

Finance & Resources Committee



Minutes of a meeting of the **Finance and Resources Committee** held on Friday 29 November 2019 at 3.00pm in the Board Room, Newstead.

Present: Mr M Dickson, Non Executive (Chair)
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
Mrs N Berry, Director of Nursing, Midwifery & Acute Services
Mr R McCulloch-Graham, Chief Officer Health & Social Care
Mr M Porteous, Chief Financial Officer Health & Social Care
Mrs J Smyth, Director of Strategic Change & Performance

1. Apologies and Announcements

Apologies had been received from Dr Cliff Sharp.

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 there were none.

3. Minutes of Previous Meeting

The minutes of the previous meeting of the Finance & Resources Committee held on 23 September 2019 were approved.

4. Matters Arising

- 4.1 Action 6:** Mrs Carol Gillie reminded the Committee that she was compiling a workforce projection linked to the turnaround programme and it would help to identify the potential for a targeted voluntary severance programme.

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

5. Deep Dive into IJB Directed services – recurring savings

Mr Mike Porteous gave an overview of the content of the paper reminding the Committee that the Integration Joint Board (IJB) commissioned specific services and the paper related to those services and excluded the set aside services. He confirmed that of the £6.4m recurring savings target, £2.2m had been mandated.

In regard to Mental Health, Mr Porteous explained that the closure of the Cauldshiels beds had been seen as a good process and other workstreams within mental health were meeting on 11 December to identify service change and improved models of care to be put in place. Once those models were agreed they would be costed and then savings would be identified. It was noted that the process of closing Cauldshiels had been successful due to the General Manager, Mr Simon Burt, ensuring that clinicians and all affected staff had been fully engaged in the process before any savings target had been finalised. Mr Burt had requested that he be able to ensure his staff were fully engaged in future plans before any savings targets were added.

Mrs June Smyth explained that Mr Burt and his leadership team had embarked on the journey to change services before the organisation had moved into financial turnaround and therefore the service change had been seen as an improvement and transformation instead of a savings target.

Mr Rob McCulloch-Graham clarified that the intention was to work through any future proposals before they were connected to Turnaround.

In terms of Primary and Community Services, Mr Porteous commented that there had been significant progress in the delivery of savings. Recruitment had commenced for the post of Lead AHP which was expected to provide strong leadership to the AHP community and generate additional savings going forward. Mr McCulloch-Graham advised that the appointment to a Lead AHP was vital to progress with the outcomes of the service review that had been undertaken as well as to generate savings.

The Chair challenged the Lead AHP appointment given a significant portion of AHPs were moving to the GP clusters. Mr McCulloch-Graham advised that the movement of AHPs into the clusters had started and additional monies from the Primary Care Improvement Plan (PCIP) and Transformation Fund were being used to enable the expansion of the Hospital to Home service which included AHPs. He advised that the service capacity had been increased with the intention of keeping people in the community and in their own homes.

Mrs Nicky Berry commented that there was a risk in not having enough AHPs in the community, particularly physiotherapists who were in short supply across Scotland given the previous reduction in the number of national training places. She suggested it would be about 4 years before there were enough trained physiotherapists available nationally.

Mr Porteous commented that change would be managed through the PCIP with a focus on GPs workload. There was an expectation that more could be released from services that had not had an in-depth scrutiny to date. He emphasised that transformation work was underway and followed a structured route and work on digital transformation and shared services required closer working with partners.

Mr McCulloch-Graham commented that in regard to closing wards/services, under guidelines issued within the NHS Scotland medium financial framework there was an expectation of a shift from acute to community services resources of approximately 50% reinvestment in the community. He clarified that he was looking to reinvest 50% of any wards/services he closed.

Mrs Fiona Sandford sought clarification that the total savings shown assumed a 50% reinvestment. Mr Porteous commented that was correct only where there had been a shift in the balance of care, such as closing beds.

Mrs Sandford enquired if the 50% figures would be tested. Mr McCulloch-Graham advised that they would be and that the estimate for Cauldshiels had been 50%-60%. Mrs Sandford suggested if it were 75%, was the hope that it would be 75% in the first year and then decline. Mr McCulloch-Graham advised it would be recurring funds and mental health had been a particular case so the estimate for reinvestment had been higher but the normal reinvestment rate was expected to be 50%. Mr Porteous advised that there would be a review of progress and he suggested it might indicate that services could be provider cheaper than at a 50% reinvestment rate.

Mr Smyth reminded the Committee that there was an assumption about the level of investment and she was keen to clarify that from the outset planning assumptions on delivery needed to show that if services were required and not just nice to have, then they had to be productive.

The Chair commented that the update provided a picture of traction being made and he welcomed engagement with partner agencies to make further progress. Mr McCulloch-Graham advised that processes had been revised to ensure they were timely and had resulted in a reduced length of stay, there had been fluctuations in the delay discharges figures and over the past 3 months there had been a sustained dropped however figures were again increasing. He was pleased to report that complex cases figures had improved and been sustained. His biggest challenge was a need to increase the commissioning budget for care and he was exploring a longer term process for that.

Mrs Carol Gillie welcomed the report and advised that it assisted in being able to build the financial plan going forward. She reminded the Committee that the financial challenge remained bigger than the levels presented at the meeting, but she welcomed it as a first step and looked forward to hearing about further savings opportunities.

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

Mr McCulloch-Graham left the meeting.

6. Finance Report for the 7 month period to 31 October 2019

Mrs Carol Gillie gave an overview of the content of the report and advised that since writing the report there had been an update to section 3, which she tabled.

Mrs Gillie highlighted a small underspend at the end of November. She explained that spending levels were slowing down and underspends were now coming through the system. She was looking to see if they would continue and if they could be removed from budgets or if there would be an

impact on the year end forecast. She was confident that the Board would achieve its financial targets with the support of the £9.3m of brokerage. In terms of savings there were mandates of £4.8m in year which equated to £6.6m full year effect which had moved towards the forecast of £7.1m full year delivery. She advised that there was further work to do in regard to capital spend.

Dr Stephen Mather enquired about resolution of the unfunded surge beds in the executive summary given the current pressures on the system. Mrs Gillie reminded the Committee that the report referred to month 7 and the position had since changed.

Dr Mather welcome the progress that had been made in achieving savings to date, however he was mindful that the finances remained with a £9.3m deficit that was being addressed through brokerage. Mrs Gillie commented that the financial gap had reduced significantly and as the financial plan and annual operational plan were progressed she believed the financial gap would be reduced further, due to addressing inefficiencies and modernising systems and processes.

Mrs Fiona Sandford noted the financial gap had narrowed and enquired at what point it would be clear that there was no further progress to be made.

The Chair enquired about Mrs Gillie's degree of confidence in being able to spend the capital allocation before the financial year end. Mrs Gillie advised that she had a high degree of confidence in delivery of the West Linton refurbishment as it was internal works, however she was less confident in regard to the resilient facility should the weather became an issue. She advised that in order to cope with any inclement weather she would flex the capital programme over the year end period.

Mr Ralph Roberts tabled an SBAR (Situation, Background, Assessment, Recommendation) in regard to current service pressures at the Borders General Hospital (BGH). He explained there had been an escalation in delayed discharges in the BGH and locally social care services had an overspend on their budget. It was apparent that additional controls had been put in place by Scottish Borders Council (SBC) for the placement of care packages, access to residential care home placements and residential care packages, which had restricted patient flow through the BGH. Discussions were underway with SBC through the Executive Management Team (EMT), on how that would be addressed to ensure detriment to patients and the hospital did not occur. It was likely that a potential solution would involve the Integration Joint Board (IJB) directing both organisations through the use of the Transformation fund reserve.

Mr Roberts further advised that in light of the situation and to address safety concerns, 12 additional beds had been opened and a further 6 would be opened to address pressures. He reminded the Committee that the opening of additional beds would impact on the year-end financial position. He had also met with Mr McCulloch-Graham and Mrs Tracey Logan and agreement had been reached whereby SBC would reopen access to private care providers in the short term through to Christmas. He again reminded the Committee that any use of the Transformation fund reserve by the IJB would impact on the amount of funding available to the IJB to transform services from April 2020.

Mrs Sandford enquired if there was any evidence of what was causing the increased activity across NHS Scotland. Mr Roberts suggested there were several elements that could be attributed to the increase including: demographics; waiting to be seen in primary care; expectation on pace of response; impact of GP out of hours service; and a change in behaviours generally.

Mrs Karen Hamilton enquired about the potential costs and if a cap would be set on utilisation of the transformation fund reserve. Mr Roberts commented that a figure of £300k had been suggested.

Dr Mather commented that in regard to Garden View and Waverley the IJB had agreed they should continue as a mitigation for current activity, however he was aware that they needed to be reviewed early in the new year to ensure appropriate long term planning could be undertaken and costed correctly.

Cllr David Parker enquired about the factual evidence base and sought assurance on whether the situation was fixable before the financial year end or if it was a longer term challenge. Mr Roberts advised that the EMT would discuss the matter further the following week, however the present view was that there was only a short term solution involving the use of short term monies and the main concern was that a focus needed to be given to the longer term.

Mr Mike Porteous advised that a joint financial planning process was required that needed to be mature enough to have the difficult discussions on expectations and pace of change that could be afforded. He suggested a break-down of impacts on the current services could lead to a sensible stepped approach to shifting the balance of care.

Mr Roberts further commented that to make sustainable progress on integration, turnaround, increased activity and demand, and transformation of community services, joint working with partners had to be the focus to move forward and not to work in isolation.

The Chair enquired if the Scottish Government were sighted on the current position. Mr Roberts confirmed that they were.

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

7. Financial Turnaround Programme – Progress Report

Mrs June Smyth provided an overview of the content of the paper.

Dr Stephen Mather challenged the agreement to 50% as per page 4, second bullet point. Mrs Smyth advised that given the swift move to turnaround, the focus of the current year had been on engagement and therefore a 50% roll forward of targets was appropriate.

Dr Mather enquired about the spend on face to face interpreters. Mrs Carol Gillie commented that whilst interpretation services were required to be delivered by the organisation, face to face interpretation would only be used when absolutely necessary.

Dr Mather enquired if the Associate Medical Directors were on board in terms of medical engagement and clinical leadership as set out in appendix 5, page 4. Mr Ralph Roberts advised that it was a mixed position and work was on going to keep clinicians engaged.

Mrs Smyth commented that there was a tension with some senior clinicians about their understanding of the position and the pace of change required, whereas other senior clinicians were fully engaged and driving the change required.

Mrs Karen Hamilton enquired in regard to the Bold Revolutions contract concluding if good use had been made of the extended time period they had been engaged for. Mrs Nicky Berry advised that Bold had provided a discipline to the processes that were in place and success or failure would only be visible once they had withdrawn. Mrs Smyth advised that Bold Revolutions had been used differently for the extended period and would produce a report with recommendations for the organisation to achieve sustainability.

Mrs Hamilton suggested the expectation of the additional work had been about endings. Mr Roberts clarified that the organisation had not been ready for them to step away in September, however that additional period had enabled it to mature to confidently release Bold.

The Chair enquired about the level of mandates moving through the system. Mrs Smyth confirmed that although mandates were moving forward, due to various aspects including, timescales and probability of delivery some were slowing down and others were being re-mandated as smaller savings opportunities.

The Chair enquired if there was a better learning and understanding of turnaround across the organisation. Mrs Smyth suggested there was, with more up front planning at the start of the process. She also advised that the mandate process became more disciplined at each stage in the process.

The Chair suggested sharing the “Statements of Intent” gave staff an idea of the future for services that the whole staff population could buy into.

Mrs Hamilton enquired of the status of the cook vacancy. Mrs Smyth advise that the individual was awaiting redeployment.

The Chair enquired about page 4, bullet point 6, public participation. Mrs Smyth commented that there would be a focus on the older people’s pathway after the festive period.

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

8. NHS Borders Annual Operational Plan 2020/21

Mrs June Smyth provided an overview of the content of the paper and advised that the guidance was being worked through with services. It was intended that a finalised draft plan for the next 3 years would be available in December.

The Chair commented that the winter plan was to be included in the Annual Operational Plan in future. Mrs Smyth clarified that it would be referenced into the current year plan along with other activities subject to an annual refinement.

Dr Stephen Mather noted that the guidance referred to effectively supporting and empowering the Chief Officer and Chief Financial Officer for the Integration Joint Board (IJB), predicated on a commonality between partner organisations and he enquired how that shift in mindset could be achieved. Mr Ralph Roberts reflected that there were different elements of that from the planning perspective. A discussion had taken place about the single Strategic Plan being the key part of that and the need to get the Scottish Government to accept the implementation of the Strategic Plan was in effect the Annual Operational Plan (AOP). He was keen for the partnership to see the Strategic Plan and the AOP as a single plan and there was further work to be done on governance arrangements in a coterminous system to enable the partnership to be seen in totality as all of health and social care.

Mrs Smyth commented that NHS Dumfries & Galloway were clear that their AOP would be a transformational plan for all of their health and care services and they accepted there would be challenges in delivery. She suggested NHS Borders should also aspire to a single plan.

The Chair enquired about the differences in set up between NHS Borders and NHS Dumfries & Galloway partnerships. Mr Roberts advised that as with NHS Borders, NHS Dumfries & Galloway were also coterminous with their local authority. They had a single Chief Officer responsible for all of health and care. There was a clear distinction between the Chief Officer role for the IJB in strategic planning, commissioning and providing direction to both parties and in the Chief Officer role as an operational director for the health and care partnership. The Chief Officer reported to both the NHS and the Local Authority and there was a single Chief Financial Officer who covered both the NHS and the IJB. The underlying factor was relationships and trust to ensure both organisations could work proactively together. The Chief Officer filled the space between the two organisations and made it work. He suggested organisational development in both organisations was the key to building long lasting relationships and trust.

The Chair enquired how progress could be made to build on the relationships around the IJB table. Dr Mather suggested the IJB itself worked well in terms of trust and relationships, and he was of the opinion that it was at the operational level where difficulties occurred and those interactions were not helpful in building good proactive working relationships across the organisations.

Cllr David Parker commented that he felt it was an officer issue and not an IJB member's issue. He suggested there were issues that required to be gently resolved between the organisations at the operational level and he had felt that whilst the relationship had improved in recent times, there were still challenges.

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

9. Draft 3 Year Financial Plan

Mrs Carol Gillie presented the draft 3 year financial plan to the Committee and highlighted several elements including: 2019/20 forecast outturn; 2020/2021 onwards; financial plan scenarios; delivery of recurring savings; mandated savings schemes; risk of delivery; estimated values; recurring savings target; risks; and next steps.

Cllr David Parker enquired how much control there was over vacancy control. Mrs Gillie advised that there was an agreed process in place, whereby clinical boards were expected to own the vacancies and work with finance to justify recruitment, the vacancy control process then added a further level of scrutiny.

Mrs Fiona Sandford enquired how that process fitted with not having permanent staff and having to use locums and agencies. Mr Ralph Roberts advised that unfortunately that was the balance that had to be paid.

Mrs Karen Hamilton enquired in terms of integration and a transparency of impact on services, how that conversation and information was being managed. Mr Roberts commented that the Executive Management Team would be updated as a starting point and there would be further work to be taken forward on the back of that conversation on what services should be joined up explicitly and how that would be taken forward.

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

10. Interim Draft Access Position

Mrs Nicky Berry provided an overview of the content of the paper and highlighted the 3 year plan for sustainable services and how waiting times would be delivered. She advised that a draft position had been submitted to the Scottish Government and feedback was awaited.

Mrs June Smyth commented that the position was early sight for the Committee as it would become part of the Annual Operational Plan.

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

11. Any Other Business

There was none.

12. Date and Time of next meeting

The Chair confirmed that the next meeting of Finance & Resources Committee would take place on Thursday 23 January 2020 at 2pm in the Board Room, NHS Borders, Newstead.

The Chair gave his apologies for the next meeting and Dr Stephen Mather agreed to Chair that meeting.

The meeting concluded at 5.05pm.

Signature:
Chair