

Orkney NHS Board Members

Stage 3 of the Support & Intervention Framework – First Stage of the Formal Escalation

Minute of meeting of **Orkney NHS Board Members** held **via MS Teams** on
Thursday 23 November 2023 at 09:30

Present

Davie Campbell, Vice Chair
 Laura Skaife-Knight, Chief Executive
 Stephen Brown, Chief Officer of the IJB
 Des Creasey, Non-Executive Board Member
 Mark Doyle, Director of Finance
 Rona Gold, Non-Executive Board Member
 Issy Grieve, Non-Executive Board Member
 Steven Johnston, Non-Executive Member
 Joanna Kenny, Non-Executive Board Member
 Monique Sterrenburg, Deputy Medical Director
 Ryan McLaughlin, Employee Director
 Jason Taylor, Non-Executive Board Member
 Sam Thomas, Director of Nursing, Midwifery, AHP and Acute
 Louise Wilson, Director of Public Health

| <u>Opening Remarks</u> | |
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| LSK | LSK only received verbal confirmation of the first stage of the formal escalation., however she was still awaiting the formal letter from Scottish Government, this was expected today (21/11/2023) following the cabinet Secretary approval of that letter. |
| <u>Why we have been Escalated?</u> | |
| LSK | <ul style="list-style-type: none"> • Deviation from financial plan • Proportionate overspend – NHS Orkney's Budget to deficit ratio is now the worst in Scotland at 8.92% • Lack of assurance that Scottish Government colleagues have in terms of the Grip & Control Board and our financial management overall, i.e., lack of confidence in our plans to turn this around |
| <u>Through Verbal Conversation with Scottish Government</u> | |
| LSK | <ul style="list-style-type: none"> • There was a real disconnect between the management of finances within the organisation in relation to quality and safety in particular • Poor performance in terms of the recurring savings; the current target was 3%, however, currently the board is short of that |
| <u>Scottish Government & Next Steps</u> | |
| LSK | <ul style="list-style-type: none"> • They asked what would help us most? <ul style="list-style-type: none"> ○ It was felt that NHS Orkney should not keep doing deep dives if they are not helpful ○ They asked what NHS Orkney would find most helpful in a tailored Support Package |

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| | <ul style="list-style-type: none"> • It is clear that Scottish Government will require monthly reporting templates with a real focus on narrative around improvement and evidence around it • Support was offered in terms of data and analysis; Scottish Government would like to look back at 5-year trends – NHS Orkney will shortly start receiving these request • Evidence of increased engagement at every level is required – this is to ensure that every member of the Board is taking this seriously, and every Executive member is taking this seriously, and that NHS Orkney has really strong clinical leadership |
| <u>Where we have asked for help so far</u> | |
| LSK | <p>These conversations were ongoing:</p> <ul style="list-style-type: none"> • LSK had requested for a Recovery Director – they will come and work alongside the inhouse team to help move this forward • LSK had requested for support and advise for how we set up an integrated and improvement function • LSK has started conversations with Health Improvement Scotland about this in the past few days • LSK had request support around the scrutiny of papers and financial governance – Scottish Government are invited to look at NHS Orkney's Governance arrangement around financial improvement, scrutinise our papers, and sit in on meetings – they have been invited to Grip & Control, as well as 1:1's to ensure they have a full overview to offer advise on how NHS Orkney can do better |
| <u>Efficiencies and Productivity Opportunities – Financial Delivery Unit</u> | |
| LSK | NHS Orkney have responded to the ten areas of opportunity, and these have been whittled to a number of specific areas including: agency and locum spend, theatre productivity, prescribing, and procedures of low clinical value. |
| <u>Final Points from LSK</u> | |
| LSK | <ul style="list-style-type: none"> • Since Monday (20/11/2023), a set of immediate actions was agreed – these should be completed with a sense of urgency, pace, and intent • The slide pack for today's meeting contains some of the immediate actions that will be carried out: <ul style="list-style-type: none"> ○ Set up of a formal Hub, this will be a PMO office where the FSO team will sit with clinical leadership – this is a co-located team to allow for proper planning and valuable conversations ○ Weekly meetings will be held to put the team into a different tempo of how they work and operate • Logging and recording of communications: <ul style="list-style-type: none"> ○ All correspondence with the Scottish Government, and any communication relating to this must be logged • The Clinical Leadership Gap was being addressed; this will be progressed within the next few days • A review of the Finance & Performance Committee membership, terms of Refence, and reporting structure <ul style="list-style-type: none"> ○ It was advised that we will be able to receive support to facilitate these reviews |

| <u>SLT Discussion – 6 Key Areas for Focus</u> | |
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| LSK | <ul style="list-style-type: none"> • Concluding the establishment review and moving forward with those recommendations – on track and will conclude in December • Concluding the Service Level Agreement review - on track for December • Clearer about budget setting <ul style="list-style-type: none"> ○ What does that process consist of? ○ Who was involved in aligning that to the annual operations process? • Clear Plan to reduce Locum and Agency Spend • Review of the IJB, their contribution, and level of engagement <ul style="list-style-type: none"> ○ Peter Thomas (Chief Finance Officer – OIC) was asked to sit in on the FSO and to work quite differently with NHS Orkney moving forward • A continuation to drive down the spend on Vacancies, Overtime, and Travel |
| MD | <p>Unfortunately, it seems that collectively there is an unclear understanding of where the Board finds itself. A necessity for a firm plan, firm budgets, ownership, and the need to have close scrutiny was emphasised.</p> <p>Scottish Government, the Board Chair, Chief Executive, and Director of Finance will be having weekly meetings to ensure they are kept on track</p> |
| MM | <p>The Board chair welcomed members to speak about the uncomfortable moments and questions in the forefront of their minds. It is owed to the organisation and the community that the Board responds effectively with some real urgency. “Cohesion is the approach.”</p> <p>It was emphasised that clarity around language and terminology should be better, such as the IJB; when one mentions them, are they talking about the services leads, or talking about the services that the IJB commissions NHS Orkney to deliver, rather than the IJB as separate from NHS Orkney. When fundamentally it is NHS Orkney that is delivering services as commissioned by the IJB.</p> |
| MD | <ul style="list-style-type: none"> • It was suggested that a commissioning plan was put in place, this would allow NHS Orkney to cost the services appropriately • In reply to MM’s statement around the IJB, MD agreed that this is much wider than just the service leads; It is the services that NHS Orkney were providing to the IJB, and the individuals that are providing those services • Further understanding of how the IJB functions should be shared to ensure a clear understanding |
| <u>Questions</u> | |
| JT | <ul style="list-style-type: none"> • Commissioning Plan from the IJB – Money comes into NHS Orkney; large part of that goes to IJB; IJB should commission services; NHS Orkney to carry out these services <ul style="list-style-type: none"> ○ ‘Do we have to formally request the IJB to do commissioning plans so that they decide on the level of service they want to contract from NHSO to fit within the approximate forty million budget?’ ○ ‘However, it seems that NHS Orkney cannot deliver the services, as they are for the budget. Therefore, IJB need to decide where the service has to be trimmed’ • “Have we had any discussions with Scottish Government around the 1.5 million differential between actual staff costs and the budgeted staff costs?” |

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| | <ul style="list-style-type: none"> • “Are we going to put a cap on individual locum rates and be prepared to say we just can't get a clinician to fill a particular post and take that risk as an organisation?” • Concern was raised around staff buy in; a possibility that the Scottish Government will bail NHS Orkney out each time seems to be the consensus amongst staff members, however, this is not the case. How does NHS Orkney put that message across? <ul style="list-style-type: none"> ○ “How do we convince staff that savings need to be made?” |
| SB | <p>Operationally, in terms of budgets, the IJB was almost breaking even; the IJB was slightly over but this was maintained over the years. The main overspend related to the 2.4 million which was identified as a savings target in 2019. However, it was recognised that the IJB has not been able to deliver these recurring savings. It was noted that there were significant costs relating to primary care.</p> <p>IJB: Whilst services are delegated to the IJB for Commission, and the delivery sits with the NHS, and if the NHS are struggling around bank and agency and locums, and that that cost for the IJB engaging in this, is about working with the wider system, and how do we address the local and agency spend.</p> <p>It was acknowledged that “at the end of the day, we're all responsible for the situation that we find ourselves in, and if we don't work together in this, then it's going to become really quite difficult”</p> |
| LSK | <ul style="list-style-type: none"> • Honesty has been at the forefront of communication • NHS Orkney must face the reality that it is the executive team that' is solely responsible – wider engagement across the organisation is the way forward |
| <u>Actual Staff & Budgeted Staff</u> | |
| JT | <p>JT had referenced a 1.5 million spend on staff that referred to the differential that someone sees when staff are brought in at midpoint; overtime, staff have moved to the top of the scale; however, NHS Orkney only had a budget for the midpoint on the scale.</p> <p>This is something that must be discussed going forward, however, no additional funding was received from Scottish Government that would allow for this. It was a decision that was made by the Board, it is a decision NHS Orkney will have bear for the time being.</p> |
| <u>Locum & Agency Spend</u> | |
| ST | <p>There was already a degree of capping around the use of locum and agency staff, however, there was still work to be done around the comparison of on, and off framework. There is concern as every case will need a full risk assessment to look at the impact across every single service and how that impacts on the whole system.</p> |
| MM | <p>There was question whether fundamentally, agency and locum spend, to a greater or lesser degree is an indication of our inability to recruit. Further questions were asked to this “what new actions can we take?” “What urgency can we inject?”</p> |
| <u>General Discussion</u> | |

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| DCp | It must be understood where the problems are, and how they are fixed. The FSO has produced the answers, there must be a better culture of action around these rather than discussion |
| MM | Conversation must be held around actually addressing the action and carrying out the actions pertaining to these issues. Further to this, the implementation gap must be explored. |
| RG | It was requested that there be an opportunity for non-executives to have a say on the process as it is recognised that all board members are responsible for this position, appropriate representation was emphasised. There was a lack of assurance and confidence in the answers that NHS Orkney had around Finance. |
| SB | SB agreed with RG that non-executives must be involved in the process but emphasised that the board must have full clarity. ST's decision making was acknowledged when choosing locum and agency staff and the potential risks that must be considered within those decisions. However, often if NHS Orkney do not fulfil the service with a locum, albeit at a much greater cost, there is a risk of bad media representation along with the clinical risks. The Board must consider what they are prepared to live with; what are the Board going to see through and work with to be able to recognise the option. |
| MM | There is concerns that the financial information that the board are presented with does not allow the Board to interrogate it to the sort of level that is being spoken about. The current information available to the board does not allow for proper understating of that risk. <ul style="list-style-type: none"> • "How can we understand the decisions?" • "How can we understand the risk?" These questions are difficult if the financial reporting papers tell the Board something completely different to the clinical papers. Feedback had suggested that staff were feeling overwhelmed by the number of papers they are writing. 'The Assurance Information system needs to be more in service of the Board and the community, it seems to be more in service of a Scottish Government mailbox.' |
| RG | RG agreed that support was needed for difficult decisions where there should be a balance of value, and where this value is felt. Whether that is financially or whether its emotionally within communities. The system needs to be looked at neutrally. This system is about exec space, non-exec space, as well as the community and everything else, but fundamentally, at the core office is the Scottish Government. Does the funding package meet the needs of Orkney? <ul style="list-style-type: none"> • "Can we fit the funding package?" • "Does the funding package fit us?" • "How are we spending that funding package?" The non-executive should be available to offer a neutral, non-operational set of eyes. RG is asking for the space within the process to be able to offer a neutral look whilst recognising that when this is obtained, the hard decisions will be able to be made round the table, in a much more informed way with the information that the non-executives want to see, rather than the information that is presented, which is too surface level as opposed to core. This would hopefully emphasise that the board are a team, and that the board need information in different ways to inform the decision making. |

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| MM | <p>It was recognised that there is a need come together and reflect as a board around this. The communication and engagement collectively is something that MM will pay a lot of attention to.</p> <p>“If you’re comfortable with how much you are communicating, you’re probably not communicating enough”</p> |
| MS | <p>In terms of the questions asked by JT; The local perspective from the clinicians and doctors, and what they have been trying to do over the last couple of months because they are not able to recruit, despite going out for advert, despite trying to change things, despite trying to make a different way of approach; is that more people must get on the local banks because it’s a fixed rate, and not an agency rate. However, it would take at least six weeks to get them on the there, but by the time the six weeks are over, the gaps are filled.</p> <p>MS stressed clinical safety, while finances are important, there is still a hospital that must function; The board should still consider things through a patient centred way of thinking and not a financial way of thinking. It was acknowledged that board must bring the locum and agency spend down, but it must also be brought into account the potential risks that come along with that. MS welcomed input from the non-executives; this should be made a priority from a Medical Director perspective.</p> |
| MM | <p>“We received papers, but they’re not telling us what we want it to” is the message that MM recognised from this discussion. “Fundamentally, our financial reporting system is so divorced from our service delivery planning function that we somehow see them at odds with each other.” From feedback with staff and patients MM has heard that “Everyone knows how we could do things better”, and “The people that are delivering services know where the opportunities are, but we’re not activating them”</p> <p>MM acknowledged that patients and staff may think Scottish Government will bail the board out, however, in the same vein, it is also heard from the same groups that they know where there is opportunity. The issue should not be looked at as either finance or patients, the conversations is around the same improvements; a system that is safe, that functions efficiently, that delivers value and high-quality care to patients in a way that is needed.</p> |
| IG | <p>IG would like to reflect on the Board and the missed opportunities throughout the year; there were no development sessions during the past year as focus had been on the Royal College project; which in turn had sidelined the areas the Board had been thinking about.</p> <p>IG proposed that the Board halt Royal College project now, and the rest of the development sessions should be dedicated to dealing, learning, and improving the board, in terms of finance.</p> |
| JK | <p>JK Acknowledged that what is currently being done is not working. JK also recognised that there are areas with blatant mis spending of moneys, these then become everyone’s problem. Going forward the Board must think about the disconnect of reassuring our community that services will not be affected; and warning the staff what is going to happen when we get escalated further and services are cut.</p> |
| <u>Reflection</u> | |
| MM | <p>MM thanked the Board members for issuing some really welcome challenge into the system about changes the board can make and how to make sure they stay as a</p> |

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| | collective, accountable board and corporate body. This needs to be reflected upon to ensure that the board can commit to changing what really needs to be changed. |
| MD | <p>MD acknowledged that this session was uncomfortable, however it has provided some learning opportunities such as how NHS Orkney can provide information in a different way to inform the decision-making process. MD believes that going forward “the finance papers now need input from each of the exec directors so that they are properly balanced.” An example that was given was around Locum and Agency, and the push back within that space, however, this was not represented in the papers; this information should be captured as it will inform the non-exec’s appropriately so that they can make the decisions they need to make.</p> <p>It was acknowledged there was a disconnect between finance and planning;</p> <ul style="list-style-type: none"> • “How do we plug that gap” • “How do we get each of the executives sitting around the table and walking together as a unit to tackle the challenge we face?” • “How do we reform the system?” • “What do we do differently?” <p>It was noted that there was waste in the system, however, question was raised around how this information is captured, and further to that, how the waste is eradicated. This year will be different, the funding received from Scottish Government will be bridging finance that will need paid back; NHS Orkney will start with a significant deficit, and that deficit will convolve as there were not any delivered savings. The Scottish Government will ask the Board ‘how will NHS Orkney get back into financial balance?’ MD reflected that there was not actual conversation about how NHS Orkney go about this in this meeting, there was a lot of mention of new systems, however, there was nothing said about what the board should actually do. If there is reason behind not discussing this, then that needs to be captured so that non-executives are aware of the challenges that are faced, so that they can make decisions.</p> <p>NHS Orkney must be able to give assurance to the Scottish Government that any and all actions are being carried out to get NHS Orkney back into financial balance.</p> |
| MM | It was stressed that NHS Orkney must adopt the reporting standards that the Scottish Government set out and avoid duplication where possible. The systems and processes should be simplified, providing that that process and reporting structure gives the Board the necessary assurance, visibility, and ownership that is needed for the Board as a collective body. |
| <u>Closing Remarks</u> | |
| LSK | <p>LSK had reflected deeply over the past couple of days; NHS Orkney must accept they have fallen short; what has been done was ineffective.</p> <p>The severity of the situation was reinforced, the Board must acknowledge and recognise that the gap is millions, no thousands, and act as such.</p> <ul style="list-style-type: none"> • “I don’t think we’ve been brave, when we need to be brave” • There was still no solution to the locum and agency spend • The establishment review had taken much longer than it should have • There was still a lack of ownership within the system • There was sustained confusion around why: |

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| | <ul style="list-style-type: none"> ○ “We still can't describe where we think we will land by the end of the year's best and worst case scenario” ○ “We can't describe what actions we've already taken, including vacancies, overtime, travel and so on” <ul style="list-style-type: none"> ▪ “What impact are they going to have?” and “Why that does not feature in our run rates and trajectories for the rest of the year?” <p>There must be more honesty: “why can't we answer that question, and why can't I answer that question myself?”</p> <p>LSK stated that it must be asked: what will be different tomorrow? What will be different on Monday?</p> <p>LSK recognised that they “have allowed paralysis to set in, in terms of lack of decision making early enough, and complete inaction and defensiveness to dominate instead of getting on, and getting this stuff done”</p> <p>LSK believes there is much more than just a disconnect between finance and planning, there is a disconnect between finance and the organisation.</p> <ul style="list-style-type: none"> • “How do we put patients at the centre of everything we do?” • “The mind set must be shifted” <p>There was concern that NHS Orkney may be escalated above the financial position as there were other areas that NHS Orkney are outliers in.</p> <p>It is a “completely unacceptable position to be in, not having a finance and performance committee given where we are, and I want to understand why we are, and why we've got into this position, because that just epitomizes the chaos in which we're working in and allowing ourselves to be working in at the moment”</p> |
| MM | <p>Going forward NHS Orkney must move with pace and urgency. MM reflected that they had focused on the wrong things, and reiterated, that “NHS Orkney, our business, our governance, and how we conduct ourselves is all of our number one priorities.” Given the distance of where the board should be in terms of delivering safe, effective, and efficient care to its community, the focus must be moved. It was encouraged that all Board members take ownership of their agendas, their assurance system, their assurance information system and their responsibilities as committee members, committee chairs, and lead executives of those committees in discharging their duties.</p> |
| RG | <p>RG wanted it acknowledged that NHS Orkney was in an acute space of recovery from the COVID-19 pandemic, and this information should be considered contextually to the current position.</p> |
| MM | <p>MM Closed off the meeting at 10:35</p> |