a number of contributing factors given the age of the site and complications such as asbestos. Mr White assured the Committee that there was a demolition plan across all sites which allocated between £2m-£3m to demolition costs, however this fluctuated greatly across the year and would therefore be a cost pressure requiring management.

In response to questions from Board Members regarding the break even position over 3 years and the potential that usage of this offer may reduce some pressure particularly in relation to services, Mr White agreed that this may potentially reduce the immediate pressure, however consideration would need to be given to how the Board would rectify this position in future years. Mr White assured the Committee that he would consider this as a potential option, should there be an opportunity to improve both the short term pressures and long term financial position.

Mr Brown noted thanks to Mr White and team for the production of a comprehensive report.

In summary, the Committee noted the Revenue Position at Month 7, the Projection to 31st March 2019 and the Financial Improvement Programme progress. The Committee noted the £19.3m overspend at Month 7, which was expected to fall to £17m by the year end. The Committee noted the ongoing discussions with colleagues at Scottish Government with regards to winter pressures. The Committee noted progress of the Financial Improvement Programme of £40.1m on a CYE. The Committee noted the continued work to reduce medical and nursing pay spends.

NOTED

82. CAPITAL REPORT AND DASHBOARD 2018/19

The Committee considered the Capital Report and Dashboard 2018/19 as at 31st October 2019, [Paper No. 18/39], presented by Mr Mark White, Director of Finance. Mr White highlighted the available resources for 2018/19 which amount to £52.3m, and reflected all recent changes made during September and October. This included new capital allocations of £1.5m in energy schemes and £400k in Hub enabling funding. There was also a net increase of £182k in respect of revenue funded capital recognised during the two month period. Mr White noted that as at Month 7, the revised budget of unallocated capital amounted to £2.7, however based on current forecast spend and programme information, it was anticipated that this may increase to £7.9m.

Mr White noted that due to a number of factors, the sale of the Stoneyetts site had been delayed, resulting in a potential risk that the land receipt would require to be re-profiled in the current year. Similarly, Mr White reported that it was unlikely that the sale of the second phase of the land at Lennox Castle site would conclude in the current year. During October, a total of £1.689m of forecast capital receipts was re-profiled from 2018/19 to 2019/20 as part of the mid-year review.

Mr White described the schemes being forecast as overspend including demolition works at the GRI Lister Building, Acute Medical Block and Central Medical Block buildings at the QEUH Campus and completion of the works at the Dental Hospital. These were offset against underspends within the GGH Theatre scheme and the upgrade of Ward 30 at GRI. This left an overall net forecast underspend of £73k.

Mr White went on to describe the progress made in relation to the RAH ITU scheme, which was now scheduled for completion and handover at the end of January 2019. In relation to the Rowanbank Clinic scheme, it was recognised that the national review of pathways for women through Forensic Mental Health Services may affect the final preferred solution for Rowanbank Clinic, therefore work on the Full Business Case had been postponed until the national review was complete.

Mr White also noted a delay associated with the completion of the Woodside Health and Care Centre project, due to the fire at the end of July.

Mr White noted the progress of the Hub Schemes. Appendix 2 of the document included the formal approval letter from the Scottish Government which confirmed the Board's recommended approach to managing the impact of delay to the Clydebank Health & Care Centre.

Mr White continued to have discussions with colleagues at Scottish Government in relation to management of underspend identified.

In response to questions from Board Members regarding the delay to the Clydebank Health & Care Centre scheme and the opportunity to include this scheme within the bundling process, Mr White advised that although the delay would require to be managed, there remained commitment to ensure that this scheme was included within the bundle.

Mr Brown thanked Mr White for the update and summarised that the Committee noted the available resources for 2018/19 of £52.3m, £2.7m of which remained unallocated, and acknowledged the possibility that unallocated funds may increase to £7.9m.

NOTED

83. MOVING FORWARD TOGETHER UPDATE

Dr Jennifer Armstrong, Medical Director and Mr Jonathan Best, Programme Director, presented the Committee with an update on progress of the Moving Forward Together (MFT) Programme.

Dr Armstrong began by providing an update on the West of Scotland work being undertaken alongside the Moving Forward Together Programme including the creation of a Major Trauma Centre Network, the Hyper Acute facility, and plans to develop a Vascular Surgery Strategy. Dr Armstrong also noted the West of Scotland Systematic Anti Cancer Treatment Strategy, which would be presented to the Board Meeting in December.

Dr Armstrong

Mr Best went on to provide an overview of the progress of the Moving Forward Together Programme. Mr Best noted that the MFT Executive Group had met a number of times over October and November and have focused on identifying the first 3 key change proposals from each of the 6 work streams. Mr Best provided an overview of all of the 6 work streams key areas.

Mr Best advised that the Strategic Reference Group would meet on 5th December to discuss and endorse the presentation to be used for staff and locality engagement in December and January.

Mr Best was pleased to note the recruitment of two experienced Change and Service Improvement Managers, to support the Programme Management Office.

Mr Best also noted the development of a Communications and Engagement Strategy, to include a staff engagement process commencing in December 2018 and a locality engagement process commencing in January 2019.

Mr Brown thanked Dr Armstrong and Mr Best for the update and felt that the presentation had provided a clear sense of the focus and priorities of the programme. Mr Brown invited questions from Committee Members.

In response to comments from Committee Members in relation to timescales, costs and benefits, Mr Best assured the Committee that work would be undertaken to

develop an implementation plan including timescales and financial information. Mrs Grant clarified that the work remained a high level strategic direction at this stage and work was underway to develop a detailed business plan in due course. Assurance was given that this would be available as soon as possible.

Dr Armstrong noted that she had included high level costs within a presentation to the Committee in October, which detailed the estimated costs for the Trauma Centre.

Mr Brown felt there was a need to ensure that the narrative of the MFT programme clearly described the overall change strategy which included the Digital Strategy and the Public Health Strategy.

In response to questions from the Chair regarding staff engagement, Mrs MacPherson advised the Committee that the Workforce Reference Group included staff representation and there was a strong commitment to engage with staff, both within the design phase and the implementation phase.

Mr Brown thanked Dr Armstrong and Mr Best for the update. The Committee noted the positive progress of the programme to date, including the prioritisation of the key areas of change for each work stream, the development of the Reference Group and the inclusion of staff within this, and the development of a communication and engagement framework.

NOTED

84. GP OUT OF HOURS UPDATE

The Committee considered the GP Out of Hours paper [Paper No. 18/40] presented by the Chief Officer, Renfrewshire HSCP, Mr David Leese and the Director of the South Sector, Mrs Anne Harkness. The paper provided an update to the Committee on the service issues facing the GP Out of Hours (GP OOH) service and the actions being taken to address these.

Mr Leese provided a background of the work and explained that a review of the service was commissioned in the Spring of 2017. The review was concluded in September of 2018 and a number of recommendations were subsequently made. Mr Leese noted that the plan was fully supported by an additional ring fenced revenue allocation of £1.1m.

Mrs Harkness went on to provide an update on both the strategy document and an operational update, including an overview of the GP OOH service, the challenges faced by the service, sustainability, investment of the £1.1m revenue allocation, and the immediate actions being taken to stabilise the service in preparation for winter.

Mr Brown thanked both Mr Leese and Mrs Harkness for the update and invited comments and questions from Committee Members.

In response to questions from Committee Members in relation to feedback received from the focus groups and the demographic of the focus group attendees, Mr Leese noted that feedback from the groups indicated that there was a belief that the service was a substitute for a daytime service that could be used as a “walk in”. This was unique to Greater Glasgow and Clyde. There was a clear need to consider the identity

of the service, conduct wider engagement and to consider the “walk in” issue. Mr Leese did not have the detail of the demographics of those involved in the focus groups, however would explore this and would feedback to the Committee in due course.

Following comments from Committee Members about timeline assurances, the Committee agreed that there was a need to include measureable objectives in the short term plans and clarity on the long term strategy.

In response to comments from Committee Members with regards to scrutiny of performance, Mrs Grant noted that she, Mrs Harkness and Mr Leese would consider ways in which performance reporting for the GP OOH service could be included within current performance reporting mechanisms.

**Chief
Executive**

Discussion took place about the timelines included within the paper, and Mr Brown remarked that it would be useful to have firmer timelines included. Mr Leese noted that some of the actions within the paper were already in place and that following discussion at the GP OOH Meeting, it was agreed that priority would be given to engagement with the public and staff, management of expectations and putting timelines against the remaining actions.

In response to questions about the triaging of patients through NHS 24 services before attending at the GP OOH service and what the potential consequences of this could be, Mrs Harkness assured the Committee that consideration was being given to ways in which this could be monitored.

In summary, the Committee noted that there was a plan in place to stabilise the service over the winter months, that a review of the access and methodology would be undertaken, that a further detailed plan including timelines would be developed and presented to the Committee and that Mrs Grant would consider ways in which performance reporting could be included within the current mechanisms.

**Director,
South Sector/
Chief Officer
Renfrewshire
HSCP/
Chief
Executive**

Mr Brown further clarified that the Board required further information on the use of NHS 24 before any decision on changes to the current service delivery model would be made.

NOTED

85. BREXIT UPDATE

The Committee considered a presentation by the Head of Corporate Governance and Administration, Ms Elaine Vanhegan, on the progress of the Brexit Readiness Group.

Ms Vanhegan provided an overview of the key areas of impact for NHSGGC including workforce implications; nuclear medicine; regulation of medicines; pharmacy supply chain; procurement and supply chain; cross border co-operation; and research.

Mr Brown thanked Ms Vanhegan for the update and was pleased to note the early actions taken by NHSGGC to establish the group.

**Head of
Corporate
Governance
and
Administration**

In summary, the Committee noted the 7 areas of risk identified and the actions being undertaken to assess and mitigate the risks. The Committee would await further

clarity as the situation developed.

NOTED

86. DYEKBAR DISPOSAL UPDATE

The Committee considered the Dykebar Disposal Update paper [Paper No. 18/41] presented by the Director of Finance, Mr Mark White and the Director of Estates and Facilities, Mr Tom Steele. The paper provided an update to the Committee on the previous decision taken to approve the disposal of the surplus land at Dykebar Hospital and sought approval to conclude the missives with the appointed consortium of developers.

Mr White noted that after working with the Board advisors, the consortium have recalculated their gross price and proposed a guaranteed minimum price of £9m.

The Committee were content to approve the conclusion of the missives.

APPROVED

87. NORTH EAST GLASGOW HUB

The Committee considered the North East Glasgow Hub paper [Paper No. 18/42] presented by Mr Gary Dover, Head of Planning and Performance, Glasgow City HSCP and Mr John Donnelly, Senior General Manager, Capital Planning. The paper provided an update to the Committee on the progress reached in developing the health and social care hub and sought endorsement for the preferred site for the proposed building.

Following approval of the Initial Agreement by IJB, Glasgow City Council, NHSGG&C and the Scottish Government, work was undertaken to establish an Outline Business Case.

As part of the development of the Outline Business Case, an options analysis of 13 sites in the North East area commenced. Through this analysis, 4 sites, namely, Lightburn Hospital; Tollcross Road; Parkhead Hospital & Health Centre and Springfield Road, were shortlisted. An options appraisal exercise which focused on the 4 sites, identified Parkhead Hospital & Health Centre as the preferred site.

Mr Brown thanked Mr Donnelly and Mr Dover for the update and invited questions and comments from the Committee.

In response to questions from the Committee in respect of the engagement process to identify the preferred site, Mr Donnelly and Mr Dover described the process undertaken which included engagement with services and service users. A significant number of invitations were sent to various organisations to promote public engagement. Mr Donnelly also assured the Committee that the options appraisal exercise was conducted using a measured and objective method and was confident that the process met with the standards contained within the Scottish Government's guidance manual. Mr Steele agreed to confirm with Scottish Government colleagues that they were satisfied with the level of compliance with the guidance.

Director of
Estates and
Facilities

Following further discussion, the Committee felt that it would be prudent to ensure

that the engagement process undertaken satisfied the Cabinet Secretary's requirements set out in the letter to the Board regarding the future use of the Lightburn site.

In summary, the Committee noted the approval of the Initial proposal and endorsed the preferred site option, subject to confirmation that the Scottish Government were satisfied that the Board had complied with their guidance manual and that the requirements set out in the Cabinet Secretary letter had been satisfied.

Director of
Estates and
Facilities

APPROVED

MINUTES FOR NOTING

88. CORPORATE RISK REGISTER

The Committee considered the paper "Extract of the Corporate Risk Register" [Paper No. 18/43], presented by the Director of Finance, Mr Mark White. Mr White provided an overview of five risks that come under the remit of the Committee.

Mr Brown thanked Mr White for the overview and invited comments and questions from Members.

In response to questions from Members with regards to the risk related to the possibility of non-compliance with health and safety legislation and if this had any bearing on the Cowlairs incident, Mr White assured Committee Members that this risk was not related to the issues experienced at the Decontamination Unit at Cowlairs.

In response to comments from Members with regards to the risk related to the financial challenge, Mr White agreed that the risk had reduced as the likelihood had reduced, therefore while the impact would remain the same, the likelihood risk level would be reduced to level 3.

**Director of
Finance**

Discussion took place about the consistency of the methodology applied in terms of tolerated risks. The Committee noted that it was possible to have high impact, high likelihood risks which require to be tolerated despite best efforts to mitigate the risk.

**Director of
Finance**

In response to comments from Committee Members with regards to capital commitments, Mr Steele assured the Committee that work was underway to develop an Estate Development Strategy and Board Members would welcome a first draft of the Strategy at the June 2019 Board meeting.

**Director of
Estates and
Facilities**

Mr Brown thanked Mr White for the overview, and the Committee were content that there was adequate management of the risks.

NOTED

89. CAPITAL PLANNING GROUP – MEETING OF 9TH AUGUST 2018

The Committee considered the minute of the Capital Planning Group Meeting of 9th August 2018 [Paper No. CPG 04/18].

NOTED

90. PROPERTY COMMITTEE – MEETING OF 31ST JULY 2018

The Committee considered the minute of the Property Committee Meeting of 31st July 2018.

NOTED

91. CLOSING REMARKS AND KEY MESSAGES FOR THE BOARD

The Chair thanked the Committee and those in attendance. Mr Brown wished to note the Finance and Planning Committee's thanks to Mr Grant Archibald, who was recently appointed to the position of Chief Executive at NHS Tayside, for his input, support and highly valued contribution to the work of the Committee.

92. DATE AND TIME OF NEXT MEETING

Tuesday 5th February 2019 at 9.30am, in the Board Room , JB Russell House, Gartnavel Royal Hospital, 1055 Great Western Road, Glasgow, G12 0XH