

Orkney NHS Board

Minute of meeting of **Finance and Performance Committee of Orkney NHS Board** held in the **Brodgar Room, The Balfour, Kirkwall** on **Thursday, 30 January 2020** 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, Chief Quality Officer
Julie Colquhoun, Head of Corporate Services (until item 712)
Malcolm Colquhoun, Head of Support Services, Logistics and Contracts Management
Debs Crohn, Head of Digital Transformation and IT
David Drever, Interim Board Chair
Eddie Graham, Resilience Officer (for items 715 and 716)
Pat Robinson, Chief Finance Officer
Christy Roy, Committee Support (minute taker)

703 Apologies

Apologies were noted from Louise Wilson and David McArthur

704 Declarations of Interests – agenda items

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

705 Minutes of Meeting held on 28 November 2019

The minute of the meeting held on 28 November 2019 was accepted as an accurate record of the meeting and was approved, subject to the following amendments:

- 568, Page 5 – the fair value adjustment should be £1.4m

706 Matters Arising

468 – Savings Plan – Off Island Travel / SLA

The Chief Executive had made contact regarding a meeting with Jonathan Hinckles at Loganair; however he was not on island often, so no appointment had been made yet.

707 Action Log

The action log was reviewed and updated as required.

Performance Management

708 Performance Management Report – FPC1920-43

The Chief Quality Officer presented the Performance Report which provided an update on performance with regards to the Local Delivery Plan standards. The key points highlighted included:

- Performance in the Emergency Department had continued to be high.
- The data for Mental Health had improved greatly after additional staff had been employed within the team. However it had been noted that there was some difficulty in collecting data within the Mental Health service, with backlogged patient information, meaning a full picture of the improvement in performance would not be available for some time.
- The Treatment Times Guarantee performance had decreased, which had been largely due to the loss of a consultant ophthalmologist. A replacement consultant would not be available until at least May 2020 so work was ongoing to evaluate the cost to clear these lists and also significantly reduce outpatient's waiting lists.
- There was still a wait for Golden Jubilee referrals; however they are working to increase capacity.
- There had been no change in musculoskeletal performance, and physiotherapy waits still continue to be very long. It had been agreed by the Interim Director of Finance and Chief Executive agreed to release funds to cover a locum for 2 months to help reduce lists.

The Chair praised the report as being much more positive than previously. M McEwen noted that delayed discharges had appeared to be high since October. The Chief Quality Officer advised that in most cases these delays were the result of home care provisions being put in place for the patient before they leave our care. She also advised that, due to our small numbers of patients, 1 or 2 delayed discharges would inflate numbers significantly. J Stockan suggested that costs of home care are high, so overall it might be more economical to keep patients here for a few days, rather than in care. The Chief Quality Officer advised that statistically patients who spend longer in hospital are less likely to thrive out with. The Chief Executive advised that the cost of delayed discharge was not a significant concern for the Board.

The Chief Quality Officer advised that improvement plans were being established for next year, noting that the new facility had provided the ability to do more procedures than previously.

The Chief Executive suggested that the Board would need to take an overall look at our services, to ensure resources including staff and theatres were being used as efficiently as possible.

The Chief Finance Officer highlighted that, while the improvement in Mental Health was positive, it comes with a significant cost.

Decision/Conclusion

Members noted the Performance Report.

709 Annual Operational Plan update– FPC1920-44

The Chief Quality Officer delivered the Annual Operational Plan update highlighting the following key points:

- The first draft had been submitted to the Scottish Government in December. At the time of submitting the report to the committee all feedback had not been received, as the submission was split between different departments, however at time of the meeting it had all been brought together into one report.
- Some areas of the submission had receive positive feedback, with others requiring considerable development before resubmission, including the Mental Health Strategy and Primary Care Improvement Plan.
- The biggest challenge faced was regarding which areas to prioritise, as whilst we would like to develop every area, we are unable to do so.

The Chief Executive advised that development for the 2020/21 plans had begun during the mid year review for 2019/20, with a clear message being sent by the Cabinet Secretary regarding the Mental Health Strategy and Primary Care Improvement Plan. There was an expectation that all NHS Boards would move into a leadership space, rather than awaiting instruction from elsewhere. He advised that a Primary Care Improvement Plan and Mental Health Strategy would need to be developed which could provide an effective service within the available budget.

M McEwen suggested that the Integration Joint Board and NHS Orkney would be required to work loser together to develop a strategy which works for both.

Members were advised that the Cabinet Secretary had expressed that Mental Health was a high priority, with expectation for Boards to deliver results quickly.

M McEwen wondered what groups the report referred to on page 55, suggesting that rather than spending time and money to establish groups, the Board should tap into community groups which are already available. The Chief Quality Officer advised that this section would be rewritten before the plan was resubmitted.

The Interim Director of Finance delivered the financial plan update, highlighting that:

- The plans should be closely aligned to the budgets, and would be aligned with the need to provide recurring savings.
- Concrete plans must be put into place to deliver a break even position over the 3 year period, with a great deal of work being needed to do so.
- At present the forecast outturn over the 3 year period was £10.8m overspent, meaning around £11m in savings would be required to breakeven.
- Costs in various areas throughout the AOPs would present significant pressures with funding.
- Significant recurring costs would arise in 2020/21 surrounding the new hospital facility.
- £3.5m costs would be brought forward from 2019/20 surrounding medical staffing, and the Scottish Government would not be able to fund this for us as they had done in previous years.
- Difficult decisions would need to be made to provide the necessary savings.

The Interim Director of Finance advised that a paper would be put to the February Board meeting advising of the full costs and work to be done to achieve a breakeven position over the 3 years.

The Chief Executive suggested that whilst this was a bleak outlook, it was also a

realistic one. The Board must look at all demands being placed upon it and manage these by working differently and prioritising to provide savings and also ceasing any unnecessary spending. He reminded members that we need to take control of the situation in order to be able to deliver the necessary spending. He advised that The Head of Support Services, Logistics and Contracts Management would be working towards analysing our spend in order to deliver the £10.8m savings, however clinical leadership would be needed to assist in reviewing how clinical staff and resources are managed. A full review of nursing staff over NHS Orkney would be vital, as well as reviewing our 24 hour provisions, however this would need clinical leadership to advise what we as a remote and rural hospital are required to provide. the Chief Executive advised that if the clinical leadership advised that a provision needed to be in place then it would be non negotiable. Managers would need to be advised of the severity of the financial position and be held accountable for overspends and budgets.

M McEwen raised concerns regarding the lack of risk articulation appetite at a strategic level, meaning it was very difficult to take assurance from the conversations surrounding this topic.

Members agreed that a review of our controls in previous years would be needed including reintroducing significant scrutiny to all spending.

The Chief Executive reminded members that these savings would not happen immediately, but that it was imperative that we as a Board begin actively working towards providing a breakeven position over the 3 years.

J Stockan raised concerns over the 4% increase in staffing levels in the past year, suggesting that this presents a significant cost to the Board.

The Chief Finance Officer queried how the Board would tackle both the savings demands whilst also meeting waiting times targets. Members agreed that it would be very difficult to balance both, with significant pending required to reduce waiting lists. A process for prioritising the demands would need to be developed and if a decision was made not to meet a target then there should be a clear reason for this.

The Interim Board Chair and Chief Executive reminded members that the Board must ensure patient safety at all times.

The Chief Quality Officer suggested that it would be worthwhile to look at how primary care manages referrals to secondary care, suggesting that some areas are more efficient with the process than others.

Decision/Conclusion

The Committee noted the report.

Financial Management and Control

710 Financial Management Performance Report for period ended August 2019 – FPC1920-45

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

- The position at 31 December 2019 was an overspend of £359k. This comprised of overspends of £0.302m attributable to the Health Board and £0.057m to the services commissioned by the Integration Joint Board.
- A breakeven position was forecast for 31 March 2020.
- The running costs of the new hospital present a concern as they had risen significantly.
- Following discussions with Scottish Government the following revisions had been agreed to the capital budget:
 - £1.150m from NPD New Hospital to be returned
 - £1.400m fair value adjustment to be returned
 - £0.750m also returned as unspent recurring budget
 - On basis that that this would be returned next year in 2020/21
 - £1.400m Capital to Revenue Transfer (which had previously been agreed)
 - £1.218m additional depreciation for the new hospital agreed to be funded

The Head of Support Services, Logistics and Contracts Management advised that in many staffing areas significant costs are incurred due to covering wages for maternity or sick leave for staff, and also covering staff to cover these absences. He reminded members of the importance of the medical staffing review which was taking place to evaluate staffing requirements and the efficient use of the resources available to us.

M McEwen advised that in future she would like to see the women and children budgets split on the IJB budget to allow for more accurate scrutiny.

The Head of Support Services, Logistics and Contracts Management advised that work was ongoing with the heating system and his team were engaging with the national management team who manage energy for NHS Scotland Boards. He reminded members that the Old Balfour building was still in use until October and Garden House was still being maintained. He advised that some funds would be retrieved from Robertson's due to the requirement to use the old building still, which should offset some costs.

Decisions/Conclusion

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

711 Integration Joint Board Expenditure and Revenue Report – FPC1920-46

The Chief Finance Officer, Integration Joint Board, presented the Expenditure and Revenue Report for noting. She advised that the financial position at 31 December 2019 was £117k overspent and the forecast year end was £152k overspent.

Members noted that there had been a sudden change from under to overspent over two months. The Chief Finance Officer advised that this movement had been due to increased costs within various services including mental health, prescribing and residential care. She also advised that they had been struggling to recruit to some roles and the closure of a local nursery could present issues for some members of the workforce.

The Chief Finance Officer advised that she would be meeting with the NHS Orkney finance team to discuss the IJB reserves. Her team were also reviewing opportunities for saving, including using workshops to highlight the need to provide savings.

The Chief Finance Officer advised that every vacancy was now reviewed to ensure it was required, before it goes out to advert. She also advised that a full restructure of Orkney Health and care management would take place in the next six months.

The Head of Corporate Services suggested that opportunities were available to work differently by developing both our services together and deliver bespoke posts. The potential to integrate both services would be of benefit, however the Chief Finance Officer suggested that some issues do arise such as staff employed by Orkney Island Council being unable to use NHS Orkney vehicles. Members agreed that it could be a potential opportunity for savings and to work together to provide a more tailored service.

M McEwen raised concerns regarding third sector provisions, advising that many of them were at risk of closure due to lack of funding and we are often dependent on them to deliver services.

Decisions/Conclusion

Members noted the report.

Governance

712 Update against Workforce Projections – Verbal

The Head of Corporate Services presented the update advising that the Board was asked to annually project what the workforce would look like at the end of the year. She reiterated that it was only a projection and very much subject to change throughout the year. The overall projected increase for year 1 was 3.5% on a baseline of 525.

She advised that at present there was no ability for this information to be taken from one place, meaning it was a time consuming project. It was noted that this year there had been 89 posts filled, made up of both fixed term and permanent contracts. There had also been an increased loss of staff, which was due to increased numbers of retiring staff.

M McEwen advised that there would be more benefit if members had seen all the data in advance to help with understanding and scrutiny.

Members were advised that the cost of trainee medical staff was higher than that of permanent staff. They did often wish to come back for permanent posts after they finish their training; however the Board was not always able to offer a competitive enough salary.

Decisions/Conclusions

Members noted the verbal update provided and were assured of progress.

713 Technology Enabled Care Programme update – January 2020– FPC1920-47

The Head of Digital Transformation and IT provided the update, highlighting the following key points:

- Significant development had begun since she and the new IT Manager had joined the team.
- eHealth had been reinstated and had been renamed to the TEC Programme board to better represent its purpose.
- A review of the resources, gaps, risks and opportunities had begun
- Several national projects including HEPMA, GPIT Reprovisioning and Office 365 were underway. These presented significant cost, however the Interim Director of Finance had been involved in this.
- A business continuity plan had been put in place with the Orkney Islands Council.

The Head of Digital Transformation and IT raised concerns over a lack of resilience and documented processes within the team, advising that she was working towards improving this in future however this would also present significant staffing costs.

Members were advised that all systems must migrate over to Office 365 and Windows 10 by September as NHS mail and Windows 7 would not be supported after then. A team of digital champions had been established throughout NHS Orkney to enhance engagement and aid development.

The interim Director of Finance reminded members of the financial pressures currently faced by the Board and the need to work within budgets. The Head of Corporate Services suggested that whilst this was fair statement, it was also important to assess the risk of projects potentially not going ahead due to lack of resources and manage this balance effectively.

Members raised concerns that whilst we are being advised by the Scottish Government to take on certain projects and systems, these might not be suitable for a remote and rural island board, so this should be taken into account.

The Head of digital Transformation and IT advised that her team were currently working with the Procurement Manager to evaluate the current Service Level Agreements which were in place. Once this was complete they would be robustly monitored to determine the return on investment.

Members were advised that patient engagement was a priority to ensure that the services we develop work for the patients as well as our teams.

The Chief Quality Officer praised the opportunities available to the Board through the ongoing work; however she noted that it proved difficult to get any performance related data out of these areas to show what improvement was being made.

M McEwen expressed that she had expected to seek assurance on progress of the TEC Programme; however the discussion had turned to a discussion regarding lack of resources. She suggested that a discussion needed to take place as a priority surrounding resources available.

The Chief Executive advised that a presentation had taken place at the recent Chief Executive meeting, where it was agreed that Office 365 was the only way forward

and Boards would need to find the funds for it. He agreed that a discussion should take place surrounding this as priority as there are significant risks with not complying.

Decisions/Conclusions

Members noted the update and were assured of progress.

714 Technology Enabled Care Programme Board (TECPB) Terms of Reference Refresh – December 2019– FPC1920-48

The Head of Digital Transformation and IT presented the updated terms of reference.

The Chief Executive advised that, due to the current financial difficulties, it would be difficult to agree any timescales for the project until budgets had been decided.

Decisions/Conclusions

Members noted the update.

715 Chairs Report Resilience Group

The Resilience Officer presented the Chairs report highlighting that:

- The Business continuity Management Policy had been formally approved and work was now ongoing with Recovery Point Objectives. Managers are being encouraged to test parts of their plans and would be supported with suitable scenarios if required.
- The Major Incident plan for The Balfour had now been formally approved and circulated, with testing focussing on the critical areas.
- A Climate Change Risk Assessment (CCRA) & Adaption workshop was scheduled to take place at NHS Orkney on the 14th of February 2020.
- On the 4th of November 2019 a switchboard failure occurred when the server migration work was being undertaken from the old hospital site. As a consequence the switchboard invoked its BCP and made use of analogue line until the issue was resolved.
- On the 14th of January 2020 a storm surge had been predicted across 11 areas of Orkney affecting low lying coastal properties. Flood defences were in place with sandbagging for residents. Orkney Local Emergency Co-ordinating Group stood up and rest centres were prepared for residents who could be displaced by flooding. Higher than anticipated air pressure suppressed the storm surge and whilst seawater flowed into St Margaret's Hope & Stromness town centres, there was no reported flooding to domestic dwellings.

Decisions/Conclusions

Members noted the update

716 Response and Action Plan for NHS Orkney Self Assessment 2018 Organisational Standards – FPC1920-50

The Resilience Officer presented the report highlighting:

- In May 2018, NHGS Orkney submitted a response to the 41 Standards of Organisational Resilience detailing all the resilience activity the board was undertaking.
- On the 10th of December 2019 a response was received from SGHRU in relation to the Boards submission.
- NHS Orkney was again due to report to SGHRU on the 10th of April 2020 against the 41 standards.
- The Business Continuity Plan was now in place, which was now being exercised with a rolling testing program
- Whilst it had been suggested that NHS Orkney needed to develop plans for a Radiation Monitoring Unit (RMUs) there would appear to be no statutory requirement at this time for the Board to develop due to its geographical location. Discussions were ongoing amongst Highlands and Islands Emergency Planning Officers around resourcing RMUs which was challenging for smaller remote Boards. Further discussion was due to take place at the quarterly SGHRU meeting to try and develop a pool of equipment and a more pan Scotland response as opposed to individual plans across all Boards.
- SGHRU are in the process of amending some of the standards and are developing an electronic format for self assessment. This might lead to some slippage with submissions across territorial boards consulting with stakeholders and passing submissions through governance processes.

Members were assured that a response had been submitted to the Scottish Government.

Upon request from the Chief Executive, the Resilience Officer advised that six decontamination suits in various sizes were currently all in date, with a selection of out of date suits being retained for use in exercises.

Decisions/Conclusions

Members noted the report.

717 Medical Staffing Update – verbal

The Chief Executive provided members with an update on medical staffing advising that interviews had taken place earlier in the week. An obstetrician had been successful and would be joining the team in April and a physician had also been appointed who had previously undertaken locum work for us. A surgeon had been appointed however they were only able to work for approximately 10 weeks of the year.

The Chief Executive advised that the Board was still very reliant on locums in order to provide 24/7 cover. Members agreed that networking could be used to attract medical staff.

M McEwen queried whether Brexit had the potential to impact the pool of potential doctors we could employ. The Chief Executive advised that it should not change anything at present, as the qualifications in other countries would still be recognised.

Members agreed that though there might not be an update at each meeting, this item should stay on the agenda due to the significant expense relating to medical staffing.

The Chief Executive reassured members that we are in a better position with medical staffing than previously.

Decisions/Conclusions

Members noted the verbal update provided.

718 Regional Asset Management Plan – FPC1920-51

The Head of Support Services, Logistics and Contracts Management presented the report providing members with an understanding of our assets. He advised that the Property Asset Management Strategy had previously been through the Board.

Members noted that progress had been made with some assets since the data had been submitted, including closing off some properties and sourcing funding for electric cars. The Head of Support Services, Logistics and Contracts Management raised concerns regarding several properties which were in Category C functionality and were therefore not fit for purpose. He advised that the clinical staff who manage these buildings, Primary Care and the Board were all aware of the condition of the properties. Members were advised that estimates were in place for the work for St Margaret's Hope and Stromness, however work was in process to evaluate the others. The Chief Executive reassured members that overall we were in a good place with our assets, and the condition of these properties was the main concern.

The Head of Support Services, Logistics and Contracts Management advised that work was in process to source capital funds to begin work as soon as possible, with discussions taking place with the Orkney Islands Council to combine work on the outer isles. It was agreed that prioritising the work required would be important to ensure that available funds were used appropriately.

Decisions/Conclusions

Members reviewed the plan and were assured of progress.

719 Issues raised from Governance Committees / Cross Committee Assurance

No issues had been raised.

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

Board

- Current Financial Position

721 Any Other Competent Business

M McEwen highlighted that language used should be consistent, noting that in some reports the member who had written the report had been known as an SMT Lead and others had been a Lead Director.

Items for information and noting only

722 Schedule of Meetings 2019/20 and 2020/21

Members noted the schedule of meetings.

723 Record of attendance

Members noted the record of attendance.

724 Committee Evaluation

The Chair praised the high level of scrutiny, highlighting that members were now aware of challenges and difficult discussions to be had in the future.

The meeting closed at 12.46