

Finance & Resources Committee



Minutes of a meeting of the **Finance and Resources Committee** held on Monday 23 September 2019 at 12 noon in the Board Room, Newstead.

Present: Mr M Dickson, Non Executive
Mrs F Sandford, Non Executive
Cllr D Parker, Non Executive
Dr S Mather, Vice Chair

In Attendance: Miss I Bishop, Board Secretary
Mrs K Hamilton, Chair
Mr R Roberts, Chief Executive
Mrs C Gillie, Director of Finance
Dr C Sharp, Medical Director
Mrs N Berry, Director of Nursing, Midwifery & Acute Services
Mr R McCulloch-Graham, Chief Officer, Health & Social Care
Mrs J Smyth, Director of Strategic Change & Performance
Mrs S Swan, Deputy Director of Finance

1. Apologies and Announcements

There were no apologies received.

The Chair welcomed Dr Stephen Mather as a member of the Committee given his formal appointment as Vice Chair of the Board.

The Chair confirmed the meeting was quorate.

2. Declarations of Interest

The Chair sought any verbal declarations of interest pertaining to items on the agenda.

The Chair declared that his sister-in-law was the Director of Nursing and Chief Operating Officer for Surgery in Northumberland NHS Trust which was mentioned in one of the finance papers.

The **FINANCE & RESOURCES COMMITTEE** noted the declaration.

3. Minutes of Previous Meeting

The minutes of the previous meeting of the Finance & Resources Committee held on 18 July 2019 were approved.

4. Matters Arising

4.1 Action 5: Dr Stephen Mather commented that the Scheme of Integration was quite clear in the definition in that any planned underspend was retained by the Integration Joint Board

(IJB) and any unplanned underspend was returned to the relevant partner organisation. He suggested the difficulty may have arisen in being clear on what was and was not a planned or unplanned saving. Mr Rob McCulloch-Graham commented that there were changes occurring in regard to SBCares and work was being undertaken in regard to commissioning for social care through Scottish Borders Council with the withdrawal of SBCares as an arms length organisation of Scottish Borders Council.

Mr McCulloch-Graham further assured the Committee that a joint financial planning process was being put in place with a supporting timetable and suggested that process would include a clear indication of planned and unplanned savings.

- 4.2 Minute 10 Prescribing Decisions:** Dr Stephen Mather commented that the last paragraph advised that work had commenced in regard to pricing on wards and he was disappointed that after he had raised the matter some 6 years previously it was only now being addressed. Mrs Carol Gillie confirmed that work was on-going with all ward cupboards marked with the unit price of their contents, however there were some difficulties in ensuring the unit procedural costs were available on the Trakcare system. Mrs Susan Swan commented that NHS Lothian held the procedure costs and once the new version of Trakcare had been installed she would be looking to bring those equivalent costs across to that system.

The **FINANCE & RESOURCES COMMITTEE** noted the action tracker.

5. Draft 3 year Financial Plan

Mrs Carol Gillie presented the draft 3 year financial plan.

Discussion encompassed a range of elements including: risk assumptions and tolerances; holding to account; trajectories; anxiety on being confident and able to put ideas forward; change in management across PACS; level of mandates by months until end of March 2020; savings profile of 1% of baseline budget and reducing brokerage to 0 by 2022/23; brokerage payback to be discussed when the Board returned to financial balance; workstreams progress; deconstruction sessions: cost pressures; contingency funds; Bold Revolutions continuing to support on a reducing phasing basis until December; work with Clinical Boards; strategic assumptions; ensuring the PMO was robust; communications and engagement plan; driving change, seeing service developments come to fruition and enabling change for the better as well as making savings; and next steps.

Dr Stephen Mather commented that the IJB had an advantage over its partner bodies in terms of communicating with the public and deflecting criticism away from NHS Borders and Scottish Borders Council, ensuring the message delivered was about the right care in the right place at the right time and not focused on beds. He provided the example of the dementia strategy which had recently lead to a reduction of beds in Cauldshiels and enabled investment to deliver dementia services differently.

Mrs Fiona Sandford commented that communications were often not recognised as much as they should be in such circumstances and she enquired if good professional communications were available to the IJB. Dr Mather commented that both Scottish Borders Council (SBC) and NHS Borders communications teams were combined to produce the messages for the IJB to deliver.

Mrs Nicky Berry commented that clinicians had looked at occupied bed days which had led to the closure of DME beds being supported by clinicians given it was the right thing to do for the patients. That working together had enabled the IJB to issue a direction to change the service and

with the provision of good joint communications the IJB was able to provide a positive message to the public about the change in service it was directing and why.

The Chair enquired if there was enough resource available in the Communications Team to deliver the level of input required on turnaround. Mrs June Smyth commented that there was currently a vacancy in the Communications Team and it would be taking on the Public Involvement Officer post which also remained vacant at present. Mr Ralph Roberts commented that it was for the Board Executive Team and senior clinicians, supported by the Communications Team, to ensure they were front facing and provided the right messages to the public.

The **FINANCE & RESOURCES COMMITTEE** noted the presentation.

6. NHS Borders Financial Turnaround Programme – Progress Report.

Mrs June Smyth gave an overview of the content of the report.

Dr Stephen Mather suggested the wording in the risk register in regard to the IJB level of resources could be rephrased and he also enquired if the current position with regard to the medical engagement strategy had moved on from that quoted. Mrs Smyth clarified the medical engagement position had improved.

Mr Ralph Roberts commented to the Committee that Bold had reviewed where they thought the organisation was and had supplied an updated version. It was fair to say that a robust conversation had taken place with Bold who had been exercised that any change in wording diluted the position.

Cllr David Parker noted that the risk in regard to the PMO remained red and he would have expected that to have moved on given the PMO was in place. Mrs Smyth advised that whilst there was a PMO in place it was not yet fully formed and an assessment of the skills within it was being undertaken. She suggested inroads were being made and she expected it to move to amber, however the red status was an accurate reflection of the current situation.

The Chair enquired about the declining rating for staff side engagement. Mr Roberts commented that the matter was escalated as staff side were concerned about the challenge to the level of resource spent on staff side engagement through the vacancy control process and that brought a level of angst and was reflected in the risk register.

The **FINANCE & RESOURCES COMMITTEE** noted the report.

7. Finance Report

Mrs Carol Gillie provided an overview of the content of the finance report and highlighted the key elements including: £300k overspend by end of August; overspend is reducing; anticipate shortfall linked to lower levels of activity from Northumberland and NHS Lothian; projected overspend on income; reporting finance on business units and £2.3m retracted from budgets; in year impact of all schemes on the tracker is £4.7m and forecast to add more items to the tracker; just over £5m of in year impact on savings schemes to end of March 2020, also including full year impact of schemes mandated; and £7.1m of target of £12.7m forecast to be delivered.

The Chair commented that the report was rich in detail which was what the Committee had requested.

Dr Stephen Mather enquired if the Board would receive a summary level finance report. Mrs Gillie confirmed that the Board report would be a simplified version of that received by the Finance & Resources Committee so that it could scrutinise financial matters and provide assurance to the Board.

Mrs Karen Hamilton commented that she would remind Board members, via Iris Bishop, to seek clarification of detail for papers relating to Committee's they were not members of, directly with Executive Leads in advance of Board meetings.

The **FINANCE & RESOURCES COMMITTEE** noted the report and considered the current financial position and the forecast year end position.

8. NHS Borders Annual Operational Plan 2019/20 and Access Board Update

Mrs June Smyth confirmed that the Annual Operational Plan (AOP) had been submitted to the Scottish Government in draft and a feedback letter had been received agreeing the plan. The AOP was now available on the external NHS Borders website. She then alerted the Committee to the resurrection of the Local Access Board and that Mr John Connaghan was now challenging the modeling assumptions and trajectories against key waiting times. Dialogue was continuing as the organisation had projected more operating in the summer period to accommodate a step down in the winter period to cope with winter activity and free up beds. Mr Connaghan was challenging the projections and suggesting that as a better performance had been achieved across the summer it should be sustained through the winter period, even though the AOP detailed the change in performance through the winter and the AOP had been agreed.

Mrs Smyth confirmed that resources were being used in line with the AOP as submitted and that additional resources would be required to sustain the same level of performance over the winter period. Should Scottish Government supply additional resources for waiting times then a revisit of the performance could be undertaken. She reiterated that as a Board in turnaround the organisation stood by its original modelling assumptions.

The **FINANCE & RESOURCES COMMITTEE** confirmed their support for the position taken in regard to not revisiting waiting times performance for the winter period unless further resources were forthcoming from Scottish Government.

The **FINANCE AND RESOURCES COMMITTEE** noted NHS Borders AOP 2019/20 had been formally approved by Scottish Government and was published on the Board's website.

The **FINANCE AND RESOURCES COMMITTEE** noted the revised Elective Waiting Times trajectories being worked to for 2019/20 as per the agreed AOP.

The **FINANCE AND RESOURCES COMMITTEE** noted the re-establishment of an Access Board within NHS Borders.

The **FINANCE AND RESOURCES COMMITTEE** noted the recent correspondence from John Connaghan CBE, Chief Performance Officer at Scottish Government disputing performance against the agreed access targets with specific reference to changes in our investment profile and scheduled care activity over the winter months.

9. Waiting Times Update

Mrs Nicky Berry advised that waiting times were on trajectory to achieve what had been set out in the Annual Operational Plan (AOP). She commented that there was a weekly performance briefing that took place in the Borders General Hospital Acute Division to focus on end of month trajectories and spending which fed into the Access Board.

Dr Stephen Mather enquired how recruitment difficulties were managed. Mrs Berry advised that she would look into the process and advise the Committee via email.

Mrs Fiona Sandford enquired about the point made on medical staff being unable to carry out work due to tax implications. Mr Ralph Roberts advised that there were two elements to it, one being tax and the other being pensions. Cllr David Parker advised that the matter had been delayed nationally due to discriminatory implications.

The **FINANCE AND RESOURCES COMMITTEE** noted the information contained in the paper.

10. Any Other Business

The **FINANCE AND RESOURCES COMMITTEE** agreed to put in place an additional meeting in late November/early December.

11. Date and Time of next meeting

Subject to the agreement to a further meeting the Chair confirmed that the next meeting of Finance & Resources Committee would take place on Thursday 23 January 2020 at 3.00pm in the Board Room, NHS Borders, Newstead.

The meeting concluded at 2.00pm.

Signature:
Chair