

SHETLAND NHS BOARD

Minutes of the Finance and Performance Committee (FPC) meeting held virtually on Thursday 22 February 2024 at 14:00

PRESENT

Mr. Gary Robinson (Chair)	Mr. Colin Campbell
Mrs. Emma Macdonald	Mr. Joe Higgins

IN ATTENDANCE

Mr. Colin Marsland, Director of Finance (FPC Executive Lead)	Mr. Karl Williamson, Integration Joint Board (IJB) Chief Financial Officer
Professor Kathleen Carolan, Director of Nursing, Acute and Specialist Services	Ms. Lucy Flaws, Planning, Performance and Projects Officer
Mr. Lawson Bisset, Head of Estates and Sustainability Lead	Mr. David Morgan, Head of Information Governance, Freedom of Information Lead, and Data Protection Officer
Ms. Edna Mary Watson, Chief Nurse Corporate	Mr. Craig Chapman, Head of Information and Digital Technology
Mrs. Erin Seif, minute-taker and FPC admin support	

1. Apologies for absence

Apologies were received from Finance and Performance Committee (FPC) member Mrs. Natasha Cornick, as well as from Chief Executive Mr. Brian Chittick, Director of Human Resources and Support Services Mrs. Lorraine Hall, and Interim Director of Community Health and Social Care Ms. Jo Robinson.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of 30 November 2023 meeting

The minutes of the 30 November 2023 meeting of the FPC were approved.

4. Matters arising

There were no matters arising.

5. Action Tracker

No matters were discussed from the Action Tracker.

Standing Items

6. Performance Report

Planning, Performance, and Projects Officer Ms. Lucy Flaws presented the Performance Report, highlighting data and context in the report relating to delayed discharges,

Psychological Therapies waiting-times, the persistently high number of Freedom of Information (Fol) requests, smoking cessation services, and childhood vaccination programmes.

In response to member questions, Ms. Flaws flagged an emerging national focus on early cancer detection as well as supporting patients throughout diagnosis and treatment, noting Cancer Leads locally would be happy to update the FPC, or perhaps CGC initially, if desired.

A member queried if delayed-discharge from hospital costs could be recharged to the IJB. Ms. Flaws noted the close working between Acute and Community services, and that it would be hard to quantify hospital “bed days” avoided by care delivered by the latter. Director of Finance Mr. Colin Marsland further explained the cost of such “days” to NHS Shetland are the same whether beds are occupied or not, and no formal Service Level Agreement exists between the IJB and NHS Shetland regarding expected activity-levels against expenditure.

Regarding Fol requests, members mentioned a 2023 Scottish Government (SG) consultation to assess and possibly reduce the burden of excessive requests. Ms. Flaws shared she had seen an output of this process, which included a chart illustrating this pressure is particularly in Quarters Three and Four, but was not aware of any actionable change subsequently proposed or introduced. Mr. Marsland flagged ongoing efforts to remind MSPs and their staff information requested is often available to them through the Scottish Parliament Information Centre.

Members discussed whether targets could be reduced in relatively high-performing areas to lower spending, in light of the financial challenges facing NHS Shetland and NHS Scotland.

The FPC noted the contents of the Performance Report.

7. Waiting Times Report

Director of Nursing and Acute Services Professor Kathleen Carolan presented the Waiting Times Report, explaining performance has remained steady since the previous quarter. Prof. Carolan highlighted plans to increase use of the planned-ambulatory-care unit, which should improve Accident and Emergency waiting times, as well as ongoing conversations regarding the National Treatment Centre in NHS Highland for orthopaedic patients, and with the National Elective Coordination Unit about sourcing consultants from outside NHS Grampian, with support for NHS Shetland built into their job plans.

As members’ questions actually pertained to Prof. Carolan’s paper on Planned Care Recurrent Allocation 2024–25 at item 15, they will be minuted under that item.

The FPC noted the contents of the Waiting Times Report.

8. Financial Monitoring Report

Mr. Marsland presented the Financial Monitoring Report, noting it is a draft report for month eleven to avoid replicating information members received at the 13 February Board meeting, and highlighting the current overspend of £2.2m. However, Mr. Marsland also noted NHS Shetland anticipates receiving previously-unplanned income from UK Government, as well as a likely saving of just under £100k on 2024–25 “Clinical Negligence and Other Risks Indemnity Scheme” contributions, resulting in a positive movement of £0.8m from the financial report at the 13 February Board meeting. Mr. Marsland also noted the two heaviest cost-pressures are prescribing-costs staying high for longer than expected, resulting in an overspend of £0.5–£0.6m, and ongoing excess employing of staff not on NHS terms and conditions.

In response to a member question, Mr. Marsland and IJB Chief Financial Officer Mr. Karl Williamson explained the term “IJB rebalancing” is an umbrella term for staffing changes, including vacant posts and skill-mix adjustments. Both agreed it could be renamed for clarity.

ACTION: Mr. Colin Marsland and Mr. Karl Williamson

Regarding a member question on accounting for the anticipated £0.8m of combined savings and additional income in month twelve, Mr. Marsland explained it has been phased in early from month ten to avoid a sharp index at year-end, which prompted dissent last year.

In relation to a query on the total carryover of unachieved savings and overspend against the Resource Revenue Limit, Mr. Marsland stated a likely overspend of £1.3m, which would not yet be factored into the 2024–25 financial plan as SG is yet to confirm its repayment terms, and confirmed a probable £2.1m of unachieved savings.

The FPC noted the contents of the Financial Monitoring Report.

9. Digital Health update

Head of Information and Digital Technology Mr. Craig Chapman gave a verbal update on Digital Health—the corresponding paper was shared with members after the meeting as it was submitted too late to be included in a meeting pack. Mr. Chapman described the governance groups established last year, noting the Digital Governance Group (DGG) has met regularly but the Health Intelligence Group is yet to meet, due to staff turnover in key roles. Turning to the Digital Strategy, Mr. Chapman shared stakeholder workshops have been well attended and are yielding valuable learning, including areas where more training may suffice. On cybersecurity, Mr. Chapman highlighted the difficulty of reporting on such a sensitive topic and flagged a business case for additional resource submitted to the Executive Management Team (EMT), for consideration against the Board’s workforce and financial challenges.

The FPC noted the contents of the Digital Health update.

10. FPC Business Plan

Mr. Marsland presented the 2023–24 and 2024–25 Business Plans.

Following discussion around the Finance and Sustainability Plan for 2024–25, Mr. Marsland will ensure the Plan is covered in each FPC Financial Monitoring Report and FPC Chair Mr. Gary Robinson will request it as a standing item for Board Development sessions.

ACTION: Mr. Gary Robinson

The FPC noted the contents of the 2023–24 Business Plan, and approved the 2024–25 Plan.

11. Strategic Risk Report

Chief Nurse Corporate Ms. Edna Mary Watson presented the Strategic Risk Report, noting no rating scores have changed or risks closed. Ms. Watson flagged risks pertaining to access to services, information governance (IG) training, estates, and strategic finance.

Members and attendees discussed the finance risk, noting it may become necessary to separate the one-year financial target from the three-year as they may carry different risks.

The FPC approved the identified risks and their associated mitigations.

12. Capital Programme progress

Head of Estates and Sustainability Lead Mr. Lawson Bisset presented the Capital Programme progress update, highlighting NHS Shetland is on target to achieve its 2023–24 Capital Programme, effectively within budget, by year-end. Turning to 2024–25, however, Mr. Bisset explained though SG will grant NHS Shetland its annual £1m allocation to carry out a Maintenance Only Business Continuity Investment Plan, it has strictly stopped all new capital projects and, from 31 March 2024, ended the Initial Agreement (IA) process.

Members and attendees noted good reason to believe the IA process, or a close equivalent, will resume at some point in the coming years.

The FPC noted the contents of the Capital Programme progress update.

13. Environmental sustainability update

Mr. Bisset presented the Environmental Sustainability update, and shared he is currently preparing government returns and an Annual Report. Reflecting on 2023–24, Mr. Bisset noted this area of work is entirely dependent on external funding, which this year has been obtained for electric vehicle chargers and three polytunnels on course for completion by year-end.

Members and attendees thanked Mr. Bisset, who will be retiring before the next FPC meeting. The FPC noted the contents of the Environmental Sustainability update.

Ad-hoc Reports

14. Annual Delivery Plan (ADP) submission

Ms. Flaws presented this paper, explaining that rather than the ADP submission itself, it contains information on the delivery-plan framework, including national guidance. This guidance will be incorporated into a draft of the local strategic delivery plan, which should integrate more financial-sustainability and planning work than previous iterations, by March. Ms. Flaws also touched on reporting changes, areas where SG allows individual Boards to deviate from national models for well-demonstrated reasons, and various points of focus.

In response to a member question about increasing digital communication with patients rather than sending physical letters, Mr. Chapman shared NHS Shetland is in a cohort exploring a scalable, regional model of a national software product with this capability called Netcall. Mr. Marsland noted automation has been seen to decrease common IG errors.

To a query around setting locally achievable targets when national standards cannot be met, Ms. Flaws explained SG may allow Boards to set interim targets towards these standards.

The FPC approved the contents of the ADP submission, as presented.

15. Planned Care Recurrent Allocation 2024–25

Prof. Carolan presented the Planned Care Recurrent Allocation 2024–25 paper, explaining it sets out a new approach to planned care. Previously, SG used NHS Boards' description of their demand and capacity in their Annual Delivery Plans to determine their financial allocation. From 2024–25 onwards, SG has instead given NHS Shetland a slightly enhanced allocation, including £600k for planned care, and it must shape its services within that limit. Prof. Carolan explained this £600k will be entirely committed to stabilising and sustaining business-as-usual because it already represents the best-value approach, as mapped out in this paper.

Prof. Carolan further noted the forthcoming plan from Nursing and Acute Services will be the first to show a level of capacity matched to the financial envelope, and to describe the corresponding quality, safety, and provision-of-care gaps and risks. This plan will be submitted to SG and FPC by 7 March, so FPC can comment before it is finalized.

In response to a member question, Prof. Carolan and Mr. Marsland confirmed the costs laid out in the paper's appendix represent the full staff-cost, excepting a possible increase to employer superannuation contributions in the coming year.

The FPC approved the plan for how the allocation will be spent, in anticipation of receiving the detailed content of the plan at a future meeting.

16. Draft Financial Plan for 2024–25

Mr. Marsland presented the draft Financial Plan for 2024–25, highlighting a feedback-letter from SG on NHS Shetland's three-year financial plan requiring more detail and structure. EMT is meeting weekly to discuss the financial plans, including reducing locum-use and risks associated with "non-pay issues" that are widely considered currently unrealistic to implement.

The FPC approved the draft Financial Plan for 2024–25.

17. Records Management Annual Performance Review Report from National Records of Scotland

Head of Information Governance, Freedom of Information Lead, and Data Protection Officer Mr. David Morgan presented the Records Management Annual Performance Review Report from the Keeper of the Records of Scotland, flagging that while the Keeper commended NHS Shetland's commitment to proper records management, certain areas require addressing in a specific timeframe and it will be difficult to do so with current staff resources.

Referring back to a Records Manager business case included on the agenda of an FPC meeting earlier in the year, a member queried if the case had instead been presented to EMT as suggested. Mr. Morgan confirmed its inclusion as a need in IG's 2024–25 funding review.

The FPC noted the content of the Records Management Annual Performance Review Report.

18. Information Governance Group (IGG) review

Mr. Morgan presented a review on the IGG, as agreed when the new digital and information groups were approved at the 25 May 2023 FPC meeting, sharing that forming a dedicated IG group has brought greater visibility and assurance to IG issues.

The FPC approved the recommendation the IGG continue.

19. Terms of Reference review

Mr. Marsland presented the revised and re-formatted FPC Terms of Reference for approval, flagging FPC will assume responsibility for receiving all governance committee Annual Reports and reviewing the annual governance statement from 2024–25. The new Terms of Reference also explicitly provide for FPC meetings to be held digitally.

The FPC approved its revised Terms of Reference.

20. FPC Annual Governance Performance Report 2023–24

Mr. Marsland presented the FPC Annual Report 2023–24, which it is required to prepare as a standing governance committee of NHS Shetland, assessing its effectiveness, reviewing its attainment against its key performance indicators, and reflecting on its delivery of Best Value. The essential issues identified in the course of 2023–24 and laid out in the Report include: the identified need for a Records Manager, the poor National Information Scotland Audit Report, and the need for greater staff-resource around cybersecurity.

The FPC approved its Annual Report 2023–24.

Information and noting

21. Digital meeting minutes

a. Digital Governance Group

The FPC noted the DGG meeting minutes of 5 December 2023.

b. Information Governance Group

The FPC noted the IGG meeting minutes of 14 November and 12 December 2023.

c. Health Intelligence Group

The Health Intelligence Group has not yet been established since being approved for formation by the FPC on 25 May 2023.

22. Environmental and Sustainability Group minutes

The Environmental and Sustainability Group had not met since the last FPC paper deadline on 16 November 2023.

23. Capital Management Group minutes

The Capital Management Group had not met since the last FPC deadline on 16 November 2023.

AOCB

24. Scheduling Information Governance workshop

FPC agreed admin support Mrs. Erin Seif should schedule an IG workshop to take place before its 23 May meeting to enable members to enhance their understanding of factors affecting IG, and give feedback on what assurance they would like to receive in future.

ACTION: Mrs. Erin Seif

25. Meeting time, Thursday 23 May 2024

After noting the length of the Thursday 23 May 2024 meeting agenda, the FPC decided to move the start-time half an hour earlier than scheduled, to 13:30.

ACTION: Mrs. Erin Seif

Date of next meeting: Thursday 23 May 2024 at 13:30, via Microsoft Teams