

Orkney NHS Board

Minute of virtual meeting of **Finance and Performance Committee of Orkney NHS Board**
held on **Wednesday, 06 May 2020 at 10:00**

Present: Davie Campbell, Non Executive Director (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
Malcolm Colquhoun, Head of Support Services, Logistics and
Contracts Management
David Drever, Non Executive Director (deputy for James Stockan)
Kenny Low, Value and Sustainability
Fiona MacKellar, Employee Director
Pat Robinson, Chief Finance Officer
Iain Stewart, Chief Executive Designate
Louise Wilson, Director of Public Health
Christy Drever, Committee Support (minute taker)

88 **Apologies**

Apologies were noted from David McArthur, Marthinus Roos, Sally Shaw, Keren Somerville and James Stockan

89 **Declarations of Interests – agenda items**

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

90 **Minutes of Meeting held on 20 February 2020**

The minute of the meeting held on 20 February 2020 was accepted as an accurate record of the meeting and was approved.

91 **Matters Arising**

709 – Annual Operational Plan Update

D Drever enquired whether this had been progressed any further. The Chief Quality Officer advised that all figures for Mental Health had been submitted, however a lack of capacity with the team presented concerns for the data being submitted in future. The Chief Quality Officer and her team would continue to work closely with the Mental Health team to ensure the data continues to be submitted on time.

748 – Draft Financial Plan

The Board Chair raised that she felt the “detailed recovery plan” should be progressed further and required more work to enable educated decisions to be made. The Interim Director of Finance advised that this had been discussed at the Board meeting in February and members had agreed that The Medical Director and Director of Nursing, Midwifery and Allied Health professionals could take this report

forward. Members were advised that the paper would be split between the Interim Director of Finance, Chief Quality Officer, Medical Director and Director of Nursing, Midwifery and Allied health Professionals for progression within different areas. The Chief Quality Office advised that she would be covering acute services and had been looking at a recovery plan for a medical and nursing perspective and would meet with the Interim Director of Finance to discuss this. It was agreed that an update would be brought to the next Board meeting with more information including risks and clinical comments.

92 **Action Log**

The action log was reviewed and updated as required.

Performance Management

93 **Performance Management Report – FPC2021-**

The Chief Quality Officer presented the Performance Report which provided an update on performance with regards to the Local Delivery Plan standards. She highlighted that this was an abbreviated report, with only key highlights to update members including:

- Accident and Emergency numbers remained positive. This had been due to reduced attendance for a period due to the Covid-19 lockdown rules. This had been the same throughout Scotland, however a recent national campaign had caused a significant increase in activity, back to a more 'normal' level.
- Outpatients work had been scaled down in preparation for Covid-19. Near-me provisions were being utilised and had received a positive response with many specialties embracing virtual consultations. This and a slightly lower referral rate from primary care had allowed waiting lists to be managed
- Ophthalmic services had been maintained throughout, due to the need for monthly and bimonthly injections.
- The Treatment Times Guarantee had slightly worsened as services weren't running as normal. Urgent diagnostic scopes for the suspected cancer pathway were still running as normal, however there had been delays in accessing treatment due to restricted access to NHS Grampian services at present. Members were advised that NHS Orkney was working closely with the National and NHS Grampian cancer teams regarding this, including reporting to the Scottish Government on a weekly basis.
- There had been a focus on keeping delayed discharges at zero, and it had been noted that the opening of the new care home had helped towards this and would hopefully continue to do so.

The Chief Quality Officer noted that the new way of working throughout the pandemic had been a very beneficial learning experience, which could prove useful when the time comes that NHS Orkney returns to business as usual.

The Board Chair queried whether we were making use of services available to us from Golden Jubilee, where NHS Grampian were struggling. The Chief Quality Officer advised that we rely on NHS Grampian consultants to engage the pathway to Golden Jubilee and that they had been trying to utilise this where possible.

The Chief Executive Designate highlighted that the report didn't provide the full detail

of performance targets and how we compare to these. The Chief Quality Officer advised that the full report normal would, showing where we had deviated from the projected targets and how it was planned to rectify this.

The Chief Executive Designate suggested that overall the performance in Mental Health targets was very good, better than the Scottish average. However, we are still below the Scottish target, which should be shown in the report in future.

The Chair queried whether there had been any deviation in the returns requested by the Scottish Government during the Covid-19 outbreak, however the Chief Quality Officer advised that all returns were still required and there had been additional reporting required during the outbreak.

The Chief Executive informed members that G Woolman, Audit Scotland had strongly reminded Boards that the Covid-19 outbreak would not be accepted as an adequate excuse as for the majority of 2019/20 we had been working as normal before the pandemic began.

Decision/Conclusion

Members noted the update and were assured of progress.

Financial Management and Control

94 Covid-19 – Local Mobilisation Plan Weekly Finance Return – FPC2021-02

The Interim Director of Finance delivered the report explaining that the Board was required to submit a weekly plan to the Scottish Government detailing mobilisation costs as a resulting from the Covid-19 outbreak. Key points highlighted from the return were:

- Costs to the end of March 2020 were in the region of £300-400k and it was hoped that an allocation would come from the Scottish Government for this.
- Additional Covid-19 costs were anticipated to be £9.8m.
- Anticipated unachieved savings for 2020/21 of £4.6m.
- The Scottish Governments potential costs for Covid-19 were significantly higher than the available budget, meaning potential issues regarding how this would be allocated for 2020/21.
- Retrospective approval from the Scottish Government was required for expenditure in excess of £100k

The Interim Director of Finance advised that he would be meeting with the Head of Corporate Services to discuss additional staffing costs in the near future.

David Williams had advised that recurring savings of £800k for the Integration Joint Board (IJB) should be anticipated as undelivered for 2020/21, however the Interim Director of Finance was keen to continue working towards achieving these and other recurring savings across the Board.

The Chief Executive Designate advised that the introduction of Testing, Tracing, Isolating and Supporting (TTIS) from the Scottish Government could generate extra costs. He highlighted that it was important to monitor whether the staff who are self-isolating or shielded would be able to work in any form from there, which could potentially include contact tracing. He noted that five staff members were currently

trained in contact tracing, and it had been estimated that a further 5 staff should be trained.

The Chief Executive Designate advised that he would be meeting with the Chief Officer of the IJB soon and he anticipated that recurring savings would be discussed, so he would update the Interim Director of Finance as required.

The Chief Executive Designate advised that he was in discussions with John Connaghan regarding the cost of two new ventilators for NHS Orkney as these would cost approximately £250k per month on top of our current costs. At present there are four ventilators, with a further two of the same kind and four which could be operated out with the ventilation unit ordered, so we are in a good position.

The Chief Finance Officer advised that if the IJB provided recurring savings for the Board, they would need to ensure they provide savings for the local authority. She advised that a meeting had been held with members of both sides of the partnership present, to discuss how to provide savings. As a result of this, workshops had been set up to drive forward savings and efficiencies, however these had been put on hold during the Covid-19 outbreak.

The Board Chair sought clarification that retrospective approval had been received for the previous Covid-19 expenditure and was advised by the Interim Director of Finance that whilst we had not had approval, Richard McCallum had taken responsibility at a recent Directors of Finance meeting to seek assurance from the Scottish Government.

The Chief Executive queried how the anticipated £4.6m unachieved savings had been calculated and suggested that a revision of the anticipated costs would be required, as the anticipated £9.8m had been based on previous scenarios and strategies which had since been updated. This would also allow for a better understanding of the current plan across the Board. The Interim Director of Finance agreed that these figures should be updated and he would bring a revised report to the next meeting in order to provide clarity to members and the Board. He advised that whilst he had planned for a worst-case scenario with the anticipated unachieved savings, he intended to continue towards delivering those savings.

The Chair queried whether the staff absence rate had increased during the outbreak, noting that it tended to be roughly 5%. The Chief Quality advised that the current average was 19%, with the peak week being around 22-23%. It was noted that this was less than had been projected, however the more challenging element of the absence was the shielding element, as we had not planned for this, and it might go on for longer than the anticipated 12-week period. Members were advised that the Head of Corporate Services was monitoring the situation and the Chief Quality Officer agreed to bring staff absence into future performance reports.

The Employee Director added that while NHS Orkney hadn't seen significant numbers of Covid-19 patients, there might be a peak in patients and there would be significant ongoing rehabilitation and care needs for these individuals, and this expenditure would need to be recognised with the plans. The Interim Director of Finance agreed that these ongoing costs were being factored into the plans.

Decisions/Conclusion

Members noted the update and were assured of progress.

95 **Financial Performance Management Report – FPC2021-03**

The Interim Director of Finance delivered the Financial Performance Management Report, highlighting that:

- Subject to audit approval and sign off of the annual accounts by NHS Orkney Board, the Board had achieved its financial targets for the year ended 31 March 2020
- The Board would report an underspend to the Scottish Government of £55k on its RRL and an underspend of £1k on its CRL to 31 March 2020

Members praised the significant effort put in by everyone to achieve these targets.

The Chief Executive enquired whether there were any year end accruals or assumptions which the Board should be concerned with. The Interim Director of Finance advised that he had expressed concerns regarding the charges for the NHS Grampian SLA, in particular within Mental Health where there had been a dispute regarding costs of a locum Psychiatrist. However he expressed confidence that the accounts would stand up to scrutiny otherwise. The only other concern would be the Covid-19 costs; however, a month 13 allocation would be provided by the Scottish Government for this.

The Chief Executive Designate suggested that other aspects of the SLA with NHS Grampian needed to be reviewed and closely monitored. The Interim Director of Finance advised that he would be reviewing the SLA closely to ensure the accounts would stand up to scrutiny by the auditors.

Decisions/Conclusion

Members noted the update and were assured of progress.

96 **NHS Orkney Annual Accounts for year ended 31 March 2020 – FPC2021-04**

The Interim Director of Finance delivered an update on the Annual Accounts for the year ended 31 March 2020 advising that:

- the Covid-19 outbreak and subsequent lockdown had had a significant impact on the preparation of the annual accounts
- the normal completion date would be 13 June 2020; however, the Scottish Government and Technical Accounting Group had agreed a delayed deadline of 30 September 2020, and had agreed that a slimmed down version of the accounts could be provided.
- NHS Orkney would work towards a deadline of 31 July 2020 and planned to submit the full accounts as normal, with a template being provided in the coming days, and a full narrative the following week. These would be passed on to the Chief Executive for review and comment.

The Chair queried how it would affect our return if the Boards which NHS Orkney had an SLA with, utilised the full extension offered. The Interim Director of Finance advised that he had been in discussion with Richard McCallum regarding this and had been advised that normally if a discrepancy in the accounts was over £100k then this would need to be reviewed and resolved, however this year that figure had been revised to £500k. It was likely that our figures would differ to those from NHS Grampian, and this would be discussed with the auditors, however due to the existence of previous disputes the Interim Director of Finance believed that this

would not cause a significant issue.

The Chief Executive Designate praised the effort to get the annual accounts finalised ahead of schedule.

Decisions/Conclusion

Members noted the update and were assured of progress

97 Annual Operational Financial Plan 2020/21 – 2022/23 – FPC2021-05

The Interim Director of Finance delivered the Annual Operational Financial Plan, which builds on the reports previously provided to the committee and to the Board. He highlighted that £5.232m in recurring savings would be required over the 3-year period, noting that in the past the Board had more often brought itself into balance with non-recurring savings.

The Interim Director of Finance advised that he and the Chief Quality Officer planned to review each area of the plan and plan how to return to 'business as usual' as soon as possible to ensure we meet the targets this year.

The Board Chair raised concerns that the paper wasn't detailed enough to provide assurance that the Board would be able to find the £5.2m savings. The Chief Executive Designate suggested that whilst 60% recurring savings would be great, more would be fantastic and set the Board up well for the future.

The Interim Director of Finance advised that he would refine the report for the Board meeting 28 May 2020 to provide a higher level of assurance regarding the work to be done to achieve savings.

The Chief Executive queried that when the plan was initially drafted, we were confident we would receive a capital to revenue transfer, however that confidence had been reduced as the Scottish Government capital funds had been transferred for Covid-19 costs. The Interim Director of Finance advised that he would raise these concerns with Alan Morrison later in May. He also advised that whilst this should not be placed on the risk register, it should go in the next updated version of the Plan.

Decisions/Conclusion

Members noted the update and were assured of progress.

98 NHS Orkney 2020/21 Budget Setting – FPC2021-06

The Interim Director of Finance delivered the report on 2020/21 budget setting for NHS Orkney advising that budget setting would follow the completion of the Annual Operational Plans. He highlighted that under normal circumstances the Annual Operational Plans would normally have been signed off by the Board and Scottish Government by this time in the year, however due to the Covid-19 outbreak the process had been delayed. He advised that as soon as the sign off was complete set budgets would be allocated to each budget manager for 2020/21.

Decisions/Conclusion

Members noted the report.

99 **Banking Arrangements – FPC2021-07**

The Interim Director of Finance delivered the updated banking arrangements report highlighting that Keren Somerville, Head of Finance had been added as an authorised signatory.

Decisions/Conclusion

Members approved the updated banking arrangements.

Governance

100 **Finance and Performance Annual Report – FPC2021-08**

The Chair presented the Finance and Performance committee Annual Report which had been circulated virtually for comment by members and amended accordingly.

The Chair agreed to talk to the Vice Chair and review the current position.

Post Meeting Note: The Chair has had a discussion with the vice chair and agreed to keep the current arrangement in place and review in August 2020.

Decisions/Conclusions

Members approved the Annual Report.

101 **Issues raised from Governance Committees / Cross Committee Assurance**

No issues had been raised.

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

Board

- Annual accounts including an agreed timetable for completion and sign off
- Revised Annual Operational Financial Plans
- Mobilisation Costs and Plans
- Financial Performance Management Report

Staff Governance Committee

- Long-term staff absence due to Covid-19
- Transformational change required to provide recurring savings

103 **Any Other Competent Business**

There was no other business raised for discussion

Items for information and noting only

104 **Next meeting**

Members noted that the next meeting would be held virtually on 20 March 2020.

105 **Record of attendance**

Members noted the record of attendance.

106 **Committee Evaluation**

The Chair praised the good level of scrutiny of reports. Members agreed that the current level of information within papers enables effective scrutiny and that reports should be kept at this quality or increased in future.

The meeting closed at 11:15