

Minute

NHS Tayside

TAYSIDE NHS BOARD

FINANCE AND RESOURCES COMMITTEE - OPEN BUSINESS

Minute of the meeting of Tayside NHS Board Finance and Resources Committee held at 09:30 a.m. on **Thursday 18 August 2016** in the Committee Room 1, Level 10, Ninewells Hospital, Dundee

Present:

Dr A Cowie, Non Executive Member & Chair of Area Clinical Forum, NHS Tayside

Mr D Cross, OBE, Non Executive Member, Tayside NHS Board

Councillor D Doogan, Non Executive Member, Tayside NHS Board

Mrs L Dunion, Non Executive Member, Tayside NHS Board

Mrs J Golden, Non Executive Member, Tayside NHS Board

Cllr K Lynn, Non Executive Member, Tayside NHS Board

Attending – Executive Directors

Mr L Bedford, Director of Finance, NHS Tayside

Mr G Doherty, Director of Human Resources, NHS Tayside

Mr R MacKinnon, Associate Director of Finance - Financial Services & Governance/FLO, NHS Tayside

Professor A Russell, Medical Director, NHS Tayside

Regular and Other Attendees

Mr M Anderson, Head of Property, NHS Tayside

Mrs G Culross, Senior Communications Manager, NHS Tayside

Mrs A Dailly, Information Governance Officer, NHS Tayside (for items 7.3, 10.1 & 10.2)

Mr N Deuchar, Senior Property Manager, NHS Tayside

Ms M Dunning, Board Secretary, NHS Tayside

Mr A Gall, Financial Consultant

Mrs L Green, Committee Support Officer, NHS Tayside

Dr M Ibrahim, Deputy Director of Medical Education (Undergraduates) (for item 8.1)

Mrs L Lyall, Capital Finance Manager, NHS Tayside

Mr S Lyall, Head of Finance, Operational Unit, NHS Tayside

Mr R Marshall, Representative Area Partnership Forum

Mr D Mills, Representative Area Clinical Forum, NHS Tayside

Apologies

Prof J Connell, Chair, Tayside NHS Board

Ms L McLay, Chief Executive, NHS Tayside

Miss D Robertson, Representative Area Clinical Forum

Mr D Cross in the Chair

1. CHAIRMAN'S WELCOME AND INTRODUCTION

ACTION

Mr Cross welcomed all to the first Committee meeting following the summer break.

Mr Cross welcomed Dr Mohammed Ibrahim, Deputy Director of Medical Education (Undergraduates), in attendance for Item 8.1 on the Agenda, Professor Andrew Russell, Medical Director attending on behalf of Ms Lesley McLay, Chief Executive and Mr Alan Gall, Financial Consultant.

It was noted Mr Gall was working with Ms McLay and Mr Bedford in relation to benchmarking exercises and was also an attendee at the Transformation Programme Board.

2. APOLOGIES

The apologies were noted as above.

3. DECLARATION OF INTERESTS

There were no declarations of interests.

4. MINUTE OF PREVIOUS MEETING

4.1 Minute of the Finance and Resources Committee Minute – 12 May 2016

The Finance and Resources Committee Minute of the meeting held on 12 May 2016 was approved on the motion of Mrs Linda Dunion and seconded by Mrs Judith Golden.

4.2 Action Points Update

Mr Bedford spoke to the Action Points Update.

Reporting Requirement – Code of Corporate Governance – It was noted that discussions were ongoing with Mr Michael Cambridge, Associate Director of Procurement, regarding the identification of suppliers where negotiation of longer term contracts may be possible.

Assurance Report on Strategic Financial Plan – It was noted an update regarding the progress of the Transformation Programme had been incorporated into the Assurance Report on Financial Risk and the Corporate Financial Report, both of which were Agenda items for this meeting.

It was noted all other actions had been completed.

It was agreed that Item 8.1 Additional Cost of Teaching Annual Update Report 2015/16 would be taken next on the Agenda

8. ANNUAL REPORTS/WORK PLANS/PLANS

8.1 Additional Cost of Teaching Annual Update Report 2015/16 (FRC44/2016)

Mr Bedford advised that the Committee received the Additional Cost of Teaching (ACT) Annual Update report for noting. It was noted the NES Performance Management Framework required NHS Tayside to account for the use of ACT funding. An abbreviated report was submitted to NES for performance management purposes.

Mr Bedford introduced Dr Mohammed Ibrahim, Deputy Director of Medical Education (Undergraduates) to speak to the report.

Dr Ibrahim advised the Committee that ACT had received funding in excess of £12m from NES in 2015/16. This contributed to a range of different aspects of teaching with clinical teaching receiving the highest allocation. It was noted approximately 90 – 95% of teaching was led by NHS Tayside staff.

Dr Ibrahim advised that quality assurance and improvement was monitored by NES by way of red, amber and green flags. It was noted NHS Tayside had not received any red flags from NES. NHS Tayside had the only Medical School in Scotland where no red flags had been received for 2015/16.

Dr Ibrahim advised the Committee there was a reduction of £300k in funding for 2016/17, however, there was confidence this would be managed. Some resources had been used to cover joint activities between undergraduate and post graduate activities as discussed with ACT previously. The aim to have a process by which this could be justified by working closely in NHS Tayside to deliver high quality under and post graduate teaching taking into account patient safety and experience. It was noted NES was looking to justify funds allocated to NHS Tayside. Dr Ibrahim was confident that all funding received from NES would be justified.

Dr Cowie raised concerns around the substantial amount of money NHS Tayside spent in outsourcing students to other Health Boards. Dr Ibrahim advised that students were outsourced due to the lack of capacity within NHS Tayside. It was noted agreement was required from Clinical Leads and Directors for increasing capacity and suggestions and involvement in discussions would be welcomed.

9:40 Cllr Ken Lynn arrived

Professor Russell noted that NHS Tayside being one of the highest performers in Scotland was encouraging. The importance of building on education was recognised. It was noted NHS Tayside had robust processes in place to adapt to changes within teaching. Dr Ibrahim wished to thank and acknowledge the work of the ACT team.

Mr Cross acknowledged the good work of Dr Ibrahim and his team and the recognition from NES that NHS Tayside was performing at a high level.

The Committee

- **Noted the content of the report and that of the Annual Update Report 2015/16**

4.3 Work Plan 2016/17

Mr Cross advised the Committee that the Work Plan 2016/17 was to be a regular Agenda item and had been updated to include Forward Planning 2017/18. This would be reported to the Committee at its meetings in November 2016 and January 2017.

5. Matters Arising

There were no matters arising

6. GOVERNANCE ISSUES

6.1 Capital Report for the Period Ended 30 June 2016 (FRC46/2016)

Mrs Lyall advised the Committee the report detailed the capital position of NHS Tayside for the period ended 30 June 2016.

Mrs Lyall referred to Table 1 of the report which compared the current capital forecast for 2016/17 with the Capital Plan which had been approved by Tayside NHS Board in May 2016. The approved Capital Plan had subsequently been included in the Local Delivery Plan (LDP) which was submitted to Scottish Government Health and Social Care Directorate (SGHSCD) in May 2016.

Mrs Lyall noted the shift of £37k between the approved and forecast Capital Plan and advised the confirmed capital funding for 2016/17 from Capital Resource Limit (CRL) was £11,383m, which included £0.717m capital grants. The June SGHSCD allocation letter had confirmed CRL of £14.175m with significant allocations and adjustments anticipated.

It was noted Table 2 of the report highlighted a reconciliation of the CRL at 30 June 2016 with the June allocation letter.

Mrs Lyall advised the anticipated outturn for 2016/17 was a breakeven position and the Capital Scrutiny Group (CSG) would continue to monitor progress to ensure this target was met. The Non Added Value (NAV) revenue element of funding to support the Capital Plan was estimated at £2m for the year and would continue to be monitored throughout this financial year. Annually Managed Expenditure (AME) impairment on projects within the project plan was currently estimated at £1.211m on current year completions.

It was noted the May LDP forecasted the disposal of 16 properties with a Net Book Value (NBV) of £2.941m, with a further NBV of £0.014m identified in respect of equipment disposals from the fixed asset register. The total NBV of £2.955m would be returned to SGHSCD, however, discussions were ongoing with SGHSCD regarding the use of asset receipts, inclusive of NBV, to assist NHS Tayside's revenue position being retained by NHS Tayside.

The Committee noted that the current contract period for estate revaluation services would end 30 September 2016 and an invitation to tender was issued on 16 June 2016 with a closing date of 5 July 2016. It was noted this was an item on the Agenda for this meeting and details of the tender exercise would be reported under this item.

Mrs Lyall highlighted the gross capital expenditure to 30 June 2016 was reported at £1.667m, comprising CRL of £1.437m and NAV revenue of £0.229m. This was comparable with the gross expenditure of £0.931m for 2015/16. The graph on page 3 of the report detailed the profile of capital spend compared to 2015/16 and the 2016/17 expenditure profile as per the LDP Capital Plan allowing for comparison with the actual expenditure. It was noted the 2016/17 forecast expenditure was currently in line with the 2016/17 LDP forecast spend profile and with

progression of projects resulting in changes to the capital forecast, comparisons between the 2016/17 forecast and LDP forecast would become more apparent.

The gross forecast capital expenditure of £18.018m was detailed within a chart on page 3 of the report with the highest proportion of forecast gross expenditure expected on EAMS (including infrastructure projects) at 21.5% and ring fenced Radiotherapy Equipment Replacement at 21.5%. It was noted EAMS funding had been allocated to tackle infrastructure, statutory compliance and backlog maintenance issues.

The overall budget increase at 30 June 2016 was £0.077m and the net budget changes across the main expenditure headings were detailed in Table 3 with a detailed breakdown of the budget changes by project included in Appendix 3 of the report.

It was noted slippage of £1.226m was returned to SGHSCD in 2015/16, of which £1.100m was returned to NHS Tayside in the June allocation letter, and a further £0.126m was anticipated.

The report identified a number of continuing issues which had had an impact on the Capital Plan for 2016/17 and would continue to impact in future years. In particular, there were significant pressures on the NAV budget in 2016/17, being mainly due to the high level of proposed spend on revenue equipment from the IM&T allocation. As the eHealth Investment Programme was not considered capital it would require to be written off against the NAV budget. It was noted that approximately 65% of the IM&T rolling programme allocation is expected to be revenue, however, there was no identified source of revenue funding for essential IM&T equipment and there was an urgent need to identify an annual revenue funding earmarked for IM&T within future NHS Tayside Financial Plans.

Mrs Lyall advised the Committee that the current national contract of telephony services is due to end in November 2017 and as a result NHS Tayside was required to replace telephony facilities throughout Tayside. It was noted tenders had initially been sent out under the assumption that the replacement would be carried out as a full managed service contract, to include equipment, and therefore be a revenue solution, however, tender returns have indicated that companies would not include equipment as part of the managed service and as a result equipment would be required to be funded through capital. It was noted that confirmation of capital costs was awaited but was estimated to be circa £1.3m to £1.4m, a requirement every five to seven years, and would include set up costs of circa £225k. This had not been included within the Five Year Capital Plan.

The Committee noted the East Central Territory hub (ECT hub) was monitoring progress on a number of projects and the status of each of these was detailed within the report. The ECT hub shareholders forum had been rescheduled from 7 June 2016 to 27 September 2016 and the 2015 hub KPI would be presented at this forum with results being submitted to the November 2016 Committee meeting.

Mr Bedford advised the Committee that NHS Tayside were submitting bids in respect of a £100m allocation from SGHSCD to support health and a level of allocation was expected.

Mrs Lyall advised, in response to a query from Mr Cross, that telephony equipment, such as handsets, would not be included within a fully managed services contract as alternative companies providing services following the end of a contract would not want to take ownership of the original equipment. It was noted that this was previously a revenue lease but would now be a capital lease. Mr Cross requested that options were explored with an update to a future Committee meeting.

Mr Gall highlighted the importance of the disposal of fixed assets and queried whether there were improvements in NHS Tayside's capacity to take forward disposals. Mr Anderson advised the team had been bolstered by the addition of five members of staff and although one position remained outstanding there had been a significant improvement.

Mr Cross advised a significant point had been raised within the report, in areas of significant expenditure, there was the need for better planning, the need to ensure resources were sufficient and areas were being addressed through maintenance.

The Committee

- **Requested options in relation to telephony equipment and fully managed service contracts were explored with an update at a future Committee meeting**
- **Noted the Capital Report for the Period Ended 30 June 2016**

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6.2 Corporate Financial Report for the Period Ended 30 June (FRC47/2016)

Mr Cross advised the Committee that a different style of reporting had been adopted for this item to allow Members to gain a clear understanding of the financial challenges faced by NHS Tayside and to ensure transparency.

Mr Bedford advised the Committee that this reporting structure was at an early formative stage and feedback would be appreciated. It was noted reporting of the Integrated Joint Boards (IJB) position would also evolve over the coming months and would recognise the change of status for this delegated resource approved by Tayside NHS Board in March 2016 as part of the Financial Framework.

Mr Bedford highlighted the key points of the report. The position as at Quarter 1 was an overspend of £4.480m against the May 2016 position of £2.884m. This was an increase on the deficit of £1.596m within the month and recognised the unbalanced Local Delivery Plan (LDP) position submitted to Scottish Government (SG) in May 2016 and a deterioration of c£1m anticipated for each month.

The position was summarised in the Core Operational function detailed within Table 1 of the report and subjectively in Table 2.

The Financial Framework which was approved by Tayside NHS Board in March 2016 sought to resolve a number of legacy issues and was reflected in the base budgets which operational and strategic functions received at the beginning of the year, however, the efficiency savings in both the present year and in the medium term were recognised.

The Board Contingency remained intact in the reporting of the position at Quarter 1. The 3 elements of the £4.480m overspend position were £2.9 unbalanced LDP, £1.2m shortfall on efficiencies and c£0.4m net cost pressures.

It was noted Table 2 of the reported highlighted an overspend position of £1.4m in relation to pay. This position was detailed by job family in Table 3 of the report and the monthly spend profile and trend in Whole Time Equivalent (WTE) worked was shown in Chart 1 of the report. It was noted WTE since March 2016 had fallen

10:10 Mrs Alison Dailly arrived

The monthly trend profile was detailed in Table 4 of the report with some months reflecting Public Holidays and 5 week months in relation to weekly paid staff.

Mr Bedford advised that supplementary costs were detailed in Table 5 of the report and in graphical format in Appendix 2 of the report. It was noted there had been a reduction of £531k in supplementary costs in 2016/17 from the same period in 2015/16. The WTE workforce had fallen by 173 WTE since March 2016. The main contributors to this were Nursing and Midwifery and Admin and Clerical/Senior Managers.

Pressures remained within a number of non compliant rotas for Training Grade Medical staff and contributed £0.3m to the financial position. It was noted these costs would remain until the training grade changeover in August 2016. Cost pressures would lessen with continued compliance.

The Committee noted that eRostering continued to be rolled out across the organisation. This together with the Safecare System would significantly enhance Tayside NHS Board's ability to provide timely, robust information to ensure the efficient deployment of the workforce resource. There was the expectation this would allow for a reduction in supplementary costs and would be reported to the Transformation Programme Board (TPB).

The winter surge beds on the Ninewells site remained open with no identified funding source reflecting continued patient flow. There was a cost pressure of £0.34m identified to date.

Mr Bedford advised prescribing was highlighted within Table 6 and Chart 2 of the report. Secondary Care prescribing continued to support the position overall taking into account the challenge with FHS prescribing costs resulting in a shortfall of c£0.2m in 2015/16. It was noted each of the IJBs had indicated through their own governance processes the challenges of remaining within the identified financial limits. The Prescribing Management Group would continue to work collaboratively.

The Committee noted non pay costs were detailed within Table 7 and Chart 3 of the report. The Workstream Programme was active in ensuring products were procured at the most economical price. It was noted benefits from the national pricing scheme were apparent within energy, in particular, for gas. Mr Bedford advised that clinical supplies continued to be impacted by demand pressures.

Individual Group positions were highlighted within Section 3.7 of the report with the intention to provide a better understanding on each aspect of the organisation in terms of trends, particular areas of traction in containing costs and areas where pressures were evident. It was anticipated this would be enhanced in future months to recognise forecast outturn positions.

It was noted the Committee may wish to invite representatives from specific areas within the organisation to gain a greater insight and understanding of challenges faced.

Mr Bedford advised that it was not the intention to go through each area on a group by group basis. It was anticipated that information provided within the report was helpful and informative. As reporting progresses during the year a more detailed discussion would be generated.

Mr Bedford informed the Committee that once the organisation structure under the Chief Operating Officer had been agreed and implemented the reporting group structure would also change. It was noted the IJB positions were also reported, however, at this stage did not reflect the internal cross charging for hosted services between each of the 3 bodies. This was incorporated into the July 2016 statements and was based on an agreed split.

It was noted each of the IJBs held governance meetings prior to the end of June 2016 with each noting the risks around delivery of the devolved GP Prescribing budget, challenges around the Forensic Medical Service and the Locum spend position in both GAP and Learning Disability, recognising the recruitment difficulties identified. The recruitment difficulties were not expected to be resolved in the short term.

Mr Bedford advised Efficiency Savings were detailed within Table 19 of the report and reflected an unbalanced LDP of £11.65m. The shortfalls were principally against Workforce, Operational Savings and IJBs. It was noted the IJB governance meetings considered progress against delegated efficiency savings and work was ongoing with the IJBs to monitor their plans in line with the Transformation Programme. Information received from the eRostering and Safecare Systems had identified opportunities to manage time out more effectively which would directly reduce supplementary costs in coming months. The shortfall against prescribing was a component and had already been identified as had the challenges within the IJBs on supplementary costs.

Mr Bedford advised the assessment of what could be delivered in 2016/17 would again be assessed as part of the forecast outturn that would begin to firm up now that the first quarter trends were known. It was noted driving efficiency would minimise waste.

Mr Bedford re-iterated that the Board Contingency had not been released at this stage. The July 2016 position reflected an overspend position of c£5.5m, deteriorated by £1m. This was in relation to £3.9m unbalanced LDP and £1.6 in cost pressures.

Mr Cross noted the new style of reporting reflected the overspend position of c£4.5m as at June 2016, the report identified where money was being spent, in particular, Section 3.7 of the report which detailed the spends of each area. Mr Cross highlighted that if the Board Contingency had been released the gap would be reduced, however, this was there as a backup and should be held off as long as possible.

Mr Cross noted the financial challenges faced around pay, prescribing and the savings targets delegated to the IJBs. Mr Cross highlighted NHS Tayside was in unchartered territory in respect of the challenges faced with the delivery of the savings targets by the IJBs and the requirement for NHS Tayside and the IJBs to support each other through close working.

Mrs Golden welcomed the new style of reporting, however, raised queries regarding Table 1 and the progress of the IJBs in comparison to the CHPs, Table 6 prescribing issues, welcomed the reduction in Secondary Care prescribing costs, however, queried how this would be managed in the future and Table 19, the required savings of £1.25m, which highlighted areas that were significantly underperforming, querying what action was planned.

Mr Bedford advised that there were complexities in respect of the IJBs in that the budget was not the same as the CHPs. There were different elements, however, they all reflected GP prescribing costs, Perth and Kinross continued to face challenges around Mental Health and Support Staff and there was a continuation in the spend pattern in Angus. A high level of challenges had been identified within non hosted services and the Forensic Medical Services. Prescribing costs continued to be a challenge for all IJBs, however, the Secondary Care budget recognised the introduction of new drugs.. The introduction of Bio-similars was being actively taken forward in Tayside and would have a significant benefit on costs.

In relation to the efficiency savings required and action required in respect of areas not meeting savings targets, Mr Bedford advised that an encouraging report had been submitted to the TPB following work undertaken by Mrs Eileen McKenna, Associate Nurse Director, highlighting the progress made with the eRostering System and although there were inconsistencies with the management of time out periods better information was being received through the Safecare System.

Mr Marshall was concerned that information in relation to workstreams was not filtering through to the Committee and highlighted the importance of sharing information. Mr Cross advised the Committee that details of work undertaken through the workstreams was initially reported to the TPB followed by Tayside NHS Board.

10:45 Dr Baxter Millar arrived

Mr Gall recognised the report provided clarity and noted future reports would include more detail. This was confirmed by Mr Bedford.

Cllr Doogan agreed the new style of reporting was clearer and noted the substantial financial challenges, however, did not feel the report highlighted this level of concern.

Cllr Doogan requested the recommendation be amended to remove the reference “wherever practical”, queried the inclusion of the month of April in Table 4 and not within any other charts throughout the report and requested more information in respect of risks associated to IJBs not meeting targets.

Mr Bedford advised that in line with the reporting timelines the April position would not normally be reported, however was included in table 4, to ensure Members were receiving the most up to date information. The Committee noted that it was anticipated the IJBs would invoke the risk sharing agreement and agreed the recommendations within the report would be amended to read “The Committee was requested to note the current position and support the actions being taken by Management to contain spend”.

Mr Gall highlighted that guidance received was clear that Tayside NHS Board delegated saving targets to the IJBs along with the mechanisms to achieve targets. Mr Cross advised that targets had not been met prior to the introduction of the IJBs and agreed moving forward there was the need for close working with the IJBs.

The Committee noted that the TPB and workstreams review the spend against resources within the current operation model and the Workforce Plan and recognised the importance of the utilisation of workforce and benchmarking tools.

Mr Bedford advised the Committee there were a number of challenges in the reporting of pay including weekly paid staff, 4 and 5 week months, rostering with enhancements being paid in arrears and Public Holidays.

Mr Cross concluded that there was agreement that the new style of reporting was preferred and the possibility of inviting area representatives to future meetings to discuss issues may be beneficial. The Committee sought assurance from Tayside NHS Board and the TPB around workforce and actions taken in the delivery of savings and noted the work of the Performance Management Group.

The Committee

- **Requested the recommendation within the report be amended to read “The Committee was requested to note the current position and support the actions being taken by Management to contain spend**
- **Noted the report**

6.3 Reporting Requirement – Code of Corporate Governance (FRC42/2016)

Mr Bedford advised the purpose of the report was to advise the Committee of the exercise of delegated authority, waiver of competitive tendering and the number of awards of contracts in excess of £150k.

Mr Bedford informed the Committee that each of the awards of contracts were in relation to the current Capital Programme, which had identified funding sources, and had the lowest cost tenders received. It was noted there was also a number of Single Tender Approvals and all recognised the specific circumstances noted with regards to the Single Tender status.

Mr Bedford spoke in relation to the Beds for Murray Royal Hospital. This recognised the implications of the assessment of the environmental conditions and was the only bed which met the technical/clinical requirements of the patient group.

It was noted that there was a Board contingency of £3m, of which £1.3m was set aside for environmental aspects funding the purchase of one bed.

Mr Cross queried why only one bed had been purchased. It was noted that this issue had been discussed at the Clinical and Care Governance Committee where concerns were raised regarding lengthy timescales and the process of ensuring beds were fit for purpose.

It was agreed care should be taken with Single Tender work to ensure timeous progress.

The Committee

- **Noted the content of the report**

6.4 Property Asset Management Strategy Update 2016 (FRC40/2016)

Mr Anderson advised the Committee the purpose of the report was to ask the Committee to note the Property Asset Management Strategy (PAMS) Update. This was in accordance with CEL 35 (2010), A Policy for Property and Asset Management in NHS Scotland.

The Committee noted that previously the PAMS would be reviewed and approved on an annual basis. The Scottish Government Health Finance and Infrastructure Directorate (SGHFID) advised all NHS Boards in 2015 that reporting requirements had changed and the PAMS was now required to be submitted for review and approval every 2 years with an interim update provided each subsequent year.

It was recognised that the PAMS must be led by NHS Tayside's Clinical Services Strategic Framework which was supported by specific Clinical Services Strategies. These strategies recognised a significant shift around IM&T Assets, Property and Backlog Maintenance.

It was noted that following requirements set by SGHFID, NHS Tayside had adopted the revised Statutory Compliance Audit Reporting Tool (SCART) for all effected 53 sites. It was noted NHS Tayside's overall compliance across the 53 sites was 48.14% for 2015/16. The PAMS Update Report 2016 highlighted the key elements to be addressed to comply with requirements set by SGHFID.

Mr Anderson informed the Committee the NHS Tayside Capital Forecast 2016/17 – 2020/21, attached at Appendix D of the report, had been developed taking cognisance of the identified clinical strategies and risks.

Mr Anderson advised the Committee that NHS Tayside faced significant challenges in reducing backlog maintenance due to the size and ageing property portfolio. A breakdown of the backlog expenditure was included within the appendices of the report. It was noted there had been a significant increase in the backlog expenditure, rising from c£60m to c£100m, primarily related to infrastructure and work was ongoing with Scottish Government to address this.

The Committee noted that many of properties within NHS Tayside were ageing and there were challenges faced in maintaining these builds and ensuring they were fit for purpose. Mr Anderson advised there was a legacy of critical investment required and any monies received by the Property Department through the capital allocation would be allocated to address Statutory Compliance Infrastructure.

Dr Cowie raised concerns regarding the 70% of very high risk backlog maintenance within the community, noting investment could not be seen going into the community and suggested further information regarding high risk areas would be helpful. Mr Anderson advised there were complexities within these areas with the requirement for risk assessments to be carried out. It was noted investment of monies would be allocated to those risk assessed the highest and were aligned with Strategic and Clinical Strategies.

Dr Cross advised there had been a recommendation from the Chief Internal Auditor that the Committee allocated more time and scrutiny reviewing property, in particular those areas of high risk, noting that there were some areas this Committee could not make decisions on. The Committee requested an update to the November 2016 meeting detailing key issues, high risk areas and proposed plans and noted future updates would be included within the Property Strategy Update – incl Disposal of Surplus Property Report.

Mr Gall noted that service drives the Property Strategy with Clinical Strategies feeding into the PAMS. It was noted assurance was required that the PAMS was fully supported.

Cllr Doogan noted that there were a number of properties that were older than the Ninewells site and suggested these properties should be identified and disposed of with investments being allocated elsewhere.

The Committee

- **Noted the content of the strategy update**
- **Noted the Property and Asset Management Strategy Update**
- **Noted the changes to the PAMS since the submission of the strategy to Scottish Government in 2015**
- **Noted the importance of the PAMS linking in with the Clinical Strategies**
- **Requested an update to the November Committee meeting detailing key issues, high risk areas and proposed plans with future updates to be included within the Property Strategy Update – incl Disposal of Surplus Property Report.**

7. ASSURANCE – Strategic Risks Aligned to the Finance and Resources Committee

7.1 Assurance Report on Strategic Financial Plan Risk (FRC49/2016)

Mr Bedford advised this report had been prepared in line with the agreed reporting arrangements to Committees in support of the Board Assurance Framework in relation to the Strategic Risks on the register.

It was noted the current risk expose was 5x5 (very high) and current controls were detailed within the DATIX report. The magnitude of the risk presented was recognised and the report reflected the unbalanced Local Delivery Plan (LDP) submitted to Scottish Government in May 2016.

The Committee was advised the scale of the programme being accelerated, in order to return NHS Tayside in the medium term to a financially balanced position, was recognised. It was noted the progression of individual workstreams was integral to the recovery required as was work being advanced nationally, however, the need to ensure no double counting was paramount.

The Committee

- **Noted the content of the report**

11:30 Ms Margaret Dunning arrived

7.2 Assurance Report on Reduction in Capital Risk (FRC45/2016)

Mr Bedford advised the Committee this report was in similar vein to the Strategic Financial Plan Risk Report and current controls were detailed within the DATIX report. It was noted the current risk exposure had reduced in August 2016 to 4x4 (high) and there was an awareness of the current constraints nationally on Capital Resources.

The Committee was advised that the Clinical Strategy would inform the future direction of both asset release and asset investment. It was noted the Capital Scrutiny Group (CSG) remained a key forum for considering priorities and the consideration of Initial Agreements and Business Cases to be submitted to the national Capital Investment Group.

The Committee

- **Noted the content of the report**

7.3 Assurance Report on Information Governance Risk (FRC37/2016)

Ms Dunning presented the report to the Committee for information. It was noted the current risk exposure was 4x3 (high) and was a reflection of the ongoing work to comply with DL (2015) 17 Information Governance and Security Improvement Measures 2015 – 2017. This would continue to be monitored through the Information Governance Committee.

The Committee noted current controls were detailed within the DATIX report and the System Access and Information Security Policies were items on the Agenda for this meeting.

Mr Cross queried the progression of the Improvement Plan. Ms Dunning advised there had been set backs as a result of the cancellation of the December 2015 meeting and the retiral of the Information Governance Manager, however, NHS Tayside was well placed and the organisation was not exposed.

Ms Dunning advised of the intention to provide a more specific update to the next Committee meeting.

The Committee

- **Noted the content of the report**

9. ITEMS FOR INFORMATION

9.1 Record of Attendance

The Committee

- **Noted the Attendance Record**

10. POLICIES

10.1 System Access Policy

The Committee was asked to approve the changes to appendix 4, page 15 of the NHS Tayside System Access Policy.

The Committee

- **Approved the changes to appendix 4, page 15 of the NHS Tayside System Access Policy**

10.2 Information Security Policy

Ms Dunning advised the Committee was asked to adopt the Information Security Policy.

It was noted there was a requirement for all NHS Scotland Boards to comply with DL (2015) 17 Information Governance and Security Improvement Measures 2015 – 2017, which included the new NHS Scotland Information Security Policy Framework (ISPF). Ms Dunning advised the Information Security Policy was previously included within the NHS Tayside Information Governance Policy, however, in order to comply with the requirements of the ISPF a separate Information Security Policy had been produced.

Ms Dunning acknowledged NHS Tayside would not be complacent and noted the Improvement Plan would ensure key issues were addressed, such as the requirement of a designated Security Manager.

The Committee

- **Adopted the Information Security Policy**

DATE OF NEXT MEETING

The next meeting of the Finance and Resources Committee will take place on Thursday 17 November 2016 at 9:30am in Committee Room 1, Level 10, Ninewells Hospital, Dundee

Subject to any amendments recorded in the Minute of the subsequent meeting of the Committee, the foregoing Minute is a correct record of the business proceedings of the meeting of Tayside NHS Board Finance and Resources Committee held on 18 August 2016, and approved by the Committee at its meeting held on 17 November 2016.

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CHAIR

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DATE