

Attendance

Present:

Members: Taiye Sanwo, Davie Campbell, Alan Cooper, Debs Crohn, Issy Grieve, Meghan McEwen, Rachel Ratter, Laura Skaife-Knight, Brian Steven, Jean Stevenson, Sam Thomas, Phil Tydeman

Guests: Louise Wilson - item 13.2

Absent:

Members: Keren Somerville

1. Welcome and Apologies

There were no apologies received.

2. Declarations of Interest (Presenters: Chair)

There were no declarations of interest raised.

3. Minute of the meeting held 26 September 2024 (Presenters: Chair)

The Minutes of the meetings held on 26 September 2024 were accepted as accurate records of the meetings and approved.

4. Matters Arising (Presenters: Chair)

There were no matters arising from the previous minute.

5. ACTION LOG

5.1. Action Log (Presenters: Chair)

The action log was reviewed, and corrective action agreed on outstanding issues (see action log for details).

6. Chairs Assurance Report from meeting held 26 September 2024 (Presenters: Chair)

The Chairs Assurance report of the Audit and Risk Committee meeting held on 26 September 2024 was noted and approved.

7. Corporate Risks aligned to the Finance and Performance Committee (Presenters: Interim Director of Finance)

Members discussed the Corporate Risk Register and agreed it was not meeting the needs of Finance and Performance Committee and requested that a cover paper setting out risks in relation to finance and performance was submitted with a clear narrative of what had changed since the previous meeting.

A proposal to close risk 349, Digital Records - Health Visiting and School Nurse service had been agreed at SLT on the 18 November 2024. Strong mitigations were in place in relation to the MRI risk whereby the MRI service provision was to cease on 31 March 2025 as the North Imaging Alliance had been disbanded and funding withdrawn, a strong business case had been submitted to the Scottish Government and a decision was expected by 3 December 2024. There was an increased risk score to 16 for the risk in terms of lack of senior leadership and capacity.

Decision/Conclusion

Members discussed the risks aligned to the committee.

8. Finance and Performance Committee Terms of Reference, Business Cycle and Workplan

The Chair presented the Finance and Performance Terms of Reference, Business Cycle and Workplan highlighting the main changes were the inclusion of the Executive Team as attendees to allow robust conversations, the NHS Orkney Board Chair would be able to call a meeting, and there was more prevalence in terms of de-escalation and cyber and security.

The Chief Executive requested updates to job titles to ensure clarity and the addition of the Director of Performance and Transformation under membership.

Members agreed that the inclusion of oversight of Strategic Estates and strategy delivery of sustainability and net zero strategy delivery would be included under the remit section.

Decision/Conclusion

Members approved the Terms of Reference and workplan 2025/26 with the caveat regarding strategic estates and sustainability under remit.

9. PEOPLE

9.1. Key Messages from the National Director of Finance Meeting (Presenters: Interim Director of Finance)

The Interim Director of Finance presented the report highlighting:

- This constrained financial environment was reflected in the report which provided an early pass of the 2025-26 planning assumptions that health boards should be using.
- The SLA Uplift remained unsolved
- Fiona Bennett had provided a helpful update to Board in relation to the 5-year outlook
- A working group was working on IFRS 16 however it had not yet been resolved
- NHS Orkney along with NHS Shetland and Western Isles had been advised they were the last cohort of health boards who will implement the national Patient Level Costing System (PLICS). It is early days, and while this system is being driven nationally it has a potential step change in the provision of financial information across the health board. The national system had potential step change in the provision of financial information across the health board

The Board Chair raised concern around the potential implications with regard to the Service Level Agreements inability to reach an agreement and would appreciate a better understanding at Board level of the organisations inclusion of the process.

Decision/Conclusion

Members noted the update.

10. PATIENT SAFETY, QUALITY AND EXPERIENCE

10.1. Laboratory Managed Services Procurement Award

The Director Nursing, Midwifery, AHP's and Chief Officer Acute Services presented the report providing an overview of the Laboratory Managed Services Procurement Award advising that the current contract for a Laboratory Managed Service (LMS) expired in June 2024. A new

procurement exercise should have commenced in 2022 as the anticipated time to complete an in-house procurement of a managed service contract was 18 to 24 months. This was postponed as laboratory staff essential to the procurement process were working on the installation of the Laboratory Information Management System (LIMS).

An extension to the Abbott Laboratories contract had been granted to 31 December 2024 to explore the option of a direct award. A direct award would ensure the move to an agreed pricing schedule (avoiding out of contract pricing), mitigating the risk of additional cost pressures and securing continuity of service.

Members agreed that the version presented to the Board would include in addition to the CLO advice in full, a section on learning and the de-brief exercise that had been conducted.

Decision/Conclusion

The Finance & Performance Committee recommended the the proposal of the direct award to Abbott Laboratories Ltd for a new contract for a 9-year term subject to Central Legal Office (CLO) onwards to the Board for final approval.

11. PERFORMANCE

11.1. Integrated Performance Report (Operational Performance and Finance Chapters) (Presenters: Interim Director of Finance and Director of Nursing, Midwifery, AHPs and Chief Officer Acute)

The Director of Nursing, Midwifery, AHPs and Chief Officer Acute presented the report summarises NHS Orkney's performance based on national and local reporting requirements as well as those indicators which matter to patients, staff, and local community.

Performance against the 12-week standard had decreased in performance compared to at the end of July 2024. The Planned Care Programme Board had identified four specialties which had the longest wait times: Ophthalmology, Orthopaedics, ENT, and the Pain Service – and where the Planned Care Board will prioritise improvements.

Performance remained consistently above the national 31-day cancer standard and there had been a decrease in theatre activity due to site occupancy and patient availability.

The Director of Improvement advised that the challenge around financial clarity from the Planned Care Programme Board was that the organisation were in receipt of monies from the Golden Jubilee (£595,000), £254,000 for Wait Times Initiative. The challenge was understanding how much had been spent and monitored however members were re-assured that there was clarity around the Jubilee spend including the forecast for the end of the financial year, £83,000 had been allocated out of the £254,000 and were clear on the deliverables for each of those and mapped through the Planned Care Board.

The Director of Nursing, Midwifery, AHPs and Chief Officer Acute added there was no staff in-house that could deliver diagnostic endoscopy's which posed a risk to the patient population. Locum consultants had been utilised, an advert and job description was being drafted for a third Consultant Surgeon.

The Board Chair requested the next iteration of the report includes further understanding around endoscopy in relation to the Improvement Plan given the current risks the Board had been faced with.

Members discussed and agreed that the report needs to include community waits and governance moving forward as well as a chapter on community to allow full scrutiny.

I Grieve queried whether there was any correlation between the delayed discharge data and the increase in falls. An update would be provided in the next report.

The Interim Head of Strategy queried whether there was sufficient detail within the report to provide scrutiny around performance and how this could be improved.

The Chief Executive highlighted that the report was an evolving document and suggested a mini review every 6 months and two formal reviews per year and for members to share feedback on an on-going basis.

Decision/Conclusion

Members sought assurance from the report.

11.2. Chairs Assurance Report Performance Review Meetings (Presenters: Chief Executive)

The Chief Executive highlighted the positive start to the Performance Review Meetings and the beneficial feedback received which will help build and strengthen relationships between clinical and corporate heads of services. They provided an opportunity to share and listen to good practice. Having a theme and focus across each meeting was key.

The weakest section of the meetings was based around Community.

Decision/Conclusion

Members noted the report.

11.3. Month 6 and 7 Financial Results (Presenters: Interim Director of Finance)

The Interim Director of Finance presented the month 7 financial report highlighting:

- The year to date (and year end forecast) were based on a run rate which incorporates a high value of vacancies in non-clinical (docs and nurses) staff groups. Year to date (YTD) this equates to £1.781 which was helping to partially offset the overspend in medical and nursing (due to agency, bank and overtime cover for vacancies)
- Activity volumes delivered through the SLAs with NHS Grampian and Highland
- Funding received to cover the reduced AFC hours and band 5 to 6 exercise were adequate
- There was a financial risk to the organisation should all the current vacancies be recruited to

Decision/Conclusion

Members were assured on progress against the financial plan

11.4. Financial Year End Forecast (Presenters: Interim Director of Finance)

The Interim Director of Finance presented the report providing a summary on actual performance at month 6 and an assessment of income and expenditure over the remaining 6 months of the financial year.

Members were advised that feedback from the National Director of Finance Meeting was that in October high level planning guidance had been issued and had been converted into the impact of NHS Orkney's financial position.

The Board Chair requested for further narrative around the reduction in agency staff and overspend in agency and a triangulation between Near Me appointments and patient travel. Further clarity was requested around the IJB savings of £2.4m

Decision/Conclusion

Members sought assurance from the report.

11.5. Quarter 2 Scottish Government financial Performance review (Presenters: Interim Director of Finance)

The Interim Director of Finance presented the report summarising the continued improvement work since the Quarter 1 formal Scottish Government review meeting to deliver the financial position.

The meeting was productive with the key messages from Scottish Government summarised as follows:

- It was crucial that the Health Board had a shared understanding of the cause of the deficit in sufficient detail so there is 'one version of the truth' and so a line could be drawn and the Board could move on
 - Developing a clear plan for the next 3-years for how NHS Orkney would reduce its deficit year-on-year was key
 - The budget refining exercise was important and one of the de-escalation criteria and therefore doing this well was important
 - Having clear criteria for service developments as entering the integrated planning process was critical as there was no new money and no new posts could go into the system – added cost pressures need to be avoided and clear criteria and discipline must be applied to manage expectations
- The Chief Executive re-iterated the need for an MRI service for Orkney and timely resolution so the organisation does not run out of road, mindful of the adverse impact on patient care and access and that this will leave NHS Orkney as the only Board in Scotland without on-site MRI service provision.

The Board Chair emphasised the importance of leading with optimism in terms of achieving financial goals.

Decision/Conclusion

Members noted the report.

11.6. Budget Setting Timeline for 2025/26 (Presenters: Interim Director of Finance)

The Interim Director of Finance presented an overview of the proposed approach to budget setting for 2025/26.

The proposed approach to budget setting was set out in the paper which included planning for the next 3 years. Managers had been invited to budget setting meetings week commencing 18 November 2024.

The Chief Executive applauded the approach carried out and the sessions were hugely helpful.

Decision/Conclusion

Members approved the budget setting timeline for 2025/26 for onwards submission to Board.

11.7. Update of the 2024/25 Improving Together Programme (Presenters: Director of Improvement)

The Director of Improvement presented the report providing an update on the Improving Together programme delivery phase and achievement of savings year-to-date for 2024/25. NHS Orkney had materially improved the total identified in-year savings through October with a revised total of £4.3m and full-year savings of £4.7m. This represented an increase of £666k since last reporting to this Committee and was derived from converting seven pipeline schemes into implementation.

Recurrent savings currently equated to £3.12m (72%) with £1.23m (34%) identified as non-recurrent. This level of recurrence now aligned with the commitment set out in the financial plan submitted to Scottish Government and, if delivered, meets one of the criteria set out in the de-escalation roadmap to move out of Level 3 of the NHS Support and Intervention Framework.

The current assessment was £3.4m was green-rated, £0.9m amber-rated and £0.1m red-rated for delivery.

Decision/Conclusion

Members noted and discussed the report.

11.8. 2025/26 Improving Together Programme - proposed timescale, governance and approach (Presenters: Director of Improvement)

The Director of Improvement presented the report providing a proposed model to implement the 2025/26 Improving Together efficiency programme.

It would be launched in November 2024 to ensure a confirmed plan by April 2025, it was noted that there would be 8 standard work streams. There were 12 opportunities around transformational change and would engage with teams to decipher what would be delivered.

Decision/Conclusion

Members approved the proposed timescale, governance and approach for 2025/26.

11.9. Scottish Government 15-box grid self-assessment Quarter 2 submission - response from NHS Orkney (Presenters: Director of Improvement)

Members noted the Quarter 2 input to the Scottish Government 15-box grid which would go onwards to the Scottish Government by submission deadline.

Decision/Conclusion

Members noted the submission.

11.10. NHS Support and Intervention Framework Financial Escalation Self Assessment - response from NHS Orkney (Presenters: Director of Improvement)

Members noted the two-stage self-assessment of NHS Orkney's financial position.

11.11. De-escalation criteria draft roadmap (Presenters: Director of Improvement)

The Director of Improvement presented the report advising it was incumbent on the Board to sign-off by March 2025 a credible three-year financial plan to return to a breakeven position - a criteria of significant materiality. Establishing a target date to exit Level 3 would now be set to focus the Board's attention, create a positive narrative for staff and signal to Scottish Government the ambition to exit escalation and a belief from this Board that it can be done.

It was proposed to set a target date to exit Level 3 escalation by April 2026. Scottish Government had already confirmed that NHS Orkney would not move from Level 3 in 2024/25 and as such the Board must have a target by which it believes it can be realistically achieved. The Chief Executive highlighted the importance of a credible plan and delivering on time, evidencing Grip and Control and ensuring confidence in leadership across the organisation.

Decision/Conclusion

Members discussed all elements of the report

11.12. Progress report on Planned Care Deep Dive (Presenters: Director of Improvement)

The Director of Improvement provided an update on addressing the 19 recommendations set out in the Planned Care Deep Dive Report previously presented to the Committee on 30 May 2024.

Members were advised there had been satisfactory progress to close 8 recommendations, with 7 on track and what actions required further action with clear delivery dates for 4 recommendations.

Decision/Conclusion

Members noted the report and received assurance on progress of the recommendations.

11.13. Planned Care Programme Board - Chair's Assurance Report (Presenters: Director of Improvement)

The Director of Improvement presented the reports highlighting:

- The National Elective Coordinating Unit (NECU) ophthalmology campaign had launched, with the initial phase completed. NECU would contact individuals still on the waiting list to determine their willingness to travel to NHS Highland for treatment
- A meeting was held with the NHS Highland Ophthalmology Team to discuss the future provision of ophthalmology services. NHS Highland indicated that the current service was being provided at an undercharged cost and expressed a desire to review the clinical model. As part of this collaboration, NHS Highland offered to increase remote appointments to minimise patient travel. They were invited to participate in the local peer review of the ophthalmology service, scheduled to commence in early December. The Boards would work collaboratively to design a future service model based on best practices, with the goal of finalising the revised by April 2025.
- An audit of Physiotherapy would commence on 2 December 2024
- The recovery pack template for the four priority specialties was approved with recommendations proposed on the backlog and question slides. The remaining three speciality packs would be developed this month, with feedback requested from speciality leads within two weeks. Subsequent meetings would be scheduled to discuss the required support to improve wait times across these areas. The local access policy would also be reviewed.
- Challenges remained around how to approach long waits, increase Near-Me and strengthen leadership around Cancer services

The Board Chair asked for a timescale of when there would be improvement on visibility of wait times within the community. Members were advised a paper would be brought to the December Board meeting and by February there would be clearer timescales.

Decision/Conclusion

Members noted the report.

11.14. Performance Review Meetings - Chair's Assurance Report (Presenters: Chief Executive)

Item covered earlier on agenda - performance review meetings

11.15. Improved Recording of Accident and Emergency Activity (new national guidance) - what this means for NHS Orkney (Presenters: Director of Nursing, Midwifery, AHPs and Chief Officer Acute)

The Director of Nursing, Allied Health Professionals, Chief Officer Acute Services presented a report from the National Four Hour Emergency Access Standard Expert Working Group on the new national 4 hour standard, advising that greater consistency in reporting of A&E performance across Scotland, is required.

Members noted that this requires the current definition being amended to include all acute, medical, surgical and mental health emergencies bringing the definition more in line with current frameworks in other parts of the UK.

Local data had been assessed to understand any impact of the upcoming changes. Data suggested that the changes would not severely impact NHS Orkney's compliance (circa 0.03%), and patients currently not being held to the 4-hour standard have a similar equity of care to those held to the standard when considered in the context of the revised guidance.

Boards should prepare to go live with this guidance from 1 December. There was national recognition that there may need to be a transition period for some boards to make changes to the data they submit to PHS.

Decision/Conclusion

Members noted the new guidance for adoption of the national 4 hour standard from December 2024.

11.16. Internal Audit Planning (Presenters: Director of Improvement)

The Director of Improvement presented the report providing a progress update on the internal audit cycle for 2024/25, the planned audit cycle for 2025/26 and the current contractual position with the internal auditors.

The 2024/25 annual cycle has eight audits planned with three completed and five audits in progress.

The Board Chair welcomed the report and believed waiting times was a rolling audit and queried the value of the Waiting Times audit as there had also been a Public Health Scotland Waiting Times audit which had conflicting information to the internal audit report. She also queried the value of the Clinical Strategy audit.

The Chief Executive raised concerns that the purpose of internal audit was to bring improvements however some of the reports was not in line with feedback. With regards to Job Planning due in 2025/26, it was suggested to postpone to 2026/2027 due to consultant job planning progress to date.

The Head of Improvement suggested that the IT Systems for IJB partners is removed due to the NIS audit that had recently concluded.

The Interim Head of Finance advised that conversations with Azets had taken place emphasising the Finance audit must include examples of good practice from elsewhere. The Control system report should be an organisation report rather than finance only.

I Grieve advised there was a development session across the three island Boards with Azets based on effective internal audit planning, there was only one member that attended the session from NHS Orkney.

Decision/Conclusion

Members discussed the report and provided suggestions for future planning.

12. POTENTIAL

12.1. King Street and Old Balfour valuations (Presenters: Director of Improvement)

The Director of Improvement presented the report summarising the collaborative work with Hub North Scotland in relation to the approach to map out NHS Orkney's accommodation needs.

For the Old Balfour site, the market value of the site was dependent on numerous factors including the number of dwellings permitted to be built by Orkney Island Council. The value associated with these models were detailed in the valuation; although the anticipated cost of clearing the site of £1.5m was equal to the market value of the property with high density redevelopment (76 dwellings) although the cost of clearing could be reduced materially.

For King Street, the market value of the property in its current condition and with the benefit of planning permission for its conversion into eight one-bed self-contained flats was a sum in the order of £175,000.

Decision/Conclusion

Members approved the proposal to pause any decision on the sale of both properties until March 2025 when a finalised report against each of the deliverables had been complete.

12.2. New Balfour Business Case Review - Gap Analysis and Recommendations (Presenters: Director of Improvement)

The Director of Improvement presented the report summarising draft findings and proposed next steps of the review of the outline business case (OBC) and full business case (FBC) of the new Balfour Hospital to assess if the opportunities and benefits set out in the cases had been realised or whether there were remaining opportunities to support further transformation across both clinical care models and workforce.

The report also detailed the work undertaken with Finance to scope internal business cases, review the Robertson's contract, and identify the cause of the deficit. It also included details of the growth and changes in WTE from April 2019 to April 2024, as well as the increase in Agenda for Change (AfC) banding.

Members were advised there was no minutes over the last 5 years evidencing actions or business cases reflecting that decisions were made to increase workforce by 62 WTE. This highlighted the lack of business control and the need for business case culture within the organisation.

One of the next steps would be a review of the 10 'not delivered' statements and the 17 'partially delivered' statements with engagement from executive directors through Corporate Leadership Team (CLT) to determine which should be included in the transformational workstream of the Improving Together Programme.

The Chief Executive applauded the superb work carried out and the learning required from the Board.

The Board Chair requested that the Chair's Assurance report included that there was strong evidence that there was poor grip and control on our finances and a clear need to embed a business case culture across the organisation moving forward. This would be taken forward as part of the leadership/manager development programme. She also requested that the SLT or RMG explored the internal control place on a risk register.

Decision/Conclusion

Members noted the progress and early findings to date and the next steps.

12.3. Digital Service External Review (Presenters: Chief Executive)

The Chief Executive presented the report advising that it was one of three external reviews that had taken place within Corporate Services.

Challenges noted within the Digital team which indicated areas for development, included communication issues, skills gaps, resource limitations and management and leadership which has since been addressed and on-going.

A Digital Services staff engagement session took place on 16 September 2024 with Daniel Boyd an external facilitator from Viridian Associates, discussions covered critical aspects such as IT infrastructure, service desk, cybersecurity, digital transformation, and application management, aiming for a future-ready digital service.

A Digital Services Improvement plan has been co-produced and the Digital Information Operations Group (DIOG) would oversee an options appraisal for the future Digital Services Delivery model, commencing in January 2025.

The Head of Improvement advised members that a weekly update was provided to the teams in terms of key messages and attend the Digital Services team meetings and regular check in's with the team

Decision/Conclusion

Members noted the report and improvement plan/recommendations.

12.4. Chair's Assurance Report - Digital and Information Operational Group (DIOG) (Presenters: Head of Improvement)

The Head of Improvement presented the reports highlighting:

- Migration and upgrade of Datix and cCube had been complete removing the cyber security risk
- Dedicated support for Primary Care IT was noted as making a notable difference within Primary Car
- Digital service planning had commenced – this would be included in the Year 2 Corporate Strategy deliverables

- Funding has been made available from Scottish Government for Digital Dermatology for this financial year, however there was an expectation ongoing costs would be picked up by Boards resulting in a cost pressure of £897.78 in 2025/26.
- Process maps have been shared in relation to MORSE with the project team; work was ongoing to understand the current process maps. A further planning session was carried out on 5 November 2024. There was an issue that limited resources are available to support MORSE when it moves to BAU resulting in service disruption which cause negative user experience
- The Radiology information system was due to expire and was raised as a risk in August 2024

Decision/Conclusion

Members noted the report.

12.5. Chair's Assurance Report - Improving Together Programme Board (Presenters: CEO)

The Chief Executive presented the report as read.

Decision/Conclusion

Members noted the report.

13. PLACE

13.1. Island Games Preparedness (Presenters: Director of Nursing, Midwifery, AHPs and Chief Officer Acute , Guests: Interim Head of Strategy)

The Interim Head of Strategy presented the report highlighting the purpose of setting key objectives was to focus on guiding plans moving forward and understanding responsibilities of both NHS Orkney and the Games organisers. The report detailed governance arrangements, health care demand and impact based on estimates from the Shetland and Guernsey experiences. The report detailed response to escalation of demand.

The Board Chair encouraged further exploration around the impact of services and the evidence supporting this and the risk of the absence of the Resilience Officer and how that could be mitigated.

Decision/Conclusion

Members sought assurance on preparedness for the Island Games.

13.2. AZETS – NHS Orkney Internal Audit 2023/24 (Presenters: Director of Public Health)

The Director of Public Health presented the report in the absence of the Resilience Officer summarising management actions following the AZETS audit into Business Continuity.

Members were advised the development of the new risk-based approach to business continuity planning had not been achieved within the agreed due date and SLT agreed to an extension to 30 November 2024. Although senior leadership were aware of the new approach further engagement with senior managers was required. Progress had been made and 42 individual services managers were being interviewed regarding their current and future Business Continuity Plans. The risk-based approach had been linked with Kat Jenkins, Head of Patient Safety, Quality and Risk, and the Corporate Risk Register. The RAG status was Red and due to the absence of the Resilience Officer it was unlikely that the due date of November would be achieved.

There were two amber rated control objectives which relayed to senior managers to ensure new approach implemented in their areas and recovery time objectives (RTOs) and Recovery

Point Objectives (RPOs) assessed and validated by IT team as BIA's and BCPs are updated by service managers.

The Board Chair queried the resilience in place in the absence of the Resilience Officer and the capacity constraints would not hold up business critical work.

The Chief Executive raised concern around resilience and alternative formal options available for cover and requested Business Continuity Planning to be added to the next SLT and F&P Committee.

Decision/Conclusion

Members noted the update however were concerned around the level of assurance and capacity and the next iteration of the report was to include KPIs.

13.3. Decarbonisation Energy Efficiency Project (Presenters: Head of Estates)

The Head of Estates joined the meeting to provide a progress update on Year Two of the Decarbonisation Project.

Currently, in Year Two of the decarbonisation project, NHS Orkney had carried out external insulating cladding on two owned properties on Sanday and Stronsay. North Ronaldsay, Westray, Sanday, and Stronsay had benefited from the installation of new air-to-water heat pumps, hot water and heating systems, windows, doors, loft insulation, and solar panels.

The Board chair requested that the final report include the level of work carried out by local contractors as part of the Anchor Strategy.

Decision/Conclusion

Members sought assurance from the report.

13.4. Chair's Assurance Report - Sustainability Steering Group (Presenters: Head of Facilities and NPD)

Members noted the report.

14. Items approved at Board.

15. Agree Items for Chairs Assurance Report to Board (Presenters: Chair)

16. AOCB (Presenters: Chair)

17. Key Items for Noting (Presenters: Chair)

Members noted the Quarter Two Finance Reviews and 2025-26 to 2027-28 Financial Planning - letter to Chief Executives 09 October 24

18. Declarations of Interest (Guests: Chair)