



**Performance Governance Committee – Minute of Meeting  
Thursday 30 July 2020  
Via Microsoft Teams**

**1.0 Attendance**

**Present: Non-Executive Members**

Bob Martin	Chair
Laura Brennan-Whitefield	
Ewing Hope	
John Rainey	
Linda Semple	

**Board Advisor/Ex-Officio**

Lesley Bowie	Chair
John Burns	Chief Executive
Kirstin Dickson	Director for Transformation & Sustainability
Derek Lindsay	Director of Finance

<b>In Attendance:</b>	Joanne Edwards (item 5.5)	Director for Acute Services
	Frances Forsyth	Committee Secretary (Minutes)

**1.1 Apologies**

Michael Breen

**2. Declarations of interest**

There were none.

**3. Minutes of the previous meeting – 3 March 2020**

The minutes were approved as an accurate record. Approved by John Rainey

**4. Action Log**

4.1 Internal Audit of Theatre utilisation and improvement.

The Director of Acute Services explained that completion of the audit recommendations had been delayed due to COVID-19. However, there had been progress in revisions to the governance structure with the creation of an oversight group at both Acute sites which would provide an independent view of monitoring and reporting of theatre utilisation and a performance report had been developed to provide utilisation data for this group.

To address the second audit recommendation a Standing Operating Procedure for recording data entries on Opera had been drafted.

**Outcome:** It was noted that actions had been progressed but not fully completed due to the management of COVID-19, a new target date of September 2020 had been set.

#### 4.2 Internal Audit: Unscheduled Care

An update on actions being taken to address the audit recommendations was provided for the Committee by the Unscheduled Care Improvement Advisor.

**Outcome:** Delays to the original target dates were noted but actions were being progressed.

#### 4.3 Capital Plan 2020/21

Details of £2.56 million investments being made in electro medical equipment this year were provided for information.

#### 4.4 All other action items were complete.

### 5. Finance and Service Performance

#### 5.1 Agency spend

The Director of Finance explained that this was an annual report which provided an update to the Committee and showed the agency expenditure on different categories of staff over the last 10 yrs. 2019-20 saw an increase in agency nurse spend largely due to additional beds having to be opened. There had been very little agency spend on nursing staff so far this year, so it was hoped that expenditure would go back to the 2018-19 level.

It was noted that 70% of the total agency spend is on medical locums. The pattern of expenditure over the last 10 years showed a year on year rise to a peak of £9.45 million in 2016/17, largely due to consultant vacancies. Since 2016-17 there had been a concerted focus on reducing this expenditure by £1 million each year with measures such as the direct engagement model which gave savings in VAT and the employment of Clinical Fellows which had significantly reduced expenditure on junior doctors; expenditure on non-consultant grades in 2019-20 had reduced to £1.2 million which was a notable success.

Expenditure on consultant grade staff had remained quite static over the last 4 years which was the result of continuing vacancies. Committee members heard that this situation was discussed regularly by the CMT and that monthly meetings chaired by the Medical Director and attended by the Finance, Acute and HR Directors were focussing on medical spend with a target for a further £1 million reduction on medical expenditure in 2020/21. Where locums had been in place for a number of years attempts were being made to recruit them into these roles or to redesign services utilising different a different skill mix. There was also considerable work being undertaken by HR to recruit into substantive posts.

The Chair asked whether the Safe Staffing Act to cap agency fees had been introduced. The Director of Finance responded that the Bill had passed into law but reporting of exceptions to the Scottish Government had not yet been implemented. The Chief Executive noted that the Safe Staffing Act was due to be enacted next year which would have significant implications for the Board and across the whole of the care sector. More detailed discussion of this would be required at the Performance Governance and/or Staff Governance Committee at a later date.

One of the Committee members asked about the re-categorisation of some staff. The Director of Finance explained that where a vacancy can be filled using an NHS locum the cost is the same as for a substantive post and therefore can be excluded from agency costs. The majority of other staff re-categorised are IT contractors where funding has been received to bring in particular skills for a specific project and these are now categorised as 'contractors' rather than agency.

The Chief Executive commented that reducing agency spend was linked to service reform and the ambition to have the best workforce, attracting staff to achieve a sustainable service. Bringing forward new models of service where not all functions needed to be carried out by doctors but may be provided by Allied Health Professionals was one way of achieving sustainability.

One of the Committee members asked what the impact of the COVID response was on agency spending. The Director of Finance responded that the figures for the end of June showed that there had been less expenditure than in the same period last year indicating that COVID had not had an adverse impact.

**Outcome:** The Committee discussed in detail all categories of agency spend and recognised and approved the steps being taken to mitigate this expenditure.

## 5.2 Financial Management report – month 3

The Director of Finance presented the financial position at 30 June 2020 noting that the financial position at month 3 was a £3.1 million deficit. Committee members heard that the position was unusual due to costs incurred for responding to COVID which were detailed in the report. The Director of Finance explained that it was assumed the Board would receive income from Scottish Government which would net off these costs; underspending of over £2million for supplies in areas

such as theatres, orthopaedics, drugs and vaccinations would have to be offset against additional expenditure for COVID.

The impact of the pandemic on Efficiency Savings Plans was detailed in the paper and had been discussed by the Corporate Management Team as part of the Quarter One review. The Scottish Government had accepted that there would be slippage with these plans and that Covid funding would need to cover that.

The Director of Finance confirmed that the reason why there was an overspend being reported in spite of reduced activity, was that the Board has an underlying deficit budget into which expenditure feeds on a month by month basis.

The Director of Finance noted that prescribing budgets for the three Partnerships had been rebalanced; this section would be amended in the paper to be presented to the Board on 17 August. There is an emergent overspend on primary care prescribing due to price increases.

The Chair asked whether provisions had been made to cover additional costs which GPs may incur in administering the winter flu vaccination programme which was to be extended as well as to take account of COVID restrictions.

The Chief Executive advised that there was to be a blended approach to delivering the flu programme and this would include creating capacity with additional premises where required. The Board's re-mobilisation plan two, would include a section on flu vaccine planning, including the extension of the programme and how to address those who have been shielding. GPs had engaged positively with these plans

**Outcome:** The financial position at the end of month 3 was noted.

### 5.3 COVID-19 Expenditure

The Committee was provided with detailed spreadsheets showing the accumulating costs of COVID, these were initially projected costs with actual costs for the first quarter having been added both for the Board and Health and Social Care Partnerships.

It was noted that costs associated with the Clinical Assessment hubs are shown under costs for the Health and Social Care Partnerships (HSCPs) as directed by Scottish Government. Also included under HSCPs were sustainability payments for care homes where there are vacant beds and for the purchase of Personal Protective Equipment (PPE).

There is little cost to the Health Board for PPE as the majority of this has been issued from the National Distribution Centre at no cost.

The Director of Finance advised the Committee that the spreadsheet is updated regularly and was initially reported on a weekly basis to Scottish Government, though this is now monthly. As yet there have been limited financial allocations from Scottish Government to cover Health Board costs but £50 million nationally

has been distributed to cover council costs on PPE and also £10 million allocation for the Hospice to cover loss of income for them.

Committee members heard that Scottish Government intend to allocate funding to cover first quarter costs to Health Boards at the end of September based on actual costs. This does not create any cash flow issues for the Board.

The Director of Finance noted that Scottish Government has received £1.3 billion of COVID-19 funding from the UK Government, however current estimates submitted by Boards exceed this.

**Outcome:** The PGC noted the actual and forecast expenditure on the Board's response to the COVID-19 pandemic.

#### 5.4 Performance Report

The Director for Sustainability and Transformation noted that the focus of the report had moved to highlight the impact which the management of COVID and changes in how services were being used was having.

Performance statistics for Unscheduled Care appeared to have improved but Committee members were reminded that these had to be taken in the context of fewer people attending Emergency Departments and Clinical Assessment Units (CAU) during the pandemic and therefore fewer being admitted as inpatients. The paper discussed changes to the way services are delivered in future drawing on experience gained from the response to the pandemic.

In the section on Planned Care the paper discussed what had happened in the reporting period during which services had been paused and the mode of delivery changed. Changes included conducting patient appointments by telephone and video in some cases. The impact of this on waiting times and the challenges in areas such as diagnostics were noted.

The Committee Chair expressed shock at how quickly beds had filled up at University Hospital Crosshouse (the report presented to this meeting of the Performance Governance Committee described the position in May, a report to Board had included figures for June, which showed that activity levels had returned pretty much to normal). This led to concern about how the Board would cope with winter pressures should there be a resurgence of COVID.

The Director for Transformation and Sustainability suggested that the rapid return to near normal bed occupancy and increased length of stay may result from a backlog of people not attending at the start of the pandemic who are now attending in a more urgent state and requiring a longer hospital stay.

One Committee member commented that it would be useful to see more analysis of whether the COVID triage approach had led to more appropriate attendance at Emergency Departments and CAU and less admissions to inpatient beds. Could lessons be taken forward as a template for 'business as usual' which would prevent beds becoming overwhelmed? The Director for Transformation and Sustainability

responded that changes in practice were being reflected in the re-mobilisation plan two, and the re-shaping of unscheduled care to create a sustainable approach ensuring that people were accessing services in the right place at the right time.

The Chief Executive confirmed to Committee members that it was recognised that the redesign of urgent care services is critical and that understanding how patients could be cared for through different pathways was an important part in plans for the winter.

A Committee member asked if there were reports on the use of community pharmacy activity over the period and heard from the Chief Executive that this was an area of focus since the launch of 'Pharmacy First'. The Chief Executive also noted that the Board would be working with the Chief Officer for the East HSCP to look at Optometry and GP services. The Committee member felt that data about re-directed services would be welcomed by the Committee.

The Director for Transformation and Sustainability was asked what the position was in relation to cancer care and responded that it was likely that there would be a surge in demand due to people not seeking referral during the initial COVID period. Committee members heard that there was statistical modelling being undertaken nationally to assess areas such as this.

**Outcome:** Committee members discussed the effect that the Board's response to the COVID-19 pandemic was having on services.

## 5.5 Internal Audit review of Waiting Times – DNA and CNA Management

The Director of Acute Services explained that this review had been conducted at the start of the year and had been received by the Audit Committee at its meeting in March.

Two audit recommendations had been made in the report. The first was around the recording of DNA and CAN decisions on the clinical portal to ensure that the clinical decision to remove a patient from the waiting list or schedule a new appointment should be better documented. This action was in progress, staff had been assigned to review what changes were needed to the portal following which the Standard Operating Procedures would be updated and clinicians asked to update their practice to ensure consistency. The original target date for completion of this action had been delayed from July until October 2020.

Committee members suggested that, given the concerns raised in the report about DNA and CNAs, particularly in Gastroenterology and Ophthalmology, an implementation date of October 2020 was too late. The Acute Services Director agreed that the points raised were important and would speak to the clinicians involved to see whether the actions could be brought forward.

One Committee member commented that, given the amount of work being done around patient pathways in relation to COVID, October was possibly a realistic timeframe because actions must align with the mobilisation plan and new way of working. It was also noted that there would be a requirement to start to monitor

more closely reasons for DNA where there were concerns regarding COVID or the requirement to isolate. The Director of Acute Services gave assurance that the system did have enough granularity to record these reasons.

The second action related to governance arrangements for the Acute Services Waiting Times Group. The Acute Services Director told the Committee that revised Terms of Reference for the group had been drafted which would allow the action to be resolved within the next couple of weeks.

**Outcome:** The status of actions to address the recommendations in the internal audit report was noted. Committee members asked that the actions be completed as early as possible. An update on progress would be provided to the Audit Administrator.

**Action: Joanne Edwards**

## **6. Investment Scrutiny**

### **6.1 National Secure Adolescent Inpatient Service**

Committee members noted the approval of the outline business case for the National Secure Adolescent Inpatient Service and mandate to take this forward to a full business case. The Committee was reminded that this facility would be built alongside Woodland View but would be nationally procured and would serve the whole of Scotland.

The Director of Finance advised the Committee that the full business case should be available within the next month or so and sought their agreement to call an extra-ordinary meeting to approve this in order that progress through the governance route prior to submission to the Scottish Government Capital Investment Group should not be delayed. The Chair agreed to a meeting for this purpose; a date would be circulated to Committee members once timings were confirmed.

**Action: Frances Forsyth**

**Outcome:** The Scottish Government acceptance of the outline Business Case was noted.

### **6.2 Arran War Memorial Hospital Initial Agreement**

Committee members noted that the initial agreement for Arran Integrated Island Services, which was part of the 'Caring for Ayrshire' programme, had been to a previous meeting. The Scottish Government Capital Investment Group had requested clarification of some issues, these points had been addressed in the revised initial agreement presented to the Committee.

**Outcome:** Updates to the initial agreement were noted. The agreement would progress through the next stages of the governance process.

### 6.3 West of Scotland Vascular business case

The Director of Finance explained that in 2011 a national strategy concluded that a clinical network model supporting a large population was the best solution for the provision of specialist vascular services. Subsequently it was agreed that the West of Scotland should have two hubs, one at the Queen Elizabeth Hospital in Glasgow, the other at Hairmyers in Lanarkshire. Ayrshire, Lanarkshire and Dumfries & Galloway patients would receive complex care at Hairmyers with non-arterial, outpatient and rehabilitation care being provided by their local Health Board.

The Director of Finance explained that the intention was that the cost to NHS Ayrshire & Arran for the use of Hairmyers would be offset by removing costs associated with the current 24 inpatient beds in the vascular ward at Ayr. Similarly for theatre capacity, however facilities costs cannot be released and would therefore be an additional cost. It was likely that there would be a requirement for some investment in rehabilitation services for patients after acute care at Hairmyers. Ayrshire & Arran would also be required to contribute some capital towards the creation of a new Theatre at Hairmyers and some equipment would be transferred.

The Chief Executive advised the Committee that although the proposal would need to go to the Board for approval, it should be recognised that this was a clinically led safety driven change. The proposal would enable the delivery of a sustainable vascular service with Ayrshire patients receiving specialist vascular services in Lanarkshire and ongoing care in an Ayrshire & Arran community hospital or community setting.

The Employee Director noted that to enable this change to be cost neutral, some Ayrshire & Arran staff would have to transfer to Hairmyers or be redeployed internally. He cautioned that there may be a period where there were double running costs if staff didn't wish to move. The Chief Executive assured the Committee that the Board was working through this change with individual staff and that everything would be done to support staff during the change programme.

**Outcome:** The proposed model of the provision of vascular services within the West of Scotland was noted.

### 6.4 West of Scotland Regional Property Asset Management Strategy 2018-2028

The Chief Executive explained to Committee members that last year the Scottish Government had requested a regional Property Asset Management Strategy (PAMS). The West of Scotland group had brought together the PAMS from each Board (excluding the Golden Jubilee) to represent the range of issues relating to the asset base at a regional level. As the West of Scotland does not exist as a legal entity, the Board will not be asked to endorse the document. The Chief Executive noted that it was not clear what the Scottish Government planned to do with the document but believed it would inform Government and Health and Social Care Partnerships of infrastructure status and needs; the Chief Executive expected



that Scottish Government would either build on the regional documents or ask that local PAMS take account of areas arising in the regional document.

**Outcome:** The draft report was noted, approval would not be required from the Board.

## 6.5 Privately financed infrastructure investment

The Committee received the report on privately financed infrastructure (PFI) investment which was a national report prepared by Audit Scotland. The Director of Finance noted that there were 80 active PFI contracts in Scotland; East Ayrshire Community Hospital and the Maternity Unit at University Hospital Crosshouse were included in this number. Woodland View was one of the newer type of capital projects known as the Non Profit Distributing model (NPD).

Committee noted the timeline associated with privately financed infrastructure contracts in Scotland and heard that East Ayrshire Community Hospital was one of the first PFI hospitals in Scotland (opening in 2000), and would not revert to the NHS at the end of its contract. Discussions about this would be taken through the Integrated Governance Committee.

Part two of the report examined the finding that the 'NPD's use of private sector borrowing to build infrastructure projects is more expensive than using public sector sources of borrowing'

Part three looked at the use of hubs to deliver privately financed projects, noting that 'no further privately financed projects will be procured through the hub companies'. The Director of Finance explained that Health Boards and Local Authorities were shareholders in five public/private partnership companies, Ayrshire being in Hub South West along with Lanarkshire and Dumfries and Galloway. A change in the way the hub companies operate has meant all finance now comes from Scottish Government rather than private finance, however, they still have exclusivity for community based projects.

The Director of Finance noted that NHS Ayrshire & Arran would need to take note of the recommendations in this report in the context of the Caring for Ayrshire programme.

**Outcome:** The report on privately financed infrastructure investment prepared by Audit Scotland was noted.

## 7. 2021/22 Budget Setting

### 7.1 Budget setting and efficiency savings process

The Committee received the outline timetable for consideration and heard that cost pressures would be presented in January for consideration by the Performance Governance Committee following consolidation by the Corporate Management Team and in order to set the budget in February 2021.

The Chief Executive gave assurance to Committee members that workshops would be held at appropriate points and noted that it would be important to start discussions early with the Board as there would be complex issues to agree.

**Outcome:** The timetable for the budget setting process for 2021/22 was agreed.

## **8. Governance**

### **8.1 Annual Report and Terms of Reference**

The annual report presented the work which had been carried out by the Committee during 2019/20 in order to fulfil its remit. Two amendments to the Terms of Reference were noted.

**Outcome:** The Annual report was approved for submission to the Board. Amendments to the Terms of Reference were put forward for approval by the Board.

### **8.2 Performance Governance Committee Workplan**

Approval of the programme of work for the Committee during 2020/21 had been delayed due to the cancellation of the meeting in May, the workplan had been updated to reflect this.

**Outcome:** The Workplan for the Committee during 2020/21 was approved for submission to the Integrated Governance Committee.

## **9. Transformational Change Programme**

### **9.1 Portfolio for Transformational Change**

The Director for Transformation and Sustainability gave a verbal report noting that the Annual Operational Plan had been paused in February because of the pandemic which had meant that a number of the programmes in the transformation portfolio had been delayed. The Corporate Management Team were currently discussing the status of the 2020/21 programme with the intention to re-set this for the rest of the year and take plans forward to next year. The Performance Governance Committee would receive an update on the revised programme at its next meeting.

**Outcome:** Committee members noted the effect of the pandemic on the transformational change programme and would receive an update on plans for the remainder of 2020/21.

## **10. Key issues to report to the NHS Board**

As part of new Governance arrangements, Governance committees are required to agree points arising from the meeting which should be highlighted to the NHS Board prior to the approved minutes being submitted.

**Outcome:** Committee members agreed that the following discussions should be highlighted to the next Board meeting:

- A report on Agency Spend demonstrated the progress which the Board had made in reducing the expenditure on agency staff. The Committee discussed in detail all categories of agency spend and recognised and approved the steps being taken to mitigate this expenditure.
- The financial report for month 3 showed a deficit of £3.1 million. The position was unusual due to the effect of COVID; it was assumed that the costs for which would be recovered from the Scottish Government but that any underspends as a result of the pausing of normal services would have to be offset against expenditure incurred in dealing with the pandemic.
- Details of actual expenditure on COVID were provided for both the Health Board and Health and Social Care Partnerships. The Scottish Government would be allocating funding to cover the costs for the first quarter at the end of September.
- The Committee received the Unscheduled Care and Waiting Times Performance Report and discussed the effect of pausing normal services and the rapid return to normal levels of bed occupancy following the resumption of services and what this would mean in terms of coping with the coming winter period.
- The Committee noted the approval to take forward the outline business case for the National Secure Adolescent Inpatient Service to a full business case. It was agreed that an additional meeting of the Committee may be required to approve the full business case in order that it can be submitted to the Scottish Government Capital Investment group in November.
- The West of Scotland Vascular business case was discussed and note taken that this was a clinically driven change to ensure that specialist vascular services could be provided to Ayrshire & Arran residents.
- The timetable for the budget setting process for 2020/21 was agreed, including the requirement for Board workshops dedicated for this purpose.
- The Committee heard that managing the pandemic had resulted in the pausing of a number of the transformational programmes but noted that the CMT was in the process of re-setting the programme of work for the remainder of 2020/21 and updating the programme for 2021/22.

- The Annual report and Terms of Reference were approved for submission to the Board.

**Action: Bob Martin**

**11. Risk issues to report to the Risk and Resilience Scrutiny and Assurance Group**

**Outcome:** No further risk issues were identified.

**12. Any other competent business**

12.1 There was none

**13. Meeting Dates**

13.1 Date of next meeting

It was agreed that the meeting scheduled for 1 September would be cancelled. The next meeting will therefore be Tuesday 3 November at 09:30, Room 1, Eglinton House, Ailsa Hospital

11.2 Meeting dates 2020-2021

Date	Time	Venue
Tuesday 12 <sup>th</sup> January 2021	09:30	Room 3, Education Centre, UHA

Signature : Bob Martin

Date: 3 November 2020