

## Finance & Resources Committee



Minutes of an Extra Ordinary meeting of the **Finance and Resources Committee** held on Thursday 27 February 2020 at 2pm in the Board Executive Team Meeting Room, Ground Floor, Education Centre, Borders General Hospital.

**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  
Mr A Bone, Director of Finance designate  
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  
Mr M Porteous, Chief Financial Officer Health & Social Care  
Mr P McMenamin, Deputy Director of Finance/Business Partner

### 1. Apologies and Announcements

No apologies had been received.

The Chair welcomed Mr Andrew Bone, Director of Finance designate to the meeting.

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 **FINANCE & RESOURCES COMMITTEE** noted there were none.

### 3. Minutes of Previous Meeting

The minutes of the previous meeting of the Finance & Resources Committee held on 23 January 2020 were approved.

### 4. Matters Arising

4.1 **Action 6:** A paper on severance would be submitted to the next meeting on 19 March 2020.

**4.2 Action 12:** Mrs J Smyth advised that the action was complete.

**4.3 Action 14:** Mrs J Smyth advised that the action was complete.

**4.4 Action 15:** Mrs J Smyth advised that the action was complete.

**4.5 Action 16:** Mrs J Smyth advised that the action was complete.

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

## **5. Annual Operational Plan and 3 year Financial Plan**

Mrs June Smyth presented the latest draft of the Annual Operational Plan (AOP) and tabled a revised sheet of the changes that had been made as of 9am that morning. It had been agreed with the Scottish Government that a further draft would be submitted to them the following day without the financial plan. A further session was planned with the Board on 5 March to go through the AOP and Financial Plan in detail ahead of a final version being submitted to the Scottish Government.

Mrs Smyth drew the attention of the Committee to the inclusion of reference to coronavirus within the introduction section, given it would impact on both performance and finance for the organisation.

Mrs Smyth provided a presentation on the AOP and reminded the Committee of the journey undertaken between each version of the AOP.

Mrs Carol Gillie drew the attention of the Committee to the key elements of the Allocation letter including: it was a 1 year budget with no indication for future years: 3% uplift for all territorial Boards: Additional funding (£17m) for Boards below NRAC parity; £461m for improving patient outcomes; Drugs & Alcohol 3% uplift plus additional £12.7m; 5% reduction in ring-fenced outcomes framework; NHS must deliver “an uplift of at least 3% over 2019/20 agreed recurring budgets” for delegated functions; Additional £100m transferred from health vote to Local Authorities for living wage, free personal care, Carer’s Act & support for school counseling services; and No uplift in capital funding (NHS B £2.4m) in fact a real terms decrease.

Discussion focused on: Scottish Government budget; potential for local authority general funding going to IJB; key changes to AOP from December 2019 to 14 February submission; AOP performance projections to March 2020 and forecast to March 2021; feedback from Scottish Government on 7 sections of the AOP of which 4 required updating; potential crib sheet for Non Executives to enable them to hold the line; difficult decisions to be made and ripple effect across the system of changing some services; cost of some services were more expensive given the small size of the Borders General Hospital and the need to continue to run 24/7; and a recognition of more national planning required around NHS infrastructures to ensure the NHS was affordable for the future.

Dr Stephen Mather commented that diagnostic waits were increasing. Mr Ralph Roberts commented that the increase was due to the planned replacement of the MRI and he fully expected activity to slow down as the new MRI came on stream. It was anticipated that performance would increase the following year.

Mrs Gillie provided a summary of the financial plan and highlighted: increased non recurring savings required for the following year; brokerage requirement of £7.9m and in future years based

on the profile that had been run there would still be a requirement for brokerage in year 3 of £2.7m; and Scottish Government were keen for the board to achieve a zero brokerage position in year 3.

The **FINANCE & RESOURCES COMMITTEE** supported a recommendation that the Board confirm the stance that, in our current financial circumstances, any improvement in performance must be linked to additional national resources.

Mrs Gillie appraised the Committee of the current position in regard to recurring savings mandated/unidentified and the potential of submitting a plan with a significant level of unidentified recurring savings each year. Dr Mather cautioned against submitting a plan with potential savings that might not exist. Mrs Fiona Sandford suggested the narrative might be that the Board were ambitious to meet the savings target however its' level of confidence in that achievement was low. Dr Cliff Sharp suggested the addition of a 4<sup>th</sup> column with an aspiration of achieving 0 in year 4 (2023/24).

Mr Ralph Roberts advised that other Boards in escalation had been asked to submit financial recovery plans in addition to their AOPs. NHS Borders had not been asked to do that.

Mrs Smyth thanked the Committee for their comments and advised that she would submit an updated plan the following day. She also advised that the Board would have another opportunity to discuss the AOP and financial plan at the Board Development session scheduled for 5 March 2020.

The **FINANCE & RESOURCES COMMITTEE** supported a recommendation to the Board that the AOP be submitted to Scottish Government on 28 February, based on the view that it was an appropriate balance between realism and ambition.

## **6. Provision of Resources to the IJB**

Mrs Carol Gillie provided the Committee with a presentation on the level of resources to be provided to the IJB.

Mr Malcolm Dickson commented that as the health and social care partnership evolved there appeared to be a better relationship now with partners in social care than had been the case previously. Dr Stephen Mather reminded the Committee that the money was spent on health and social care regardless and the overarching principle was to shift the balance of care, and a recommendation to follow the equity model.

Mrs Gillie asked the Committee to consider the equity model recognising that resources would be provided above the national direction level, as well as the IJBs share of brokerage, share of board wide cost pressures (corporate pressures), future years uplift and the national direction that it was expected to be a 1 year agreement.

The Committee heard that the Chief Officer and Chief Financial Officer were supportive of the equity model.

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

The **FINANCIAL & RESOURCES COMMITTEE** reviewed the suggested baseline provision and agreed that a recommendation be made to the Board to pursue the model which treated the IJB delegated functions on the same basis as the other business units within the organisation.

## **7. Any Other Business**

There was none.

**8. Date and Time of next meeting**

The Chair confirmed that the next meeting of Finance & Resources Committee would take place on Thursday 19 March 2020 at 10am in the Board Room, NHS Borders, Newstead

*The meeting concluded at 3.45pm*