

ANNUAL STATEMENT OF ASSURANCE FOR THE FINANCE, PERFORMANCE & RESOURCES COMMITTEE 2024/25

1. Purpose of Committee

- 1.1 The purpose of the Committee is to keep under review the financial position and performance against key non-financial targets of the Board, and to ensure that suitable arrangements are in place to secure economy, efficiency and effectiveness in the use of all resources, and that these arrangements are working effectively.

2. Membership of Committee

- 2.1 During the financial year to 31 March 2025, membership of the Finance, Performance & Resources Committee comprised:

Alistair Morris	Chair / Non-Executive Member
Sinead Braiden	Non-Executive Member
Alastair Grant	Non-Executive Member
Aileen Lawrie	Non-Executive Stakeholder Member (until February 2025)
Cllr Mary Lockhart	Non-Executive Stakeholder Member (from January 2025)
John Kemp	Non-Executive Member
Margo McGurk	Director of Finance & Strategy
Dr Chris McKenna	Medical Director
Janette Keenan	Director of Nursing
Lynne Parsons	Employee Director
Carol Potter	Chief Executive
Dr Joy Tomlinson	Director of Public Health

- 2.2 The Committee may invite individuals to attend the Committee meetings for particular agenda items, but the Director of Acute Services, Director of Digital & Information, Director of Health & Social Care, Director of Property & Asset Management, Director of Pharmacy & Medicines, Deputy Director of Finance and Board Secretary will normally be in attendance at Committee meetings. Other attendees, deputies and guests are recorded in the individual minutes of each Committee meeting.

3. Meetings

- 3.1 The Committee met on six occasions during the financial year to 31 March 2025, on the undernoted dates:

- 7 May 2024
- 16 July 2024
- 10 September 2024
- 12 November 2024
- 14 January 2025
- 11 March 2025

- 3.2 The attendance schedule is attached at Appendix 1.

4. Business

- 4.1 At each meeting, the Finance, Performance & Resources Committee considers the most up-to-date financial position for the year, for both revenue and capital expenditure. This function is of central importance, as the Committee provides detailed scrutiny of the ongoing financial position and on aspects of operational performance across NHS Fife activities, including those delegated to the Integration Joint Board. Considerable time was spent in meetings discussing and reviewing the significant financial pressures facing the Board, noting the need for £14.005m of brokerage for 2023/24 and ongoing financial challenges for 2024/25. The in-year savings against plan, and consideration of ongoing financial challenges within the period, which continued to impact on achieving financial sustainability over the medium term, has been a large focus of discussion. The risk score for delivery of a balanced in-year financial position has remained high throughout the year, with the matter under regular review at an operational level by the Executive Directors' Group.
- 4.2 The Medium-Term Financial Plan 2024/27, approved at the NHS Fife Board meeting on 26 March 2024, set out an underlying deficit for the Board of £33.3m. However, after taking account of the implications of the Scottish Government's Budget settlement announcement in December 2023, and the impact of both national and local cost pressures, along with directions issued by Scottish Government in relation to New Medicines Funding, the projected residual funding gap was estimated to be £54.8m. The Committee received an update on the Plan at its first meeting of the year, in May 2024, where it was reported that the Scottish Government had not approved the Plan, instead requiring NHS Fife to deliver an improved forecast position. In terms of next steps, the Board were not asked by Scottish Government to resubmit the Plan but to work on a number of key actions and aim to improve the forecast position in 2024/25. These actions included:
- progressing delivery of a minimum of 3% recurring savings in 2024/25 and developing options to meet any unidentified or high-risk savings balances;
 - continuing to progress with the areas of focus set out in the '15 Box Grid' (a national tool to highlight saving opportunities and share good practice);
 - engaging and taking proactive involvement in supporting national programmes as they develop in 2024/25;
 - developing further measures to reduce the Board's residual financial gap towards the brokerage cap of zero set; and
 - providing an update on the financial risks outlined within the financial plan to assess likelihood of these materialising and the impact these could have on the Board's outturn.

Further discussion with Scottish Government colleagues throughout the year has been reported to the Committee as part of regular Quarterly Review updates, and the Committee has also received information on the Board's self-assessment against the criteria in the NHS Support & Intervention Framework, as detailed further in its September 2024 meeting. A full report on the self-assessment was received at the Committee's November 2024 meeting, with members agreeing that the ratings accurately reflected the Board's current position, appropriately reflecting the Scottish Government more detailed questions, given in an updated framework, in relation to financial performance. The Committee was content to take a moderate level of assurance that the process for responding to the framework had been satisfied, noting nevertheless the ongoing limited level of assurance in regard to delivery of the in-year financial plan.

- 4.3 Also at their May 2024 meeting, members considered the approach taken to confirm the opening 2024/25 revenue budgets to budget holders, noting also the Grip & Control

information provided to managers and the information provided with regards to a minimum 3% savings being achieved. There has been discussion throughout the year on the proposed allocation of NRAC monies (£7.2m), with the Committee considering options at their September and November 2024 meetings. Assessment of areas where enabling finance could be provided to commence some aspects of transformation were also considered. The proposal detailed those areas where the assessment is that NRAC allocation was deemed to be of greatest benefit, both in terms of mitigating areas of cost pressure and introducing a number of cost reduction enabling investments. A prioritised higher level of non-recurring support to some areas (to be revisited as part of the 2025/26 financial planning process) has been approved, which facilitates greater flexibility in the utilisation of part of this funding in 2025/26.

- 4.4 In response to the challenging financial outlook in the reporting year, the Board has responded with a new 'Re-form, Transform, Perform' (RTP) Framework, initially approved by the Board in March 2024. The framework was established to support delivery of the Board's savings plans at pace and includes a performance framework to report progress against the outcomes of each scheme and savings made. The Board's Population Health & Wellbeing Strategy remains the foundation of strategic intent and priorities for NHS Fife through to 2028, whilst the RTP serves as a tactical plan to support delivery of these strategic aims, supported by our annual planning mechanisms. The Framework sets out the intention to implement a renewed strategic approach to creating the right conditions for us to evolve our services, empower our staff and to ensure a more sustainable future for NHS Fife, whilst meeting our statutory responsibility to contain spend within our allocated resources. Delivering Value and Sustainability is one of the Board's strategic priorities and our financial improvement plan is being supported by RTP, working collaboratively across the system. The framework is also in support of direction from Scottish Government on reforming services and the way the NHS works, as detailed in a briefing paper to the July 2024 Committee meeting.
- 4.5 As highlighted in the first of a regular performance report to the Committee in May 2024, RTP prioritised four primary workstreams: Medicines; Service Design and Delivery; Infrastructure; and Workforce, each under Executive leadership. These workstreams are designed to be agile and fluid, enhancing delivery without altering individual roles or accountabilities. Initial savings are allocated to these streams, enabling focused delivery, rapid progress and effective monitoring, all under Executive oversight to align with strategic goals. Combined, these activities seek to deliver the required level of financial savings, to move towards delivery of a sustainable and recurring balanced financial position, whilst fostering new and innovative ways of addressing the healthcare challenges facing our local population.
- 4.6 Regular, stand-alone reporting on progress with delivery of the RTP schemes has received regular scrutiny at the Committee. In September 2024, members reviewed further detail on delivery actions for the individual schemes, with a separate report on the Infrastructure & Change workstream, highlighting options appraisal work ongoing with the estates portfolio and initial bed modelling data. A further briefing on the clinical and financial implications of the bed modelling work was considered by members at the November 2024 meeting, noting the benefit of the tool in informing plans for future capacity changes across the local health and social care system. Various scenarios have been modelled, suggesting a range of opportunities to reduce the required bed base from the current baseline, while acknowledging and informing plans for future change in local demographics and clinical requirements. Members have welcomed the development of the tool, noting its planned finalisation by year end and usage in planning from 2025/26 onwards. In March 2025, the Financial Performance report provided confidence that planned savings target of £25m would be achieved, with £17m on a recurring basis, and members commended the significant work undertaken by staff in achieving this level of savings.
- 4.7 The three-year Medium-Term Financial Plan for 2025/28, and the high level assumptions within, was scrutinised in March 2025, prior to approval by the Board, with the Committee

noting that the financial challenge over the next three years remains significant, requiring a focused whole system response to achieve financial sustainability. Brokerage will no longer be available in 2025/26 and historic outstanding brokerage is required to be re-paid when NHS Fife returns to financial balance. The Plan accounts for late notification of sustainability allocations for 2025/26, which include a £17.08m allocation on a non-recurring basis and £4.78m allocation on a recurring basis. Members were advised of a forecast funding gap before savings for 2025/26 of £37.782m. £28.573m of savings have been identified, leaving a residual funding gap of £9.209m in 2025/26. The Committee endorsed the Medium-Term Financial Plan for Board approval, noting that further discussion with Scottish Government would continue on the achievability of the targets within. Further updates have been given to the Board directly, both at formal meetings and at Board Development Sessions, where the financial plan has been considered and then formally approved.

- 4.8 The Committee has had input into the Board's Annual Delivery Plan for 2024/25, which has been aligned to the strategic priorities within the Board's own Population Health & Wellbeing Strategy and RTP Portfolio, whilst also addressing the specific requirements of the Scottish Government guidance. In May 2024, the Committee considered a draft submission. Feedback from Scottish Government was then considered at the Committee's July 2024 meeting, where it was also noted that there was a limited level of assurance about full delivery of all actions due to the continuing challenging financial situation. Review of the last quarter's work in relation to the previous year's plan was considered also in July 2024, with focus on those actions that had fallen behind schedule or were not expected to be delivered. Assurance was taken from the fact that outstanding actions would be carried forward, with appropriate reflection in the Committee's performance and risk reports. In September 2024, the Committee took assurance from the fact that the Scottish Government's review process had concluded, feedback had been submitted and the Plan had been formally approved. A number of actions under the auspices of the Committee were, however, being reported as unlikely to be completed or meet target during the year, including completion of delivery of a new Laboratory Management system and full rollout of the business transformation programme and associated impact. The Quarter 2 update was considered at the November 2024 meeting, noting that of the 60 deliverables relevant to the FP&R Committee listed under the 'Deliver Value and Sustainability' strategic priority, 12 were at risk and 6 are unlikely to be delivered in this reporting year. Members focused on progress with the business transformation workstream, noting that a number of bridging actions (such as a recruitment pause within administrative job families) had been put in place to improve the position. Further discussion took place at the November 2024 Board meeting, following escalation of the issue from the Staff Governance Committee. In March 2025, members noted an updated position, with 14 deliverables now at risk and 3 unlikely to be delivered, and thus a moderate level of assurance could be taken from the update.
- 4.9 The draft Corporate Objectives 2024/25 were presented to the Committee in July 2024. The objectives as a whole describe what NHS Fife aims to achieve in-year, and are linked also to the Chief Executive's own objectives and those of each Executive Director. Assurance was provided that there was appropriate linkage to the Board's Population Health & Wellbeing Strategy and to the Health & Social Care Partnership's strategic priorities, in addition to the current Re-form, Transform, Perform portfolio programme. The objectives are framed under the four key strategic priorities of the Board, as aligned to national programmes, and reference the strategy delivery work undertaken in this reporting year. Each Board Committee has had a role in reviewing the objective from their own specific perspective, with FP&R noting especially the three objectives related to improving value for money and sustainability. Following review, the Committee were pleased to endorse the Corporate Objectives for onward submission to the Board for formal approval. New Corporate Objectives for 2025/26 are due to be adopted by the Board for the start of the financial year.

- 4.10 The Committee scrutinised operational performance at each meeting through review of the Integrated Performance & Quality Report (IPQR), specifically those measures that fall within its own remit (related to financial reporting and waiting times targets). Linkages to the Annual Delivery Plan trajectories have also been included. The enduring impact of the Covid pandemic on traditional key performance measures monitored by the Committee remains significant, particularly in relation to Treatment Times Guarantee measures, long waits within the Emergency Department, numbers of new referrals and diagnostic performance. In general, efforts to tackle the resultant backlog from the pausing of services during the height of the pandemic remains an area of focus for the Committee.
- 4.11 In addition to the reporting within the IPQR, a separate Financial Performance & Sustainability Report has been produced, to allow for detailed scrutiny on the monthly financial position throughout the year. This report was considered in detail at each committee meeting.
- 4.12 The Committee has considered an update (in May 2024) on the status of General Policies & Procedures, noting that ongoing efforts to improve the follow-up processes (including regular parallel reporting and escalation to EDG for persistently outstanding reviews) have resulted in an improved position. Dedicated staff resource secured to assist with the general administration and review of General Policies has helped to improve compliance and tackle a historic backlog of reviews. This led the Committee to agree to an annual (rather than bi-annual report) being submitted going forward. The format and content of the policy status report to the Committee has also been enhanced, to provide clearer detail and assurance around areas that require further follow-up work and to highlight risks of key policies remaining overdue for review.
- 4.13 At the Committee's May 2024 meeting, an update was given in relation to the delivery of Hospital Electronic Prescribing & Medicines Administration (HEPMA), including Pharmacy Stock Control and Integrated Discharge Letter, outlining progress to date and next steps for Fife. It was reported that NHS Fife has been working with the suppliers to validate timelines, to ensure compliance to contractual milestones and delivery dates are achieved as soon as possible. Detail on the establishment of the HEPMA Implementation Group (HIG) was highlighted, with representation thereon for all key areas of NHS Fife and linkage into the HEPMA Programme Board. This group has been actively involved in the planning and design of the product, to ensure NHS Fife maximises utilisation for the benefit of the organisation, staff and patients. Members considered a further update at the September 2024 meeting. Noting that HEPMA has been renamed to Digital Medicines Programme, to better reflect the three distinct areas of HEPMA, pharmacy stock control and electronic discharge documentation, supplier and delivery issues were highlighted to the Committee. Risk mitigation was also detailed. An overview was provided on progress for each of the three areas and the associated risks, in terms of running a legacy system for a period of time whilst the Board transitioned to the new software, was discussed.
- 4.14 Regular reports on the work of the Fife Capital Investment Group have been considered at Committee meetings, with the updates detailing the anticipated allocations in addition to core funding. These largely relate to several Digital & Information Projects, including HEPMA, Laboratory Information Management System replacement and other ongoing projects.
- 4.15 Related to the PFI estate, the annual Public Private Partnership Monitoring Report for 2023/24, covering the sites of St Andrews Community Hospital and Phase 3 of the Victoria Hospital in Kirkcaldy, was considered by the Committee in November 2024, with members also gaining assurance from the positive content detailed therein, including detail on the debt refinancing undertaken during the reporting year. Members welcomed confirmation that all contractual obligations have been delivered appropriately throughout the year, with no issues to highlight. Also in reference to Phase 3 of the Victoria, an update on progress in delivering Project Hydra (involving the replacement of Medium Temperature Hot Water pipes at the site) was given to

members in September 2024, noting that the work was progressing well and with little or no impact on clinical services in the vicinity of the works.

- 4.16 Members reviewed refreshed Whole System Infrastructure Planning guidance for 2024/25 at its September 2024 meeting, with members noting this superseded the annual requirement to provide a data response for the State of the NHS Scotland Assets & Facilities Report and an annual Property & Asset Management Strategy. The new planning guidance allows for the opportunity to aligned and fully embedded estates-related proposals as an integral part of the organisational Population Health & Wellbeing Strategy, describing how the NHS Fife estate will help deliver and support strategic ambitions. This provides the strategic context in which to develop the estates infrastructure. This Programme Initial Agreement, which is to set out a deliverable whole-system service and infrastructure plan for the next 20 to 30 years, is due for submission in January 2026. Meantime, and in recognition of the scale of the task, Scottish Government have asked for an interim Business Continuity investment plan focussing on the “do minimum” option, for submission by January 2025. Members had initial discussions on areas of priority and issues with backlog maintenance across the estate. In January 2025, the Committee considered the draft Business Continuity & Essential Investment Infrastructure Plan, noting its initial progress through the Fife Capital Investment Group and the Executive Directors’ Group. The Plan detailed priorities for a spend of c.£10.4m per annum, in areas such as backlog maintenance, medical and digital equipment, enabling demolition works at sites such as Stratheden and Cameron, and a number of small projects to refurbish / improve existing clinical areas. The Committee endorsed the plan for subsequent Board approval and onward submission to Scottish Government.
- 4.17 Within the Board’s Population Health & Wellbeing Strategy, detailed plans are described on how the Board expects to meet the challenge to reduce our carbon emissions to net zero by 2040. Carbon zero ‘road maps’ for nine of the Board’s sites have been created, with a further three in progress at the time of writing. In addition, decarbonisation scheme funding has been secured to complete a number of projects. In March 2025, members considered a briefing detailing progress in decarbonising the NHS Fife fleet of small and light commercial vehicles, in advance of a mandatory deadline for full compliance by December 2025. Good progress was reported, with 79% compliance reported at end of November 2024. Members welcomed the strong direction of travel, noting the plans in place to meet 100% compliance over the remainder of the year. Related funding to increase the number of charging points across the NHS estate was also welcomed.
- 4.18 The Committee has in previous years considered a number of reports around the Primary Care estate, including the Transfer of Third-Party Leases from GP practices and an ongoing Primary Care Premises review, the purpose of which are to help support GP sustainability and are an important cornerstone of the work being undertaken to review the NHS Fife property / asset needs and requirements over the longer term. In September 2024, a report on the tender process for two 2C Board-managed GP practices in Fife was considered by members. The external procurement process was detailed and discussions with the Staff Governance Committee on the staff-related aspects summarised. In January 2025, the Committee was pleased to endorse the award of the contract to the successful bidder, taking assurance from the procurement process undertaken and the scoring of the successful tender bid.
- 4.19 In September 2024, the Committee took assurance from a detailed briefing on delivery of Year 1 of the Primary Care Strategy, welcoming the significant work that has been progressed. An update on premises improvement work underway in Primary Care was discussed, noting that government financial constraints have put on hold investment in new premises in Kincardine and Lochgelly, though some smaller refurbishment works have progressed. In November 2024, the Committee considered recovery process actions to progress a backlog of applications of new pharmacy contracts across Fife, noting linkages to the Public Health & Wellbeing Committee’s overall discussions on adequate provision of primary care services.

Members welcomed the progress made in reducing the number of live applications. In July 2024, members considered the contract renewal for the Urgent Care Transport Services within Fife, and endorsed the proposal to the Board for formal approval.

- 4.20 At its May 2024 meeting, the Committee received an update on a Community Asset Transfer request, submitted under the Community Empowerment Act 2015, by a charity body seeking a long-term lease of mainly agricultural land adjacent to the Stratheden Hospital site. An appeal against the Board's earlier refusal of the application subsequently concluded in favour of the charity body, overruling the Board's previous decision, as described in a briefing to the Committee in May 2023. The formal negotiations for a lease of the requested land has taken place over 2024/25, with regular update reporting to the Committee. In November 2024, members considered a progress update, noting ongoing discussions with Lucky Ewe regarding access, infection control mitigations, service (gas, electricity etc.) provision and any implications to NHS services provided at the site.
- 4.21 The Committee receives a quarterly report on the twelve Key Performance Indicators for the Procurement service, agreed as part of the extant Procurement Strategy, in order to assess the service's performance against its key strategic ambitions and aid oversight of financial controls. As of 31 March 2024, the overall validated procurement saving for 2023/24 for Health Board retained spend was £807k, comprising £667k for direct cash-releasing cost savings and £140k for cost avoidance. It was noted that these savings were offset by the significant cost pressures being experienced as a direct result of the impact of the higher inflation rate across the marketplace. As of 31 March 2024, the cost pressure was -£559k, resulting in a net cost saving of £248k. This is an improvement on the final net position last financial year of £49k. Performance against all twelve KPIs is reviewed in detail by the Procurement Governance Board and the general trend across the reporting year confirms the majority, if not all, KPIs present in a positive and consistent position. At March 2025 Committee, efficiency savings to December 2024 (Quarter 3) were reported totalling £0.793m, comprised of £0.624m cash releasing savings and £0.169m of cost avoidance savings across the NHS Fife health and care system.
- 4.22 In-Year monitoring of Procurement performance is undertaken by the Procurement Governance Board, and work is ongoing to review all opportunities to deliver a financial cost reduction in our procurement spend. A further update on the new Procurement Strategy for 2024 to 2029 was discussed in September 2024, with members taking a significant level from assurance from the priorities reported. Members have also taken account of the Annual Procurement Report for 2023, considered at the Committee's same meeting, taking significant assurance from enhanced capability within the team overall, delivering a significantly improved position on procurement activity compared to the previous year. In March 2025, the Committee considered a report on the service's self-assessment exercise for the Procurement & Commercial Improvement Programme, with NHS Fife being rated as advanced for 8 of the 11 measures, with 2 ranked as good and 1 as improving. Members were able to take moderate assurance from the report, noting the conclusions of the exercise.
- 4.23 After initial consideration by the Board's Audit & Risk Committee, at their meeting in July 2024, the Committee considered the findings of the Annual Internal Audit report, with particular reference to the section on Financial Governance matters and the national challenges across NHS Scotland Boards in deliverability of financial and performance targets. Progress and improvements in the Board's internal governance processes were welcomed by members, noting the largely positive opinion of the Chief Internal Auditor on the Board's internal control framework, including those controls around quality of care, corporate governance and management of risk. The Committee also had sight of the Internal Control Evaluation report from Internal Audit, providing information on the mid-year position, at their January 2025 meeting. The report contained a full review of all areas of governance, including coverage of financial sustainability, and sought to provide early warning of any issues that might impact

the Board's governance statement and would need to be addressed by year-end. The financial challenges facing NHS Scotland overall were fully highlighted within the report, as were ongoing challenges in managing the Integrated Joint Board's overspend position and possible slippages in their recovery plan.

- 4.24 In November 2024, the Committee received the annual report on the Laboratories Managed Service Contract, focused on performance, noting that 13 out of 16 key performance areas have been met in the reporting year, which have been carefully scrutinised via the regular operational governance and financial monitoring in place.
- 4.25 The Finance, Performance & Resources Committee is the standing governance committee that has oversight of the Board's performance in delivering any Directions formally issued by the Fife Integration Joint Board (IJB). In September 2024, discussion took place on the Direction issued by the IJB to NHS Fife to transfer £4.1m to Fife Council for social care services, with subsequent agreement to work jointly with Council colleagues on the totality of the financial challenge shared between the Board and the local authority.
- 4.26 Minutes of Committee meetings have been approved by the Committee and presented to Fife NHS Board. The Board also receives an Assurance Report at each meeting from the Chair, highlighting any key issues discussed by the Committee at its preceding meeting. The Committee maintains a rolling action log to record and manage actions agreed from each meeting, and reviews progress against deadline dates at subsequent meetings. The format of the action log has been enhanced, to provide greater clarity on priority actions and their due dates. A rolling update on the workplan is presented to each meeting, for members to gain assurance that reports are being delivered on a timely basis and according to the overall schedule. A final version of the workplan for 2025/26 was approved at the Committee's March 2025 meeting.

5 Best Value

- 5.1 The RTP Programme in operation for 2024/25 builds on the aims of the previous organisational Best Value Framework (2018). Their combined impact facilitates a more effective triangulation of workforce, operational and financial planning, which supports the promotion and delivery of best value across all of our resource allocation. The Committee supported both these initiatives and throughout 2024/25 received progress reports and plans for consideration. The Committee were able to take ongoing assurance that the organisation had the plans and processes in place to promote and deliver best value.
- 5.2 Appendix 2 provides evidence of where and when the Committee considered the relevant best value characteristics during 2024/25.

6 Risk Management

- 6.1 In line with the Board's agreed risk management arrangements, the Committee has considered risk through a range of reports and scrutiny activity, including oversight on the detail of the Corporate Risk Register covering the seven delegated risks to the Committee in the areas of: Delivery of a Balanced In-Year Financial Position; Delivery of Recurring Financial Balance over the Medium-Term; Prioritisation & Management of Capital Funding; Whole System Capacity; Access to Outpatient, Diagnostic and Treatment Services; and Cancer Waiting Times Progress, and appropriate actions were noted. The creation of a new risk in this area of Capital Funding - Service Sustainability was approved by the Executive Directors' Group in May 2024 and, as detailed at the July 2024 meeting, this has now been included on the Corporate Risk Register, aligned to Finance, Performance & Resources Committee. Some changes to the risk descriptors and mitigating actions have been agreed during the year, to reflect reference to RTP savings proposals. The finance-related risks have been refreshed,

with new descriptions to redefine the risks and to highlight mitigating actions. Six risks remained rated as 'high' throughout the year, with no in-year movement. One (Prioritisation & Management of Capital Funding) has remained rated as moderate. Linkages to the Board's overall risk appetite have been discussed with members, noting that for those individual metrics currently facing a risk profile in excess of the Board's agreed appetite, a degree of tolerance has been agreed, given the scale of external challenges at this time. The Board has reassessed its risk appetite as a whole during sessions in April and November 2024, and this is reflected in ongoing updates to the individual risk metrics from January 2025 onwards.

- 6.2 In addition to the summary presentation of the aligned risks at all meetings during the reporting year, members have received deep-dive information on their assigned risks. In July 2024, an update was given on discussions regarding the Whole System Capacity risk and consideration as to whether it should transition to an issue, as per business as usual practice when a risk is enduring. Members were also updated about a similar review of the Optimal Clinical Outcomes risk being undertaken with the input of the Clinical Governance Committee. Further discussion has been undertaken on what capacity-related risks will replace this.
- 6.3 In July 2024, further detail on the Scheduled Care Plan for 2024/25 sought to give members assurance that there were a range of activities underway to address diagnostic waiting times, given the ongoing risk in this area. In July 2024, the Committee noted that the risk levels both for capacity and access to outpatient diagnostic and treatment services had been raised from moderate to high, to reflect ongoing pressures in demand. Receipt of additional funding to increase capacity for supporting Diagnostics, Cancer Waiting Times and increased capacity in National Treatment Centres has been welcomed. Key priorities were explained, including work to address long waits; protecting diagnostic capacity, to support urgent suspicion of cancer referrals; and productive opportunities to transform services, utilising waiting list monies to address activity targets across Outpatients, Inpatient and Day Case procedures and working with the Centre for Sustainable Delivery to maximise the use of local capacity. Relationship with the Re-form, Transform, Perform workstreams was also considered. Nevertheless, the risk of not being able to deliver the full waiting times activity remained high at the time of reporting, and members carefully scrutinised the reasons for that. In September 2024, the Committee considered a comprehensive report on the Integrated Planned Care Programme, noting the achievements delivered to improve pathways and ensure our capacity is being fully utilised, taking a significant level of assurance from the work described.

7 Self-Assessment

- 7.1 The Committee has undertaken a self-assessment of its own effectiveness, utilising a questionnaire considered and approved by the Committee Chair. Attendees were also invited to participate in this exercise, which was carried out via an easily accessible online portal. A report summarising the findings of the survey was considered and approved by the Committee at its March 2025 meeting, and action points are being taken forward at both Committee and Board level.

8. Conclusion

- 8.1 As Chair of the Finance, Performance and Resources Committee, I am satisfied that the integrated approach, the frequency of meetings, the breadth of the business undertaken and the range of attendees at meetings of the Committee has allowed us to fulfil our remit as detailed in the Code of Corporate Governance. As a result of the work undertaken during the year, I can confirm that adequate financial planning, monitoring and governance arrangements were in place throughout NHS Fife during the year, including scrutiny of aspects of non-financial performance metrics. The challenging financial position will remain under close scrutiny by the Committee as the new financial year gets underway.

- 8.2 I would pay tribute to the dedication and commitment of fellow members of the Committee and to all attendees. I would thank all those members of staff who have prepared reports and attended meetings of the Committee.

Signed: 

Date: 16 April 2025

Alistair Morris, Chair

On behalf of the Finance, Performance & Resources Committee

Appendix 1 – Attendance Schedule

Appendix 2 – Best Value

**FINANCE, PERFORMANCE & RESOURCES COMMITTEE
ATTENDANCE SCHEDULE 2024/25**

	07.05.24	16.07.24	10.09.24	12.11.24	14.01.25	11.03.25
Members						
A Morris , Non-Executive Member (Chair)	✓	✓	✓	✓	✓	✓
J Bennett , Non-Executive Member		✓ Observing	✓	✓	✓	✓
S Braiden , Non-Executive Member	✓	✓	✓	✓	✓	✓
A Grant , Non-Executive Member	✓	x	✓	✓	✓	✓
J Kemp , Non-Executive Member	✓	✓	✓	✓	✓	✓
A Lawrie , Area Clinical Forum Representative	✓	✓	✓	x	✓	
Cllr M Lockhart , Local Authority Member					x	✓
M McGurk , Director of Finance & Strategy (Exec Lead)	✓	✓	✓	✓	✓	✓
C McKenna , Medical Director	✓	✓	x	✓	✓	✓
J Keenan , Director of Nursing	x	x	✓	✓	✓	✓
L Parsons , Non-Executive Stakeholder Member	✓	✓	✓	✓	✓	✓
C Potter , Chief Executive	✓	x	✓	✓	✓	✓
J Tomlinson , Director of Public Health	x	✓	x	✓	✓	✓

In attendance

J Anderson , Interim General Manager of Women, Children & Clinical Services		✓ item 6.5				
Lynn Barker , Director of Nursing HSCP	✓ deputising					
K Booth , Head of Financial Services & Procurement				✓ item 8.5		
N Connor , Director of H&SC	✓	x				
L Cooper , Head of Primary & Preventative Care Services			✓ deputising			
C Dobson , Director of Acute Services	✓	x	✓	✓		✓
S Dunsmuir , Incoming Director of Finance						✓ observing
F Forrest , Acting Director of Pharmacy & Medicine	✓	✓	✓	✓	✓	✓
S Fraser , Associate Director of Planning & Performance	✓ item 6.4	✓ items 6.2 & 6.3	✓ item 7.1	x		✓ Item 7.1
L Garvey , Director of Health & Social Care				✓	✓	✓

	07.05.24	16.07.24	10.09.24	12.11.24	14.01.25	11.03.25
Members						
A Graham , Director of Digital & Information		✓	✓	✓	✓	
B Hannan , Director of Planning & Transformation	✓	✓	✓	✓	✓	✓
B Johnston , Head of Capital Planning & Project Director			✓		✓ item 7.1	
J Jones , Associate Director of Culture, Development & Wellbeing	✓ observing					
P Kilpatrick , Board Chair		✓ observing	✓	✓		
P Lee , Head of Procurement						✓ items 8.3 & 8.4
J Lyall , Chief Internal Auditor		✓ item 5.1			✓ item 6.2	
G MacIntosh , Head of Corporate Governance & Board Secretary	x	✓	✓	✓	✓	✓
N McCormick , Director of Property & Asset Management	✓	✓	✓	✓	✓	✓
F McKay , Interim Director of Health & Social Care		✓ deputising	x			
M Michie , Deputy Director of Finance	✓	✓	✓	x	✓	✓
B Morgan , Emergency Care General Manager					✓	
E O'Keefe , Consultant in Dental Health	✓ deputising					
H Thomson , Board Committee Support Officer	✓ item 5.3					
J Torrance , Head of Complex & Critical Care			✓ item 8.1			
M Watts , Surgical Directorate General Manager		✓ deputising				

BEST VALUE FRAMEWORK

Vision and Leadership

A Best Value organisation will have in place a clear vision and strategic direction for what it will do to contribute to the delivery of improved outcomes for Scotland's people, making Scotland a better place to live and a more prosperous and successful country. The strategy will display a clear sense of purpose and place and be effectively communicated to all staff and stakeholders. The strategy will show a clear direction of travel and will be led by Senior Staff in an open and inclusive leadership approach, underpinned by clear plans and strategies (aligned to resources) which reflect a commitment to continuous improvement.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
Resources required to achieve the strategic plan and operational plans e.g. finance, staff, asset base are identified and additional / changed resource requirements identified.	Financial Plan Workforce Plan Whole System Infrastructure Plan	FINANCE, PERFORMANCE & RESOURCES COMMITTEE STAFF GOVERNANCE COMMITTEE BOARD	Annual Annual Annual Bi-annual Bi-monthly	Annual Delivery Plan Financial Plan Workforce Plan Whole System Infrastructure Plan Integrated Performance & Quality Report
The strategic plan is translated into annual operational plans with meaningful, achievable actions and outcomes and clear responsibility for action.	Annual Delivery Plan	FINANCE, PERFORMANCE & RESOURCES COMMITTEE CLINICAL GOVERNANCE COMMITTEE BOARD	Annual Bi-monthly Bi-monthly	Annual Delivery Plan Minutes of Committees Integrated Performance & Quality Report

GOVERNANCE AND ACCOUNTABILITY

The “Governance and Accountability” theme focuses on how a Best Value organisation achieves effective governance arrangements, which help support Executive and Non-Executive leadership decision-making, provide suitable assurances to stakeholders on how all available resources are being used in delivering outcomes and give accessible explanation of the activities of the organisation and the outcomes delivered.

A Best Value organisation will be able to demonstrate structures, policies and leadership behaviours which support the application of good standards of governance and accountability in how the organisation is improving efficiency, focusing on priorities and achieving value for money in delivering its outcomes. These good standards will be reflected in clear roles, responsibilities and relationships within the organisation. Good governance arrangements will provide the supporting framework for the overall delivery of Best Value and will ensure open-ness and transparency. Public reporting should show the impact of the organisation’s activities, with clear links between the activities and what outcomes are being delivered to customers and stakeholders. Good governance provides an assurance that the organisation has a suitable focus on continuous improvement and quality. Outwith the organisation, good governance will show itself through an organisational commitment to public performance reporting about the quality of activities being delivered and commitments for future delivery.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
Board and Committee decision-making processes are open and transparent.	Board meetings are held in open session and minutes are publicly available. Committee papers and minutes are publicly available	BOARD COMMITTEES	On going	NHS Fife website
Board and Committee decision-making processes are based on evidence that can show clear links between activities and outcomes	Reports for decision to be considered by Board and Committees should clearly describe the evidence underpinning the proposed decision.	BOARD COMMITTEES	Ongoing	SBAR reports EQIA section on all reports

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REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
NHS Fife conducts rigorous review and option appraisal processes of any developments.	Business cases	BOARD FINANCE, PERFORMANCE & RESOURCES COMMITTEE	Ongoing	Business Cases

USE OF RESOURCES

The “Use of Resources” theme focuses on how a Best Value organisation ensures that it makes effective, risk-aware and evidence-based decisions on the use of all of its resources.

A Best Value organisation will show that it is conscious of being publicly funded in everything it does. The organisation will be able to show how its effective management of all resources (including staff, assets, information and communications technology (ICT), procurement and knowledge) is contributing to delivery of specific outcomes.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
NHS Fife understands and measures and reports on the relationship between cost, quality and outcomes.	Reporting on financial position in parallel with operational performance and other key targets	BOARD FINANCE, PERFORMANCE & RESOURCES COMMITTEE	Bi-monthly	Integrated Performance & Quality Report
The organisation has a comprehensive programme to evaluate and assess opportunities for efficiency savings and service improvements including comparison with similar organisations.	National Benchmarking undertaken through Corporate Finance Network. Local benchmarking with similar sized organisation undertaken where information available. Participation in National Shared Services Programme Systematic review of activity / performance data through use of Discovery tool	FINANCE, PERFORMANCE & RESOURCES COMMITTEE BOARD	Annual Bi-monthly Ongoing	Financial Plan Integrated Performance & Quality Report Financial overview presentations

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REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
Organisational budgets and other resources are allocated and regularly monitored.	Annual Delivery Plan Integrated Performance & Quality Report	FINANCE, PERFORMANCE & RESOURCES COMMITTEE	Bi-monthly	Integrated Performance & Quality Report Grip & Control Process
NHS Fife has a strategy for procurement and the management of contracts (and contractors) which complies with the SPFM and demonstrates appropriate competitive practice.	Code of Corporate Governance Financial Operating Procedures	FINANCE, PERFORMANCE & RESOURCES COMMITTEE	Reviewed annually	Code of Corporate Governance Financial Operating Procedures Procurement Quarterly and Annual Reports
NHS Fife understands and exploits the value of the data and information it holds.	Annual Delivery Plan Integrated Performance & Quality Report	BOARD COMMITTEES	Annual Bi-monthly	Annual Delivery Plan Integrated Performance & Quality Report

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REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
Fixed assets including land, property, ICT, equipment and vehicles are managed efficiently and effectively and are aligned appropriately to organisational strategies.	Property and Asset Management Strategy	FINANCE, PERFORMANCE & RESOURCES COMMITTEE	Bi-annual Ongoing Bi-monthly Monthly	Whole System Infrastructure Plan Report on asset disposals Integrated Performance & Quality Report Minutes of NHS Fife Capital Investment Group

PERFORMANCE MANAGEMENT

The “Performance Management” theme focuses on how a Best Value organisation embeds a culture and supporting processes which ensures that it has a clear and accurate understanding of how all parts of the organisation are performing and that, based on this knowledge, it takes action that leads to demonstrable continuous improvement in performance and outcomes.

A Best Value organisation will ensure that robust arrangements are in place to monitor the achievement of outcomes (possibly delivered across multiple partnerships) as well as reporting on specific activities and projects. It will use intelligence to make open and transparent decisions within a culture which is action and improvement oriented and manages risk. The organisation will provide a clear line of sight from individual actions through to the National Outcomes and the National Performance Framework. The measures used to manage and report on performance will also enable the organisation to provide assurances on quality and link this to continuous improvement and the delivery of efficient and effective outcomes.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
Performance is systematically measured across all key areas of activity and associated reporting provides an understanding of whether the organisation is on track to achieve its short and long-term strategic, operational and quality objectives	<p>Integrated Performance & Quality Report encompassing all aspects of operational performance, AOP targets / measures, and financial, clinical and staff governance metrics.</p> <p>The Board delegates to Committees the scrutiny of performance</p> <p>Board receives full Integrated Performance & Quality Report and notification of any issues for escalation from Committees.</p>	<p>COMMITTEES</p> <p>BOARD</p>	Every meeting	<p>Integrated Performance & Quality Report</p> <p>Code of Corporate Governance</p> <p>Minutes of Committees</p>

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REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
The Board and its Committees approve the format and content of the performance reports they receive	The Board / Committees review the Integrated Performance & Quality Report and agree the measures.	COMMITTEES BOARD	Annual	Integrated Performance & Quality Report
Reports are honest and balanced and subject to proportionate and appropriate scrutiny and challenge from the Board and its Committees.	Committee Minutes show scrutiny and challenge when performance is poor as well as good; with escalation of issues to the Board as required	COMMITTEES BOARD	Every meeting	Integrated Performance & Quality Report Minutes of Committees
The Board has received assurance on the accuracy of data used for performance monitoring.	Performance reporting information uses validated data.	COMMITTEES BOARD	Every meeting Annual	Integrated Performance & Quality Report Annual Accounts including External Audit report

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REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
NHS Fife's performance management system is effective in addressing areas of underperformance, identifying the scope for improvement, agreeing remedial action, sharing good practice and monitoring implementation.	Encompassed within the Integrated Performance & Quality Report	COMMITTEES BOARD	Every meeting	Integrated Performance & Quality Report Minutes of Committees

CROSS-CUTTING THEME – SUSTAINABILITY

The “Sustainability” theme is one of the two cross-cutting themes and focuses on how a Best Value organisation has embedded a sustainable development focus in its work.

The goal of Sustainable Development is to enable all people throughout the world to satisfy their basic needs and enjoy a better quality of life without compromising the quality of life of future generations. Sustainability is integral to an overall Best Value approach and an obligation to act in a way which it considers is most sustainable is one of the three public bodies’ duties set out in section 44 of the Climate Change (Scotland) Act 2009. The duty to act sustainably placed upon Public Bodies by the Climate Change Act will require Public Bodies to routinely balance their decisions and consider the wide range of impacts of their actions, beyond reduction of greenhouse gas emissions and over both the short and the long term.

The concept of sustainability is one which is still evolving. However, five broad principles of sustainability have been identified as:

- promoting good governance;
- living within environmental limits;
- achieving a sustainable economy;
- ensuring a stronger healthier society; and
- using sound science responsibly.

Individual Public Bodies may wish to consider comparisons within the wider public sector, rather than within their usual public sector “family”. This will assist them in getting an accurate gauge of their true scale and level of influence, as well as a more accurate assessment of the potential impact of any decisions they choose to make.

A Best Value organisation will demonstrate an effective use of resources in the short-term and an informed prioritisation of the use of resources in the longer-term in order to bring about sustainable development. Public bodies should also prepare for future changes as a result of emissions that have already taken place. Public Bodies will need to ensure that they are resilient enough to continue to deliver the public services on which we all rely.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
NHS Fife can demonstrate that it respects the limits of the planet’s environment, resources and biodiversity in order to improve the environment and ensure that the natural resources needed for life are	Sustainability and Environmental report incorporated in the Annual Accounts process.	FINANCE, PERFORMANCE & RESOURCES COMMITTEE BOARD	Annual	Annual Accounts Climate Change Template

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REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE
unimpaired and remain so for future generations.				

CROSS-CUTTING THEME – EQUALITY

The “Equality” theme is one of the two cross-cutting themes and focuses on how a Best Value organisation has embedded an equalities focus which will secure continuous improvement in delivering equality.

Equality is integral to all our work as demonstrated by its positioning as a cross-cutting theme. Public Bodies have a range of legal duties and responsibilities with regard to equality. A Best Value organisation will demonstrate that consideration of equality issues is embedded in its vision and strategic direction and throughout all of its work.

The equality impact of policies and practices delivered through partnerships should always be considered. A focus on setting equality outcomes at the individual Public Body level will also encourage equality to be considered at the partnership level.

REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE:
NHS Fife meets the requirements of equality legislation.		BOARD COMMITTEES	Ongoing	EQIA section on all reports
The Board and senior managers understand the diversity of their customers and stakeholders.	Equality Impact Assessments are reported to the Board and Committees as required and identify the diverse range of stakeholders.	BOARD COMMITTEES	Ongoing	EQIA section on all reports
NHS Fife’s policies, functions and service planning overtly consider the different current and future needs and access requirements of groups within the community.	In accordance with the Equality and Impact Assessment Policy, Impact Assessments consider the current and future needs and access requirements of the groups within the community.	BOARD COMMITTEES	Ongoing	Development of new Strategy EQIA section on reports

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REQUIREMENT	MEASURE / EXPECTED OUTCOME	RESPONSIBILITY	TIMESCALE	OUTCOME / EVIDENCE:
Wherever relevant, NHS Fife collects information and data on the impact of policies, services and functions on different equality groups to help inform future decisions.	In accordance with the Equality and Impact Assessment Policy, Impact Assessments will collect this information to inform future decisions.	BOARD COMMITTEES	Ongoing	EQIA section on reports