

Performance Governance Committee ‘Light’ – Minute of Meeting
Monday 5th August 2024
Via Microsoft Teams

1.0 Attendance

Present: Non-Executive Members

Sheila Cowan (Chair)
 Ewing Hope
 Jean Ford

Board Advisor/Ex-Officio

Linda Semple	Board Chair
Claire Burden	Chief Executive
Kirstin Dickson	Director of Transformation and Sustainability
Rob Whiteford	Assistant Director of Finance

In Attendance: Shirley Taylor | Committee Secretary (Minutes)

1.1 Apologies

The chair welcomed everyone to the committee. Apologies were received from Marc Mazzucco, Lee Lyons and Joyce White.

2. Financial Management Report (FMR)

The Chair explained that the purpose of the PGC Light meeting is to allow members to have sight of the financial information and allow for any questions prior to submission to the NHS Board.

Members were advised that the format of the FMR has changed in line with the action arising from the Blueprint for Good Governance. From this a short life working group was established to agree the format of the report going forward.

The Board chair thanked the Short Life Working Group members for the work that has taken place to reformat the report and advised that the report has benchmarked very well against the information which should be reported on.

The Assistant Director of Finance spoke through the detail of the report and explained that it reflects the month 3 position.

The budget was approved with a deficit of £53.5m. Spend to date is £16.6m which is higher than expected for this point in the year. If spend continues at this level the deficit will be closer to £66m.

The biggest overspend of £8.2m is within Acute Services. £5.3m can be attributed to pay, £2m to unfunded beds and £1.4m between ED and CAU. Non-pay is currently £2.9m overspent with the biggest overspend being surgical sundries and theatre stock which is £800k over in the first three months of the year. This can be attributed to product inflation and higher energy costs.

Medicine is currently £2.8m overspent which is mainly due to unfunded beds within 4E and Station 1. There are currently 144 unfunded beds which is leading to increased use of temporary and agency staff.

Overspend within Surgery is approximately £900k whilst Laboratories has a £700k overspend and Women and Children's Services has an overspend of £600k.

The challenge going forward throughout the year will be to get all overspends down to the agreed deficit.

The New Medicines Fund has an overspend of £1.8m to date however this is the expected position due to the low volume high cost of medicines.

Infrastructure and Support Services are showing an overspend of £200k however it is anticipated that there will be a breakeven position by year end although this may be challenging to achieve.

Corporate Support Services currently have an underspend of £400K which is a consistent picture year on year.

Reserves will be £27.8m over committed by year end due to legacy deficits held by the board.

The Partnerships have an underspend which belongs to them. If an overspend is experienced then an integration scheme will be set up to decide how this will be contributed to.

There will be difficulty in achieving the £24.1m CRES plan, mainly due to the number of unfunded beds. The current forecast is £19.5m.

In conclusion the run rate is showing that if this position continues there will be a significant overspend by year end.

The Assistant Director of Finance noted some corrections to the paper which will be amended for the Board version of the paper.

The Assistant Director of Finance was thanked for the explanation of the paper and members agreed that the new format was very clear to understand.

A question was raised with regard to the plans in place to get this overspend back to a manageable level. The Chief Executive advised that due to the work being provided by Viridian to support the financials and HR it is hoped this will improve. Viridian are currently dedicating eight staff member who are trying to move towards a service improvement plan as opposed to budget cutting as well as skills development.

It was agreed that the run charts should have an additional dotted line to map the position we should be at during each point in the year. It was agreed the reports would be updated to reflect this.

ACTION – Rob Whiteford

It was also noted that average length of stay has increased. Two wards were closed at the end of May however within a two week period these had to be reopened due to the increasing average length of stay.

It was agreed that the next quarter would need to show a reduced overspend to allow us to come back towards the forecasted deficit.

It was noted that due to comments received within the recent external audit report it is important that we are continually demonstrating why targets are not being met and what is being done to bridge the gaps with documentation showing where there is scrutiny. It was agreed that a full update is required within the next paper in terms of supplies. This will be added to the action tracker.

ACTION – Rob Whiteford

Members also agreed that there should be a change to the wording of 2.1. It was suggested this be amended to *“The Board will not meet the statutory requirement to breakeven in 2024/25 nor can the Board operate within the current brokerage cap of £27.7 million.”*

It was also agreed that a separate annex should be developed to show future pressures and sizing of risks as lots of new pressures will be added within the course of the year. The Assistant Director of Finance advised that this will be looked at as the year progresses as there is not enough information at present due to the underreporting in some areas to be able to quantify risks. This will be added to the workplan for consideration in December 2024.

ACTION – Shirley Taylor

The committee approved the report for onward submission to the NHS Board following the suggested amendments.

