

SHETLAND NHS BOARD

Minutes of the Finance and Performance Committee meeting held virtually on Thursday 25 May 2023 at 13:30

PRESENT

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| Mr. Gary Robinson (Chair) | Mr. Colin Campbell |
| Mr. Colin Marsland (Executive Lead) | Mr. Lincoln Carroll (deputizing for Chair of Shetland Integration Joint Board (IJB), Mrs. Natasha Cornick) |
| Mr. Joe Higgins | |

IN ATTENDANCE

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| Mr. Michael Dickson, Chief Executive | Mr. Brian Chittick, Director of Community Health and Social Care |
| Mr. Karl Williamson, IJB Chief Financial Officer | Ms. Lucy Flaws, Planning, Performance and Projects Officer |
| Mr. Craig Chapman, Head of Information and Digital Technology | Mr. David Morgan, Information Governance Manager and Data Protection Officer |
| Mr. Lawson Bisset, Head of Estates and Sustainability Lead | Ms. Edna Mary Watson, Chief Nurse Corporate |
| Mr. Sam Collier-Sewell, Information Governance Manager & Deputy Data Protection Officer | Ms. Lynne Huckerby, CGI |
| Mr. Adrian Sewell, CGI | Mrs. Erin Seif, minute-taker and FPC admin support |

1. Apologies for absence

Apologies were received from Finance and Performance Committee (FPC) members Mrs. Natasha Cornick, and Mrs. Emma Macdonald. Apologies were also received from Director of Nursing and Acute Services Mrs. Kathleen Carolan and Director of Human Resources and Support Services Mrs. Lorraine Hall.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of 23 February 2023 meeting

The minutes of the 23 February meeting of the FPC were approved.

4. Matters arising

There were no matters arising.

5. Action Tracker

[5] Item 4 – Performance Report Quarter Three

As new, interim Chair of the Clinical Governance Committee, Mr. Joe Higgins acknowledged responsibility for this Action Item—Mrs. Erin Seif will update the Action Tracker accordingly.

ACTION: Mrs. Erin Seif

6. CGI – NHS Shetland Financial Sustainability Report

a. Presentation – NHS Shetland Financial Sustainability Report FP 25.05.23

Representatives from CGI Ms. Lynne Huckerby and Mr. Adrian Ennis shared a presentation on the NHS Financial Sustainability Report, as included in the meeting papers.

FPC members queried whether, from April 2024, NHS Shetland’s statutory obligation to break even would conflict with adhering to the “[Health and Care \(Staffing\) \(Scotland\) Act 2019](#)”. Mr. Ennis explained that by delivering more efficient and sustainable services, NHS Shetland could establish how far it is from delivering “safe staffing” and if more funding is required. Chief Executive Mr. Michael Dickson also highlighted the Act does not mandate specific staff-to-patient ratios, but rather a process by which staff can report insufficient staffing levels to the Board, which must demonstrate it has acknowledged and escalated the risk as necessary.

In response to comments regarding financial “grip and control” measures, Mr. Ennis noted NHS Shetland has good practices in place but compliance across the organisation may need to be reviewed. Mr. Ennis also advised avoiding non-framework bookings; moving longer-term locums to fixed-term locum contracts; allowing locums to work only for their booked hours; and not paying locums for breaks, while still making roles attractive to temporary staff as needed.

Director of Finance Mr. Colin Marsland shared some ongoing workforce-related workstreams, including around staff not on NHS standard Terms and Conditions:

- The Sustainable Medical Workforce workstream, run by the Scottish Government (SG) has recently issued papers which the Directors of Finance, Medicine, and Nursing and Acute Services, along with the Associate Medical Director for Secondary Care and a Senior Human Resources advisor will meet to discuss, with a focus on the Acute physicians workforce, which is a major source of cost pressure;
- A paper will shortly be issued on a workstream managing the upcoming retirement of NHS Shetland’s consultant surgeons;
- Director of Community Health and Social Care Mr. Brian Chittick has previously mentioned at Board meetings ongoing work regarding the on-call model for Mental Health Out of Hours (OOH) care; and
- In a separate workstream, NHS Shetland is exploring the OOH model in unscheduled care, where the GP workforce is a source of cost pressure.

Mr. Marsland also shared SG is reviewing its currently flawed models for medical staffing, with a gap between the number of junior doctors required for Scottish Health Boards to operate and the workforce of junior doctors recently going through the NHS Education for Scotland system. This situation is set to improve, though, after medical school numbers increased in 2016–17.

The FPC noted the contents of the NHS Shetland Financial Sustainability Report from CGI.

7. Finance Plan for 2023–24, update

Mr. Marsland presented an update on the Finance Plan for 2023–24, highlighting the following:

- The Board agreed to move forward with a “minimum cost model” at its 25 April 2023 Part B meeting;
- The Finance Department is working with Executive Directors and other colleagues to refine savings plans before the 22 June Board meeting, and 30 June SG paper-deadline;
- This paper describes the current state of the planning process, details of base budgets, and background to income assumptions;

- A lot of efficiency work remains to achieve the target of £2.9m recurring savings, and any non-recurring savings required to address this year’s spend on locum and agency staff;
- At the last Integration Joint Board (IJB) meeting, Mr. Chittick presented a paper identifying three years of savings with regard to directed care and staffing models; and
- Work is ongoing to understand the savings implications of the Acute Services “ambulatory care model”, designed to create service-repatriation opportunities.

Mr. Marsland concluded that while the Executive Management Team has met twice to discuss how to take forward pathways included in the “NHS Shetland Financial Sustainability Report”, work remained to be done to devise a plan the Board may accept on 22 June.

In response to a member’s question, Mr. Marsland explained that though the organisation has three years to achieve financial balance, the following conditions apply:

- NHS Shetland must remain within 1% of its resource allocation each year;
 - The present plan would break-even year three, but breach 1% in years one and two;
- It can submit a 1% overspend plan to SG, but would need to make this up another year;
- The three years are on a “rolling” basis, so the organisation is always in year one of a three-year plan; and
- SG needs the Health Boards of Scotland to break even as a whole each year, as Parliament cannot overspend to make up any shortfall.

Mr. Marsland added he and Head of Finance Mr. Karl Williamson will meet with SG in early June to review the submitted plan and clarify the budget for the year, which should have been affected by the higher-than-anticipated recent pay award to junior doctors.

The FPC noted the contents of the Finance Plan for 2023–24.

- a. **Appendix A, Scottish Government March 2023 Submission Feedback**
- b. **Appendix B, Financial Plan Summary Budget Plans**

Standing Items

8. Draft year-end financial position

Mr. Marsland presented the draft year-end financial position, highlighting the following:

- NHS Shetland broke even, but the £2.3m sustainability payment from SG was key;
- This, with additional funds from allocations and underspend on several contracts including with Golden Jubilee, allowed released funds to cover the £3.5m IJB overspend;
- Clinical services have overspent, but this was largely offset by overall savings, non-recurring balance sheet items identified in last year’s Annual Accounts, planned activity, and in-year fortuitous gains.

Looking to 2023–24, Mr. Marsland noted the following points:

- Work is underway to reduce locum costs, continuing their downward trend in 2022–23;
- Nursing and other staffing has been reduced in Acute Services;
- Hiring more Clinical Development Fellows may stabilise the junior doctor workforce;
- The retirement of some long-standing agency staff means models can be re-visited; and
- Many local costs are set to breach the coming Safer Staffing Act requirement to report expenditure exceeding a certain percentage over NHS costs, so will need addressing.

Turning to the external auditor’s 2022–23 report, Mr. Marsland flagged:

- Audit Scotland asked some questions about how NHS Shetland is achieving best value, but raised no significant issues regarding numbers in the Annual Accounts;

- No material changes should be required based on the feedback so far; and
- The pay award for junior doctors, which is still under negotiation, will affect all Boards, but NHS Shetland volunteered its likely back-pay liability to Audit Scotland.

In light of a small number of potentially inadvertently misleading graphics in the paper, members and attendees discussed the importance of data presentation, and Mr. Marsland offered to change or remove the relevant graphics.

The FPC noted the contents of the Draft Year-End Financial Position.

9. Capital Programme Progress Report

Head of Estates and Sustainability Lead Mr. Lawson Bisset shared an update on the 2023–24 capital programme, noting it is at an early stage and there are no major issues to report.

Mr. Bisset went on to highlight the following points about the maintenance backlog:

- Based on the 2022–23 survey, the current total maintenance backlog is around £6m, excluding VAT, fees, architects, clerk of works, and enabling and decant works;
 - A recent additional survey by external consultants, as well as nationally-added construction inflation, is likely to increase this backlog cost;
 - The backlog cost is based on mainland rates—Shetland rates are 27–35% higher;
- These factors mean a best guess for estate backlog is actually £12–18m;
- NHS Shetland is trying to mitigate this, and will do a return this financial year on medical, fleet, office, and asset equipment maintenance backlog.

Turning to other matters in the report and appendices, Mr. Bisset noted the following:

- The Initial Agreement continues on programme for submission to SG by 31 March 2023;
- A funding package is in place for the MRI scanner;
- No real issues have been raised in the Annual Fire Reports, though the Scottish Fire and Rescue Service is moving to a double system for alarms at “non-sleeping” premises; and
- The draft ten-year programme is based on anticipating £1m annually from SG, and it is presently balanced.

FPC members noted the report identifies no high-risk items, and queried whether all capital programme risks are fed into the overall NHS Shetland risk register. Mr. Bisset explained the level of each risk will rise over time, but “high-risk” means a fatality in this context. Mr. Bisset further stated some risks cannot be addressed, as staff and facilities cannot be decanted elsewhere, or construction cannot be undertaken.

The FPC noted the contents of the Capital Programme Progress Report.

- a. **Appendix 1 – 2023–24 Capital update**
- b. **Appendix 1a - Capital Programme 2023-24 - May 2023**
- c. **Appendix 1b - 10 Year Capital Programme - April 2023**
- d. **Appendix 1c - NHS Shetland Annual Fire Report 2021**
- e. **Appendix 1d - NHS Shetland Annual Fire Report 2022**

10. Performance Report—Quarter 4

Planning, Performance and Projects Officer Ms. Lucy Flaws presented the Performance Report for Quarter Four, drawing attention to the following points:

- Psychological Therapies is not meeting certain targets and has seen increased referrals;
 - However, capacity has increased within the team and it’s looking at different ways of delivering services, including more group work, which is impacting activity rates;

- A “Distress Brief Interventions” programme will start after the summer alongside local mental health charity Mind Your Head;
- Child and Adolescent Mental Health Services (CAMHS) has made changes to increase the service’s accessibility, in line with a national improvement programme;
- Referrals to CAMHS increased significantly in Quarter Three, creating a knock-on effect of people waiting over 18 weeks to be seen in Quarter Four;
- CAMHS is also seeing a wider scope of cases, causing an increase in referral numbers and case complexity;
- In hospital-based-services data, Grampian’s ongoing service delivery issues are still causing a big impact and creating pressures in the system;
- Regarding smoking cessation, NHS Shetland is not meeting a national target by a significant amount;
 - The team has struggled for the first time to get people through the service, resulting in a delay in seeing people which may impact the success of their eventual quit attempt;
- The Substance Misuse Recovery Service team is experiencing capacity issues, which may soon affect its ability to meet targets;
- The Recovery Hub is convening a “Lived and Living Experience Panel” to get feedback and help shape services;
- Turning to Accident and Emergency (A&E), though NHS Shetland has not met the national four-hour wait target, it still performs significantly above the Scottish average;
- A&E attendance has now increased back to pre-pandemic levels, which is significantly higher than the Scottish average; and
- The shuttered Project Management Office was conducting a review of urgent and unscheduled care last year, which needs more support to move forward;
 - This matter is being explored with the Clinical Governance Committee.

FPC members and attendees reflected on where NHS Shetland’s performance intersects with other organisations, noting its joint performance-management framework with Shetland Islands Council (SIC), and that it would be helpful for NHS Grampian to share how and when its service-delivery issues might improve. Mr. Chittick commented that NHS Shetland’s use of data-driven analysis to inform work around pathways and unscheduled care has improved.

The FPC noted the contents of the Performance Report for Quarter Four.

- a. FPC Appendix 1 Q4 Performance Monthly and Quarterly**
- b. FPC Appendix 2.0 FPC NHS Shetland ADP Narrative Qu4 2022 23**
- c. FPC Appendix 2.1 ADP Q4 2223 summary**
- d. FPC Appendix 3 Spotlight On IG**
- e. FPC Appendix 4 Spotlight on QYW**
- f. FPC Appendix 5 Sustainable services Skerries HCSW**

11.Waiting Times report

Director of Nursing and Acute Services Mrs. Kathleen Carolan and Diagnostics and Elective Care Lead Ms. Dawn Smith were not available to present the Waiting Times report, so FPC Chair Mr. Gary Robinson invited members to send them on any questions by email.

Members welcomed Head of Information and Digital Technology Mr. Craig Chapman’s suggestion that Information Services (IS) Manager Ms. Monique Hunter could speak to this report in future if required, as she compiles the data for it.

- a. Appendix 1 CWWT Monitoring WE 070523**

- b. Appendix 2 Board level Weekly KPI Summary**
- c. Appendix 3 Planned Care Dashboard WE 130523**
- d. Appendix 4 18WeekRTT - April 2023**
- e. Appendix 5 Psychological Therapies Dashboard March 2023**
- f. Appendix 6 Actual vs Planned Activity Trajectories 2023-24**

12.Environmental Sustainability Report

Mr. Bisset presented the Environmental Sustainability Report, flagging the following points:

- Appendix 1a is the first NHS Scotland report on sustainability, which shows NHS Shetland performing reasonably well in comparison to other Boards, given its small size;
- Appendix 1d shows the range of reporting required of NHS Shetland by SG each financial year, which involves a lot of data-gathering and narrative-preparation;
- The Director of Finance Mr. Marsland has been working alongside Estates to convert NHS Shetland’s fleet to all electric vehicles, ahead of the 2025 deadline;
- There are a number of internal groups around waste, energy, and sustainability;
- NHS Shetland is fully engaged with the one-off national Green Theatres Programme, with the type of gases being used reduced and changed and no exhaust pipes being used within the Gilbert Bain Hospital; and
- Environmental work around inhalers is going on alongside Pharmacy colleagues.

Overall, Mr. Bisset offered his assessment that NHS Shetland is doing well in relation to environmental sustainability for a Board of its size and level of resources, and commended the commitment of staff across the Board, including clinical colleagues, to this workstream.

In response to members’ queries, Mr. Bisset explained that no spend will be made on the planned national “deposit return” scheme until further confirmation is received from SG and Circularity Scotland, the non-profit organisation, although a possible local host site is in place.

The FPC noted the contents of the Environmental Sustainability Report.

- a. Appendix 1 - 2023-24 Sustainability update**
- b. Appendix 1a - NHS Scotland Annual NSAT Report**
- c. Appendix 1b - Draft NHS Shetland Food Waste Reduction Strategy**
- d. Appendix 1c - DRAFT Annual NHS Scotland Report**
- e. Appendix 1c.ii - DRAFT ANNEX Annual NHS Scotland Annual Report**
- f. Appendix 1d - Draft NHS Scotland Review of Assessment & Reporting for Climate Change and Sustainability**

13.Digital Health update

Mr. Chapman presented three sets of Terms of Reference for the Digital Technology, Information Governance, and Health Intelligence governance groups—proposed to replace the existing Digital and Information Support Group (DISG) at the 23 February FPC meeting—and went on to highlight ten sub-groups under these three, covering Strategy, Digital Project Management, Digital Service Management, Systems Audit, Records Management, Data Protection and Freedom of Information, Digital Security, Reporting, Clinical System Management, and Health Intelligence. Mr. Chapman explained the exact method of reporting to FPC was undetermined but should be refined over the coming meeting-cycles, and requested the approval of the FPC to disband DISG and establish the three new groups.

Mr. Chapman and FPC attendees discussed how this approach aligned Digital strategy and Information Governance strategy with NHS Shetland's overall strategic objectives, and how the three proposed groups would provide assurance to the FPC.

The FPC approved the disbanding of the DISG as well as the three sets of Terms of Reference, with an early review date set for the FPC meeting of 22 February 2024 and updates at each interim meeting.

- a. **Appendix 1 - DGG ToR - v0.4 DRAFT May 2023**
- b. **Appendix 2 - HIG ToR - v0.3 DRAFT May 2023**
- c. **Appendix 3 - IGG ToR - v0.5 DRAFT May 2023**

14. FPC business plan

Mr. Marsland presented the FPC business plan, noting this was an opportunity for members to ensure it still accurately reflected the committee's responsibilities.

Following attendee suggestions, members agreed the Annual Delivery Plan 2023–24 should be added for the 28 September 2023 FPC meeting, and the Winter Plan should also be added.

ACTIONS: Mrs. Erin Seif

Ad-hoc Reports

15. Annual Development Plan

a. DRAFT notes towards ADP 2023–24, as of meeting date

Ms. Flaws presented the draft notes towards the Annual Delivery Plan 2023–24 (ADP), which was commissioned by SG, highlighting the following points:

- The ADP is not as advanced as would be ideal, but planning capacity is currently limited due to staff secondment;
- Work around the recovery drivers is well underway, with information regarding this currently held within service plans and improvement plans;
- The ADP should bridge into a medium-term, three-year plan, which should link to the Clinical and Care Strategy; and
- Progress against the service sustainability strand of the workforce plan will likely be tied to the programme management and financial sustainability work.

The FPC was content to note the progress of the ADP.

16. Information Governance Annual Report

Information Governance Manager and Data Protection Officer Mr. David Morgan presented the IG Annual Report 2022–23, sharing his view that NHS Shetland is making steady progress in developing a secure IG culture, and flagging the following positive points:

- The Board approved the IG Strategy in June 2022;
- Performance related to Freedom of Information requests improved, despite a record number of incoming requests;
- The Information Commissioner's Office returned a high level of assurance on the areas it audited in November and December 2022; and
- The IG department and its counterparts in other north-of-Scotland NHS Boards are exploring collaboration to reduce the IG-work burden by doing it "once across the region".

Mr. Morgan went on to describe the following risks included in the IG Annual Report:

- A major identified risk is staffing pressures, which includes:

- Maintaining a sufficient level of staff within IG and IS teams to progress their work;
- Maintaining sufficient staff-levels across the organisation to manage all the demands placed upon them;
- NHS Shetland also does not have a Records Management Lead or an IT Security Officer, which roles are needed to take forward the amount of work expected;
- Microsoft 365 (M365) also presents implementation-risks relating to IG and security, alongside significant improvements to efficiency and information-quality;
 - Concerns around M365 have been escalated to a national level;
 - Governance work needs to be done at this national level to ensure value from M365;
- “FairWarning” software, which will soon be rolled out and may potentially uncover staff inappropriately accessing records, will be preceded by “strong” communications; and
- A final risk mentioned was training compliance, but this will covered later in this meeting.

Members queried the spike in information incidents in August 2022—Information Governance Manager & Deputy Data Protection Officer Mr. Sam Collier-Sewell will look into this and report back to FPC.

ACTION: Mr. Sam Collier-Sewell

The FPC noted the contents of the Information Governance Annual Report 2022–23.

a. IG Annual Report 2022-23 (FINAL)

b. Annex 1 - IGSG Agendas from 2022-23

17. Information Governance Work-plan 2023–24

Mr. Morgan presented the Information Governance Work-plan 2023–24, noting the content is very high-level as the IG team develops a plan which integrates the Records Management Strategy and the Records Management Plan. Mr. Morgan further explained the plan includes a number of quite challenging assumptions, in light of the financial pressures facing NHS Shetland, including assuming availability of budget, tools, and staff to keep working on the plans in place, and assuming a Records Manager will be recruited.

The FPC noted the contents of the Information Governance Work-plan 2023–24.

a. IG Work Plan 2023-24 (FINAL)

18. Data Sharing Framework (NHS Shetland / SIC)

Mr. Robinson declared an interest in this item, as it involves SIC and he serves as an elected councillor for that body. As the item was non-financial, Mr. Robinson remained in the meeting.

Mr. Morgan presented the Data Sharing Framework between NHS Shetland and SIC, which was prepared in partnership between the two organisations, for approval ahead of submission to the Board. Mr. Morgan further explained the Framework is not a data-sharing agreement in itself, but a guidance and governance document which updates the Data Sharing Policy the two organisations established in 2012 and tells staff in both how to share data in a legal and effective way. The IG Department will work with the Communications team to ensure staff awareness of the Framework throughout NHS Shetland.

In response to a member’s query, Mr. Morgan explained that the framework, once established and approved, could extend to third-sector bodies who work alongside NHS Shetland and SIC, beginning with those commissioned to provide services.

The FPC approved the Data Sharing Framework ahead of its submission to the Board.

a. Data Sharing Framework (FINAL) v02.02

19. Strategic Risk Report FPC May 23

Chief Nurse Corporate, Ms. Edna Mary Watson presented the first Strategic Risk Report for the FPC and invited feedback on the reporting format, which has been newly developed with the Audit Committee Chair. Ms. Watson went on to highlight the followings points in the report:

- Risk SR13—Access to Services has increased within the “high” bracket from rating 12 to 16, due to challenges across both Acute and Partnership sectors in the last quarter;
- Risk SR02—Finance has been reviewed and reduced to rating 12 in the last quarter by the Director of Finance, from a “very high” rating of 20 in March 2023;
- The other highest-ranked risks, SR01—National Standards, SR06—IG training NHS Staff, and SR11—IG training non-NHS staff, have not changed ratings in the last quarter;
- No risks have been closed nor any risk-responses changed in the last reporting period;
- Risk SR01—National Standards does not now have adequate controls against it, due to workforce and pathway issues with the NHS Grampian Service Level Agreement; and
- Two organisational/directorate level risks of concern are related to records-management expertise within NHS Shetland, and staffing-levels in the IG Department affecting its ability to keep on top of new guidance.

The FPC noted the contents of the Strategic Risk Report.

a. Appendix 1 - Overview of Strategic Risks by Highest Ranked 2023-2024 FPC

b. App 2 - FPC assigned Risks including Approved and Waiting Approval – May 2023

Information and noting

20. Digital and Information Support Group minutes

The FPC noted the DISG minutes.

21. Environmental and Sustainability Group minutes

The FPC noted the Environmental and Sustainability Group minutes.

22. Capital Group minutes

As noted on the agenda, the Capital Management Group last met on 6 February 2023—minutes of this meeting will presented for approval at its next meeting on 13 June 2023 and will come to the 28 September FPC meeting.

AOCB

23. Set date of workshop – IG and Planning and Performance reporting

The FPC agreed an IG and Planning and Performance reporting workshop should be held. Mrs. Seif will schedule it following the meeting.

ACTION: Mrs. Erin Seif

24. AOCB

No other competent business was raised.

Date of next meeting: Thursday 28 September 2023 at 13:30, via Microsoft Teams