

Orkney NHS Board

Minute of virtual meeting of **Finance and Performance Committee** of **Orkney NHS Board** held on **Thursday, 28 January 2021** at **9:30**

Present: Davie Campbell, Non-Executive Director (Chair)
James Stockan, Non-Executive Director (Vice Chair)
Mark Doyle, Director of Finance
Caroline Evans, Non-Executive Director
Meghan McEwen, Board Chair

In Attendance: Christina Bichan, Head of Assurance and Improvement
Colin Campbell, NHS Shetland Non-Executive Director (observing)
Christy Drever, Committee Support
Lorraine Hall, Interim Director of HR
Fiona MacKellar, Employee Director
Pat Robinson, Chief Finance Officer of the IJB (Deputising for Gillian Morrison)
Keren Somerville, Head of Finance
Louise Wilson, Director of Public Health

923 Welcome and Apologies

The Chair welcomed Colin Campbell, NHS Shetland Non-Executive Director to the meeting in an observer capacity.

Apologies were noted from Michael Dickson, David McArthur, Marthinus Roos and Gillian Morrison.

924 Declarations of Interests – agenda items

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

925 Minutes of Meeting held on 26 November 2020

The minute of the meeting held on 26 November 2020 was accepted as an accurate record of the meeting and was approved, subject to the following amendment:

In Attendance, Page 1 – “Christina Bichan, Chief Quality Officer” should read “Christina Bichan, Head of Assurance and Improvement”.

926 Matters Arising

663 Pharmacy Costs

The Director of Finance advised that he had been liaising with the Principal Pharmacist to produce an updated report on increased drug costs and their impact. He planned to include this in the Financial Performance Management Report.

927 Action Log

The action log was reviewed and updated as required.

Performance Management

928 Performance Management Report – FPC2021-40

The Head of Assurance and Improvement presented the Performance Report which provided an update on performance with regards to the Local Delivery Plan standards. Key points highlighted were:

- A colour coded summary sheet had been added to provide an overview. Actual figures compared to projected figures had not been included yet, due to capacity within the team in light of increased reporting requirements during the Covid-19 response.
- Monthly data had been reported surrounding elective services, and performance was in line with the projection.
- Due to various factors including winter pressures and the Covid-19 pandemic, numbers with the Emergency Department had fluctuated, with access to beds challenging at times.
- Though care had been taken in relation to differing tier rules in other Boards, most visiting services had remobilised.
- The team had been working loosely with the Community Mental Health Team to improve reporting and the most recent report were much more robust, however long waits had been noted within the service. Updated data would be available in the next report.

Members praised the hard work of the Quality Improvement team and the positive performance in remobilising visiting services. They also praised the addition of the summary sheet, however noted that it might be misleading, and might not draw attention to areas where it was needed most. The Head of Assurance and Improvement suggested that the cover sheet should only show the standards which the Scottish government are currently measuring against.

Members raised concerns surrounding the increased numbers in outpatients, noting that this might have been due in part to a backlog in Golden Jubilee Hospital. The Head of Assurance and Improvement advised that due to the pandemic response the Scottish Government expected that no Board would return to normal capacity within Outpatients until month 6 of the new financial year. She advised that Boards were working together to remobilise as smoothly as possible and that NHS Grampian were in a similar position to Golden Jubilee Hospital. She stressed that all Boards were committed to working through waiting lists as fast as possible and that this was being monitored closely by the Scottish Government.

The Employee Director highlighted the effect that the backlog on waiting lists would have on the local workforce. She stressed the need for increased communication surrounding remobilisation, to allow these teams to prioritise and manage workloads. Members also noted the need to encourage a respectful workplace, to help ease tensions during periods of increased workload due to remobilisations.

Members highlighted the aging population of Orkney, meaning the increased need for intervention, and the importance of allowing capacity and resource for this.

The Head of Assurance and Improvement advised that she attended regional groups, which had facilitated conversations to allow an aligned approach across Boards for remobilisation and provide alternative ways of working in the future.

Decision/Conclusion

Members noted the update and were assured of progress.

Financial Management and Control

929 Financial Performance Management Report – FPC2021-41

The Director of Finance and Head of Finance delivered the Financial Performance Management report, detailing the current financial position of NHS Orkney. Members agreed that this should be reported to the Board, highlighting the following key points:

- The written report covered up to 30 November, which had been reported to the Scottish Government. A verbal update for month 9 would be given.
- The revenue position for the 8 months to 30 November reflects an overspend of £7.786m, this was a movement of £0.721m from period 7.
- Of this £7.786m overspend, £3.143m relates to Covid 19 spend to date and £4.042m relates to unachieved savings attributable to the impact of Covid 19.
- NHS Orkney's operational performance at month 8 was therefore £0.601m overspend.
- The Board anticipated a further £0.748m Covid 19 funding in January 2021.
- Following a recent meeting with the Scottish Government, it was now likely that Covid spend and under achievement of savings would be funded in 2020/21.
- The main areas contributing to the Board's overspent operational performance at month 8 are:
 - Prescribing costs to date - £359k overspend
 - Mental Health Services - £228k overspend
 - Estates and Facilities - £175k overspend
 - Pharmacy - £338k
 - IT - £66k
 - Hospital Services - £161k overspend
- There are some offsetting underspends to date which include:
 - External Commissioning - £477k
 - Support Services - £267k
- The revenue position for the 9 months to 31 December reflects an overspend of £6.103m, a favourable movement of £1.683m from period 8. Of the £6.103m overspend, £2.868m relates to Covid 19 spend to date, (£1.572m) of offsetting savings and £4.357m relates to unachieved savings.
- The Scottish Government had advised that the capital to revenue transfer of £750k would be returned. It was acknowledged that it would be difficult to utilise these funds before the end of the financial year, with many Boards struggling to use up capital funding for 2020/21.
- The Board was currently forecasting a year end position of £7.311m, attributable to Covid 19 spend impact and the underachievement of savings.
- NHS Orkney had previously had considerable Covid-19 costs compared to other Boards; however, these costs had been reduced significantly, in line with remobilisation plans.

Members acknowledged concerns surrounding unachieved savings, and unused

capital funding.

Members noted that the Integration Joint Board (IJB) was also in an overspent position, acknowledging the significant pressures on their services. Members agreed that it had been difficult for the IJB to achieve recurring savings during 2020/21, and discussions would continue to take place surrounding longer term savings.

Decisions/Conclusion

Members noted the Financial Performance Management report and were assured of progress.

930 Financial Planning 2021/22 – FPC2021-42

The Director of Finance provided a verbal update highlighting that:

- Since the last update in November 2020 there was no further information to allow the Board to update to the initial plans presented to the Committee.
- As reported in November, it was anticipated that the Board would need to deliver savings in the region of £7m, this excludes any ongoing Covid spend requirements.
- A further update would be provided once additional information was made available, following the Scottish Government budget announcement.

Members noted the need for radical thinking and review of spending and find potential areas for savings. Ongoing work surrounding clinical spend and redesign would be used to inform future financial planning and the Annual Operational Plans for the Board. Members acknowledged that the Covid-19 pandemic was likely to continue for at least a further 6month period, however there was an assumption that any associated costs would be fully funded.

The Interim Director of HR raised concerns surrounding the heavy reliance on locum staff and succession planning. She noted a need for more staff to be trained in job evaluation, to allow a quicker and smoother recruitment process.

Members highlighted that many of the issues faced by the board were historical, for instance difficulties in attracting staff to work in a remote and rural area and the need to make recurring savings. They stressed the need to think differently and realistically and work together to make positive change for the future.

Members encouraged the importance of reviewing finance and staff governance together to engage with staff and encourage culture change.

The Chair stressed the need for plans to be in place to show the Scottish Government that the Board takes the financial position and need to make recurring savings seriously. It was important for the Board to address the overspend position and provide a savings plan especially relating to the recurring spend as this was only increasing problems for future years.

Members acknowledged the importance of benchmarking and carefully reviewing data before making any decisions on services.

Decisions/Conclusion

The Committee welcomed the update and were assured on progress being made.

Governance

931 Issues raised from Governance Committees / Cross Committee Assurance

No issues had been raised.

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

Members agreed that the following items should be raised to the Board:

- Financial Performance Management Report

933 Any Other Competent Business

The Chair informed members that an Annual Development Session had been attended by himself, the Director of Finance, Corporate Services Manager and Committee Support. The Terms of Reference, Business Cycle and Risks, Controls and Assurance Framework had been reviewed and these would come to the Committee in February for approval. He also highlighted that the Committee Effectiveness Self-Assessment would be added as an agenda item for the February meeting, to allow all members to complete the survey.

Items for information and noting only

934 Schedule of Meetings

Members noted that the next meeting would be held virtually at 9:30 on Thursday, 18 February 2021.

935 Record of attendance

Members noted the record of attendance.

936 Committee Evaluation

The Chair noted that the agenda had been condensed due to other commitments for members, however he praised the high level of discussion and scrutiny surrounding the performance report and financial planning going forward.

The meeting closed at 10:36