



**Performance Governance Committee – Minute of Meeting  
Thursday 04 November 2021  
Via Microsoft Teams**

**1.0 Attendance**

**Present: Non-Executive Members**

Bob Martin (Chair)  
Ewing Hope  
Adrian Carragher  
Linda Semple

**Board Advisor/Ex-Officio**

Hazel Borland	Interim Chief Executive
Kirstin Dickson	Director for Transformation & Sustainability
Derek Lindsay	Director of Finance

**In Attendance:** Shirley Taylor | Committee Secretary (Minutes)

**1.1 Apologies**

Apologies were received from Lesley Bowie.

The chair advised that Adrian Carragher is joining the Performance Governance Committee as a Non-Executive member. Adrian brings a lot of experience which will be invaluable for the committee. Mhairi Kennedy has recently resigned as a Non-Exec Director and the chair wished to pass on thanks to Mhairi for her contribution on behalf of the committee.

**2. Declarations of interest**

None noted.

**3. Minutes of the previous meeting – 02 September 2021**

The minutes were approved as an accurate record.

**4. Matters Arising**

**4.1 Action Log**

Item 8.1 Risk register – This was clarified with Hugh Currie, the risk was added in error and should have been reported through Integrated Governance. This has now been removed and the action completed.

Item 7.5 Performance Report – This was presented at the Healthcare Governance Meeting on Monday 1<sup>st</sup> November. The action is now completed.

Item 7.1 – Finance and Service Performance – It was noted that medical staff contracts issued are for cross site working. The Director of Finance has met with colleagues and although appointments are made with pan Ayrshire contracts there are challenges with willingness to cover other sites. The Associate Medical Director has engaged some external facilitation to move things forward. The committee were agreeable for the action to be closed.

Item 9.1 – Remobilisation Plan – This was circulated to the board and is now complete.

Discussion took place around timeframes for completion and how these are expressed on the action log in keeping with governance principles. The current status shows the actions as not due however it would be expected that the actions would be completed for the meeting. This will be rectified going forward.

#### 4.2 Committee Workplan

The Workplan was received for information, no revisions to this were required.

### 5. Capital Cases and Programmes

#### 5.1 National Treatment Centre Approval Letter

The Director of Finance advised that the Strategic Initial Agreement for the National Treatment Centre was presented at the last meeting, following this it was circulated to the board and then considered at Scottish Government Capital Investment Group on 13<sup>th</sup> October. At that meeting the Panel were content with the Strategic Initial Agreement and advised that the process going forward could be done on a modified governance approach due to timescales.

The only part of the outline business case required at an earlier stage is the economic assessment (option appraisal). The principal supply chain partner, Balfour Beattie, has been appointed and will provide costs to support all options. The Economic Assessment will be submitted to the Scottish Government in January 2022 and the full Business Case will follow in March 2022.

It was noted that the Scottish Government have commended the high quality of the business case provided in such a short timeframe. Regular meetings are ongoing with Scottish Government Colleagues.

Communication has been released to staff in the form of a Daily Digest article advising of plans. It was noted that a version of the documentation will be published on the public domain however at this point it is unclear what can be shared. Information sharing and engagement work will commence internally with

staff in the near future however this will be high level and generic around the National Treatment Centre.

**Outcome:** The committee noted the approval letter.

## 6. Financial Management

### 6.1 Financial Management Report for 6 months to 30<sup>th</sup> September 2021

The Director of Finance reported that 100 extra temporary beds have been opened at Crosshouse and 50 at Ayr to meet covid and unscheduled care demand. These have been funded from covid funding and demands on both staff and services to support these extra beds is significant. The deficit after 6 months is £2.5m which has been consistent throughout the second quarter, with the year-end overspend projected at just over £4m. A meeting is taking place tomorrow with Scottish Government colleagues.

It was confirmed that we have received £25.9 million Covid funding to date however a further £24.6 million has been agreed giving a total funding of over £50m. This is over 70% of what was requested and gives a degree of assurance that Scottish Government will top up the additional covid funding we require in 2021/22.

An increase in staffing of about 700 whole time equivalents (WTE) since 2019/20 was noted. In excess of 400 extra staff contracted, with some on temporary contracts and also increases from the bank. We currently have 120 extra vaccination programme staff and 100 extra Test and Protect staff, most of which are fixed term, consideration is required to the need for staff in these areas recurringly. Some funding is available from Scottish Government for vaccinators on a more permanent basis. No information is available at the moment regarding what will be required in terms of test and protect.

It was noted that the total WTE of nursing staff is 5000. 86.4% of this is contracted hours, 10% from nurse bank and the rest being made up of overtime, agency and excess hours. In comparison within Medical staffing 96% is contracted hours. Junior medical staff are sometimes sought from the Glasgow Medical Bank. The remainder is NHS Locum staff and agency.

In terms of risk assessment and mitigation GP prescribing is likely to be overspent by £1.5m based on first 4 months information. There is a delay of around two months in getting prescribing information through.

The revenue plan included a 1% pay uplift for medical and dental staff which was budgeted at the start of the year. A 3% pay uplift was awarded for these staff with no confirmation from Scottish Government as yet that they will fund this difference of £1.5. This represents a risk of £1.5 million recurrently.

Questions were raised around Discovery Top Slice and the impact of this. It was noted that this is the Board contribution to an NSS system which is widely used within the organisation.

Discussion took place around the Chemotherapy review it was noted that this was paused due to the Pandemic and the nature of discussions required. Decisions were required on an interim basis and the day case chemotherapy service is now provided from Ailsa Campus, this was due to safety reasons and increased infection levels within the main hospital site. This has now been in place since last year and engagement with both staff and patients around the interim arrangement has been extremely positive. Some changes were also made to inpatient chemotherapy due to increased safety measures. It was agreed that a more permanent process is required starting with more extensive engagement to gauge people's thoughts around this.

Work is ongoing to scope the requirement for the vaccination programme and substantive appointments to this. There is a workforce risk for vaccination programme regarding sufficiency, the team are working this through and confirmation of the substantive funding very welcome.

The Employee Director noted that a letter was released yesterday around the buyback of annual leave which is expected to be funded nationally. A different scale is being offered this year and a paper is being provided to the CMT detailing options.

**Outcome:** The committee received the report.

#### 6.2 NHS Ayrshire and Arran Quarter 1 Position and Funding

The Director of Finance received a letter last week from Richard McCallum responding to the Quarter 1 covid submission. It was noted this gives the green light to the requirement with issues flagged around efficiency savings. A further £24.6 million will be allocated to meet covid and remobilisation costs, and the Director of Finance was confident the balance will be met in January 2022. The main issue is around savings. A member of the committee raised the challenge of making savings during the Pandemic with the Cabinet Secretary. Questions were raised with regard to monthly monitoring, it was noted that this was something that had taken place pre-covid and is not a cause for concern.

**Outcome:** The letter from the Scottish Government was noted.

#### 6.3 Winter Planning for Health and Social Care

The letter from the Scottish Government was noted for information. This involves an investment of £300m of extra recurring funding for health and social care. It is anticipated that most of this funding will go through the Local authorities. There are three areas identified where it is anticipated that NHS Ayrshire and Arran will be provided with some funding. These are recruitment of support staff at £15m, £20m for enhanced multi-disciplinary teams and £4m for staff care access to food and hot drinks. The CMT have requested plans around the prioritisation process.

**Outcome:** The committee received the letter from the Scottish Government

#### 6.4 Covid recurring funding required

The Director of Finance highlighted that consideration requires to be given to requirements for recurring funding of extra capacity which has been in place for the

last 18 months and engagement with Scottish Government Colleagues around these. Discussions have taken place with Lynne McNiven with regard to Contact Tracing and the Vaccination Programme and similarly with Joanne Edwards around the Acute Service requirement however there remains a lot of uncertainty. The increased use of beds within acute is due to demands of unscheduled care as well as Covid.

Discussion took place around vaccinators and what allocation has been received thus far. Public health are to receive recurring funding for capacity and £1 million recurring will be received for care home supervision, however it was felt that Scottish Government should be aware of the cleaning regimes and investment in this as well as staff wellbeing. It is assumed that testing via Lighthouse at Prestwick Airport will remain open, which could reduce the need for local testing at Crosshouse.

The Interim Chief Executive added that this is a discussion paper which has not yet gone through the Corporate Management Team regarding modelling. The Transformation and Sustainability team are currently working on the Scottish Government modelling data however it is unable to project very far in advance. There are a number of uncertain factors and it is not yet clear what the requirements will be. It was agreed that the Committee would be sighted on any progress in relation to this and the Director of Transformation and Sustainability will present on modelling at the January meeting.

**Action: Kirsti Dickson**

**Outcome:** The Committee noted the report which will be brought back once further updates are available.

## **7. Service Performance**

### **7.1 Delivery Plan Month 6 Report**

The Director of Transformation and Sustainability spoke through the routine report which advises of the position in terms of commissions and programmes of work within the delivery plan. There are currently 12 live commissions and 16 programmes of work.

The impact of system challenges is becoming apparent through highlight reporting with delays in commissions being reported due to other staff priorities. This is something which has been picked up at CMT with an action to understand the impact of the work being delayed and solutions to help solve some of the challenges in the system. It was also reported that there has been significant progress in the Prescribing work.

A question was raised in relation to the respiratory pathway commission and the increase in respiratory infections at the moment. It was noted this commission has not recommenced due to practitioners being allocated to other services.

The Committee felt it was important to report back to the Board how much work has been done considering the circumstances and assurance should be taken from the work that has been completed thus far.

**Outcome:** The committee noted the report

## 7.2 Performance Report

The Director of Transformation and Sustainability presented the routine Performance Report which is also presented to each Board. The report shows a very difficult position in relation to the challenges in the system and the impact this has on performance as well as the ongoing Covid activity and the impact of this. Unscheduled care demand across the system has resulted in cancellation of some elective and planned care activity and increased waits across the services. Ophthalmology has continued to function at capacity due to how service has been set up and runs on a day case basis.

Concerns were expressed regarding the ability to plan to remobilise more planned care as it is not anticipated that some planned care will restart between now and Christmas. January to March can also see a pause to some elective care due to increased numbers within unscheduled care. It was noted that there are other boards across Scotland in the same position and conversations are taking place with Scottish Government to identify any NHS Scotland wide learning.

From an unscheduled care perspective regular conversations are taking place with Scottish Government colleagues, data is being examined on a regular basis and some early data suggests that the lack of Outpatient appointments could be impacting on numbers of patients attending Emergency Departments. This is a particular focus which has been identified at the system pressures weekly conversations with the Cabinet Secretary. Both acute sites at full capacity, with the inability to be able to stabilise and deescalate.

A member of the Committee felt it was important to note that targets are being achieved for Mental Health Services however the service model has completely changed due to Covid with much of the consultations and treatment being carried out remotely. Discussion took place at the recent CMT workshop session about looking at the impacts of change and there is a key piece of work in evaluating this to see if it takes us closer to the Caring for Ayrshire ambitions.

**Outcome:** The committee received the report.

## 7.3 Remobilisation Plan 4

The Director of Transformation and Sustainability advised that no further update had been received in relation to the draft document submitted to the Scottish Government. The letter from Scottish Government will be shared once received.

**Action: Kirsti Dickson**

**Outcome:** The verbal update was received.

## 8. Revenue Plan / Budget Setting

### 8.1 CNORIS Annual Report

The Director of Finance presented the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) Annual report for 2019/20 which was released in September 2021 and considers information over a ten year period. It was noted in 2019/20 there were 285 claims across Scotland with a value of £38m however it is projected in the current year claims will total £70m. Ayrshire and Arran have a relatively high number of claims settled within 2019/20 with a total value of £1.8m.

It is beneficial to have a risk sharing mechanism in place whereby large claims are shared across all boards by paying a premium. The largest value claims are for Obstetrics and Gynaecology and can often be due to diagnoses of Cerebral Palsy where life expectancy is lower. The committee looked at trends in the percentage of settlement payments made for Obstetrics and Gynaecology claims which was 62% in 2021/11 and fell to 30% in 2019/20. For any very large settlements a periodic payment plan would be offered to spread the payment over a period of years.

In response to a question from a member, it was felt there is the potential risk for claims in relation to Covid. The Central Legal Office have set up a dedicated unit to look at covid claims similar to that previously set up for mesh claims.

**Outcome:** The report was received by the Committee.

### 8.2 CNORIS Cost Pressures Paper

The Director of Finance presented a paper on the local costs of participating in the Clinical Negligence and Other Risks Indemnity Scheme. The current premium budget of £3.5 million is in line with the NHS Ayrshire and Arran share of £50 million settlements made nationally each year. The Committee were asked to be aware of the increasing costs of the settlements made each year and the high value of Ayrshire and Arran settlements in 2018/19 which will keep the premium at an increased rate for several years. Although risks have been identified it has not been proposed to increase the budget above £3.5 million in 2022/23 as if this is increased a saving would require to be made elsewhere.

**Outcome:** The committee noted the financial risk of increased contributions, but supported the suggestion made to retain the budget at the current level.

### 8.3 National Resource Allocation (NRAC)

The Director of Finance spoke through the paper which was presented to the Committee for awareness of the future funding position. The National Resource Allocation Committee is the formula which determines how funding is split between territorial boards whilst considering demographics such as age, sex, morbidity and travel within rural areas. The 2021/22 share for NHS Ayrshire and Arran is 7.38%, this will reduce to 7.35% in 2022/23 and 7.3% in 2023/24 due to population increase in other areas of Scotland.

The Committee felt it was unclear that the level of deprivation is adequately factored in due to very high deprivation levels across pockets of Ayrshire. There is potential for increased population rates in Ayrshire due to people moving from

cities to more rural locations. There are issues with the deprivation data as the data used is from the census data collected every ten years and is out of date. It was noted that the Scottish Government have recognised the need to review the model for calculating how the funding is shared between boards. The committee agreed this was something that the Committee and Board chairs should flag as a potential risk and issue and call for a fairer system to updating the data. It was agreed the Chairman would discuss this in more detail with the Board Chair.

**Action: Bob Martin**

**Outcome:** The committee noted the changes to the future funding position and recognised that more discussion was required with Scottish Government regarding the system for updating the data.

#### 8.4 Budget Setting Process 2022/23

The Director of Finance presented a paper on the Budget Setting Process for 2022/23 for approval of timescales for reporting. It is anticipated that initial drafts of the cost pressures will be available, prescribing, pay and supplies and workforce planning. The drafts will be presented to the Performance Governance Committee on 20<sup>th</sup> January 2022.

**Outcome:** The process and timescales were approved by the committee.

### 9. Risk Register

#### 9.1 Strategic Risk Register

The Strategic Risk Register was presented to the Committee following agreement of timescales at the Risk and Resilience Scrutiny and Assurance Group last week. The committee considered the risks owned by the Performance Governance Committee and it was felt there were no immediate issues identified. Questions were raised around why some risks have been changed from Strategic to Operational. It was explained that there had been a separate risk register in terms of covid risks which was owned strategically however these have now been incorporated as part of either the operational or strategic risk registers and will ensure that these risks are monitored on a regular basis.

**Outcome:** The Risk Register was noted and agreed by the committee.

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

The Chair requested that the items to be reported to the Board are as follows:

- National Treatment Centre
- Delivery Plan
- Performance Report
- CNORIS Cost Pressure Paper
- Budget Setting Process

**Action: Bob Martin**



**Outcome:** A summary of the papers received would be prepared for presentation to the Board.

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

No further risk issues were identified.

**12. Any other competent business**

12.1 There was none.

**13. Meeting Dates**

Date of next meeting: Thursday 20<sup>th</sup> January at 9.30am via Microsoft Teams

Signature .....Date .....