

## **Orkney NHS Board**

Minute of meeting of **Finance and Performance Committee of Orkney NHS Board** held in the **Saltire Room, Balfour Hospital, Kirkwall** on **Wednesday, 22 May 2019** at **11:00**

**Present:** Davie Campbell, Non-Executive Director (Chair)  
Mark Doyle, Interim Director of Finance  
Meghan McEwen, Non-Executive Director (via TC)  
Gerry O'Brien, Chief Executive  
James Stockan, Non-Executive Director (Vice Chair)

**In Attendance:** Christina Bichan, Head of Transformational Change and Improvement  
Malcolm Colquhoun, Head of Hospital and Support Services  
Eddie Graham, Resilience Officer  
Lauren Johnstone, Committee Support (minute taker)  
Ian Kinniburgh, Board Chair  
Derek Lonsdale, Head of Finance  
Kenny Low, Value and Sustainability Lead  
Pat Robinson, Chief Finance Officer  
Louise Wilson, Director of Public Health

### **124 Apologies**

Apologies were noted from Caroline Evans and Sally Shaw.

### **125 Declarations of Interests – agenda items**

No declarations of interest were raised with regard to agenda items.

### **126 Minutes of Meeting held on 28 March 2019**

The minute of the meeting held on 28 March 2019 was accepted as an accurate record of the meeting and was approved, with the following amendment:

- Item 752, page three, paragraph one should be amended to read “CAMHS”
- Item 753, page four, last paragraph should be amended to read £500,000 in 2021/2022...

### **127 Matters Arising**

#### Item 752 Draft Operational Plan

M McEwen noted her disappointment at the proposed planning of another Mental Health Strategy. Discussions held with the Chief Officer had previously indicated that strategic planning was complete, and delivery was on the horizon.

### **128 Action Log**

The action log was reviewed and members agreed that the recurring item would be removed from the action log and reported on as and when required.

### **Performance Management**

## 129 Performance Management Report – FPC1920-01

The Head of Transformational Change and Improvement delivered the Performance Report to the Committee and provided assurance on performance with regards to the Local Delivery Plan standards.

Key points highlighted to members were:

- A&E waiting times would be monitored closely over the transition period to the new hospital.
- Access to AHP services was highlighted as an area that required focused work after the move to the new Hospital and Health Care facility. Concern was raised by the GP Sub Committee at the 600 plus patients waiting for Physiotherapy appointments. The Head of Transformational Change and Improvement was working with the Chief Officer to address these. Administration cleansing of these lists was still required to be carried out
- Numbers of cancelled operations was hoped to decrease with the provision of two theatre rooms within the new Hospital and Health Care Facility.

Members were advised that there had been a lack of capacity over a period of time to address the constant increase in demand for physiotherapy appointments. Members were assured that clinical triage was in place for any self referrals made.

The Board Chair enquired if inroads with private professionals should be considered in order to clear waiting lists. The Chief Executive questioned if this was a precedent that we wished to set, and added that clinical input would be required in discussion. Cleansed, effective waiting lists would provide clarity in the number of patients waiting. Members suggested that group sessions and the 'Near Me' programme could assist in clearing backlogged patients. The Head of Transformational Change and Improvement assured members that the Senior Management Team were aware and pro-actively looking to manage the current issues.

Appreciation was given to the surgical team who had been working additional hours in order to clear backlog within diagnostics. The Chief Executive questioned if the Board were content that all scheduled scopes were appropriate and, on the assumption we were seeking different personnel to undertake this going forward. The Head of Transformational Change and Improvement confirmed that two individuals had completed training. The Chief Executive stressed that a timeline was to be implemented to monitor the situation. The Hospital and Support Services Manager advised that leadership and management of theatres were held with the Director of Nursing, Midwifery and Allied Health Professionals and pressure had been implemented to do this.

The Board Chair informed members that a paper had been presented at the last Collaborative Access Meeting on scopes which detailed the commitment of funding towards this. It was suggested a bid could be submitted to take advantage of the available funding. The Chief Executive agreed to make further enquiries.

The head of Transformational Change and Improvement highlighted that discharge rates had remained at the usual level. TTG direction had since been revised and the Board had been provided with an updated letter from the Scottish Government documenting the requirement for all Boards to be compliant by 1 June 2019. There was discussion around the requirements and members were informed that other small island Boards had chosen to be non-compliant due to the amount of work required. She

added that NHS Orkney had a choice as to whether we join forces with the rest of the Boards until TrakCare was amended or pulled on resources to endeavour their request. The Chief Executive stressed that resources were limited.

The Board Chair questioned if the Board should be committing to better communication by informing patients of waiting and referral times, and absorbing the resources to do this. It was averaged that this would require a full time staff member. The Head of Transformational Change and Improvement advised that this process had been carried out previously in some service areas, and had resulted in patient frustration and unnecessary angst. It was suggested that waiting times was publically displayed on the NHS website for anyone who wished to enquire. Members were in agreement that this would enhance patient communication.

Although there has been a small increase of delayed discharges, J Stockan congratulated the hospital staff for the work contributed in keeping this number low for such a long period of time.

The Head of Transformational Change and Improvement advised that performance against trajectory numbers would be presented to the Committee at the next meeting.

The Director of Public Health advised cancer waiting times were increased due to the limited availability of the mobile breast screening van. She confirmed that bowel cancer screening was actively carried out.

The Chair queried, if staff sickness absence should be coloured red indicating the high levels. Confirmation was received that this was correct and required to be changed.

### **Decision/Conclusion**

Members noted the Performance Report and were assured of progress. The Chair requested that narratives were included below tables for future meetings.

### **Financial Management and Control 2018/19**

#### **130 Financial Management Performance Report for period ended March 2019 – FPC1920-**

The Head of Finance delivered the Financial Management Performance report to the Committee. They key items illustrated to members were:

- £27,000 under spent on the Core Revenue Resource Limit utilising £0.363m of reserves
- The continued high level of expenditure related to the service level agreement for mental health services
- Pharmacy under spend of £156,000 due to vacancies
- Grampian Acute SLA under spend of £421,000 due to activities being less than budgeted at £5.1m
- Capital Resource Allocation of £29.951m for 2018/19 has a break even outturn position, £29,03m of which was used against the new Hospital and Healthcare facility

The Head of Finance provided clarity to members around the funds not yet allocated, detailed within the service area summary table.

Members were informed of the internal commissioned services by the IJB as shown in the below table.

| Previous Month Variance<br>£000<br>M10 |  | Annual Budget<br>£000 | Budget YTD<br>£000 | Spend YTD<br>£000 | YTD Variance<br>£000 |
|--|--|-----------------------|--------------------|-------------------|----------------------|
| (185)                                  | Integration Joint Board                  | 4,079                 | 4,079              | 4,204             | (125)                |
| (5)                                    | Children's Services & Women's Health     | 1,866                 | 1,866              | 1,867             | (1)                  |
| 136                                    | Primary Care, Dental & Specialist Nurses | 9,566                 | 9,566              | 9,430             | 136                  |
| (17)                                   | Health & Community Care                  | 3,453                 | 3,453              | 3,435             | 17                   |
| 35                                     | Pharmacy Services                        | 4,052                 | 4,052              | 4,079             | (27)                 |
| (36)                                   | <b>Total IJB</b>                         | <b>23,015</b>         | <b>23,015</b>      | <b>23,015</b>     | <b>0</b>             |

P Robinson reminded members that the IJB were obligated to follow local authority accounting, and added that it was the first year that the IJB had held a reserve account. In relation to the Primary Care Improvement Plan, the Scottish government had confirmed that any overspend was required to be carried forward.

The Chief Executive requested that on page five, bullet point five, the wording around the removal of vacancies was amended. He clarified that this was not the case, and was vacant posts which would no longer be appointed to.

### Decisions/Conclusion

The Committee noted the Financial Management Performance Report and were assured of progress.

## 131 Recruitment – Medical Staffing Update

The Chief Executive provided a brief update to members on medical staffing.

Members were advised of the new approach taken whilst recruiting, hinging on annualised hours, flexibility, support, and tight management of the recruitment process. This resulted in 18 applications for posts within Surgery, Anaesthetics and Medicine.

Three Consultant Anaesthetists were offered substantive contracts -one traditional full-time substantive contract, and two innovative 26 weeks annualised contracts. The Chief Executive was confident that final offers would be accepted soon. He added that a fourth appointable consultant had not been offered a contract due to NHS Orkney reaching their quota.

The Chief Executive informed members that although candidates shortlisted for the surgery post were of a high calibre, they had deficiencies in their clinical skills and were unable to be appointed.

Feedback received pertaining to the advert had been positive, and it had become apparent that the Press and Journal newspaper was the most visited advertisement.

Contact had been made with E Watson, Director of Medical Education to explore the Global Citizen Fellowship. The Chief Executive was aware that there could continue to

be significant pressures within medicine and surgery and this would be discussed with the Head of Hospital and Support Services.

The Interim Finance Director queried if funding from the Scottish Government could have been utilised to enhance the skill set required of the applicants whom had applied for the Surgery and Medicine posts. M McEwen suggested that this was detailed within future adverts is available.

### **Decisions/Conclusion**

Members noted the report.

## **132 Savings Plan – Off Island Travel / SLA**

The Head of Transformational Change and Improvement delivered the Off Island Travel and Service Level Agreement update. They key items illustrated to members were:

- The savings target attributed to off island travel and the acute services SLA was £750k for 2019/2020
- NHS Orkney had been awarded £63k over the period October 2018 – March 2020 to support the roll out of NHS Near Me (Attend Anywhere) as part of the national scale up. The Medical Director had been identified as the clinical lead for this project
- Closer working relationships had been established between NHS Orkney, Shetland and Grampian.

The head of Transformational Change and Improvement advised members that it had been suggested that the Near Me programme could be trialled on the fracture clinic, which would give local teams better understanding. She added that the programme was currently working well within speech and language but the service was discreet.

Discussions were being held with NHS Shetland in preparation of a meeting due to be held with NHS Grampian next week. It was priority for NHS Orkney to reduce and target the high levels of patient travel, however it was noted that this did not sit well within the Grampian priorities.

Members were informed that K Low, Value and Sustainability Lead, had continued collecting and checking data from the Grampian SLA. It had been identified that patients were still experiencing delays. Discussions were ongoing as to whether clinical support at NHS Orkney should be sourced, offering patients appointments locally instead of travelling for treatment. Members agreed that this was a valuable opportunity that learning could be taken.

J Stockan queried if patients had a choice as to where they wished to be treated, for example Grampian or Glasgow. The Head of Transformational Change and Improvement confirmed that this was possible, something which held a separate process and budget line.

The Board Chair enquired if NHS Orkney had fully adopted all opportunities for cost cutting through Loganair. The Head of Transformational Change and Improvement confirmed that this piece of work was fully embedded.

### **Decisions/Conclusion**

The Committee noted the report and were assured of progress.

### 133 Unidentified Savings

The Interim Director of Finance delivered the Unidentified Savings paper. Members were asked to note the savings challenges faced by NHS Orkney. The key items illustrated to members were:

- Annual Operation Plan to date had not been signed by the Scottish Government.
- Previous funding of £2m towards Medical Staffing pressures was unlikely to be awarded again.
- Capital revenue transfer discussions were ongoing with C Morrison.

The Interim Director of Finance drew member's attention to NHS Orkney's Financial Overview over the year 2019 to 2022.

#### NHS Orkney - Financial Overview

| RECURRING POSITION                              | 2019/2020<br>£000s | 2020/2021<br>£000s | 2021/2022<br>£000s |
|---|--------------------|--------------------|--------------------|
| <b>Recurring position at start of year</b>      | <b>931</b>         | <b>(177)</b>       | <b>1,454</b>       |
| <b>Estimated Recurring Growth</b>               | 3,000              | 1,290              | 794                |
| Inflation uplifts                               |                    |                    |                    |
| Pay Award and Incremental drift                 | (971)              | (1,005)            | (743)              |
| Prescribing and Hospital Drugs                  | (378)              | (413)              | (452)              |
| Primary Medical Services                        | (58)               | (59)               | (60)               |
| Commissioning Inflation                         | (200)              | (205)              | (126)              |
| Resource Transfer                               | (16)               | (17)               | (17)               |
| Price Inflation                                 | (161)              | (164)              | (166)              |
| <b>Recurring Investments</b>                    | (408)              |                    |                    |
| New Facility                                    | (2,665)            | (648)              | (193)              |
| Planned Savings                                 | 750                | 750                | 750                |
| Unidentified savings                            |                    | 2,100              | 100                |
| <b>Recurring Financial Position at year end</b> | <b>(177)</b>       | <b>1,454</b>       | <b>1,341</b>       |
| <b>IN YEAR EFFECT</b>                           |                    |                    |                    |
| <b>Recurring Financial Position at year end</b> | <b>(177)</b>       | <b>1,454</b>       | <b>1,341</b>       |
| <b>Non Recurring Expenditure</b>                |                    |                    |                    |
| General   | (2,248)            | (415)              | (326)              |

|  |              |              |            |
|--|--------------|--------------|------------|
| Hospital Medical Staffing                          | (2,144)      | (1,144)      | (644)      |
| Mental Health                                      | (1,004)      | (1,004)      | (1,004)    |
| <b>Non Recurring Allocations<br/>(anticipated)</b> | <b>5,589</b> | <b>1,115</b> | <b>644</b> |
| <b>In Year Position</b>                            | <b>17</b>    | <b>6</b>     | <b>10</b>  |

Unidentified savings of £2.2m would be delivered through a range of saving schemes; namely, review of primary care and budget requirements. In addition, there would be continuous review of delivery against some key strategic priorities for NHS Orkney for example, Joining up Care, off Island Mental Health Redesign and Medicines Efficiencies through prescribing.

The Interim Director of Finance delivered the presentation to members, highlighting the key points;

- The pressures facing the NHS Orkney would continue to intensify. Financial pressures such as drug costs, primary care, mental health, off Island Costs, and the use of temporary medical staff were predicted to continue in future years.
- Cost savings had been identified and some small savings had already been achieved. The importance of identifying recurring savings was stressed to members.
- Meetings starting in July 2019 with key individuals will be established to fully review service areas in order to deliver a balanced budget. A paper will be drafted and submitted to the Board.

Members were in agreement that staff from all levels should be involved in the review of service areas. M McEwen, and the Chair both confirmed that they were happy to be included in discussions. The Chief Executive stressed the importance of backfilling staff who wished to be involved in the process.

It was anticipated that the Clinical Strategy would assist in outlining practices and procedures.

### **Decisions/Conclusion**

Members noted the report. Members were in agreement that Scottish Government should be informed that progress is being made.

*M McEwen left the meeting.*

### **134 New Health and Care Facility**

The Interim Director of Finance drew member's attention to the New Health and Care Facility Costs paper.

Members were advised that initially the cost of the new facility was estimated in the region of £77.43m. As the costs have increased, NHS Orkney has noted these increases to the Scottish Government, NHS Orkney Finance and Performance

Committee and NHS Orkney Board. Since the initial forecasted business case, full project costs have increased by £3.74m to £81.17m. Members were advised that additional costs were required to be met internally. These costs were

- Construction Costs £2.08m
- Professional Costs £0.805m
- Information Technology £0.855m

Members were informed that a clerk of works had been appointed. This was noted as a positive move for the Board, and had resulted in savings being made.

Funding arrangements were agreed with the Scottish Government to cover the full cost of the build. The governance around the increased costs of the project had been reviewed and a full cost breakdown was provided to the Scottish Government.

The Committee were informed that challenging conversations had been held with the Scottish Government. The Board Chair added that the changes that had occurred had been inevitable, and had not initially been transparent. The additional costs had been identified as externally added items to the project. The Committee recognised the issues arising and the Scottish Government had taken responsibility for their failings. Agreements have been made in order to receive the £6.9m within the capital plan for next year.

The Board Chair queried if learning from the project could be captured and forwarded to others for future projects. The Hospital and Support Services Manager advised that the Board had fed back evidence to a report produced by the Scottish Futures Trust on the issues encountered. The Chief Executive added that points for learning and major successes would also be captured within the post project review.

The Interim Director of Finance concluded by reminding the Board that future projects must be closely scrutinised and all progress should be documented to the appropriate parties in a timely manner to ensure the issues experienced are avoided. A further update would be provided to members once the asset recognition treatment had been agreed.

### **Decisions/Conclusions**

Members approved the submission of the paper to C Morrison.

### **Governance**

#### **135 Chairs Report – NHS Orkney’s Resilience Planning Group**

E Graham, Resilience Officer delivered the Chairs Report from the Resilience Planning Group. The key items illustrated to members were:

- Loggist training had been delivered internally and externally to OIC Staff. Further training was to be scheduled to introduce staff to the message and action recording systems.
- Airwave within the existing Balfour Hospital was up and running. Airwave is due to be installed within the new Emergency Department and SAS areas.
- Major Incident / Major Emergency Plan in The Balfour had been drafted. Soon to be circulated for comment as part of the sign off process.



- Business Continuity Plans had been drafted. Business Impact Assessments were also being completed to encourage forward planning and future proofing.
- Brexit Steering Group had been set up internally to determine the risks that the Board may face.
- Noticeable Incidents included an Injector failure whilst CT scanning and HIAL Air Traffic Controllers Industrial Action.

The Board Chair queried if there was any indication on the impact of the work to rule on patient journeys. The Resilience Officer advised that close communication was held with the travel team, and patients due to travel on this date, including visiting consultants due on island had been informed and alternative appointments arranged.

J Stockan concluded that although Orkney were fortunate enough to have a full complement of air traffic controllers, he queried if there was additional cost brought to the Board from this. Members were advised that the Chair of Development and Infrastructure had written to the Scottish Government highlighting this. The Resilience Officer confirmed that no additional travel costs would be accrued due to the strike; however some internal costs may be accrued.

#### **136 Minute of Resilience Planning Group Meeting 27 February 2019**

Members noted the minute provided.

The Board Chair queried the implications around the Special Services Response Bag. The Resilience Officer confirmed that it had been an unresolved issue for some time. He advised that the response bag that had been purchased between 2000 and 2004, did not contain relevant equipment, and some of which was now out of date. He added that an SBAR was in the process of being drafted and would be submitted to SMT. Members were assured that the issue had been escalated to SAS Head of Resilience and we had received a formal response.

#### **137 Finance and Performance Committee Annual Report**

The Chair requested that in section 9 'successes' the second bullet point was changed from financial savings to efficiency savings.

Members approved the report.

#### **138 Issues raised from Governance Committees / Cross Committee Assurance**

No issues had been raised.

#### **139 Agree key items to be brought to Board or other Governance Committees attention**

##### **Board**

- Year End Position
- Savings Plan – Off Island Travel / SLA
- Unidentified Savings Report

##### **Clinical and Care Governance Committee**

- Staff available to undertake scope procedures

140 **Any Other Competent Business**

There was no other business raised for discussion.

141 **Items for information and noting only**

There were no items for information or noting.

142 **Schedule of Meetings 2019/20**

Members noted the schedule of meetings.

143 **Record of attendance**

Members noted the record of attendance.

144 **Committee Evaluation**

Members noted that the meeting had contained some challenging, yet exciting subjects.

*The meeting closed at 13:40*