

**NHS Grampian (NHSG)  
Minute of the Performance Assurance, Finance, and Infrastructure Committee  
Wednesday 17<sup>th</sup> August 2022 14.00-16.00  
Microsoft Teams Meeting**

**Present**

Rhona Atkinson, Non-Executive Board Member, NHS Grampian (RA) (Chair)  
Sandy Riddell, Non-Executive Board Member, NHS Grampian (SR)  
Luan Grugeon, Non-Executive Board Member, NHS Grampian (LG)  
Derick Murray, Non-Executive Board Member, NHS Grampian (DM)  
Joyce Duncan, Non-Executive Board Member, NHS Grampian (JD)

**In Attendance**

Professor Caroline Hiscox, Chief Executive (CH)  
Alex Stephen, Director of Finance (AJS)  
Alan Sharp, Deputy Director of Finance (AS)  
Paul Allen, Director of Infrastructure & Sustainability (PA)  
Susan Harrold, Senior Planning Manager (SH)  
Gavin Payne, General Manager of Facilities & Estates (GP)  
Dr Vhairi Bateman, Acute Consultant (VB)  
Clare Houston, Project Manager (CH)  
Pamela Wight, (PW) (Minutes)

Item	Subject	Action
1	<p><b>Welcome</b> Rhona thanked everyone for attending.</p> <p><b>Apologies from Committee Members</b> Sarah Duncan, Board Secretary (SD) Lorraine Scott, Director for Planning, Innovation and Programmes Kate Danskin, Performance Lead, NHS Grampian June Brown, Executive Nurse Director Pamela Lowbridge, Senior Specialist Analyst Tracey Coyler, Non-Executive Board Member, NHS Grampian</p>	
2	<p><b>Minute of Meeting Held on 15<sup>th</sup> June 2022</b></p> <p>The Committee reviewed the minutes from the meeting held on 15<sup>th</sup> June, no amendments were required.</p> <p><b>Minutes from 15<sup>th</sup> June 2022 were approved by the Committee.</b></p>	
3	<b>Items Discussed</b>	
	<b>Matters Arising</b>	

<p><b>3.1</b></p>	<p><b>Update on Community First Project – access to services for high intensity users</b></p> <p>A paper was shared with the committee to provide information on the aims, desired outcomes, and progress to date of the Community First Programme. The Community First Programme has 3 separate work streams, which are Data Hub, Single Point of Contact and Community Intervention Hubs.</p> <p>The Community First Programme is progressing, and links identified with other priority improvement programmes to prevent duplication and further develop a cross system approach.</p> <p><b>Recommendation(s)</b> The committee is requested to note the update provided.</p> <p>The committee noted the update and asked the following questions –</p> <p>Q1. Is there a link to all link workers, so people know who to contact first for certain things?</p> <p>A1. The Community First Project is based in Aberdeen City at the moment. The link workers are linked into one of the work streams. One of the associates has played a crucial role in the testing of change around the community respiratory team, which might operate out of the new Northfield Academy. As a result, they are interconnected</p> <p>Rhona Atkinson questioned how the IJBs with their specific responsibilities pass on informal information and suggested a monthly newsletter could be beneficial which could help avoid using committee time.</p>	
<p><b>3.2</b></p>	<p><b>Update on progress for proposal on transformation versus the infrastructure plan reporting re digital agenda</b></p> <p>Paul Allen referred to a discussion about assurance reporting from the last meeting and following a discussion with Dr Adam Coldwells it has been decided that both lines of assurance reporting are necessary.</p> <p>Transformational activity and update on the digital delivery plan will continue to go through Transformational Oversight Board. All aspects of digital infrastructure related projects will also have an assurance reporting line as part of the new framework being developed that looks at the three strands of Sustainability, Asset Management and Digital reporting through the Infrastructure &amp; Sustainability Oversight Board chaired by Paul Allen.</p> <p><b>Action</b> Paul Allen will share the revised and updated diagram at the October meeting.</p>	<p><b>PA</b></p>

<p><b>3.3</b></p>	<p><b>Additional background to RMP4 June performance report for committee</b></p> <p>The committee was provided with additional background regarding RMP4 June performance report. The final RMP4 report has been submitted to the Scottish Government and will move forward with the delivery plan that includes the contracted government deliverables.</p> <p>The matter arising from the previous minute was to ensure Caroline Hiscox had circulated the context of RMP4 and the detail Lorraine Scott had provided.</p> <p>Following the RMP4 June performance report, Derrick Murray asked about the planned care plan, which has been submitted to the Scottish Government, but funding confirmation has not yet been received. Is this part of the transformation proposals? Are these transformations not intended to reduce costs as well as improve health care?</p> <p>Response: The planned care plan submitted is largely focused on how NHS Grampian increase short term capacity to deal with the backlog of waiting times for inpatients and outpatients that has built up. The plan includes measures to increase internal capacity through waiting list initiatives and to use the independent sector to provide external capacity. The project includes using other staff (e.g., pharmacists and AHPs) to see patients who were previously seen by medical staff, but they are targeted at increasing capacity.</p>	
<p><b>4</b></p>	<p><b>RMP4 Report to Scottish Government</b></p> <p>The committee reviewed the final RMP4 report.</p> <p>The Remobilisation Plan (RMP4) approved by the Board in October 2021 set out the Board’s response to the Scottish Government Re-mobilise, Recover, Re-design: The Framework for NHS Scotland, published on 31 May 2020.</p> <p>The Board confirmed progress against implementation of RMP4 will be monitored by the Performance Governance Committee, with other Committees being engaged in matters relevant to their remit and responsibilities in relation to the implementation of the Plan. As part of the RMP governance process, NHS Boards are required to review and formally submit progress reports on a quarterly basis to the Scottish Government.</p> <p>Reporting of the RMP4 ends in July 2022 as future assurance reporting will focus on the objectives, priorities and metrics set out in the Draft Delivery Plan for August 2022 to March 2023 which was endorsed by the Board on 4 August 2022. The Delivery Plan will be formally endorsed in the public Board meeting on 6 October 2022 once the Plan has been formally signed off by the Scottish Government during September.</p>	

**Recommendation(s) for the Committee:**

The Performance Assurance, Finance and Infrastructure Committee were asked to:

1. Agree it has been assured on the overall progress made and the issues/risks impacting on delivery of the RMP4 as set out in the accompanying progress report;
2. Note the report was approved by the Chief Executive Team prior to being submitted to the Scottish Government on 31 July 2022, as part of formal RMP reporting arrangements; and
3. Note the final progress report against the RMP4 and work has commenced to realign future reports against the objectives, priorities and metrics set out within the Draft Delivery Plan and in the context of the refreshed Performance Assurance Framework which is due to be completed by the end of March 2023.

**Committee members discussed and asked the following:**

The report shows positive outcomes in emergency admissions, but also shows that the four-hour standard has declined.

Caroline Hiscox explained that emergency admissions are the conversion of patients depending on their access route. Emergency department attendances are those who visit the ED, and 4-hour access generally relates to those who visit Dr Gray's, Royal Aberdeen Children's Hospital, and Aberdeen Royal Infirmary's emergency departments. The emergency admissions account for the number of patients that convert into hospital admissions. Grampian has one of the lowest attendance rates and has a low conversion rate to hospital admissions. An important area of concern is the time it takes to assess and decide whether a patient needs to be admitted or discharged from the Emergency Department, which is the 4 hours access measure.

Has Scottish Government provided any feedback before the meeting scheduled for September and whether they are considering taking account of the pressures NHS Grampian faces, such as infection prevention control, bed space, red/amber/green, which make flow difficult.

Susan Harrold advised that the meeting with the Scottish Government in September is to give feedback on the one-year delivery plan. However, there has been ongoing dialogue and very regular communication with colleagues in portfolios about the pressures affecting performance. There are several forums through which the Scottish Government engages in dialog.

Caroline Hiscox added that a regular conversation takes place with the Scottish Government and board chief executives about how NHS Grampian will be able to deal with this winter, as well as the risks that NHS Grampian faces in balancing financial performance, patient safety, colleagues' safety, and service delivery.

	<p>Concern expressed about the milestones and goals set for the next eight months in terms of reducing or improving access in a realistic manner. Assurance is obtained by looking at the context as well as the numbers and using knowledge of how the organisation responds.</p> <p>Caroline Hiscox explained NHS Grampian is continuing to focus on improving access to care, supporting the workforce, as well as planning for the future to better understand what can be done. As part of setting realistic targets and projections, NHS Grampian is in active discussion with colleagues locally and the Scottish Government on what can be tolerated.</p> <p>A number of discussions have been held by the board and committees about what a risk tolerance statement should look like and that is being progressed.</p> <p>The committee confirmed they are content with all three recommendations.</p>	
<p><b>5</b></p>	<p><b>Infrastructure – An enduring risk - Water Safety</b></p> <p>NHS Grampian regularly sees issues related to water safety, often related to refurbishment works and some of which impact directly on service capacity and delivery.</p> <p>A paper was shared with the Performance Assurance, Finance, and Infrastructure Committee to provide assurance that there is Executive oversight of this risk, and that appropriate action planning is defined for specific issues and for overall management of this enduring risk, including learning from previous incidents.</p> <p>Water safety is an enduring risk that requires Executive oversight, regular review, and a coordinated improvement plan.</p> <p><b>Recommendation(s) for the committee:</b>  Note the approach to managing this issue and provide feedback on the level of assurance provided.</p> <p>The committee discussed and asked the following:</p> <p>Why will it take until December to decide about risk reduction on Mycobacterium chelonae detected at Foresterhill?</p> <p>Dr Vhairi Bateman explained that the timeline is required because of the expertise needed to assess the risk and mitigations required across many clinical areas. Water issues are complex and often take a long time to resolve. There may be a need to install outlets with filters, but that would pose a risk and cost money. Any controls installed, such as filters, must be maintained regularly to ensure they are safe, and then reviewed and lifted with remedial action or with ongoing maintenance.</p> <p>How serious is the infection if someone were to pick it up?</p>	

	<p>Depending on the patient, Dr Vhairi Bateman advised that some organisms could cause fatality or severe illness. It is more likely to occur in people who have a very weakened immune system. The infection can be treated, but it can be difficult to recognise it and get treatment.</p> <p>Paul Allen stated that NHS Grampian has to deal with a variety of pathogens as they are identified. NHS Grampian is working on the current enduring risk of water issues as set out in the accompanying paper.</p>	
<p><b>6</b></p>	<p><b>Finance Report</b></p> <p>The Financial Performance Report was shared with the committee which sets out in summary NHS Grampian's high level financial performance for the 2022/23 financial year to date and highlights risks and opportunities in seeking to meet financial targets.</p> <p>This paper was submitted for information to meet the requirement of the Committee in discharging its assurance role over NHS Grampian's financial performance.</p> <p>For the first time NHS Grampian was not able to set a balanced revenue budget for this financial year. The financial plan submitted to Scottish Government projects a £20 million deficit for the year. At the end of Quarter 1 NHS Grampian would therefore be expecting a year-to-date deficit of £5 million in order to be in line with our financial plan.</p> <p>An actual deficit of £10.77 million has been recorded for the first quarter, which is over twice the level of our expected plan. The deficit reflects the extreme service pressures experienced in the first quarter of the year around patient flow, planned care and the continuing impact of Covid on admissions and staff absence.</p> <p>Significant overspends have been incurred on supplementary staffing, banding payments and hospital drugs. There is also limited evidence of any savings being achieved.</p> <p>Covid spend of £7.2 million to date. Mainly on the Vaccination Programme, Domestic staffing and Test &amp; Protect residual costs.</p> <p><b>Key Risks:</b>  NHS Grampian may not achieve the revenue target set out in the financial plan for the year, which was a £20 million deficit.</p> <p>Continuing high levels of service pressures and general inflation will put further strain on the financial position as the year progresses.</p> <p>Levels of Scottish Government earmarked funding have yet to be confirmed for many areas.</p> <p><b>Conclusion(s)</b>  The revenue overspend for the first quarter of £10.77 million is the highest level of overspend recorded by NHS Grampian for many years. It reflects the</p>	

significant and ongoing service pressures across all areas from the start of April to the end of June, including the remobilisation of services in some areas and the continuing impact of the Covid 19 pandemic on admissions and staff absence.

A range of actions are now being progressed to improve the financial position, including a renewed focus on delivery of agreed savings and tighter controls on the use of supplementary staffing.

**Recommendation(s)**

The Committee were asked to note the report and to request further detailed updates on financial performance to each meeting.

The committee asked and discussed the following:

Derrick Murray submitted the following question in advance of the meeting:  
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"Actions now being progressed - renewed focus on delivery of agreed savings". As I recall the agreed savings are already part of the -£20m budget deficit. Therefore, achievement of this (although necessary) makes no dent in the -£20m let alone the current increased overspend. Should we be making further efforts to reduce expenditure? If so, what could that look like?

The following response was provided:

The financial plan submitted to the Government in March was based on an overspend of £20m. The savings plan was part of this, so its achievement will only help us reach the £20m overspend. NHS Grampian may struggle to achieve the £20m due to a range of other pressures in the current financial year. Our financial position can be improved by finding offsetting savings, but these savings often come at the cost of reduced operational performance at a time when the whole system is under sustained pressure (i.e., we can save money by making performance worse). In light of current pressures, the Chief Executive Team is reluctant to ask services to make savings above the 1% level already anticipated.

Derrick Murray confirmed he was satisfied with the response.

Joyce Duncan submitted queries by e-mail and answered by Alan Sharp –

Why are NHSG assumptions so far off in Q1? While I understand the need for extra staff due to covid illness, it appears that NHSG are significantly underestimating the problem. Rather than setting ourselves up for failure, Joyce Duncan would prefer to see a more realistic position.

Do NHSG need to ask anything else in advance? Are NHSG putting enough pressure on the Scottish Government to set realistic spending goals? Is there a need to stop some delivery?

Alan Sharp provided the following response via-email –

- NHSG are adrift from our financial plan assumptions at the end of Q1. NHSG would have been expecting an overspend of £5m but have recorded £10.7m.
- This is being driven by a number of factors including high medical and nursing agency costs due to Covid absences and system pressures, higher drug costs due to services like Cancer increasing activity levels, higher energy costs and non-delivery of savings plans due to pressure on the system.
- NHSG are now forecasting that our year end position is likely to be above the £20m overspend that was included in our original Financial Plan submitted to Scottish Govt in March.
- NHSG know that most other Boards are in similar positions and are in discussions with Scottish Govt about how to manage the financial position.

Who makes decisions about expenditure on locums and temporary staff and what engagement is there with teams to devise different solutions.

Caroline explained that locum and agency spending is not just an issue within NHS Grampian, it is a problem nationally. Tom Power and Caroline Hiscox discussed the triangulation of legislative requirements for implementing the health and care staffing bill with the implementation of an e-rostering system which is the only way to get accurate data of the workforce in a timely way.

Despite the financial implications of agency and locum staff, Caroline Hiscox's primary concern is patient safety and the lack of continuity within teams. Through the Best Practice Australia (BPA), the most common question and concern was about safe staffing levels. There is a national discussion ongoing around the agency approach.

The BPA work will and how to use build trust and confidence with teams as the fundamental issues are about individual behaviours and team cohesiveness rather than numbers, but it is not being used to discuss agency and locum staff specifically.

Alan Sharp discussed agency usage as a last resort, particularly within the nursing profession. Before agency staff can be hired, an escalation process must be followed. In the first instance, if part-time staff are unable to work additional hours, NHS Grampian looks to the nursing bank and, if that is not feasible agencies are used. For medical supplementary staffing agencies can be used with approval from very senior level.

The Committee requested that a draft of the local value and sustainability plan be brought back to the next meeting.

**AS**

<p><b>7</b></p>	<p><b>Performance Reporting Update</b></p> <p>Caroline Hiscox advised the NHS Grampian Board approved the new strategic plan, Plan for the Future at its June 2022 meeting and endorsed the draft Delivery Plan to March 2023 at a Closed Board meeting on 4 August 2022. The Committee agreed at its June 2022 meeting that both documents present the opportunity to refresh and renew the format of the entire Performance Assurance Framework for NHS Grampian and the specific requirements of this Committee on the format and content of the performance report it receives.</p> <p>The paper was shared with the Committee to note that the Board received and scrutinized the system intelligence performance report on 4 August 2022. The update on the Remobilization Plan 4 milestones is on the agenda for this meeting, at item 4, and contains the milestone performance reporting data relevant to that Delivery Plan up to June 2022 for scrutiny by this Committee.</p> <p>The Board considered a tiered intelligence approach to performance reporting at its seminar on July 7th and there was general support for that proposal. Subsequently, the Committee Chair and Chief Executive have confirmed that this Committee will receive reporting on the milestones to achieve the priorities set out in the Delivery Plan and the Board will receive reporting on the achievement of the Board’s wider strategic objectives, with the operational system meetings receiving the weekly system intelligence reports that previously came to both the Board and this committee.</p> <p>Development of new format performance reporting for both this Committee and the Board is an iterative process. Performance reporting on a tiered basis will be aligned to the objectives and milestones set out in the draft Delivery Plan submitted to Scottish Government on 29 July 2022.</p> <p>As the draft Delivery Plan to March 2023 has now been endorsed and is operational, a new format of performance reporting against those Delivery Plan milestones will be on the agenda for the next Committee meeting on 19 October 2022.</p> <p><b>Conclusion(s)</b> The new format of reporting against the Delivery Plan milestones will commence from the October 2022 Committee meeting.</p> <p><b>Recommendation(s)</b> Note the information provided.</p> <p><b>The Committee confirmed they are content with the information provided.</b></p>	
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<p><b>8</b></p>	<p><b>Committee Work Plan Discussion</b></p> <p>Rhona Atkinson asked the committee for input into the committee business planner. The committee terms of reference provide for specific matters to be considered and the committee will need regular updates from each of the sections, similar to the water safety update that was provided at this meeting, which will allow them to gain a better understanding of the complexity of the organization.</p> <p>Sandy Riddell agreed with these remarks and added that, the committee may need to take a step back from some of the Scottish Government's reporting priorities in order to gain a better understanding of the breadth of NHS Grampian's organization and the complexity it faces. The committee should consider financial sustainability and whether the ambitions and milestones will be met. Items may be reported to more than one committee and there must be transparency about this to ensure nothing is overlooked. The Committee may also want to refer an issue or escalate it to another part of the governance structure to close the loop.</p> <p>It was noted that sustainability, facilities and estates, eHealth, digital procurement, and infrastructure planning and delivery are key items to bring to the committee and will be included in a .forward plan for committee business.</p> <p>The Committee were encouraged by Caroline Hiscox to focus on the priorities for 2022/3 outlined in the Delivery Plan and to raise emerging performance deviations that may have consequences and risks. The establishment of the executive oversight of performance is particularly important, which will feed into this committee.</p> <p>Committee agreed that there should be clarity on which committee will scrutinise the different delivery plan milestones.</p> <p>Committee also agreed that scrutiny on performance must be wider than the acute performance data. In order to deliver the plan for the future, the committee will need to look into other aspects of performance, including wellness, prevention, and inequalities.</p>	
<p><b>9</b></p>	<p><b>Matters to escalate to the Board/ other Committee Chairs</b></p> <p>Review reporting template to share with other committees / board.</p>	
<p><b>10</b></p>	<p><b>Date of Next Meeting</b>  <b>Wednesday 19<sup>th</sup> October 2022, 1400-1600.</b></p>	