NHS GRAMPIAN

Minute of Meeting of GRAMPIAN NHS BOARD held in Open Session
at 2.30pm on Tuesday, 26 June 2018
in the Conference Room, Summerfield House, Eday Road, Aberdeen

Present
Professor Stephen Logan  Chairman
Mrs Amy Anderson  Non-Executive Board Member
Mrs Rhona Atkinson  Non-Executive Board Member
Cllr Frank Brown  Non-Executive Board Member
Professor Amanda Croft  Acting Chief Executive
Mrs Sharon Duncan  Employee Director
Professor Nick Fluck  Medical Director
Mr Alan Gray  Director of Finance
Mrs Luan Grugeon  Non-Executive Board Member
Professor Steve Heys  Non-Executive Board Member
Mrs Christine Lester  Non-Executive Board Member/Vice Chair
Cllr Douglas Lumsden  Non-Executive Board Member
Mr Jonathan Passmore  Non-Executive Board Member
Mr Eric Sinclair  Non-Executive Board Member
Mr Malcolm Wright  Chief Executive

By Invitation
Mr Paul Allen  Director of Facilities and Estates
Mrs Laura Gray  Director of Corporate Communications/Board Secretary
Mr Garry Kidd  Assistant Director of Finance
Miss Rachael Little  Employee Director Elect
Ms Anne MacDonald  Senior Audit Manager, Audit Scotland
Mr Gary Mortimer  Director of Acute Services
Ms Gillian Woolman  Assistant Director, Audit Scotland

Attending
Miss Lesley Hall  Assistant Board Secretary

Item  Subject

1  Apologies

These were received from Dame Anne Begg, Mrs Susan Coull, Cllr Isobel Davidson, Mrs Caroline Hiscox, Dr Lynda Lynch, Dr Helen Moffat, and Mrs Susan Webb.

2  Declarations of Interest

There were no declarations of interest relating to specific agenda items.

3  2017/18 Audit Report

Mr Gray advised that the report by Audit Scotland, the Board’s external auditors, had been considered in detail at that morning’s Audit Committee meeting. He confirmed that the Board had achieved its three statutory targets set by the Scottish Government Health and Social Care Directorate (SGHSCD). He advised that the financial statements included the disclosures by Mr Wright, as Accountable Officer, in relation to
his review of the adequacy and effectiveness of the Board’s system of internal control.

In response to a query about EU withdrawal, Mr Gray assured Board member colleagues that contingency planning would take place nationally and at Board level to prepare for EU withdrawal and to mitigate risks. It was noted that it was difficult to establish where affected staff were working but Partnership would provide support to those who required it.

Ms Woolman, Audit Scotland, provided feedback on the audit process. She advised that there had been detailed discussion of the Endowment Funds at the preceding Endowment Trustees Annual General Meeting. She acknowledged that these funds were very precious to NHS Grampian and contributed to the consolidated resources of £1.7 billion which also included the results of the three Integration Joint Boards (IJBs). Mrs Woolman also noted that NHS Grampian had total assets of £700 million and 14,500 staff.

She advised that at the conclusion of the annual accounts process, NHS Grampian had achieved its three financial targets and Audit Scotland had issued an unqualified audit opinion on the accounts. She reported that there were effective arrangements for financial management. She pointed out the reliance on non-recurring savings year on year and maintaining financial sustainability would be a challenge, particularly with efficiency savings of £18 million to be made in 2018/19. The Audit Scotland report recommended the Board undertake scenario planning and modelling in relation to planning for the medium term. Mrs Woolman noted that the Baird and ANCHOR project was a significant capital development which would give opportunities for service redesign. With regard to the section on value for money, it was noted that 16 of the 19 national performance targets had not been met.

In response to a point raised on paragraph 69 regarding the role of Board members on IJBs, Ms Woolman agreed to amend the wording. Mr Gray assured the Board that regular discussions took place with Health and Social Care partnership colleagues and financial information was available to make sure that overall resources were used as efficiently as possible and to help decision-making processes.

With regard to the comment in paragraph 77 that there was little evidence of progress with actions around risk management, Mr Gray advised that Professor Fluck was now the lead for this. The Audit Committee had been briefed on progress at its meeting that morning and noted that an action was in place and would be monitored.

The Board noted the Annual Audit from Audit Scotland on the 2017/18 Audit.

4 Approval of Grampian Health Board’s Annual Accounts 2017/18

The Annual Accounts were presented to the Board.

Mrs Atkinson, Chair of the Audit Committee, explained that the Committee had a very positive meeting that morning and reiterated that the Annual Report and Accounts and Annual Audit Report had been discussed in detail. The Committee had recommended the Annual Report and Accounts 2017/18 for approval.
Mrs Duncan suggested that the heading for paragraph 8.1.6 was about listening and caring. Mr Gray agreed to consider this amendment for next year’s accounts.

Mrs Atkinson wished to record thanks to Mr Gray, Mr Kidd and their finance team colleagues and to Audit Scotland colleagues for their hard work concluding the year end processes.

The Chairman also expressed his thanks on behalf of the Board to all those involved for their quality work in the production of the accounts, including finance colleagues, and both internal and external audit.

The Board approved the Annual Report and Accounts of the Grampian Health Board (commonly known as NHS Grampian) for 2017/18.

**5 Patients’ Private Funds – Approval of the Abstract of Receipts and Payments 2017/18**

The Board was advised that the Audit Committee had reviewed the 2017/18 abstract of receipts and payments for Patients’ Private Funds documents at its meeting that morning and had recommended the abstract of receipts and payments for approval by the Board.

The Board approved the 2017/18 abstract of receipts and payments for Patients’ Private Funds.

**6 Infrastructure Investment – Initial Agreement for Investment in Elective Care Facilities**

Mr Smith advised that approval was being sought for the Initial Agreement which was the first stage in any capital bidding process. He referred to the session on elective care at the Board meeting in 7 June 2018 which provided a broad background to the Elective Care Programme. He advised that the proposed investment in elective care services aimed to improve efficiency and increase capacity to address projected need as a result of population growth.

Mr Smith provided explanations on the strategic context, the vision and strategy, the case for change and the prioritisation of investment options and selection of preferred solution as set out in the paper, noting that the IA had been prepared in taking into account the regional perspective.

The capital costs of the new facilities were estimated at £56.3 million and more detail would be provided in the Outline Business Case (OBC), the next stage in the planning process. The revenue costs and the indicative key milestones until 2021 were set out in the paper.

Non Executive Board members raised concerns about the workforce availability to staff new facilities. Mr Smith advised that workforce was a significant factor in the planning of the programme and that facilities would be reconfigured to allow existing staff to be more
productive and to maximise the use of staff. Staffing would not be related to facilities but to the activity. Professor Croft explained that the future configuration of the workforce would be different, with different roles and skill mix. Professor Heys and Professor Fluck suggested that the potential developments would present more opportunities for education and research which would have a positive impact on attracting and retaining staff.

Mr Smith advised that an option appraisal would be required to ensure that facilities were situated in the most appropriate location, taking into account health inequalities and opportunities for involving the third sector as part of a wider “workforce”.

Mr Gray advised that the Initial Agreement dealt with only part of the Elective Care capacity planning and there would be further discussion on demand and capacity at the Board Seminar in September.

Mr Wright agreed that points about workforce and future revenue consequences had been well made. He stressed that it was difficult to predict certain things but the increased demand for elective care services was predictable. He reminded Board members that they were being asked to approve the Initial Agreement, which was required before proceeding to OBC. He advised that the proposals fitted well with other cases across the North of Scotland.

The Chairman concluded that the approval of the Initial Agreement would be progress towards addressing elective care needs. Much more detail would be provided at the next stage and additional work which would incorporate suggestions about engagement with the public and involvement of the third sector. Reflecting on NHS Grampian’s strength and foresight regarding capital planning and infrastructure investment, he commended the Initial Agreement for approval.

The Board:

- Approved for submission to the Scottish Government Capital Investment Group (CIG), the Initial Agreement (IA) for Elective Care.
- Authorised the Chief Executive and Board Chairman, subject to approval of the IA by the Scottish Government Health and Social Care Directorate, to extend the appointment of the Principal Supply Chain Partner for the Major Acute Services in NHS Grampian Project (Baird Family Hospital and ANCHOR Centre) to include Elective Care Facilities.
- Authorised the Chief Executive and Board Chairman, subject to approval of the Initial Agreement by the Scottish Government Health and Social Care Directorate, to commit design fee costs necessary to progress development of the Outline Business Case up to a maximum value of £2 million.

7 North of Scotland Framework – Memorandum of Understanding

Mr Smith referred to the paper which presented a Memorandum of Understanding (MOU) which the North Region Chief Executives had agreed should be submitted to Boards to delegate authority to their Chief Executives to sign. The aim was to facilitate
movement and flexibility of staff to work across Board boundaries.

Board members sought clarity on the principle set out in the document regarding future contracts of employment in relation to regional working. Mr Wright advised that the MOU was an enabling measure to ensure that staff had access to systems and information they required to do their job as appropriate. Professor Fluck assured Board members that there was a desire for Boards to work together and for staff with a legitimate purpose to work in and to access systems in partner Boards. Normal confidentiality and data sharing requirements would require to be followed.

It was agreed that a decision on the matter should be deferred and that the Director of Workforce would be invited to clarify some of the detail before delegating authority to the Chief Executive/Acting Chief Executive to sign off.

The Board considered the initial Memorandum of Understanding (MOU) document in relation to staff working across the North of Scotland Health Boards.

Following discussion, the Board asked for clarification of the MOU before agreeing to delegate authority to the Chief Executive/Acting Chief Executive to sign off the MOU.

8 Date of Next Meeting

Thursday 2 August – Alexander Graham Bell Centre, Moray College UHI, Moray Street, Elgin.

Signed ................................................................. Date ...........................................
Chairman