

Orkney NHS Board

Minute of meeting of **Finance and Performance Committee** of **Orkney NHS Board** held on **Thursday, 28 September 2023 at 9:30 via MS Teams**

Present:

Des Creasey, Non-Executive Board Member (Chair)
Vacant (Vice Chair)
Mark Doyle, Director of Finance
Steven Johnston, Non-Executive Board Member
Malcolm Metcalfe, Interim Medical Director
Meghan McEwen, Board Chair
Laura Skaife-Knight, Chief Executive

In Attendance:

Malcolm Colquhoun, Head of Estates and Facilities
Freddie Pretorius, Committee Support
Keren Somerville, Head of Finance (Deputy)
Richard Rae, Head of IT
Monique Sterrenburg, Deputy Medical Director (Deputy)
Sam Thomas, Director of Nursing, AHPS, and Acute Services
Peter Thomas, Chief Finance Officer

F37 Apologies

Apologies were noted from Carrie Somerville, Malcolm Metcalfe, and Sharon Smith.

F38 Declarations of Interests - Agenda Items

The Board Chair declared that they were a patient of the Westray Practice and a frequent user of the Westray-Kirkwall flight.

F39 Minute of the Meeting held on 27 July 2023

The Minute of the meeting held on 27 July 2023 were accepted as accurate records of the meeting and approved subject to the below amendments.

Page 1 – amend to: ‘Medical Director will lead on Clinical SLA’s’

Page 7 – amend to: ‘KPMG Audit Scotland’

F40 Matters Arising

Fragile Services

The Planning Performance and Risk Manager and the Deputy Medical Director continued the review of fragile services and undertaking the data gathering. Whilst the work had begun, there was no agreed timeline yet as the scope was still being discerned. An update would come back to the Finance and Performance Committee in November.

F41 Action Log

The Action Log was reviewed and updated.

Governance

F42 Digital Strategy Update - FPC2223-33

The Head of IT provided an update highlighting the following key areas:

- Remote Working
- Resilience
- Cyber Security
- eHealth

Concerns were raised about the omission of eHealth risks and the alignment of priorities. It was highlighted that the Service Level Agreement (SLA) with Grampian relating to eHealth was under review, and assurance was provided that necessary actions were already in progress to address these issues.

Members expressed the view that the update lacked focus on the clinical voice and patient care aspects. It was strongly urged that future reports give due consideration to these critical elements.

The Chair raised concerns regarding funding and was advised that many of the initiatives currently underway were within existing contracts. While there was an expected additional funding requirement, this was in line with inflation.

The Chief Executive requested the following.

1. Explicit link back to clinical strategy
2. Clear division between local, regional, and national context
3. A paper to be provided to the Senior Leadership Team in October with the Outcome of the Digital Maturity Index survey ahead of submission to the Finance and Performance Committee in November
4. involve clinical colleagues in work around Health priorities to ensure they are the correct focus in the context of improvement

Conclusion/Decision

Members noted the updated and acknowledged the substantial progress in aligning NHS Orkney with the Digital Strategy. It was agreed that the Head of IT would attend the March meeting to give a further update.

Risk

F43 Risk Report – FPC2223-34

The Director of Finance presented the report Seven corporate risks, and eight operational risks were being reviewed during the last reporting period, one new risk emerged. Notably, there were no escalations or closures within the Corporate Risk category, while the Tier 2 operational risks remained unchanged.

The corporate risks currently rated twelve or above, including data loss, corporate finance, data security, and data quality. These issues were being actively managed and monitored to reduce their impact and likelihood. Similarly, the operational risks

with a rating of twelve or above, such as delays in accessing ophthalmology services and IT surveillance system reliability, were being addressed with mitigations in place.

The report highlighted the role of the Risk Management Forum in supporting risk management efforts, fostering best practices, and aligning with the strategic objectives of NHS Orkney.

Concerns were acknowledged regarding irrelevant and redundant risks, with a proposal to review the current report and how this was provided to the Governance Committees.

The Board Chair requested a briefing from the Risk Management Forum Meetings. A vacant Risk Manager position added stress to the system as responsibilities were shared between other roles.

There were concerns raised about numerous fragmented risks, with patient waiting times, patient safety, and patient outcomes being notable ones. A report with recommendations will be presented to the CEO in October, reviewed by the Senior Leadership Team (SLT), and then presented to the Board, with external support considered to manage the two workstreams effectively.

Decision/Conclusion

Members noted the overview of risks within NHS Orkney

Performance Management

F44 Performance Report – FPC2324-35

The Deputy Medical Director presented. There were areas of sustained improvement, such as 18-Week Referral to Treatment, 31-day Cancer Standard, and Psychological Therapies, while areas requiring enhanced focus included 12-Week Outpatient and 62-Day Cancer Standard.

Members expressed concern around the ongoing issue of delayed discharge, which had been unresolved for several previous meetings and required addressing.

It was expected that a paper on Fragile Services would be received through the Senior Leadership Team (SLT) and the Integrated Performance Report would provide greater visibility, however, it was not received by SLT.

Decision/Conclusion

Members noted the update provided

F45 Finance Performance Report - FPC2324-36

The Head of Finance presented the report informing the committee of the financial position for the period 1 April 2022 to 31 August 2023.

The revenue position for the 5 months to 31 August 2023 reflected an overspend of £2.525m and a forecast over spend outturn of £5.860m for 2023/24.

NHS Orkney's Board is aiming to deliver £3.7m in unachieved savings, as per the financial recovery plan. The IJB, in conjunction with NHS Orkney, is expected to deliver £0.465m of recurring savings in 2023/24.

In response to the financial situation, the Committee discussed various measures, including an establishment review and the establishment of an improvement function within the organisation, to address staffing gaps, assess productivity, and improve financial management practices.

The Committee recognised the historical context provided by a 2015 analysis and the impact of NRAC funding, which offered valuable insights into the financial landscape.

The Director of Finance agreed to share Financial Improvement Group (FIG) papers with the committee moving forward

The Board Chair requested that the Corporate Leadership Team prepares a paper addressing escalated Board matters to ensure a comprehensive understanding of the requirements.

Decision/Conclusion:

Members reviewed the report and acknowledged the current financial position. The Committee acknowledged the financial challenges and the need for a proactive approach to address these effectively.

F46 Financial Sustainability Office Report and 2023/24 Plan – FPC2324-37

The Director of Finance presented a report that highlighted a funding gap of £6.8 million for the period and outlined measures taken to stabilise the financial position, including the need for operational budgets to break even and £3.7 million in savings schemes. Various control and reporting mechanisms were established to monitor progress, such as monthly meetings, engagement sessions, and bi-monthly reporting.

Progress was noted in tracking savings, with £0.831 million of recurring and £1.691 million of non-recurring savings achieved, patterns showed a forecasted overspend of £5.860 million by year-end.

The Financial Sustainability Office continued to work on schemes supporting savings targets, and eight savings opportunities were approved during a Special Board Meeting on 15 September 2023.

Decision/Conclusion:

Members noted the approval of the eight savings schemes by the Board.

Assurance

F47 Sustainability Steering Group - Chairs Report and Approved Action Note - FPC2223-38

Members received and reviewed the Chair's report and minutes.

- The Board Chair emphasised the importance of spreading awareness and engagement regarding sustainability initiatives.
- A suggestion was made in exploring traditional push bikes as an alternative to e-bikes for further sustainability measures.
- Anchor Institution Strategy:
The Board Chair stressed the strategic significance of anchor institution work HR and Estates departments were expected to contribute as key stakeholders.
- The progress of estate decarbonisation was on track with a deadline of August 25th. A contractor engaged in September 2023.
- It was emphasised that a further review of Long-Term Sickness Absence took place including accurate numbers.

Decision/Conclusion

Members noted the updates and action notes provided during the meeting.

F48 Performance and Audit Committee Minutes - FPC2223-39

Members reviewed the minutes.

Decision/Conclusion

Members noted the provided minute.

F49 Chairs Assurance Report – Grip and Control Board – 21 August & 18 September 2023 - FPC2223-40

Decision/Conclusion

Members noted the provided assurance report.

F50 Grip and Control Minutes - 21 August 2023 - FPC2223-41

Members had received the minute for review.

Decision/Conclusion

Members noted the provided updates.

F51 Senior Leadership Team – Chairs Assurance Report – August – FPC2223-42

Decision/Conclusion

Members noted the provided assurance report.

F52 Energy Efficiency Project Board Update – August 2023

The Head of Estates and Facilities presented an update on the organisation's energy efficiency initiatives. There was a focus on reducing carbon footprint and aligning with UK and Scottish Government regulations,

The Board secured a substantial £3,986,750.00 grant from the Heat and Carbon Efficiency fund to progress towards its Net Zero Estate target. The project will involve two phases of works across thirteen owned sites

To ensure assurance around budget control, the following steps were being taken:

- The adviser will present the project's cost to the project board for approval.
- Once approved, the cost will be finalised, and any changes will require board approval.
- Surveys have been conducted to prevent unforeseen charges from contractors related to previously unidentified problems. This suggests a proactive approach to budget control.

Discussions with Scottish Government had resulted in the allocation of capital across the state for equipment and IT

Decision/Conclusion

Members noted the provided assurance report.

F53 Agree key items to be brought to the Board or other Governance Committees' attention

Board

- Winter Planning Capacity
- eHealth Issues

Staff Governance Committee

- Long-Term Sickness Absence Review

F54 Any Other Competent Business

- The Board Chair noted that many of the papers that come to the committee are being presented for discussion, this should be challenged to ensure efficient use of time and resources.

F55 Items for information and noting only

F56 Schedule of Meetings

Members noted the schedule of meetings for 2023/24

The meeting ended at 12:20