

SHETLAND NHS BOARD

Minutes of the Finance and Performance Committee (FPC) meeting held virtually on Tuesday 1 October 2024 at 14:00

PRESENT

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

IN ATTENDANCE

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

1. Apologies for absence

Apologies were received from Director of Human Resources (HR) and Support Services Mrs. Lorraine Hall, and IJB (Integrated Joint Board) Chief Officer Ms. Jo Robinson.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of 23 May 2024 meeting

The minutes of the 23 May 2024 meeting of the FPC were approved.

4. Matters arising

There were no matters arising.

5. Action Tracker

No items were discussed from the Action Tracker.

Standing Items

6. Strategic Risk Report

Chief Nurse Corporate Ms. Edna Mary Watson presented the Strategic Risk Report, highlighting the Risk Management Group recently agreed the workforce risk would now be

incorporated into a financial risk, and an overview of all organisational and strategic risks would be presented at its November 2024 meeting.

One FPC member queried whether this meeting's Capital Programme Update meant the estates risk should be revised to a higher level. Chief Executive Brian Chittick explained the risk is currently under review due to the developing situation around the NHS Shetland estate.

The FPC noted the contents of the Strategic Risk Register.

7. Waiting Times Report

Director of Nursing and Acute Services Prof. Kathleen Carolan presented the Waiting Times Report, noting additional funding received at the start of the financial year has been used to support tests-of-change for visiting services and clinical pathways previously directed through NHS Grampian, which are now being formalised through Service Level Agreements.

Prof. Carolan also highlighted risks arising from the cancellation of promised further in-year funding, planned for use on oral surgery and child neurodevelopmental assessments, as well as ongoing challenges around audiology access, surge bed-capacity, and workforce.

In response to a member's question on spending against allocated funding, Prof. Carolan explained while this financial year's spending should not exceed the allocation, it does include non-recurrent elements, so sustaining performance in the next year will depend on future allocation levels. Further, some existing allocations were reduced this year, introducing risk and uncertainty and meaning planned development work could not be carried out.

The FPC noted the contents of the Waiting Times Report.

8. Financial Monitoring Report as at Month Five

Director of Finance Mr. Colin Marsland presented the Financial Monitoring Report, flagging NHS Shetland is currently overspent by £2.4m, with locum spending not reduced from the year prior and accounting for four out of five reasons for the overspend.

Responding to a member's question on Appendix C of the report, Mr. Marsland explained the Young Patients Family Fund is a Scottish Government scheme that pays for parents and siblings to visit children in specialist children's hospitals, which are in four central locations.

Members and attendees discussed how the FPC can discharge its responsibility to hold NHS Shetland to account for overspend when so many mitigation measures are already in place or being explored, and key factors around workforce and funding allocations are beyond the organisation's control. Prof. Carolan proposed attendees could present to the FPC at a future meeting on the many ways the overspend is being addressed, including the gradual re-design of service models and onboarding of international recruits, as well as points Mr. Chittick shared around benchmarking against other Boards, how the savings plan is aligned against the "fifteen-point grid" nationally, demonstrating best value in contracts following the appointment of a Senior Contracts Manager, and ongoing work to better understand the costs of providing remote and rural care. Members agreed such information would be helpful from an assurance point of view.

In response to a member's query on whether NHS Shetland has fully taken into account the recently agreed 2024–25 pay award, Mr. Marsland explained while SG has advised Boards to assume it will fully fund the pay award, this will increase NHS Shetland's baseline the following year and therefore also increase, in real terms, the savings target of 3%.

Members and attendees discussed whether further savings could be realised without placing patient care at risk, and agreed it was vital to demonstrate best value to SG across all areas.

The FPC noted the contents of the Financial Monitoring Report as at Month Five.

9. Quarter One Financial Review letter from Scottish Government

Mr. Marsland presented the Quarter One Financial Review letter from SG, explaining it was the outturn from a meeting he and NHS Shetland Head of Finance, and IJB Chief Financial Officer, Mr. Karl Williamson had with that body. The letter states the financial obligations SG wishes to set, and was followed by another letter reiterating every Scottish Health Board must break even or match its brokerage to stay within the resources SG has budgeted for health.

The FPC noted the contents of the Quarter One Financial Review letter from SG.

10. Performance Report

Head of Planning Ms. Lucy Flaws presented the Performance Report, noting ongoing difficulties in meeting FoI targets, caused by increased demand and exacerbated by capacity challenges in Information Services. Though the local FoI process is being re-examined to add resilience, the target will likely remain hard to hit. Ms. Flaws also flagged the smoking-cessation target, which has stayed static as smoking rates have lowered, as difficult to reach.

For future reports, Ms. Flaws offered to include comparisons against other Boards, if desired.

An FPC member requested additional context around the upward trend in delayed discharges. Prof. Carolan shared work is ongoing to not only reduce patients' length of stay, but also avoid initial admission in cases where home, or home-like, care would be appropriate.

Ms. Flaws added additional resource is currently being used to re-explore the model of making delivering care in communities sustainable long-term. NHS Shetland is collaborating with Community Planning and other SIC staff, looking at legal matters and the impact assessments required of public bodies as well as making associated training resources available to NHS colleagues from the SIC side. These resources should then be formally adopted on the NHS Shetland side in future. Ms. Flaws added the NHS Shetland Planning team are also working with SIC Community Planning to conduct focus groups on how equalities mainstreaming and reporting should influence impact assessments.

Turning to the recently-installed Shetland MRI scanner, one member asked if its use had affected any metrics so far. Prof. Carolan shared 340 MRI scans were conducted just between July and September, already reaching half the previous number of 6–700 scan-referrals annually to NHS Grampian, most often for orthopaedic pathways and patients with suspected cancer. While this suggests a large unmet need before and an improvement for patient experiences, Prof. Carolan noted the related cost implication, which is being monitored.

On MRI scan evaluations being completed by an Australian company, Prof. Carolan shared in response to a member question that turnaround times are favourable compared to the previous arrangement with NHS Grampian without a huge cost penalty. However, Prof. Carolan explained NHS Shetland is working with SG to ultimately use an NHS solution.

The FPC noted the contents of the Performance Report.

11. Capital Programme update

Head of Estates Mr. David Wagstaff presented the quarterly update on the Capital Programme, sharing it is on track for the current financial year. Half of the capital allocation was committed at the start of the year to various projects which are all moving ahead, with half either completed, or in the process of being procured or tendered. Mr. Wagstaff noted some of the remaining, unallocated resources were committed at the most recent Capital and Asset Management Group meeting to high-priority backlog Capital Programme items.

Mr. Wagstaff flagged two work-areas due to go before the December Board meeting: the Business Continuity Plan (BCP), to go to SG by January 2025, incorporating high-level risks and preparing the five and ten-year infrastructure programmes; and the lab-managed service contract, in collaboration with National Services Scotland, for implementation from January.

Turning to medical equipment, Mr. Wagstaff noted SG has not yet decided whether it will top-slice related cost nationally and manage it centrally, or require Boards to manage it locally. As a result, NHS Shetland must currently both incorporate medical equipment costs into its BCP, and prepare a separate five-year Medical Equipment Plan to go to the National Infrastructure Group. SG has also stated there will be no further general allocations this financial year.

Responding to a member's query on the likely five-year infrastructure plan allocation relative to the current £1.1m one-year allocation, Mr. Wagstaff explained SG has advised NHS Shetland, as an island Board, to plan for double its annual formula allocation, so £2m in 2025–26.

Mr. Wagstaff agreed this larger allocation may reduce the risk-level around the existing estate.

One member queried whether there was increasing risk around the two lifts in the Gilbert Bain Hospital. Mr. Wagstaff shared they are rated high-level risks on the BCP, increasing proportionately as they age, but replacing the lifts would require major structural work and BC plans are in place should both fail simultaneously.

Mr. Chittick flagged his awareness as Accountable Officer for NHS Shetland of the best-value risk in continuing to invest in a hospital that needs to be replaced in the fairly near future.

The FPC noted the contents of the Capital Programme update.

12.FPC Business Plan

Mr. Marsland presented the FPC Business Plan, which is reviewed at each meeting.

The FPC noted the contents of the FPC Business Plan.

13.Information Governance update on Work-plan 2024–25

Head of IG, FoI Lead, and Data Protection Officer Mr. David Morgan presented the update on the IG 2024–25 Work-plan, flagging the addition of completing the Cyber Incident Response Plan, work arising from the Information Commissioner's Office audit, and the development of an Integrated Action Plan covering records, IG, and cyber.

Mr. Morgan also noted interviews would soon be held for a Corporate Records Manager.

To a member's question on recruiting an Information Security Officer, Mr. Morgan shared Head of Information and Digital Technology Mr. Craig Chapman stated this was underway.

Members and attendees noted the importance of a Cyber Incident Response Plan, though it only represents 0.1% of the annual National Information Systems audit.

The FPC noted the contents of the updated IG 2024–25 Work-plan.

14.Digital Health update

a. Digital Security Strategy and related policies

Mr. Chapman presented the Digital Security Framework, comprising a strategy document and suite of related policies, with a structural organogram, which will sit alongside an IG equivalent. Should FPC approve the Framework, Mr. Chapman explained it would be posted on the NHS Shetland website and socialised through the organisation via an awareness campaign.

One member queried how the Access Control Policy is effected. Mr. Chapman explained the Information Technology department acts regularly on HR reports on movers and leavers, as well as using activity-reviewing software, to ensure staff have only appropriate access.

Members and attendees also discussed the importance of a Clear Desk Policy, noting upholding it can be a challenge in clinical areas that are often still quite paper-based.

The FPC approved the contents of the Digital Security Strategy and related policies.

b. Digital Strategy and delivery plan

Mr. Chapman presented the Digital Strategy and Delivery Plan for final noting, following its approval by the Board.

In response to an attendee question on the route into the governance structure for Programme Board Executive Sponsors for digital projects, Mr. Chapman explained one would report to the Digital Governance Group (DGG) and he would add this to the DGG's Terms of Reference.

ACTION: Mr. Craig Chapman

Mr. Chapman also said he would regularly prepare a specific document for FPC to share project updates that go to DGG, rather than sharing this information only in DGG minutes.

ACTION: Mr. Craig Chapman

Members and attendees noted the challenge of appropriately balancing planning and governance with service delivery.

The FPC noted the contents of the Digital Strategy and delivery plan.

Ad-hoc Reports

15. NHS Shetland Annual Climate and Sustainability Report

Sustainability Lead Mr. Lawson Bisset presented the NHS Shetland Annual Climate and Sustainability Report, touching on reduced SG funding for environmental initiatives, preparing a contribution to an annual national public report, creating a waste hub within the NHS Shetland estate, and developing an integrated Shetland-wide strategy towards net-zero.

Mr. Bisset also noted two updates to the contents of the Report regarding information the Communications Team will circulate to all staff on national environment and sustainability awareness, and training on waste management that will soon be made available.

The FPC noted the contents of the NHS Shetland Annual Climate and Sustainability Report, recognising the requirement for sufficient staff resources in respect of the NHS Scotland Climate Emergency and Sustainability Strategy 2022–26 and DL (2021) 38.

16. Finance and Sustainability Group (FSG) report

Mr. Chittick presented the FSG report, explaining the Group was established eleven months ago as a working group to review NHS Shetland's financial position and containment activity, and develop a Finance and Sustainability Plan (FSP).

However, Mr. Chittick explained FSG has evolved from its initial remit and is now overseeing and developing the FSP, aligning it with SG priorities, as well as undertaking work-streams around workforce planning, adding narrative to the savings plan, and commissioning research internally into accommodation, utility, transport, on-call work, and out-of-hours payments and arrangements. Mr. Chittick also mentioned FSH is linking previous scenario-planning to a review process, developing a Communication Strategy linked to finance and sustainability, and reviewing prior containment measures to refine their effectiveness before re-implementation.

One attendee queried how FSG would involve subject-matter experts on the department and service level, and how it would liaise with Heads of Service regarding staff capacity to assist. Mr. Chittick shared several examples, including a Transport Review FSG commissioned from the Transport Group, HR and finance representation in looking at bank staffing, and that some commissioned work has come to the Executive Management Team. Mr. Williamson explained FSG oversees a database of savings plans managed by the Finance Department in consultation with service managers, and would assist in ensuring plans keep moving forward. Ms. Flaws added FSG offers a system-wide view, allowing successful savings and sustainability initiatives in one department to be identified and adopted across others.

In response to an attendee question about redistributing administrative work across NHS Shetland to free up clinicians' time, Mr. Chittick highlighted an SG initiative to reduce the number of administrative staff across Boards, around which HR is currently gathering data. This reduction may then fall under the remit of FSG to oversee.

On a member's query about how, and how well, FSG is achieving its goal of maximising service delivery within financial constraints, Mr. Chittick explained FSG aims to improve the granularity of information on which decisions are based, rather than make those decisions.

One member encouraged NHS Shetland to ensure SG is aware of FSG's existence and work. The FPC noted the contents of the FSG Report.

Information and noting

17. Procurement Annual Report

Mr. Marsland presented the Procurement Annual Report, highlighting it was already approved by the Board at its last meeting, due to issues around timing FPC meetings and SG deadlines.

The FPC noted the contents of the Procurement Annual Report.

18. Annual Delivery Plan 2024–25

Mr. Chittick presented the Annual Delivery Plan 2024–25, flagging it too was already approved by the Board at its last meeting, due to issues around timing FPC meetings and SG deadlines.

The FPC noted the contents of the Annual Delivery Plan 2024–25.

19. Digital meeting minutes

a. Digital Governance Group (DGG)

The FPC noted the DGG minutes of 16 January and 14 May 2024.

b. Information Governance Group (IGG)

The FPC noted the IGG minutes of 14 May, 9 July, and 13 August 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.

20. Environmental and Sustainability Group minutes

The minutes of the 5 June 2024 meeting of the Environmental and Sustainability Group were not yet available for FPC review.

21. Capital Management Group (CMG) minutes

The FPC noted the CMG minutes of 13 June and 11 July 2024.

AOCB

22. AOCB

There was no other competent business.

Date of next meeting: Tuesday 3 December 2024 at 14:00, via Microsoft Teams