

SHETLAND NHS BOARD

Minutes of the Finance and Performance Committee (FPC) meeting held virtually on Thursday 23 May 2024 at 13:30

PRESENT

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

IN ATTENDANCE

Mr. Colin Marsland, Director of Finance (FPC Executive Lead)	Mr. Brian Chittick, Chief Executive
Ms. Jo Robinson, IJB (Integrated Joint Board) Chief Officer	Mr. Karl Williamson, IJB Chief Financial Officer
Professor Kathleen Carolan, Director of Nursing and Acute Services	Head of Planning, Ms. Lucy Flaws
Mr. David Wagstaff, Head of Estates	Mr. Craig Chapman, Head of Information and Digital Technology
Mr. David Morgan, Head of Information Governance (IG), Freedom of Information Lead, and Data Protection Officer	Mr. Sam Collier-Sewell, Information Governance Manager and Deputy Data Protection Officer
Ms. Edna Mary Watson, Chief Nurse Corporate	Ms. Katie McMillan, Projects Officer
Mrs. Erin Seif, minute-taker and FPC admin support	

1. Apologies for absence

Apologies were received from Director of Human Resources and Support Services Mrs. Lorraine Hall, and Business Continuity (BC) and Resilience Officer Mr. James McConnachie.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of 22 February 2024 meeting

The minutes of the 22 February 2024 meeting of the FPC were approved.

4. Matters arising

There were no matters arising.

5. Action Tracker

[11] Summary reports of Network and Information Systems risk metrics to FPC meetings
This action from 23 February 2023 was not discussed and remains overdue.

[15] Securely sharing an un-redacted version of 30 November 2023 Digital Health papers with FPC members

This action from 30 November 2023 was not discussed and remains overdue.

[18] Re-naming “IJB re-balancing” in Financial Monitoring reports

In response to a member’s question, Director of Finance Mr. Colin Marsland noted the term “IJB re-balancing”, which FPC agreed at its 22 February 2024 meeting was confusing, will not be used in 2024–25 savings plans and so was appearing for the last time in these papers.

[19] FPC Chair Mr. Gary Robinson requesting Finance and Sustainability as a standing item at Board Development sessions

This action from 22 February 2024 was not discussed and so will be marked as delayed.

Standing Items

6. FPC Business Plan

The FPC noted the contents of its 2024–25 Business Plan.

7. Strategic Risk Report

Chief Nurse Corporate Ms. Edna Mary Watson presented the Strategic Risk Report, flagging risks pertaining to access to services, IG training for staff, and estates. Ms. Watson explained the strategic finance risk has been split into two draft risks, “strategic financial planning” and “strategic financial management operational delivery”, and work is underway to address inadequate controls to the national standards and the cyber security risks.

In response to a member suggestion, Ms. Watson will add the monthly feedback Mr. Marsland provides to Board as a control on the “Financial Management Operational Delivery” risk.

ACTION: Ms. Edna Mary Watson

Regarding a member’s query on why accountability in delegation to budget-holders is noted as a weakness in the financial risks, Mr. Marsland explained managers require more training, which should be re-introduced soon, on understanding their responsibilities as budget-holders.

The FPC noted the Strategic Risk Report.

8. Waiting Times Report

Director of Nursing and Acute Services Professor Kathleen Carolan presented the Waiting Times Report, explaining although NHS Shetland’s 2023–24 performance was down against 2022–23, it benchmarked well against other Boards on service-access and treatment-volume.

For 2024–25, Prof. Carolan noted mitigations against risks around visiting speciality services, including scoping a test of change with National Treatment Centres on the mainland, working with NHS Tayside to reduce cataract surgery waits, and more funding for the Ear, Nose, and Throat service. Staff are in regular contact with patients on waiting lists to offer support and check they remain appropriate candidates for the particular service, and it’s hoped Scottish Government (SG) may release more in-year Planned Care funding, allowing greater emphasis on secondary prevention, supporting “prehabilitation”, and “waiting well”.

Answering a member’s question on the Dermatology service, Prof. Carolan shared it will be one of the “test of change” cases and NHS Lanarkshire, sponsored by the National Elective Care Unit, will see 100 patients in June. This could later lead to a Service Level Agreement.

One member queried the outflow of meetings with NHS Grampian following each breach of the 62-day cancer treatment time target, and Prof. Carolan explained their two-fold purpose is to discuss individual patients’ pathways from quality, governance, and safety perspectives, and to undertake thematic analysis.

On funding, Prof. Carolan confirmed the £385k funding gap previously shared with FPC has now been closed, though new systems pressures can always emerge during the year.

The FPC noted the Waiting Times Report.

9. Financial Monitoring Report

Mr. Marsland presented the Financial Monitoring Report showing the Board position at month 13, subject to external audit, including a slippage-level that rounds to zero.

Mr. Marsland also flagged the following points:

- The Community Health and Social Care directorate has effectively broken even despite a projected overspend, due to SG allocations including £300k for dental and £1.2m allowing the Board to fund IJB to out-turn, as required;
- A non-recurrent underspend in commissioned clinical services was partly caused by not spending the full SG allocation for high-cost medicines in 2023–24, though this will be offset by a lower allocation this year; and
- Mental Health services are an ongoing cost-pressure, including high levels of inpatient treatment at Cornhill Hospital in Aberdeen.

In response to a member's question, Mr. Marsland explained the March £1.2m SG Agenda for Change allocation moved the Board from predicted deficit to an effectively breakeven position. Regarding the increased costs in month twelve, Mr. Marsland noted capital expenditure is now recognised at the end of the year, to stop monthly variations producing distorted forecasting, and Scottish Boards are required to agree balances and bill non-contract activity at year-end.

The FPC noted the Financial Monitoring Report.

10. Performance Report

Head of Planning Ms. Lucy Flaws presented the Performance Report, highlighting a longer-term graph of Accident and Emergency (A&E) attendances; combined drug and alcohol figures; actual figures alongside percentages for Freedom of Information requests; and smoking-cessation and Alcohol Brief Intervention targets.

On a member's question regarding the utility of SG's smoking-cessation target now numbers have reached a certain low, Ms. Flaws agreed it may have become outdated from success and a new approach may be needed to help "determined" smokers with multiple health issues.

Regarding longer-term health inequalities, a member queried how information on partnership-working could inform the Performance Report, which Ms. Flaws agreed would be beneficial.

Turning to Psychological Therapies targets, Director of Community Health and Social Care Ms. Jo Robinson mentioned a relevant Service Level Agreement between NHS Shetland and NHS Orkney is now in place, which should improve performance.

FPC Members and attendees discussed A&E attendance figures and possible reasons they spike in summer, including visitors, sporting activity, and "Ask My GP" service downtime.

One member expressed surprise NHS Shetland is the lowest performing Board for immunisation uptake, and Ms. Flaws agreed this was a concern. Regarding improvement, Ms. Flaws explained a potential current mismatch between periods of data-gathering and periods when children become eligible for immunisation; a review of the follow-up process with people who have refused immunisation; local comms around measles outbreaks on the mainland; and that there is now a dedicated Vaccines and Immunisation Co-ordinator within the Public Health Team, who is able to conduct audit work on data and processes.

With regard to Freedom of Information (Fol) requests, members and attendees discussed their two-fold increase from Quarter One 2022–23 to Quarter Four 2023–24, the strain this has put on the organisation's resources, and the difficulty in achieving the Fol targets. Head of IG, Fol Lead, and Data Protection Officer (DPO) Mr. David Morgan and IG Manager and Deputy DPO

Mr. Sam Collier-Sewell explained significant steps have been taken to reduce the burden of FoI requests, including contacting frequently-requesting parliamentary researchers and the Scottish Parliament Information Centre, and pro-actively publishing data. Both also noted NHS Shetland is at risk of intervention from SG due to low performance against the target, but the increase in requests has now far outstripped current resources.

The FPC noted the Performance Report.

11. Capital Programme Outturn

Head of Estates Mr. David Wagstaff presented the Capital Programme Outturn for 2023–24, explaining NHS Shetland broke even for the year for capital, having received a £1m formula capital allocation from SG, £2.8m in-year to support the MRI scanner and other medical equipment, and some smaller allocations for specific project development work. Mr. Wagstaff noted most planned projects were completed, but cost and supply-chain problems persist.

Regarding the Initial Agreement to explore replacing or refurbishing the Gilbert Bain Hospital, Mr. Wagstaff observed SG had given NHS Shetland a significant sum to carry out this work, which then shifted to a Programme Initial Agreement exploring a whole-infrastructure plan, until that was hard-stopped by SG in December 2023. The capital outturn therefore reflects that allocation was not fully utilised.

The FPC noted the Capital Programme Outturn.

Ad-hoc Reports

12. Information Governance Annual Report

Mr. Morgan presented the IG Annual Report, noting some areas to celebrate but many serious challenges arising from the gap between workload and resource.

In response to a member's question on how the "red" areas of the appendix to the Annual Work Plan 2023–24 may affect the year ahead, Mr. Morgan stated a Performance Dashboard and an Integrated Action Plan would improve the organisation's reporting efficiency, however, pressure of work has precluded any recent "rolling audit" of different teams.

Chief Executive Mr. Brian Chittick noted the Executive Management Team (EMT) just approved a Corporate Records Manager post, which all present agreed is a vital addition.

Regarding the "Fair Warning" system, Mr. Morgan assured FPC staff are informed about it.

The FPC noted the IG Annual Report.

13. Information Governance 2024–25 Work Plan

Mr. Morgan presented the IG 2024–25 Work Plan, noting EMT's approval of a Corporate Records Manager post has now mitigated the risks it described.

In response to an attendee question about benchmarking IG performance against other Boards and public bodies, Mr. Morgan and Senior Information Risk Owner Mr. Marsland noted comparison is complicated by organisations starting at different points, while the Information Commissioner's Office has noted varying strengths and weakness across NHS Scotland.

14. Annual Delivery Plan for 2024–25

Ms. Flaws presented the Annual Delivery Plan (ADP), noting it reflects NHS Shetland's Strategic Delivery Plan and priority areas, as well as SG's recovery drivers. SG approved the ADP with no major changes, but Ms. Flaws explained this process involves various policy colleagues reviewing "their" sections, rather than the document being reviewed as a whole, meaning some sections are more closely performance-managed and fed-back on than others. Ms. Flaws summarised the keys areas, touching on Mental Health, Planned and Cancer Care, alcohol and drugs services, and Digital, as well as risks around health inequalities.

Responding to a member's question on how progress against the ADP is being monitored three months into the year, Ms. Flaws mentioned a set of broad SG indicators she brought to the 22 February 2024 FPC meeting and explained the Quarter One Performance Report will include service-provision indicators and project work.

Ms. Flaws agreed with a member's assessment that SG are essentially content with the ADP. The FPC noted the ADP.

15. Capital Plan for 2024–25

Mr. Wagstaff presented the Capital Plan for 2024–25, sharing NHS Shetland receives an annual formula allocation of capital from SG. In previous years, disbursement of the allocation was decided through an internal process in the autumn preceding its receipt, but this process did not take place ahead of 2024–25 as SG had warned the capital approach would change.

Mr. Wagstaff explained SG now requires Boards to develop five to ten-year BC plans for capital infrastructure, including all buildings, assets, equipment, and infrastructure, based on the premise their existing estate will need to be maintained for the next ten to fifteen years. SG will not provide any additional capital in-year, even for medical equipment, and none of the capital allocation can be used for service improvement or delivery.

Following a March Capital Management Group meeting (CMG), Mr. Wagstaff shared, half of the capital allocation formula was allocated to ongoing programmes around backlog maintenance and rolling IT and medical equipment replacements. The remaining half was held back pending a BC process to determine high-level, capital-requiring, in-year risks, and will be allocated accordingly following the next CMG meeting.

Mr. Wagstaff also flagged ongoing work around business and residential accommodation, including that on non-doctor islands, as well as re-negotiation of laboratory contracts, and noted this paper also comprised the Outturn Report and Fire Report for 2023.

In response to a member's question on audit findings around secure storage of IT equipment, Head of Information and Digital Technology Mr. Craig Chapman explained this relates to security of processes rather than property and shouldn't trigger a capital need. Mr. Wagstaff added the environmental security of the data centre is high on the risk priority list for BC.

The FPC noted the Capital Plan for 2024–25, as well as the 2023 Outturn and Fire Reports.

16. Environmental Sustainability Annual Report and 2024–25 Work Plan

Mr. Wagstaff presented the Environmental Sustainability Annual Report and 2024–25, highlighting challenges including unsuccessful applications for carbon-saving grants and low resource to gather returns-information, for which the non-compliance risk is being determined. On the positive side, Mr. Wagstaff noted NHS Shetland's around 90% fleet de-carbonisation and the ongoing "Green Theatres" project, removing greenhouse gases from internal systems.

Going forward, Mr. Wagstaff flagged sustainability is now in the Infrastructure BC Plan as a target and primary driver, though this may generate conflict between meeting environmental targets versus managing inherent risk and maintaining service delivery. Scoping-work around access external project funding is also ongoing.

The FPC noted the Environmental Sustainability Annual Report and 2024–25 Work Plan.

17. Business Continuity Annual Report and 2024–25 Work Plan

Mr. McConnachie tendered his apologies, so members will contact him outwith the meeting with any questions on the BC Annual Report and 2024–25 Work Plan.

The FPC noted the BC Annual Report and 2024–25 Work Plan.

18. Digital Strategy and Delivery Plan

a. Digital Strategy

b. Digital Delivery Plan

Mr. Chapman presented the Digital Strategy and Digital Delivery Plan (DDP), noting while the Digital Strategy is complete and will soon be submitted to the Board, the DDP is still being developed and detail around the scale, timelines, and resources of each project will be added.

In response to an attendee question, Mr. Chapman shared “optimisation” of existing digital systems will be a priority, as it benefits financial efficiency and reduces user frustration.

Regarding a member’s question whether any projects in the DDP are “in flight” and essential to 2024–25 savings targets, Mr. Chapman assured FPC while several are underway, which will be shown more clearly in future versions, no savings targets depend on their completion.

Mr. Chapman agreed with a member’s observation that it will be important to develop a longer-term DDP that aligns with the Clinical and Care Strategy and overall sustainability.

The FPC noted the Digital Strategy and the Digital Delivery Plan.

19. Governance Committee Annual Reports 2023–24

a. Audit and Risk Committee

b. Clinical Governance Committee

c. Staff Governance Committee

d. Finance and Performance Committee

e. Remuneration Committee

The FPC noted the Governance Committee Annual Reports 2023–24.

20. Annual Accounts narrative

Mr. Marsland presented the narrative portion of the Annual Accounts, which in previous years was shared with a joint meeting of the Audit Committee and the other governance Committee Chairs, summarising their purpose and explaining the financial sections are currently under review by Audit Scotland.

The FPC noted the Annual Accounts 2023–24 narrative.

21. Finance and Sustainability Group Terms of Reference

Mr. Chittick presented the Finance and Sustainability Group (FSG) Terms of Reference for approval as it seeks to formalise following its establishment in October 2023. FSG is building a savings plan while a sub-group develops a workforce plan, and it has commissioned work in-house exploring residential and business accommodation utility, capital assets, and M365.

Responding to a member question, Mr. Chittick affirmed FSG would explore incorporating a member focused on quality, safety, and risk, possibly within a sub-group.

The FPC approved the FSG Terms of Reference.

Information and noting

22. Financial Plan for 2024–25

The FPC noted the Financial Plan for 2024–25.

23. Digital meeting minutes

a. Digital Governance Group

The Digital Governance Group had not met since the last FPC paper deadline on 8 February 2024 and the paper deadline for this meeting. Its next meeting is scheduled for 14 May 2024.

b. Information Governance Group

The FPC noted the IGG meeting minutes of 12 March and 9 April 2024.

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.

24. Environmental and Sustainability Group minutes

The Environmental and Sustainability Group had not met since the last FPC paper deadline. Its next meeting is scheduled for 5 June 2024.

25. Capital Management Group minutes

The FPC noted the Capital Management Group meeting minutes of 14 August 2023.

AOCB

26. AOCB

There was no other competent business.

Date of next meeting: Tuesday 1 October 2024 at 14:00, via Microsoft Teams