

**NHS Grampian (NHSG)
Minute of the Performance Governance Committee
Wednesday 16th February 2021 10.00-12.00
Microsoft Teams Meeting**

Present

Mrs Rhona Atkinson, Non-Executive Board Member, NHS Grampian (Chair)
Ms Luan Grugeon, Non-Executive Board Member, NHS Grampian
Mr Derick Murray, Non-Executive Board Member, NHS Grampian

In Attendance

Ms Kate Danskin, Chief Nurse
Mr Alan Gray, Director of Finance
Professor Caroline Hiscox, Chief Executive
Mr Alan Sharp, Deputy Director of Finance
Ms Else Smaaskjaer, Minutes

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| 1 | <p>Welcome Mrs Atkinson thanked everyone for attending.</p> <p>Apologies from Committee Members Mrs Joyce Duncan, Non-Executive Board Member, NHS Grampian Cllr Shona Morrison, Non-Executive Board Member, NHS Grampian</p> <p>Prior to starting the meeting Mrs Atkinson wished to record thanks to Mr Gray for his contribution to the Performance Governance Committee. She commented on Mr Gray's reluctance to accept personal praise and at all times referencing support from his 'excellent team'. Mrs Atkinson noted that Mr Gray did have an excellent team but that he should accept praise for being an excellent leader. She highlighted the many remits he had taken on board over the years which went beyond his role as Director of Finance, and how he had tackled those with a positive approach looking beyond the problems presented to seeking solutions. The Committee wished Mr Gray well in his new role with NHS Scotland.</p> | |
| 2 | <p>Minute of Meeting Held on 16th December 2021</p> <p>The Committee reviewed the minute of the meeting held on 16th December 2021 and clarified the following:</p> <ul style="list-style-type: none">• Communications with those on waiting list for a long period – Mr Murray asked if the update on the work being progressed by the Medical Director Acute which was to be noted at this meeting, with a more detailed report presented to a future meeting of the Clinical Governance Committee, had been delayed due to responding to the | |

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| | <p>Omicron virus. Mrs Atkinson requested that a report should be provided at the next meeting on 20th April 2022.</p> <ul style="list-style-type: none"> • Providing assurance on infrastructure projects – Mr Murray highlighted the agreement to discuss infrastructure projects and the best means of providing assurance to the Board through the Performance Governance Committee and asked if that had also been delayed due to the Omicron response. Mrs Atkinson requested that the position should be updated at the next meeting on 20th April 2022. • Referrals to CAMHS – Mr Murray noted that the minute had recorded that most referrals to CAMHS are seen in good time. He queried how this aligned with public concerns regarding access to the CAMHS service. Mr Gray suggested that there could be uncertainty on the part of the public following the major transformation of the service and pulling all elements together on a single site at the former City Hospital. Professor Hiscox noted that CAMHS had reported sustained good performance but there is now a need to focus on bringing together all professional groups whose work is related to children’s services. The overall aim would be to work towards earlier/lower tier interventions. Professor Hiscox agreed to gather information and feedback at a future meeting of the Committee. <p>The minute of the previous meeting was then approved as an accurate record.</p> <p>The Committee agreed that the following two reports should be presented at the next meeting on 20th April 2022:</p> <ul style="list-style-type: none"> • An update regarding communications to long waiting patients with assurance that they are being appropriately supported. • How the Performance Governance Committee can best provide assurance regarding infrastructure projects to the Board. | KD |
| 3 | Items Discussed | |
| | <p>3.1 <u>Financial Report</u></p> <p>The finance report up to the end of December 2021 had been circulated and Mr Sharp provided an update on the position at the end of January and the expected situation looking forward to 2022/23. The following key items were noted:</p> <ul style="list-style-type: none"> • At this time core budget overspends are offset by slippage on Scottish Government earmarked funding. The overspend for the year stands at £3M but it is expected that this will reduce | |

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| | <p>to reach a break even position at the end of the financial year.</p> <ul style="list-style-type: none"> • NHS Grampian continues to report the highest spend in Scotland on locums and agency staff. • Significant price increases relating to medical supplies, equipment and maintenance had been reported. • Covid related expenditure remains consistent at £4-5M each month. The main elements are the vaccination programme, contact tracing, testing and additional staff costs relating to extra hours worked. • There are currently 950 WTE staff charged to Covid – this represents 1 in 12 of the workforce.. • Planning and assumptions for 22/23 are still unclear and although it is expected that additional spend on Covid related items will continue to be funded it is unlikely that the current ‘blank cheque’ approach will be used. It is more likely that each Board will be expected to manage additional spend within a Covid budget. • NHSG will face a financial gap in the region of £20M next year before any funding is allocated to the bids received for local priorities. This predicted gap is in the context of cost pressures relating to a 100% increase in energy costs, £2M as the NHSG contribution to CNORIS and £3M in relation to unscheduled care, and no certainty that all Covid costs will be funded. • On Friday 18th February the CE Team will review the draft financial plan for NHS Grampian and consider its preferred approach for next year. <p>Mr Sharp confirmed that at the end of the 2022/23 NHS Grampian is most likely to be in a similar position to all other Boards and will require financial brokerage from the Scottish Government.</p> <p>Main points discussed with the Committee:</p> <ul style="list-style-type: none"> • Mrs Atkinson asked if NHS Grampian could continue to rely on slippage to reach financial balance each year. Mr Sharp acknowledged this had been the position but the Board is now challenged by higher levels of slippage. • After two years of full Covid funding it would prove difficult to change mind-sets and achieve savings. • A Medium Term Financial Plan, including horizon scanning over the next five years, will be considered at the next briefing with Non-Executive Board Members. Mr Sharp noted that given the range of anticipated changes on the horizon, | |

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| | <p>including the proposals around the development of a National Care Service there will be a very challenging landscape during that period.</p> <ul style="list-style-type: none"> • Some concerns were raised regarding the continuing overspend on locums and agency staff. Professor Hiscox advised that a working group of senior managers, including Mr Sharp and Dr Coldwells, had been established to take oversight of this issue. She explained that there were ongoing national discussions regarding planning the design of the future workforce required to deliver modern healthcare services. • Mr Murray queried the amount spent to date from the capital programme. Mr Gray informed the Committee that the purchase of major items of replacement equipment had been accelerated and there is confidence that the capital programme will meet the financial target for 2021/22. • There were some queries regarding earmarked funding and Mr Sharp confirmed that these additional pockets of funding must be used for the purpose they had been allocated for. He explained that slippage on earmarked funding, which is often allocated in the last quarter of the financial year, occurred for a number of reasons including Covid and winter surge pressures which challenged staff capacity to plan for the services supported by this funding. Mr Sharp advised that this will present additional challenges in 2022/23. • Ms Grugeon asked if the development of the NHSG Strategy (Plan for the Future) was progressing within the context of financial reality. Mr Gray responded that senior managers in the finance team are involved in the discussions around the strategy. Professor Hiscox also advised that Mr Gray, Mr Sharp and Dr Coldwells are all very well engaged in national conversations regarding strategy development and financial planning. • Mrs Atkinson noted that financial reporting is still based on a sector based structure and asked if that would present difficulties to managers in terms of budget monitoring. Mr Sharp responded that discussions were ongoing with Portfolio Leads and from 1st April 2022 financial reporting will be based on the Portfolio Model. <p>The Committee noted the briefing.</p> | |
| 3.2 | <p><u>Health System Pressures Report and Performance Summary</u></p> <p>Mr Gray had circulated slides prior to the meeting. He suggested</p> | |

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| | <p>that as there had been an update at the recent Board meeting on 3rd February he would not go over the slides in detail but would be happy to take any questions:</p> <p>The Committee made the following observations:</p> <p>Psychological Therapies – Ms Grugeon noted that projections for this service had been higher than actual activity which did not match with the anticipated increase in demand for this service during Covid. Mr Gray responded that the significant increase in demand expected during Covid had not materialised but the service remains prepared in the event that this comes through later.</p> <p>Delayed Discharge – Ms Grugeon highlighted the varying levels of delayed discharge across the three Grampian areas and asked if support was provided to Health and Social Care Partnerships to identify if there are any blockages in the system. Mr Gray informed the Committee that a deeper review of all issues relating to delayed discharge is ongoing. It is recognised that the position is variable and that staff are presented with a range of different challenges each day. The review will look at delayed discharges in the context of overall flow of patients. Professor Hiscox added that NHSG records a good performance in comparison to other Boards and in Moray a specific piece of work has been commissioned to reach an understanding of why the numbers remain static when patients are moving through each day. She advised that NHSG staff work closely with Chief Officers around this and there had been an appointment to a Pan-Grampian post of Head of System Flow.</p> <p>Operation Iris – Mr Murray noted that the need to declare a major incident had been avoided and asked if staff were assured that Operation Iris had been successful. He also asked if information would be made available regarding the extent of derogations during this time. Professor Hiscox noted that in many ways the organisation is still working in an environment of an ongoing pandemic. A review had been commissioned to evaluate the effectiveness of all three responses, Operation Rainbow, Operation Snowdrop and Operation Iris. This will provide an oversight of what had worked well and what could have been better. The outcome will be reported to the Chief Executive Team and to the Board. Professor Hiscox informed the Committee that all derogations, including those relating to staff ratios and bed spacing, are proposed to the Weekly System</p> | |

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| | <p>Connect Meeting, attended by senior nursing and clinical staff. Decisions made are reported to and monitored by the weekly Clinical Risk Meeting chaired by the Medical Director and the Executive Nurse Director. Mr Gray advised that the public enquiry instructed by the Scottish Government will also contribute to learning around the pandemic.</p> <p>Mrs Atkinson thanked Mr Gray for the update and suggested there should be clearer communications with the public regarding why services will not fully return to how they were delivered pre-Covid. If there are reasons for change which are not related to Covid these should be clearly stated.</p> | |
| 4 | <p>Items to Highlight to NHSG Board</p> <p>The Committee agreed that Mr Gray would draft a report for Mrs Atkinson's review.</p> | AG/RA |
| 5 | <p>Briefing on the Baird and ANCHOR Project from Ms Jackie Bremner (Project Director), Mr Derek Morgan (Deputy Project Director, Construction and Quality) and Ms Julie Anderson (Deputy Project Director, Finance and Commerce)</p> <p>Members of the Performance Governance Committee were joined by:</p> <p>Ms Amy Anderson, Non-Executive Board Member Cllr Isobel Davidson, Non-Executive Board Member Dr John Tomlinson, Interim Chair and Non-Executive Board Member</p> <p>Ms Bremner thanked the Committee for the opportunity to provide an interim briefing to Board Members on the current position of the project before a formal report to the meeting of NHS Grampian Board on 7th April. The presentation included information relating to Quality (Construction and Design Assurance), Programme, Cost and Risk, Redesign and Commissioning, Communication and Community Benefits. The following key items were highlighted:</p> <ul style="list-style-type: none"> • The NHS Grampian Maternity Strategy agreed ten years ago had identified the Baird Family Hospital as a key component. The hospital will replicate services currently provided in the Aberdeen Maternity Hospital and will also provide breast and gynaecology symptomatic and screening services. Focus on providing ambulatory care will allow opportunities to redesign services and provide a facility which can deliver those services well into the future. • The ANCHOR Centre had been planned to contribute to the NHS | |

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| | <p>Grampian ambitions for oncology and haematology patients. It will be physically attached over two floors to the radiotherapy centre which will streamline patient care and optimise clinical resources.</p> <ul style="list-style-type: none"> • There are robust risk management arrangements in place across the project. Current risks are in relation to market conditions in the construction industry and this is closely monitored with the contractor during regular meetings. Functional and technical suitability is also reviewed regularly to ensure changes in law/national policy are taken into account. The risk management arrangements had been designed to highlight any impact on programme, cost, quality and successful operational phasing at an early stage. • From the earliest stages the project team had recognised the importance of design quality and had taken on board learning from projects in other areas. There had been wide engagement with a number of staff, public and patient stakeholder groups. Design proposals had been subject to the NHS Scotland design assessment process and had undergone all the technical reviews required for a project of this size and scope. The project teams continue to work with Graham Construction to close out all the items raised during this assessment/review process. • NHS Grampian technical resources are on site each day and had played a key role in ensuring quality in construction. Arrangements around construction quality had included working with NHS Assure in relation to completing NHS Scotland Key Stage Assurance Reviews. Detailed testing and commissioning schedules had been in place at each critical stage of the project. • The investment to date in the project was confirmed. There is no anticipated change to the recurring revenue requirement. However, there are known risks on the project budget across some key elements including Covid compensation and highly unusual market conditions. A full cost review will be completed and reported to the NHS Grampian Board on 7th April. • Despite a number of challenges there had been significant progress against the programme but it is anticipated that the challenges highlighted will impact on commissioning dates. The programme is currently being revised under the guidance of the independent advisers and any changes required will be reported to the NHS Grampian Board on 7th April. • A service led redesign structure had been established and a range of new working practices had been applied in existing facilities with the aim of implementing service redesigns before occupation. During 2022 preparing for technical and functional commissioning will be a key focus. • The project team had recognised the importance of communication. Social media accounts were active and regularly updated and there | |

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| | <p>had been a number of staff awareness sessions. Wide engagement had taken place with staff, patient, public and other key stakeholder groups, and with fundraising partners.</p> <ul style="list-style-type: none"> • The Primary Supply Chain Partner had a contractual obligation to deliver community benefits and this had included engagement with schools and opportunities for graduate programmes and participation in NHSG apprenticeships. • The next steps will be: <ul style="list-style-type: none"> ~ To complete the cost review and have discussions with the Primary Supply Chain Partner, Health Facilities Scotland and the Scottish Government. ~ To complete the programme review and reassess opening dates. ~ To present a formal report to the NHS Grampian Board on 7th April 2022. <p>Ms Anderson asked if there had been discussions with other maternity providers to ensure synergy between what is already in the system with the services planned for the Baird Family Hospital. Ms Bremner explained that there had been ongoing dialogue with community hospitals across Grampian, Ninewells Hospital in Dundee, Raigmore Hospital in Inverness and with staff in Orkney and Shetland. There had also been consideration of the consequences resulting from changes in maternity services delivered at Dr Gray’s Hospital in Elgin.</p> <p>Mr Murray highlighted awareness that a project of this scale would likely experience some delays and extra cost and asked if the dates for moving in were achievable. It was confirmed that the dates to handover keys would be subject to review. However, for the Baird Family Hospital the time between handover of keys to commissioning would remain at three months and for the ANCHOR Centre at eight weeks.</p> <p>Dr Tomlinson asked how risks would be managed when the project team handover the building to operational managers. Ms Bremner explained that during construction both buildings are the responsibility of the contractors. NHS Grampian will assume liability when the keys are handed over when construction is complete. During the commissioning phase the project team will take responsibility for the buildings and as the project moves towards the operational phase responsibility then transfers to operational managers and estates colleagues and the project team assume a supporting role rather than taking the lead. Ms Bremner informed the Committee that the project team are aware of the need to closely monitor and carefully manage each transition.</p> <p>Ms Grugeon asked if information would be provided regarding the</p> | |

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| | <p>numbers who had taken up opportunities offered through Community Benefits. Ms Bremner confirmed this would be provided in the annual report from Graham Construction.</p> <p>Mrs Atkinson thanked everyone attending for their contribution and hoped they had found the briefing useful. She thanked the Project Team for the informative progress update on this significant project which will result in the completion of two landmark health facilities in Grampian, and noted assurance that all risks are being appropriately managed.</p> <p>Following the meeting Dr Tomlinson had some follow up questions for the project team. These are outlined below along with the responses provided by Ms Bremner.</p> <p>1. Is there a summary paper/list on lessons learned from Glasgow and Edinburgh that we can use as a Board to explicitly assure ourselves on those aspects in our two projects – that would help myself as Chair to ensure the assurance on that is again publicly considered.</p> <p>There is a QEUH independent inquiry report which is being progressed at Board and Project level, to address the report findings for this and other capital projects in Grampian. There has also been work done by NHSG officers Derek Morgan and Stan Mathieson at regional level for the North of Scotland Facilities and Capital Planning Group with recommendations based on the Cole report, particularly in relation to the Edinburgh Schools situation, which is referenced in the QEUH set of findings for consideration as part of current and future projects.</p> <p>We are embedding the learning from Glasgow and Edinburgh through the assurance processes being implemented by NHS Scotland Assure which was a recommendation of the QEUH report. As part of the approval of the FBC we reported on the outcome of the initial design assurance review to the Board and the outcome of future independent assurance reviews will be reported, together with supporting action plans. In addition, as referenced in the presentation to the Performance Governance Committee, we are also adopting the Soft Landings process and the use of digital technology to help with delivery of the project and there has been appropriate liaison with the Infection Prevention and Control Team, all of which are emphasised in the report for QEUH.</p> <p>2. I assume all the project governance is clearly documented – I’m fully expecting and content with a simple yes rather than chapter and verse on that given the professionalism of the team – I’m ensuring here that the question is posed and answered.</p> <p>Yes, these are set out in the FBC Management case and we have a comprehensive project execution plan, updated regularly which outlines</p> | |

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| | <p>our governance arrangements. Also any key decisions made by the Project Board are subject to a written paper, noted and recorded in the PB decisions log.</p> <p>3. Workforce implications – a. what is the balance between transfer of existing and new positions, b. and where new positions is there a risk for some staff groups (like nursing) of recycling from other parts of the health system, and c. if so, what is being done to address that?</p> <p>Most staff will be transferring from one facility to the other, I will ask my colleague Gail Thomson, Deputy Project Director, Service and Operation, to respond to this specific query in relation to workforce when she is back from leave next week.</p> <p>4. For the financial pressures – is it correct to assume that you will seek to negotiate extra funding to cover gaps, but where this is not successful will you bring ‘reductions’ and service implications of these to the Board?</p> <p>Opportunities for reductions will be limited at this stage of the project, however an exercise to identify and risk assess these is in terms of service delivery and technical compliance is underway. In relation to COVID and market forces pressures, the Full Business Case Addendum discussed the fact that the ramifications of COVID could not be accurately assessed and that key assumptions had been made in forecasting the Project Budget and approved sum requested. We are working the PSCP to assess the impact of market conditions and COVID and a meeting has been set up with SG to agree options to address. As highlighted at the Committee meeting we are reviewing our own risk allocation and as a result of further changes we may instruct to meet emerging standards or clinical requirements there may be a need for the Board to contribute further funding to address such risks. If we are unsuccessful in agreeing additional funding from SG we will need to bring to the Board alternative options regarding how they might be managed.</p> | |
| | <p>Date of Next Meeting Wednesday 20th April 2022 10.00 - 12.00 Microsoft Teams</p> | |