

Orkney NHS Board

Minute of virtual meeting of **Finance and Performance Committee** of **Orkney NHS Board** held on **Thursday, 18 February 2021** at **9:30**

Present: Davie Campbell, Non-Executive Director (Chair)
James Stockan, Non-Executive Director (Vice Chair)
Michael Dickson, Interim Chief Executive
Mark Doyle, Director of Finance
Meghan McEwen, Board Chair

In Attendance: Christina Bichan, Head of Assurance and Improvement
Christy Drever, Committee Support
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

968 Apologies

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

969 Declarations of Interests – agenda items

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

970 Minutes of Meeting held on 28 January 2021

The minute of the meeting held on 28 January 2021 was accepted as an accurate record of the meeting and was approved.

971 Matters Arising

There were no matters arising.

972 Action Log

The action log was reviewed and updated as required.

Performance Management

973 Performance Highlight Report – FPC2021-43

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

- Performance in the Emergency Department continued to be good, however this had been challenging to maintain at times due to pressures in the system.
- Access to the Children and Adolescent mental Health Service had improved significantly.
- Performance against the 12-week outpatient standard and Treatment Time Guarantee had been challenging.

- There had been good improvement against the 18-week referral to treatment standard.
- Performance against cancer standards had been good.

The Board Chair praised the positive performance and presentation of figures and queried whether it would be possible to delve deeper into performance over a period within a particular area.

J Stockan praised the layout of the highlight report, however raised concerns that these figures were only the patients who had presented to be seen, and did not show whether the numbers presenting had increased or decreased compared to previous years. He stressed the importance of knowing this to understand if the increased costs were providing value for money going forward.

The Head of Assurance and Improvement agreed with these comments, advising that a more in-depth view of a specific area could be included within each report. Anecdotally, she felt that most services had been increasingly busy than they had been in previous years, however this would be provided in the future reports.

Members agreed that the performance for the vaccination plan should be included in reports for the next 6-9 months.

Members noted that performance within psychological therapies had been affected by vacancies within the workforce, and the Head of Assurance and Improvement would liaise with the Interim Director of HR surrounding this.

Members agreed that while there had been few Covid cases on island, there had been significant work in developing pathways, supporting the workforce and providing training, which had impacted the high level of Covid related spend.

The Interim Chief Executive and Director of Public Health joined the meeting at 9.50am.

Decision/Conclusion

Members noted the update and were assured of progress.

Financial Management and Control

974 Financial Performance Management Report – FPC2021-44

The Director 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:

- There had been a reported overspend of £6.103m for the 9 months to 31 December 2020, which was a favourable movement of £1.683m from period 8.
- Of the £6.103m overspend, £2.868m related to Covid 19 spend to date, (£1.572m) of offsetting savings and £4.357m related to unachieved savings.
- NHS Orkney's operational performance at month 9 was £0.450m overspend.
- A further £0.748m Covid 19 funding was anticipated in January 2021.
- The main areas contributing to the Board's overspent operational

performance at month 9 are:

- Prescribing costs to date - £384k overspend
- Mental Health Services - £240k overspend
- Estates and Facilities - £131k overspend
- Pharmacy - £345k
- IT - £148k overspend
- Hospital Services - £185k overspend
- There are some offsetting underspends to date which include:
 - External Commissioning - £154k
 - Support Services - £148k
 - Pay reserve - £230k
 - Prices reserve £95K
 - Medical Staffing reserve £333k
- The forecast year end position was an overspend of £7.311m, attributable to Covid 19 spend impact and the underachievement of savings.
- Following a recent update from the Scottish Government it had been agreed that Covid cost pressures would be funded in full.

Members stressed that fundamental change would be needed to provide recurring savings both within NHS Orkney and the Integration Joint Board, addressing structural inefficiencies within all services.

Members noted that contracts had been managed in a different way, to allow island contractors to carry out work and this allowed for a forecast breakeven position on the capital resource limit. The £750k which was returned to the Scottish Government last year would be given back to the Board in the February allocation. However, it would be difficult to utilise these funds fully before the end of the financial year so they would be returned to Scottish Government. It was hoped that the Board would receive these funds again in 2021/22 and plans were in place to utilise this for various projects.

Members were pleased that Covid costs would be covered in full, however concerns were raised around how this should be communicated. It was felt that it might send the wrong message and could be difficult to encourage services to cut costs and provide savings, whilst also advising that funding had been received and the Board would breakeven again this year.

The Director of Finance advised that there was no requirement for Annual Operational Plans to be drafted this year, as the remobilisation plans were being produced instead.

Members noted that the Interim Chief Executive had been working with senior medical staff to produce a sustainable medical model, to allow for service redesign and drive efficiency. The Director of Finance stressed that a great deal of hard work would be needed to provide assurance to the Scottish Government that recurring savings could be provided, however he felt assured by changes taking place within the senior team that recurring financial balance could be achieved.

The Board Chair praised the hard work of the team and was assured by the progress being made.

Members acknowledged that patient travel could provide significant savings, and that it was important to monitor patient travel closely to ensure that those patients who are traveling had a clinical need to do so.

Members raised concerns surrounding the overspend within the pharmacy department and the need to investigate this in more detail. There was a need to educate primary care clinicians on prescribing costs and provided cheaper alternatives, whilst still allowing the clinician to make the best clinical decision when prescribing. The Director of Finance would liaise with the Principal Pharmacist to bring a more in-depth report to the Committee. Members agreed that further information on pharmacy and prescribing costs would be contained within the Financial Performance Management Report in future.

Members noted that costs within the new Balfour had been higher than anticipated, and that discussions were taking place regarding the contract to get a rebate for this.

Decisions/Conclusion

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

Governance

975 Review of Terms of Reference – FPC2021-45

The Chair, Director of Finance, Committee Support and Corporate Services Manager met in January to review the Terms of Reference for the committee, which had been brought to the committee for review and approval.

Members agreed that the attendance should be amended to include the Interim Director of Acute Services, and that the Medical Director and Director of Nursing, Midwifery and Allied Health professionals should be invited to attend as appropriate. It was also agreed that the Chief Officer of the Integration joint Board would be removed from the attendance and replace with the Chief Finance officer.

The Board Chair stressed that to embark on transformational change, it was important to invite the appropriate representation to meetings as required.

Members raised concerns surrounding the lack of clinical representation on the meeting, if the Medical Director and Director of Nursing, Midwifery and Allied Health Professionals were removed from the attendance list. Members agreed that clinical representation should be included on the membership and were advised that a recent reshuffle of committees for Non-Executive Directors would mean that S Johnston would be attending in future. Whilst he was not attending in a clinical capacity, he would be able to provide clinical input to the committee.

Decisions/Conclusion

Members agreed that the Attendance section of Terms of Reference would be updated and brought back to the committee for final approval.

976 Review of the Risks, Controls and Assurance Framework to identify new objectives and risks and gaps in controls and assurances – FPC2021-46

The Chair, Director of Finance, Committee Support and Corporate Services Manager met in January to review the Risks, Controls and Assurance Framework

for the committee, which had been brought to the committee for review and approval.

The Board Chair felt there was a need for all committees to review their frameworks in detail, as she felt they were outdated and needed to be updated in line with ongoing risk management work within the organisation. J Stockan felt that the framework was poorly presented, and difficult to understand in its current format.

Members noted that the Integration Joint Board, while not explicitly mentioned, was covered by the framework as part of the Board.

Members noted that the risk register would be a standing item from September 2021 to allow sufficient time for the initial report to be produced.

Decisions/Conclusion

Members approved the framework and acknowledged that risk management work was ongoing across the organisation and a further review might take place in line with this in future.

977 Review the business cycle – FPC2021-47

The Chair, Director of Finance, Committee Support and Corporate Services Manager met in January to review the business cycle for the committee, which had been brought to the committee for review and approval.

Decisions/Conclusion

Members approved the updated business cycle.

978 Committee Effectiveness Self Assessment

Members were advised that the link to the self-assessment had been circulated and were encouraged to complete this as soon as possible.

979 Issues raised from Governance Committees / Cross Committee Assurance

No issues had been raised.

980 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:

- Review of Terms of Reference, Risks Controls and Assurance Framework and Business Cycle for 2021/22
- Financial Performance Management Report

981 Any Other Competent Business

There was no other competent business.

Items for information and noting only

982 Schedule of Meetings

Members noted that the next meeting would be held virtually at 9:30 on Thursday, 25 March 2021.

983 Record of attendance

Members noted the record of attendance.

984 Committee Evaluation

The Chair praised the high level of scrutiny of items on a streamlined agenda.

The meeting closed at 10.42