

## Orkney NHS Board

Minute of meeting of **Finance and Performance Committee of Orkney NHS Board** held in the **Brodgar Room, The Balfour, Kirkwall** on **Wednesday, 25 July 2019** at **09:30**

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

**In Attendance:** Christina Bichan, Head of Transformational Change and Improvement  
Ian Kinniburgh, Board Chair  
Derek Lonsdale, Head of Finance  
Kenny Low, Value and Sustainability Lead  
Christy Roy, Committee Support (minute taker)  
Sally Shaw, Chief Officer  
Emma West, Corporate Services Manager  
Louise Wilson, Director of Public Health

### 298 **Apologies**

Apologies were noted from M Roos, M Colquhoun, F MacKellar, D McArthur and P Robinson

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

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

### 300 **Minutes of Meeting held on 22 May 2019**

The minute of the meeting held on 22 May 2019 was accepted as an accurate record of the meeting and was approved, subject to the following amendments:

- 129, page three, paragraph 5 should be amended to read "*The Director of Public Health advised that the early detection of cancer was affected by increased waiting times due to the limited availability of the mobile breast cancer screening van.*"
- 130, page three, final bullet point should read "£29.03m"
- 134, page 8, paragraph 4 should be amended to read "*The Committee were informed about the conversations which had taken place with the Scottish Government regarding the increased capital costs of the new Balfour Hospital and Health Care Facility. The Board Chair added that some of the increased costs occurred because of issues faced by other NHS Scotland projects and the remainder occurred because of internal decisions for example the Clark of Works. The Committee noted the increased costs and the issues faced by the Board.*"

301 **Matters Arising**

133 Unidentified Savings

The Chair enquired whether the meetings with key individuals had taken place and was advised by the Interim Director of Finance that a paper would be presented to the Senior Management Team (SMT) following this, groups would be arranged to commence discussions.

HIAL Air Traffic Controllers Industrial Action

J Stockan enquired whether the recent HIAL strike action had affected patients. The Chief Executive advised that around 12 patients travel arrangements had been effected and one staff member had experienced a difficult route back to the island. It was confirmed that there had been no issues with supplies as these were mainly delivered by boat.

302 **Action Log**

The action log was reviewed and updated as required.

Performance Management

303 **Performance Management Report – FPC1920-08**

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

Key points highlighted to members included:

- Timely access to some Outpatients services as well as Inpatients and Day case procedures and the Psychological Therapies service continued to be challenging with current performance below the required LDP level.
- Full quarter data was not yet available, the most recent data had been provided

There had been some issues with outpatients due to delayed flights, including the loss of a full day of ENT. The consultant would provide an extra day later in the year to pick up some lost capacity.

The Dermatology department had started increasing referrals recently; meaning numbers were much more alike to those seen in other Boards.

The Head of Transformational Change and Improvement had met with Access Support colleagues regarding the current position, it was forecast the last 6 months of the year would be better than the first 6 due to the move to the new hospital and healthcare facility and permanent solutions being implemented.

It was brought to the attention of members that the Lead Ophthalmology Consultant would be leaving NHS Orkney, this service would be covered an alternative manner.

Allied Health Professions Musculoskeletal (MSK) services continued to have long waits but management were working closely with the physiotherapy team and looking at the ability to improve this position. This had included list cleansing to ensure that waiting lists were much more accurate. There was also a bid in for first

point of contact for the Primary Care Improvement Plan money which would allow further improvements to be made.

In diagnostics, the backlog of scopes was being addressed , there had been challenges but list sizes were improving with two extra trained doctors increasing theatre capacity

Patients who were medically fit for discharge but whose discharge had been delayed for non medical reasons continues to report at between 0 to 1.

The Chief Executive noted that all staff needed to understand the scale of the pressures. He observed that:

- Outpatients were 800 in October 2018 and had increased to 980 in June 2019, a 19% increase in list size.
- Outpatients waiting over 12 weeks had increased from around 200 in April 2019, to around 366 in July 2019, an 80% increase in 4 months. Therefore in April 2019, 22% of patients breached the 12 week wait; in July 2019 it had increased to 40%.
- Inpatients and day cases were around 160 in April 2019 and were at around 175 in June 2019, with a trajectory for around 30.
- Treatment Times Guarantee (TTG) breaches in December 2018 averaged around 0-5%, however the year to date had never been below 20%

Some of these figures may be due to the move to The Balfour; however there had been significant increases in referrals. The Board would need to assume this would continue and begin recruitment based on these assumptions.

Some members expressed concerns regarding the ability to not only get back to the previous length of waiting times, but to also make progress. The Head of Transformational Change and Improvement reminded members that the Board had yet to utilise the £500k allocated in this area.

Members noted that the wording of the report and language used should accurately reflect the challenge and be given appropriate priority.

The Board Chair noted that he would be interested in understanding the relative impact on poor performance, and whether priority was being targeted, by receiving more information on the cost implications versus the clinical priority.

J Stockan agreed that the report didn't give enough information at present. Background was needed to allow members to see if the Board was in line with the rest of the country.

The Director of Public Health had checked the referral rates of other boards, and NHS Orkney were still relatively low per x thousand. These rates were unlikely to go down and may even increase. In some instances this was about managing the system of referring, in others it was about the need for more clinicians. The Board needed to look at what had been tried and what can still be done within the primary care community.

C Evans took reassurance from the knowledge that by comparison NHS Orkney waiting times weren't dissimilar to other boards. However, she agreed that rather

than trying to reduce the figures, perhaps The Board should learn how to continually manage them understanding GP referrals and why these were increasing.

The Head of Transformational Change advised that conversations were being held with GPs regarding waiting lists and delivery of services to meet these needs.

M McEwen enquired whether the Board should have access to lists showing how many patients were on multiple lists. The Director of Public Health questioned the benefit of using additional time and resources as the information would have limited benefit around how lists were managed.

The Board Chair advised that there were two elements to manage, current pressures and the need for the IJB to look medium and long term across the whole system through strategic planning.

The Interim Director of Finance advised of the need to go back to the Scottish Government around October with plans to bring finances back in balance and would need to advise if there would be issues meeting with this. Otherwise the plan would need to show how the £500k had been spent and what had been addressed.

The Chair asked that work be continued and reported back to the next Finance and Performance Committee meeting in September.

The Chief Executive noted that while these were hard discussions, they were necessary and useful. The Head of Transformational Change and Improvement would continue to take forward this work with discussions being held with the Senior Management Team.

#### **Decision/Conclusion**

Members noted the Performance Report and welcomed a report to the next meeting highlighting the issues faced.

#### **304 The Patient Rights (Treatment Time Guarantee) (Scotland) Directions 2019 – FPC1920-09**

The Head of Transformational Change and Improvement delivered the update on The Patient Rights (Treatment Time Guarantee) (Scotland) Directions 2019 and the response provided.

A manual work round would be implemented from August 2019 until a permanent solution was available

#### **Decision/Conclusion**

Members noted the circular and actively supported the proposal

#### **Financial Management and Control**

#### **305 Financial Management Performance Report for period ended June 2019 – FPC1920-10**

The Interim Director of Finance delivered the Financial Management Performance report to the Committee. Highlighting the following key items:

- The revenue position for the 3 months to 30 June reflected an overspend of £0.364m, this comprises £0.408m attributable to Health Board and under spend of £44k to the Integration Joint Board (IJB)
- The single biggest risk to delivery of a balanced outturn at this point in the year was the uncertainty on the likely position with Medical staffing, the receipt of capital to revenue of £2.9m and additional medical staffing support of £2.14m

A paper would be provided to the Senior Management Team to discuss vacancy management, travel, priority gaps, staff ideas scheme, service improvement and the Integration Joint Board review.

The Interim Director of Finance stated that the key message was that the Board forecast a break even position by the end of the year.

The Board Chair questioned the language used around the Integration Joint Board and asked that this be clarified.

The Interim Director of Finance explained that The Head of Hospital and Support Services was managing the overspend on wards and radiology. Staff would need to be made more aware of the cost pressures and which areas required further work.

#### **Decisions/Conclusion**

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

### **306 Recruitment – Medical Staffing Update**

On behalf of The Head of Hospital and Support Services, the Chief Executive provided a brief update to members on medical staffing.

After advertisement, three anaesthetic posts had been filled, one candidate had already started and the other two would start later in the year.

There were still vacant posts for physicians and surgeons. However, there had been a positive response to advertisement and that was encouraging. The Board were looking at alternative routes including Global Citizen, to allow flexibility. For now, locum cover was required for these posts.

M McEwen questioned whether the board would be forced to close departments, if there was no interest in these posts by the end of the year. The Chief Executive assured the Committee that this would not be the case, and in a worst case scenario money would have to come from elsewhere to continue to fund locum cover.

#### **Decisions/Conclusion**

Members noted the update and The Board would continue advertisement.

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

The Head of Transformational Change and Improvement delivered the Off Island

Travel and Service Level Agreement update. The key items illustrated to members were:

- The 2019/20 savings target of £750K would be challenging, given the rise in activity levels in 2018/19;
- There remains a need to extract more timeous activity information to better understand service demand so that future service delivery options could be considered more fully in order to maximise efficiencies and deliver cost savings
- Travel savings potential remained through increasing the number of virtual clinic appointments, where appropriate
- Near Me virtual clinic take-up had increased during 2019/20, with further step-up planned from July onwards.

This large budget target for the Grampian SLA was set on the basis of reducing activity with NHS Grampian, where inpatient activity had fallen sharply since 2013/14. Unfortunately, activity had began to rise in 2018/19, with delays in the notification of the scale of this increase. As such, the expected saving in 2018/19 was smaller than originally anticipated, with a need to better understand the activity data for services carried out on behalf of NHS Orkney to better inform service planning moving forward.

Many consultations were now able to take place virtually, including orthopaedic follow ups, resulting in saving on travel and benefits to patients.

NHS Grampian and the Scottish Government were regularly discussing ways to provide more services in this way, NHS Orkney and NHS Shetland were involved in these discussions due to the heavy reliance on NHS Grampian services. This would ensure that focus remained on specialities which all Boards could benefit from.

Regular list cleansing was completed on the Grampian waiting lists for NHS Orkney, to ensure no patients were on lists that no longer required treatment. Referral pathways were also being revisited to ensure accuracy.

The Chief Executive noted that the data provided was estimated, and figures for 2019/20 were not yet available and would be brought to the next meeting.

The Chief Executive questioned where if there were plans to begin asking patients to review their visit to Aberdeen Royal Infirmary (ARI) the Head of Transformational Change and Improvement advised that a patient feedback form was being established for this purpose.

Members agreed that it was the Boards responsibility to ensure that patients weren't being put forward for unnecessary trips rather than finding out after a patient had been to ARI that they felt it had not been beneficial.

### **Decisions/Conclusion**

The Committee noted the report and were assured of progress.

## **308 Capital Plan 2019/2020**

The Interim Director of Finance delivered an update on the Capital Plan 2019/2020.

The key items illustrated to members were:

- The formula based resources for 2019/20 accounts for £0.978m. The Board received notification of the same in its May 2019 allocation letter. Committed expenditure was broken down in the report along with the funding for the New Hospital and Health Care Facility in the amount of £6.927m
- £250,000 was allocated to Estates; £50,000 was allocated to IT; and £43,000 for other expenditure including replacement vehicles for Hoy and Papa Westray.
- The outstanding commitment for equipment purchase and construction of the New Hospital and Healthcare Facility remains at £6.927m and was analysed in the report.
- The remaining unallocated funds of £678,000 would be held in a contingency and any unutilised resources would be directed into priority schemes by October 2019.

The disposal of the old Balfour Hospital site was discussed noting that this was ultimately a Board decision. Public sector bids would have priority and if not the decision whether to sell as it stands or to demolish it and sell the land would be made by the Board

### **Decisions/Conclusion**

Members noted the report and agreed the timescales for roll out of the held back allocation.

It was agreed that an update would be provided to the next meeting.

## **309 Cost Reduction Framework**

The Interim Director of Finance provided an update on the Cost Reduction Framework advising that in October 2018 the Scottish Government asked the Board to move to a 3 year Annual Operational Plan, this had been submitted in March 2019, with a breakeven position for all 3 years, based on achieving planned savings in all three years.

Concerns were raised that as yet, the savings plan had failed to be delivered.

A meeting had taken place on the 19 July 2019 with the Scottish Government to discuss medical staffing costs, depreciation and capital to revenue transfer.

With regards to medical staffing, an anaesthetist had been recruited and other vacant posts were back out to advert. The adverts had cost implications but were essential to reduce locum costs.

Migration costs were estimated to be around £1.271m, however the actual costs were estimated to be around £900k providing a non recurring saving. In addition, running costs of the new hospital were anticipated to be around £1.9m, with the expected costs for year 1 of £1.1m being revised to £900k expected out-turn

At this stage, NHS Orkney were forecasting a break even position in 2019/20 and assurance had been given to the Scottish Government of this however confirmation had not been received on medical staffing, depreciation or the capital to revenue transfer.

Conversations had taken place with the Integration Joint Board regarding a saving target of £1m in recurring savings and working together towards this. A paper would be provided to the Senior Management Team documenting a number of groups which would be implemented to deliver recurring savings in targeted areas to bring the Board into recurring financial balance over the next 3 years.

The Chief Officer agreed that they had met to discuss figures had not yet been addressed with Integration Joint Board members. She accepted the need to save money and for this to be addressed across health and social care.

M McEwen highlighted the need to manage services and the risk to IJB. There was also a need to take ownership for this risk, rather than label it as IJBs risk as this incorrectly passes on responsibility.

The Director of Public Health relayed information regarding a potential early flu season, with high numbers which had been reported in Australia. The Board would need to look at the implications of this and prepare to manage a potential increase in cases over winter.

J Stockan questioned how the Board would be able to make this level of saving without reducing staff levels. The Interim Director of Finance advised that between recurring savings from the new hospital and resolving medical staffing issues differences would be seen.

By the end of September all invoices should be in for migration costs and more information could be taken back to the Scottish Government to show that progress was being made.

### **Decisions/Conclusions**

Members noted the update and welcomed the action being taken to progress.

## **310 State of NHS Scotland's Infrastructure (SAFR)**

The Chief Executive delivered the report on behalf of The Head of Hospital and Support Services advising that the information was available for noting before submission to Health Facilities Scotland. It was reported that there were currently no properties with backlog maintenance issues.

M McEwen required an update on the migration of the CDU and Renal units. The Chief Executive relayed that Renal were due to move shortly, after preliminary tests on the water supply were confirmed. CDU were also having positive results but more testing would be carried out to ensure they can maintain pressure as required. It was hoped they would move in the next few weeks.

### **Decisions/Conclusions**

Members approved the report. For submission

### **Governance**

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



No issues had been raised.

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

**Board**

- Performance Management Report
- Savings Plan

**313 Any Other Competent Business**

There was no other business raised for discussion.

**Items for information and noting only**

**314 ISD Publication of AHP MSK Waiting Times – Pre Release Access**

Members had received the ISD Publication of AHP MSK Waiting Times – Pre Release Access for noting.

**Decisions/Conclusion**

Members noted the report.

**315 Fraud and Irregularity Update 2018/19**

The Interim Director of Finance delivered the Fraud and Irregularity Update 2018/19 for noting.

**Decisions/Conclusion**

Members noted the report.

**316 Schedule of Meetings 2019/20**

Members noted the schedule of meetings.

**317 Record of attendance**

Members noted the record of attendance.

**318 Committee Evaluation**

Members noted that the meeting had contained two or three difficult discussions and questions; however important topics have been addressed.

*The meeting closed at 12.25*