

NHS Ayrshire & Arran



Meeting: Ayrshire and Arran NHS Board

Meeting date: Tuesday 21 May 2024

Title: Performance Governance Annual Report 2023-24

Responsible Director: Derek Lindsay, Director of Finance

Report Author: Sheila Cowan, Chair of Performance Governance Committee

1. Purpose

This is presented to the Board for:

- Awareness

This paper relates to:

- Government policy/directive

This aligns to the following NHS Scotland quality ambition(s):

- Safe, Effective and Person Centred

2. Report summary

2.1 Situation

As part of the Board's annual assurance process, the Performance Governance Committee provides an annual report which gives assurance that the Committee has discharged its Remit and Duties as defined in the Terms of Reference (TOR).

The Performance Governance Committee report for 2023/24 is presented to Board Members to report on progress and provide assurance that the Committee has delivered its remit.

2.2 Background

Each NHS Board Governance Committee is required to provide an annual report to Committee and the Board to provide assurance that the Committee has discharged its role as set out in the agreed Terms of Reference.

The Governance Committee annual reports are part of the overall assurance mechanism for the NHS Board to provide assurance in support of the Board's annual governance statement that the committees have fulfilled their remit.

2.3 Assessment

To evidence discharge of remit, the Performance Governance Committee annual report details the membership of the Committee and provides information on its activities in the past year. The report includes a Self-Assessment Checklist (Appendix 1), the Assurance Mapping Template (Appendix 2) and the Reporting to the NHS Board template (Appendix 3).

Key Messages

- The Committee monitored the Board's performance including budget monitoring and progress in programmes to achieve Cash Releasing Efficiency Savings, whilst maintaining the safe provision of services for which there was a continued increase in demand.
- They received non-financial performance reports and also approved business cases such as the capital plan and scrutinised investments.
- The risk register for items delegated to Performance Governance was also considered by the committee in order to mitigate actions to improve risk.

2.3.1 Quality/patient care

Ensuring good performance governance supports the effective delivery of quality, patient-centred services throughout NHS Ayrshire & Arran.

2.3.2 Workforce

This assurance report has no workforce implications for the organisation.

2.3.3 Financial

A range of financial reports were considered throughout the year, including Financial Management Reports to each committee.

2.3.4 Risk assessment/management

The annual report process ensures an assessment of committee business against the agreed Terms of Reference. This mitigates against the risk of any gaps in assurance and supports the NHS Board's annual assurance statement.

2.3.5 Equality and diversity, including health inequalities

An impact assessment has not been completed because this is an assurance reporting paper.

2.3.6 Other impacts

- Best value - Reporting ensures sound governance and accountability.
- Compliance with Corporate Objectives - Providing this assurance report supports compliance with objectives on quality, safety, improved patient experience and a learning organisation

2.3.7 Communication, involvement, engagement and consultation

This paper requires no engagement with external stakeholders.

2.3.8 Route to the meeting

The annual report was considered and approved by the Performance Governance Committee on 7 March 2024.

2.4 Recommendation

For awareness. Members are asked to receive the annual report and note the assurance from the Performance Governance Committee that it fulfilled its remit in 2023-24.

3. List of appendices

Appendix 1 - Performance Governance Committee annual report and self-assessment checklist 2023-2024

Appendix 2 – Performance Governance Committee Assurance Mapping Template 2023-24

Appendix 3 – Reporting to NHSAA Board 2023-24

NHS Ayrshire & Arran

Annual Report for Performance Governance Committee – 2023/24

1. Summary

1.1 The function of the Performance Governance Committee is to scrutinise the overall performance of NHS Ayrshire and Arran across the following functions: resource allocation; performance management and strategic planning. The Committee scrutinise and challenge financial plans and business cases before submission to the Board. The Committee's remit is also to provide scrutiny and challenge on the progress and achievement of the NHS Ayrshire & Arran's Delivery Plan - 2023/24

1.2 Key Messages

The Board is continuing to recover from the impact of the COVID-19 pandemic both in terms of financial costs and the ability to deliver services at pre-pandemic capacity levels.

The Committee recognised its need to be flexible and agile in the way it worked, recognising the pressures being faced whilst continuing to ensure that governance processes were carried out. Throughout the year the Committee monitored the Board's performance against the projected budget deficit for 2023/24. It has not been possible for the Board to fully deliver its cash releasing efficiency savings which are a recurring shortfall, however some savings have been made.

The Committee has also monitored the performance of the Board against national targets, national benchmarking and delivery against improvement trajectories set out in the delivery plan for 2023/24.

Updates were also provided to the Committee on Performance of specific areas throughout the organisation as well as updates in progress of internal audit actions for which the committee were responsible. Follow ups were scheduled for Audits which had outstanding actions.

2. Remit

2.1 The Committee's Terms of Reference were reviewed at its meeting on 18 January 2024. One amendment was made and these were approved by the Board on 26 March 2024.

2.2 A self-assessment is carried out by the Chair and Committee members and forms part of this annual report.

3. Membership

3.1 The Committee is composed of six Non-Executive Members. The membership of the Committee during 2023/24 is given below:

- Ms. Sheila Cowan (Chair from 1 May 2023)
- Ms Christie Fisher (until 1 May 2023)
- Mr. Ewing Hope
- Cllr. Lee Lyons
- Mr Bob Martin (Chair until 1 May 2023)
- Mr. Marc Mazzucco
- Ms. Linda Semple (Vice-chair)
- Ms. Joyce White (from 1 May 2023)

Ex Officio members

- Mrs. Lesley Bowie, Board Chair
- Ms. Claire Burden, Chief Executive
- Ms. Kirstin Dickson, Director for Transformation & Sustainability
- Mr. Derek Lindsay, Director of Finance

Where relevant to the subject matter, other officers attended meetings of the Committee.

4. Meetings

4.1 The Committee met on six occasions between 1 April 2023 and 31 March 2024. All meetings were conducted virtually using Microsoft Teams. The meeting on 18 January was not able to consider all its business therefore re-convened on 1 February 2024.

4.2 The NHS Board has previously agreed that attendance at Committee meetings should be recorded in the relevant Annual Report. The attendance record of each member is shown below (x indicates attended).

Member	Meeting date					
	9 May 2023	7 Sep 2023	2 Nov 2023	18 Jan 2024	1 Feb 2024	7 Mar 2024
Sheila Cowan (Chair)	X	X	X	X	X	X
Ewing Hope	X	X	X	-	-	X
Lee Lyons	X	X	X	X	X	-
Marc Mazzucco	X	-	-	X	X	X
Linda Semple	X	X	-	X	X	X
Joyce White	X	X	X	X	X	X

5. Committee Activities

5.1 As outlined in the Committee's Terms of Reference, the Performance Governance Committee is responsible for:

- Supporting the development of performance management and accountability across NHS Ayrshire and Arran
- Monitoring performance against the Annual Operational Plan
- Finance and Service Performance
- To provide scrutiny and challenge on the progress and achievement of the priority programmes for change
- Investment Scrutiny
- Benefits Realisation
- Post project evaluation

6. Priorities for 2024-25

- 6.1 A key priority for the Committee through 2024-25 will be to support NHS Ayrshire & Arran as it continues to deliver services within the constrained finances and the effect this has on the ability to achieve performance targets while working within available budgets. The Committee will continue to monitor budgets and expenditure in 2024-25 and how these impact on performance across the system. A short Life Working Group is being developed for improvement of the Financial Management Report. There will also be a key priority to ensure there is a focus on deficit budget improvement as well as operational performance improvement with deep dives scheduled to take place within certain areas across the year.

7. Chair's Comments

- 7.1 I appreciate the support from all members of the Committee for their input in the development of and contribution to the agenda and for the considerable work undertaken during the course of the year.

Throughout 2023-24, the Committee has overseen a wide range of activity relating to Performance Governance. The routine reporting of Financial Management has included monitoring of the expenditure against the budget approved by the Board. Routine reporting has also taken place on performance across the system and the factors adversely affecting performance on a daily basis.

I can confirm that the Performance Governance Committee has fulfilled its remit and that the Board has adequate and effective governance arrangements in place.

I would wish to record my thanks to all the staff who have supported the Committee over this and previous years, and to those who have responded to requests from the Committee for further information. This has enabled the Committee to fulfil its duties successfully throughout the past year.

Sheila Cowan
Chair – Performance Governance Committee
07/03/2024

Approved by Performance Governance Committee
07/03/2024

Performance Governance Committee Committee effectiveness checklist for 2023/2024

The Role and Work of the Committee	Yes / No / NA	Comments
The Committee has a clear understanding of its role and authority as set out in its terms of reference.	Yes	
The Committee undertakes an annual review of its remit and terms of reference and submits to the NHS Board for approval.	Yes	
The Committee has been provided with sufficient membership, authority and resources to perform its role effectively and independently?	Yes	
In discharging its role, the focus of the governance Committee is on seeking and reviewing assurances rather than operational issues.	Yes	
Remit - the Committee discharges its role to provide assurance that systems and procedures are in place to monitor, manage and improve overall performance and best value is achieved from resources.	Yes	
The Committee regularly reviews the strategic risks relevant to its remit and seeks assurance on mitigating controls and actions	Yes	
The Committee identifies further risk for consideration and escalation from the papers presented and discussion.	Yes	
The committee receives internal audit reports relevant to its remit and monitors progress against recommendations.	Yes	

The Committee has visibility of the mechanisms that are in place to monitor all aspects of its remit.	Yes	
The work of the Committee enables it to assure the Board that policies and procedures which are monitored, as relevant to the Committee's remit, are robust.	Yes	
The Committee links well with other Board committees and the Board itself, and opportunities are taken to share information, learning and good practice.	Yes	
The Committee produces an annual work plan.	Yes	
The Committee periodically assesses its own effectiveness.	Yes	

Committee Meetings, Support and Information	Yes / No / NA	Comments
The Committee has a designated secretariat	Yes	
The committee meets regularly, at least four times a year, and this is set out in the Terms of Reference.	Yes	
The scheduling of those meetings is appropriate to meet the body's business and governance needs	Yes	
The length of Committee meetings is appropriate to allow the Committee to discharge its role.	Yes	The meeting on 18 January 2024 was unable to complete the agenda within two and a half hours therefore reconvened on 1 February 2024.
Papers presented to the Committee are of a high standard and an effective format and ensure that members have access to appropriate information	Yes	A short life working group has reviewed and amended the format of the Performance Report and will reconvene to review the Financial Management Report.
The Committee receives adequate information in relation to national policy and direction to enable it to fulfil its role and responsibilities.	Yes	
The Committee agenda is well managed and ensures that all topics within the remit are considered.	Yes	
The agenda and papers are circulated in advance of meetings to allow adequate	Yes	

preparation by committee members and attendees.		
Minutes are prepared and circulated as set out in the Terms of Reference.	Yes	
The Committee provides an effective annual report on its own activities.	Yes	
An action log/matters arising are well managed and indicate who is to perform what and by when.	Yes	
Committee Membership and Dynamics	Yes / No / NA	Comments
Chair and Membership of the committee has been agreed by the NHS Board and a quorum set	Yes	
A Vice Chair of the Committee has been proposed by the Chair and agreed by Committee.	Yes	
Membership of the Committee is appropriate with the correct blend of skills, knowledge and experience.	Yes	
All members of the Committee contribute to its deliberations on an informed basis.	Yes	
Committee members are offered an appropriate induction on joining and development opportunities to support them in undertaking their role.	Yes	
The leadership of the Committee by the Committee Chair is effective and supports input from all members.	Yes	
Committee members attend meetings on a regular basis and if not this is reported to the Board Chair for action.	Yes	
The Accountable Officer and other senior officers normally attend the committee as considered appropriate, as noted in the terms of reference.	Yes	
Support provided to the Committee by executives and senior management is appropriate.	Yes	

Assurance Mapping (Review of papers submitted against the Performance Governance Committee Remit 2023/24)

Remit: To provide assurance to the NHS Board that systems and procedures are in place to monitor, manage and improve overall performance and best value is achieved from resources.

Duties as noted in Terms of Reference		9 May 23	7 Sep 23	2 Nov 23	18 Jan 24	7 Mar 24
To scrutinise the overall performance of NHSAA across:	Performance management	✓	✓	✓	✓	✓
	Strategic planning	✓	✓	✓	✓	✓
	Resource allocation	✓	✓	✓	✓	✓
To provide scrutiny and challenge on the progress and achievement against NHSAA Priority Programme.		✓	✓	✓	✓	✓
To ensure that systems and procedures are in place to monitor, manage and improve performance, across the whole system, and liaise closely with relevant Governance Committees (Staff, Healthcare, Information and Audit and Risk) to ensure appropriate remedial action takes place.		Financial Management Report Performance Report	Financial Management Report Performance Report	Financial Management Report Performance Report Capital Plan Mid-Year Position Paper Access Funding	Financial Management Report Performance Report	Financial Management Report Performance Report
Consider financial plans and approve annual budget proposals and business cases for submission to the NHS Board.		National Treatment Centre Business Case	2024/25 Budget Setting Process		Pay and Supplies cost Pressures Prescribing Cost Pressures New Medicines Fund	Revenue Plan 2024/25
The Performance Governance Committee would consider: <ul style="list-style-type: none"> - Annual Operational Plan performance targets - Investment Scrutiny - Benefits Realisation - Post Project Evaluation 		Priority Programmes 2022/23 Update	Non-recurring cost pressures and funding in 2023/24	CRES Plan Update	Quarter 1 & 2 ADP Update MSK Performance Update	Unscheduled Care Performance Update CRES Plan Update

Assurance Mapping (Review of papers submitted against the Performance Governance Committee Remit 2023/24)

Remit: To provide assurance to the NHS Board that systems and procedures are in place to monitor, manage and improve overall performance and best value is achieved from resources.

Duties as noted in Terms of Reference	9 May 23	7 Sep 23	2 Nov 23	18 Jan 24	7 Mar 24
– Finance and Service Performance					
To support the development of a performance management and accountability culture across NHSAA	√	√	√	√	√
Receive annual reports and quarterly updates from any sub-committees established by the Performance Governance Committee in order to provide assurance and accountability.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
To monitor and review risks falling within its remit.	√	√	√	No report available	√

Performance Governance Committee Reporting to NHS A&A Board 2023/24

Reporting Duties	9 May 23	7 Sep 23	2 Nov 23	18 Jan 24	7 Mar 24
Reporting action to the NHSAA Board	<ul style="list-style-type: none"> • Full Business Case for National Treatment Centre • Draft Capital Plan 2023/24 • Routine financial and performance reports • Non-Framework nursing agency spend and associated costs 	<ul style="list-style-type: none"> • Internal Audit updates on Delayed Discharge Performance Indicators and Diagnostics • Strategic Risk Register • CNORIS Annual Report for 2021/22 • Routine Financial and Performance reports • Budget Setting Process for 2024/25 	<ul style="list-style-type: none"> • Internal Audit interim update on Waiting List Management • Mid-year Capital Plan position paper • Routine Financial and Performance reports • Quarter 2 Letter from the Scottish Government 	<ul style="list-style-type: none"> • Routine Performance Report and performance update from MSK • Routine Financial Management report • Concerns regarding the level of assurance overall for financial and performance management 	<ul style="list-style-type: none"> • Capital Plan for 2024-25 for recommendation to NHS Board • Routine Financial Management Report • Routine Performance Report and performance update from unscheduled care • Acute Management Structure Investment • Budget detail including revenue plan with scenarios to be prepared
Confirmed that these were brought to the NHSAA Board	Y	Y	Y	Y	Y