

F&P (M) 19/01
Minutes: 01 - 17

NHS GREATER GLASGOW AND CLYDE

**Minutes of the Meeting of the
Finance & Planning Committee held at
9.30am on Tuesday, 5th February 2019 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	Ms M Brown
Prof Dame A Dominiczak OBE	

OTHER BOARD MEMBERS IN ATTENDANCE

Ms J Grant	Mr M White
Dr J Armstrong	

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

Mr J Best	..	Interim Chief Operating Officer, Acute Division
Mrs E Vanhegan	..	Head of Corporate Governance and Board Administration
Mr Tom Steele	..	Director of Estates and Facilities
Mrs A MacPherson	..	Director of HR and OD
Mr Colin Neil	..	Assistant Director of Finance, Acute Division
Mr Alan McCubbin	..	Head of Finance – Capital & Planning (For Item 08)
Ms Danyele Higgins	..	Scott-Moncrieff
Mrs G Mathew	..	Secretariat Manager

01. WELCOME AND APOLOGIES

Apologies were intimated on behalf of Mr Ian Ritchie and Cllr Sheila Mechan.

02. INTRODUCTORY REMARKS

Mr Brown noted the key topics for discussion today including the finance position 2018/19, the financial planning process for 2019/20, progress on the Moving Forward Together Programme, an update on Vascular Services, an update on the Queen Elizabeth University Hospital site, a progress update on the decant of the Yorkhill site and a review of the Corporate Risk Register.

NOTED

03. DECLARATIONS OF INTEREST

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

NOTED

04. MINUTES OF PREVIOUS MEETINGS

a. Minutes of the meeting of the Finance and Planning Committee of Tuesday 4th December 2018

On the motion of Dr Donald Lyons, and seconded by Mr Allan MacLeod, the Minutes of the Finance and Planning Committee meeting held on 4th December 2018 [F&P(M)18/06] were approved and accepted as a full and accurate record of the meeting.

AGREED

05. MATTERS ARISING

a) Rolling Action List

The Committee noted the current Rolling Action List [Paper No 19/01].

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

Mrs Brimelow requested clarity on the action detailed under Minute No. 84 – GP Out of Hours Service Performance, of the Rolling Action List. Mrs Brimelow was keen to ensure that the actions described included the long term planning arrangements for the service, as well as the short term operational issue. Mr Best provided an overview of the short term actions underway including the development of a Redirection Policy and patient information leaflets, continued work with NHS 24 and an extensive communications campaign. It was noted that governance of the operational function of the service was reported to the Acute Services Committee; however Mrs Grant and Mr Best would discuss the reporting mechanism for longer term planning arrangements of the service and would provide an update on this at a future meeting.

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

06. URGENT ITEMS OF BUSINESS

No urgent items of business were noted.

NOTED

**Chief
Executive/Chief
Operating
Officer**

07. REVENUE REPORT – MONTH 9

The Committee considered the Board's financial performance to Month 9 [Paper No. 19/02] presented by the Mr Mark White, Director of Finance.

Mr White advised the Committee that the report detailed the revenue position to Month 9, the Financial Improvement Programme position to Month 9 and the projections for both to 31st March 2019.

Mr White led Members through the report and noted that as of 31st December 2018, the Board reported expenditure levels of £19.3m over budget. This compared to £19.5m overspend reported at the previous month end however was better than the initial trajectory forecast of £40m. The Financial Improvement Plan tracker recorded projects totalling circa £56.3m on a FYE and £39.6m on a CYE. The current financial gap predicted for 2018/19 was £10m. 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 9 of £35.7m. Partnerships reported an underspend of £2.7m. Corporate Departments reported an expenditure overspend of £10.5m. Non recurring relief of £24.2m was factored in to support the financial position.

The main challenges within the Acute Division continued to be £32m of unachieved savings, £1.9m associated with pay and £1.4m associated with non-pay. Mr White commended the efforts to address pay spends, and noted a reduction in bank agency usage.

Mr White paused for questions from Committee Members.

In response to questions from Mr Brown in relation to the overspends reported within the Acute Division sectors and whether these were attributable to increased demand or delayed discharge, Mr White indicated that this was likely to be an element of both, however further analysis of this would be done towards the end of the financial year. Mr White agreed to bring back further detail on this to a future Committee meeting.

**Director of
Finance**

In response to comments from Committee Members in relation to the mechanism of the set aside budget, Mrs Grant noted that a national piece of work supported by NHS Ayrshire and Arran and NHS GG&C, was underway. Mrs Grant indicated that this was a complex process, and as such, was unlikely to be concluded for the start of the new financial year.

In response to comments from Committee Members in relation to consideration of financial planning from a whole system perspective, Mrs Grant and Mr White indicated that further work was required to ensure that Board Members had a comprehensive understanding of the full financial picture, including HSCPs. Mrs Grant and Mr White agreed to consider opportunities to engage with Board Members, IJB's and Chief Officers collectively, and would discuss this with Chief Officers and Chief Financial Officers in the first instance. Mr White also noted that he would be happy to attend IJB Seminars to provide an overview of the financial position.

**Director of
Finance/Chief
Executive**

Overspends within medical and nursing salaries of £3.1m and £2.3m respectively, continued to be a concern, and these areas remain a key focus for cost containment initiatives. Mr White noted progress to eradicate the overspend within nursing salaries, with the Month 6 to Month 9 figures indicating an improved position.

Ms Brimelow commended the work of teams to reduce overspends within nursing salaries, and asked if there was a link between a reduction in overspends and a reduction in sickness absence. Mr White indicated that any changes in staffing levels would have an impact on the financial position.

Mr White described the Corporate Directorates expenditure overspend at Month 9 of £10.5m. Partnerships reported expenditure underspend of £2.7m, however, prescribing and winter remained the most likely financial pressure area for HSCPs.

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.

Mr White noted the progress of the Financial Improvement Programme and indicated a slight decrease in the overall figure of £56.3m on an FYE and £39.6m on a CYE. Areas which had performed well included drugs, non pay controls, and income. Staffing, Outpatients, Estates and Facilities have also made good progress. A number of other Workstreams, such as the Acute Operational scheme related to Theatres, Beds and Diagnostics have all made good progress in amending and improving underlying systems and processes. Mr White indicated that it was fundamental that improvements continued to 2019/20 in areas such as the Model Hospital, benchmarking, Workforce Redesign programme and Diagnostics demand.

Mr White paused for questions and comments from Committee members.

Mr Finnie wished to note thanks to Mr White and the team, for their efforts to improve the financial position. Mr Finnie felt it was clear that the rigour with which this has been approached was evident within the report.

In response to questions from Committee members with regards to the Small Change Matters project, Mr White indicated that the project had been successful and advised that approximately 400 submissions had been received from staff members. A number of ideas had been progressed, with changes implemented successfully. Further development of the programme would take place in 2019/20. An evaluation of the project would be undertaken and presented to the Committee in due course.

**Director of
Finance**

Mr White went on to note the current assessment of the projected 2018/19 financial position and out-turn. The initial financial assessment outlined in the Operational Plan submitted to SG in February 2018 highlighted a potential financial gap of £49m, hence the requirement for utilisation of non recurring funds to manage the in-year position. This anticipated gap has, as previously reported, been reduced in year due to an increase in savings and cost containment actions. From the Mid-year review a number of cost pressures were highlighted including the water issue at QEUH campus, demolition costs related to the fire at Stobhill Hospital site and additional winter cost pressures of £4m accounted for within the revised Financial Plan. Additional pressures have emerged and include the impact of the closure of Cowlairs

Decontamination Unit, and potential settlement of 'paid as if at work' claims which were still being quantified.

Mr White also indicated a number of non-recurring gains, including the accounting adjustments for the National New Medicines Fund which was expected to yield £2m more than anticipated, additional discount clawback and rebates of £1.5m in relation to Acute prescribing, the capital charges budget was anticipated to be less than originally budgeted, the delay in major capital schemes such as Rowanbank, the sale of the former Johnstone Hospital site, and required increase, as instructed by Audit Scotland, of the road traffic income accrual. Taking into account the adjustments noted, the Board was predicting a £10m deficit at 31st March 2019. Additional cost control measures have been implemented for the last quarter.

Mr Brown thanked Mr White for the update and invited comments and questions from Committee members.

Clarity was sought in relation to the Scottish Government announcement that Boards were now required to break even over a three year period, and the mechanism by which this would be agreed. Mr White clarified that the focus remained on managing a break even position on an annual basis, however noted that should there be an opportunity to improve the financial position over a three year period, by utilising this provision, this would be brought to the Committee for consideration and agreement.

Chief
Executive/Chief
Operating
Officer

In response to questions from Committee members in relation to additional recurring costs associated with the water issue at the QEUH campus, it was agreed that Mrs Grant and Mr White would clarify that the Acute Services Committee were made aware of this, and would update the Committee at the next meeting.

In summary, the Committee noted the Revenue Position at Month 9, the Projection to 31st March 2019 and the Financial Improvement Programme progress. The Committee noted the £19.3m overspend at Month 9, which was expected to fall to £10m by the year end. The Committee noted progress of the Financial Improvement Programme of £39.6m on a CYE. The Committee noted ongoing efforts to achieve a break-even position by year end.

NOTED

08. CAPITAL REPORT – MONTH 9

The Committee considered the Capital Report and Dashboard 2018/19 as at 31st December 2018, [Paper No. 19/03], presented by Mr Mark White, Director of Finance. The Committee welcomed Mr Alan McCubbin, Head of Finance – Capital and Planning, to the meeting. Mr McCubbin provided an overview of the current capital position, highlighting that the available capital resources for 2018/19 amount to £59m. This figure includes all recent changes made since the last meeting of the Committee, and results in a net increase in resources of £6.7m. This chiefly relates to an allocation of £4.6m central funding from SGHSCD in respect of the National Diagnostic Imaging Replacement Programme, to enable the replacement of two Gamma Cameras at Glasgow Royal Infirmary (GRI), one Gamma Camera at Gartnavel General Hospital (GGH), two CT scanners at GRI and Inverclyde Royal Hospital (IRH) and a MRI at the INS on the QEUH campus. Further central funding of £1.6m had also been received to progress additional Minor Works schemes in the current year.

Mr McCubbin went on to note the main expenditure pressures including the delay associated with the Rowanbank Clinic scheme, whilst the national review of pathways for women through Forensic Mental Health Services was progressed. Mr McCubbin also noted a delay in work to create seven negative pressure rooms at QEUH, after it was identified that, as a result of the enhanced air flow requirements associated with such facilities, new plant needs to be installed.

The current unallocated capital budget was reported as c. £1.7m, however Mr McCubbin indicated that the figure was forecast to increase to c. £6.9m, chiefly as a result of recognising the revised timescale associated with Rowanbank Clinic, the recent reprofiling expenditure on the new Woodside Health & Care Centre Hub Scheme and forecast slippage on the negative pressure rooms at QEUH. Mr McCubbin indicated that Mr White had been in discussion with colleagues at Scottish Government to reach agreement that the balance would remain within the control of the Board to be used to optimise the overall Capital and Revenue out-turn position for 2018/19.

Mr Brown thanked Mr White and Mr McCubbin for the update and invited comments and questions from Committee members.

Clarity was sought in relation to the mechanism for agreeing the use of the c. £6.9m to support the overall out-turn position for 2018/19. Mr White advised that this was one of the areas identified as being available to provide non recurring support to the Board's forecast financial position at 31st March 2019 and indicated the Committee would be asked to consider and agree this position, for further ratification by the Board. Once the c. £6.9m had been utilised to optimise the 2018/19 out-turn position, it would not then be available for capital use in the following year. Ms Sweeney noted concerns regarding use in this way, given that work was required on the estate and asked if it was possible to use this balance to undertake works in year, or to address the maintenance backlog. Mr White indicated that extensive work had been done to accelerate as much of this work as possible, to assist in addressing maintenance backlog in the current year. It was also noted that, given that the Board were now approaching the financial year end, it was unlikely that works commenced now, would be accounted for in the current year. Mr McCubbin also expressed concern that there remained significant spend to be achieved by the conclusion of the financial year, and therefore felt there was a risk that beginning smaller works projects could be detrimental to maintaining focus on the delivery of existing schemes.

In summary, the Committee considered and noted the Capital Dashboard for 2018/19 and expenditure levels as at 31st December 2018; noted that, based on current forecast spend and programme information it was anticipated that the balance of the unallocated capital budget would increase from c. £1.7m to c. £6.9m; and, noted that the outcome of the national review of pathways for women through Forensic Mental Health Services was awaited.

NOTED

09. FINANCIAL PLANNING PROCESS 2019/20

The Committee considered the paper '2019/20 Financial Outlook – Initial Draft (February 2019), [Paper No. 19/04] presented by the Director of Finance, Mr Mark White. The paper provided the Committee with an initial overview of 2019/20 financial projections and underlying assumptions. A formal plan would be presented to the Board in April 2019.

Director of Finance

Mr White noted the fundamental principles described in the paper including Waiting times improvement; investment in mental health; delivering greater progress and pace in the integration of health and social care; and, evidencing a further shift in the balance of spend to mental health and to primary, community and social care.

Mr White indicated that NHS Territorial Boards would receive a minimum baseline uplift of 2.5%. Nationally, an additional £149m investment across core areas was also noted. These included an increase of £35m for primary care; £90m to support waiting times improvement plan; £14m to support mental health and CAMHS; and £10m for the implementation of major trauma networks and the cancer strategy. Mr White also noted a total of £160m to HSCPs to support integration, Living Wage, up rating of free personal care, school counselling services, and to support the Carers (Scotland) Act 2016 to extend free personal care to under 65s.

Mr Brown thanked Mr White for the update and invited comments and questions from Committee members.

In response to comments from Committee members, regarding the table detailed on page 8 of the report, Mr White clarified that the purpose of this was to demonstrate areas which were within the Boards remit and those which were not. However, Mr White would be happy to consider describing this in a clearer way.

Director of Finance

In response to questions from Committee members regarding the additional monies and if any overspends would be offset against this, Mr White clarified that any overspends would remain. The funding cannot be used to support overspends and must be used to create improvements in the areas described.

Following discussion about the causes of the current demand on Acute Services, Mrs Grant clarified that this was a multi-faceted issue, which was not necessarily in relation to one specific area of concern. Mrs Grant noted a range of areas which required to be considered and stressed the importance that this be addressed on a whole system basis, involving a wide range of colleagues including Chief Officers and IJBs. Mr Finnie noted disappointment that despite raising this issue some time ago, both within the Board and at IJBs meetings, the issues remained unaddressed. Mrs Grant assured Committee members that an extensive discussion took place at the recent Acute Services Committee meeting, where it was agreed that Mrs Grant would develop a paper detailing the underlying issues and actions to address these.

Chief Executive

In summary, the Committee considered and noted the contents of the report, and would expect a further paper to be presented in due course.

NOTED

10. MOVING FORWARD TOGETHER UPDATE

The Committee considered the paper 'Moving Forward Together: Implementation Phase Update' [Paper No. 19/05] presented by the Medical Director, Dr Jennifer Armstrong and the Chief Operating Officer, Mr Jonathan Best. The Committee were asked to note the update on progress made in the implementation phase of the Moving Forward Together Programme.

Mr Best provided an overview of the main areas progressed since the last update to the Committee in October 2018, and subsequent update to the December Board Meeting. An Executive Group had been created, which brings together the Programme's senior leaders. The next meeting of the Group will take place on Thursday 6th February, at which members will hear a presentation by the Older Peoples Workstream Group. The Executive Group were now beginning to review first productions of the Project Initiation Documents for each workstream group, development of case for change and sessions with clinicians. The Stakeholder Reference Group had been established and a programme of engagement with the public and staff was underway. The report detailed a series of events, developed in partnership with HSCPs, and Mr Best encouraged all Board members to consider attending these if possible. Initial feedback from these sessions has been positive, particularly in relation to the tiered model of care. Mr John Barber, Patient Experience & Public Involvement Manager, has been attending a number of HSCP and Locality events.

Dr Armstrong went on to note the key areas of development in relation to the regional work. Dr Armstrong noted that she currently chairs the Trauma Group, which was considering how best to develop the trauma network clinical model. Dr Armstrong also noted the establishment of a Clinical Reference Group and consideration was also being given to areas such as rehabilitation provision and partnership working with the Scottish Ambulance Service. Discussions were underway with colleagues and a further detailed plan would be developed and presented to the Committee in due course.

**Medical
Director**

Mr Brown thanked Dr Armstrong and Mr Best for the update and invited comments and questions from Committee members.

Ms Brown welcomed the paper and was pleased to note the direction of travel, however noted concerns regarding the capacity within the senior team to manage the redesign, implementation of the strategy and governance, along with the performance and operational issues of the organisation. Ms Brown was also pleased to note the level of engagement and consultation with the public and staff.

Mrs Grant acknowledged Ms Brown's concerns, and advised the Committee that Mr Best had recently been appointed to the post of Chief Operating Officer. In light of this development, an appointment was made to the post of Associate Director of Planning. Dr Armstrong went on to advise that an additional fixed term post was in the process of being appointed, to support the Moving Forward Together Programme of work.

Mrs Grant advised that following presentation of a paper to the Remuneration Committee; a number of posts had been agreed including, the Director of Access post which would be undertaken by Mr Alan Hunter. Two additional posts to support the

Chief Operating Officer post had also been agreed, these being, Acute Division Chief of Medicine and Acute Division Chief of Nursing. Mrs Grant was confident that the addition of these posts would address the concerns regarding capacity.

In response to questions from Committee members in relation to the timescales for the completion of the work detailed within the report, it was agreed that a Programme Implementation Plan, detailing timescales and the 3 year financial plan, would be developed and presented to the Board Meeting in April.

**Medical
Director**

In response to comments from Committee members regarding engagement with young people, it was highlighted that the Digital Strategy, developed by Mr William Edwards, Director of eHealth, had previously been presented to the Committee and assurances were given that the Strategy was very much linked with the Moving Forward Together Programme.

In response to questions from Committee members in relation to the engagement events, Mr Best agreed to circulate the presentation packs for both the staff engagement events and the public engagement events to members of the Committee.

**Chief Operating
Officer**

Concerns were raised regarding the level of awareness of the Programme amongst elected member colleagues, and it was agreed that further opportunities to engage with MSP/MP colleagues would be considered.

**Chief
Executive/Chief
Operating
Officer**

In summary, the Committee were content to note progress made in the implementation phase of the Moving Forward Together Programme and would anticipate further updates in due course.

NOTED

11. VASCULAR SERVICES

The Committee considered the paper 'Vascular Services' [Paper No. 19/06] presented by the Medical Director, Dr Jennifer Armstrong and the Chief Operating Officer, Mr Jonathan Best. The Committee were asked to note the ongoing work to support NHS Forth Valley to ensure provision of Emergency and Urgent Vascular care.

In response to questions from the Committee, Mr Best clarified that this would be a 'treatment only' arrangement, which would not have an impact on NHSGG&C financial position. Patients treated under this agreement would be repatriated to NHS Forth Valley for rehabilitation treatment and care.

Mr Brown thanked Dr Armstrong and Mr Best for the update.

In summary, the Committee noted the ongoing work to support NHS Forth Valley and were supportive of the arrangement.

NOTED

12. QUEEN ELIZABETH UNIVERSITY HOSPITAL UPDATE

Mrs Jane Grant, Chief Executive, provided a presentation to the Committee regarding action being undertaken regarding the QEUH facility and the current infection control position in NHSGG&C.

A number of issues had arisen within the facility, including the recent water issue and the ventilation. The approach incorporated three main elements, these being, an NHSGG&C commissioned review of the facilities and environmental issues in respect of the QEUH including a review of the capacity and flow to assess the position now, against the original planning model assumptions for the site and across NHSGG&C and a review of the clinical outcomes for the period. A Programme Board was being established, Mrs Grant would assume the role as Chair. A detailed report would be provided to NHSGG&C Board. In addition, Mrs Grant noted that the Cabinet Secretary would shortly announce the intention to carry out an Independent Review of the QEUH.

Chief Executive

Mrs Grant noted that further papers developed by Mr Tom Steele, Director of Estates and Facilities, Dr Jennifer Armstrong, Medical Director and Mr Jonathan Best, Chief Operating Officer, would be presented to the next meeting of the Acute Services Committee, the Finance & Planning Committee and the Clinical & Care Governance Committee, which would provide further detail on the NHSGG&C review being undertaken.

**Director of
Estates and
Facilities/Medical
Director/Chief
Operating Officer**

In response to questions from Committee members in relation to the scope of the review, Mr Steele indicated that the review would consider the QEUH and the RHC buildings. A general health check of the INS building would be undertaken; however this would not form part of the review.

In response to concerns from Committee members regarding the number of verbal reports provided to the Committee in recent months about a number of issues, Mr Steele agreed to develop a short update report to include external panels, windows, air and ventilation issues and water issues. The report will detail the current position and the actions being undertaken to address these.

Dr Armstrong went on to provide an update to Committee members of the recent infections reported at QEUH and GRI, those being, Cryptococcus, Mucor and Staphylococcus aureus Bacteraemia(SAB). Dr Armstrong noted a number of actions being undertaken to control and identify the source of the infections.

Mrs Grant wished to thank all colleagues and staff for their continued support throughout this time. Further updates would be provided to Committee members in due course.

Chief Executive

Mr Brown thanked Mrs Grant and Dr Armstrong for the update and the Committee would anticipate further updates as the situation progressed.

APPROVED

13. CORPORATE RISK REGISTER

The Committee considered the paper “Extract of the Corporate Risk Register” [Paper No. 19/07], 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 and invited comments from members.

Following comments from Committee members in relation to the description and language used to detail the risks, it was agreed that Mr White and Ms Vanhegan, Head of Corporate Governance and Administration, would review and amend the risk descriptions. A further paper would be presented to the Committee in due course.

**Director of
Finance/Head of
Corporate
Governance and
Administration**

NOTED

14. YORKHILL SITE DECANT UPDATE

The Committee considered the paper ‘Yorkhill Site Decant Update’ [Paper No. 19/08] presented by the Director of Finance, Mr Mark White. The Committee were asked to note the progress and position with the project to vacate the Yorkhill site, including the work to date and the position with the proposed moves. Mr White invited comments from Committee members.

Committee members welcomed the report, however concerns were raised in relation to the perceived lack of inclusion of an exit strategy for Yorkhill within the original development plans of the QEUH campus. Mr White noted this was a combination of a number of factors, however provided assurances to the Committee that this was now being addressed. A number of complex issues required to be considered, including the Moving Forward Together Programme, a number of service developments and the current issues within the QEUH. Mr White assured the Committee that focus remained on vacating the Yorkhill site and the senior executive team were fully committed to doing so.

Mr Brown thanked Mr White and Mr Best for their efforts to address this complex issue and was pleased that progress had been made.

The Committee noted the paper and were content to receive progress updates at each Committee meeting.

**Director of
Finance**

NOTED

15. CAPITAL PLANNING GROUP – MINUTES OF MEETINGS

The Committee considered the minute of the Capital Planning Group meeting of 10th October 2018 and 12th December 2018.

NOTED

16. CLOSING REMARKS AND KEY MESSAGES FOR THE BOARD

The Chair thanked the Committee and those in attendance. Mr Brown remarked that the meeting had been productive and pleased to note a more cohesive approach by

Committee members in considering whole system issues.

17. DATE AND TIME OF NEXT MEETING

Tuesday 2nd April 2019, at 9.30am, in the Board Room , JB Russell House, Gartnavel Royal Hospital, 1055 Great Western Road, Glasgow, G12 0XH