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30th June 2022

Dear Boyd

NHS HIGHLAND ANNUAL REVIEW: 4 MAY 2022

1. Thank you for attending NHS Highland's Annual Review with your Chief Executive Pam Dudek on 4 May via video conference. I am writing to summarise the key discussion points.
2. As with last year's round of Annual Reviews, in-person Reviews have not proved possible, as a result of the Covid-19 pandemic and associated pressures. Nonetheless, Annual Reviews remain an important part of the accountability process for the NHS and, as such, we have arranged for Ministers to hold appropriate sessions with the Chair and Chief Executive of each Board via video conference. I was supported in the meeting by: Caroline Lamb, Director General, Health & Social Care and Chief Executive of NHS Scotland.
3. The agenda for this year's round of Reviews has been split into two sections to cover: a look back, including the initial response to the pandemic; and a look forward, in line with the current Board resilience and mobilisation plans.

Look back: 2020/21, including the initial response to the pandemic

4. Before considering the impact of the pandemic, we started by concentrating on the areas where NHS Highland are, and have been, escalated on the Performance Framework. NHS Highland are at level 3 on the Escalation Framework in relation to: (i) financial position/management; (ii) governance, leadership and culture (in particular, as the Board takes forward actions in response to the Sturrock Report, the associated Argyll & Bute Review and the *Listening and Hearing Survey*); and (iii) mental health performance.
5. Prior to the pandemic, NHS Highland received £11 million of brokerage in 2019-20. NHS Highland delivered a balanced position in 2020-21 and 2021-22, after receipt of non-repayable support from the Scottish Government to meet the additional Covid-19 pressures; £14.5 million and £16.6 million in 2020-21 and 2021-22, respectively. During 2021-22, the Government continued to have quarterly financial review meetings with senior members of the Board's finance team. Partway through the year, additional monthly scrutiny was introduced with a focus on savings delivery. We note recurring pressures arising around the funding gap in adult social care (c. £11 million), and the non-recurring solutions that have been used to meet these, to date.

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6. In relation to Board governance, leadership & culture, the Scottish Government will continue to engage with NHS Highland to seek assurance of the Board's commitment to take forward actions in response to the Sturrock report, the Argyll & Bute review, and the *Listening and Hearing* survey. You set out some of the actions taken and progress made, including a significant number of senior Board appointments to strengthen leadership; provision of a range of training and support; wide and ongoing staff engagement; and a significant cultural change programme.

7. Turning to the Board's escalation for mental health performance, particularly very long waits, system pressures for NHS Highland relate specifically around the Board's rurality and challenges around recruitment and retention. More senior focus and leadership was required around the Board's improvement plans and we are pleased to note recent key appointments, including Director of Psychology, a Clinical Director for Child and Adolescent Mental Health Services (CAMHS) and a Head of Children's Services. We note that CAMHS improvement plans are in place with Psychological Therapies plans due in late summer, as informed by input from new Director of Psychology.

8. We recognise that the Board has made progress on the local escalation issues, alongside the most challenging backdrop of the pandemic and the associated, unprecedented pressures. Please be assured that we will keep the Board's escalated status under close review, in light of the further progress that is made.

9. Turning to the Board's experience of Covid-19 to date, you provided a helpful overview of the Board's response to the pandemic from late February 2020. The initial response required an unparalleled, immediate and radical restructure of both services and ways of working across the NHS in Scotland, including in NHS Highland. The Board's response and recovery planning process involved the rapid reconfiguration of local health and care services across acute, primary and community settings, including a significant increase in the use of technology, such as *Near Me*, to deliver care outside hospitals or clinic settings, alongside effective, whole system working.

10. Staff at every level have consistently performed above and beyond the call of duty to support both local services and the national effort: for instance, with the unprecedented *Test & Protect* and vaccination programmes, as well as the crucial support and clinical oversight provided to local care homes. An example of this had been the medical physics staff who had worked innovatively and tirelessly in the initial stages of the pandemic to bolster vital critical care capacity by converting anaesthetic machines to ventilators; alongside other largely unsung heroes, such as those who had been instrumental in establishing the new community pathways; and ensuring that key services, such as district nursing and health visiting, had been maintained throughout.

11. Indeed, it is through the consistent dedication and commitment of local health and social care staff, under largely unrelenting pressures, that we have ensured that the NHS has not been overwhelmed at any point during the pandemic, to date. As such, I would want to formally record our deep appreciation to all local health and social care staff for their outstanding work, and give them an assurance that we will continue to do all we can to support them.

12. In terms of the impact of Covid-19 and associated activity, during the financial year 2020/21, NHS Highland experienced: 361,772 outpatient attendances; 47,629 hospital admissions; 49,236 attendances at Emergency Departments; and performed 55,017 diagnostic tests. For the period up to December 2021, NHS Highland delivered: 150,072 virtual appointments; and had ensured that 87.2% of the eligible population was vaccinated, including 207,803 boosters. You confirmed that such activity, and the remarkable service adaptations undertaken at pace, including the increased use of technological innovations, had been delivered via a highly effective local, whole system command structure: ensuring appropriate oversight and governance alongside delivery.

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13. The need to establish capacity to meet the Covid-19 demands placed on health and social care required significant changes in the level of planned care available during 2020/21. During the first Covid-19 wave all planned surgery, with the exception of cancer, was paused. Subsequent surgical capacity during the remobilisation period from July to November and the second wave (December 2020 to March 2021) was restricted by capacity constraints necessary to follow national Infection Prevention and Control guidelines to protect patients and staff; and the need to continue to adapt to meet the numbers of Covid-19 admissions. There have been significant bed pressures as a result of lack of flow and high numbers of emergency patients in both medical and surgical areas, and workforce challenges around recruitment, retention and absence have significantly impacted activity. Orthopaedic elective capacity has been significantly reduced due to reduced theatre availability and emergency pressures; and the waiting list has doubled over the pandemic period. On a more positive note, the Board had diverted consultant time to clinics with a positive impact on the outpatient waiting list, which is smaller than pre-pandemic.

14. All Health Boards had seen unscheduled care pressures fall in the first phase of the pandemic, with the restrictions having a significant impact on attendances. As restrictions were eased following the initial lockdown, attendances had risen; and Boards faced new pressures in A&E Departments and receiving wards due to the higher acuity of some presentations, alongside the maintenance of appropriate infection control measures and streaming of patients. NHS Highland's performance has fluctuated throughout last year due to capacity issues compounded by staffing shortages caused by Covid-related absence, short term illness, vacancies and annual leave. This has been exacerbated by shortages of agency/bank staff. Patient acuity has been higher than normal leading to a longer and more complex term of care, with Raigmore Hospital regularly requiring surge capacity. The level of delayed discharge has also impacted on capacity levels due to severe shortages in care at home. With cancer service delivery remaining a priority, the Board's performance against the 31-Day standard was consistently strong; however, performance against the 62-Day standard was more challenging.

15. All Boards will need to learn from the pandemic experience and adapt; ensuring that the remarkable innovation and new ways of working demonstrated underpin the local strategy for a sustainable future. We also asked the local Area Clinical Forum and Area Partnership Forum to provide brief updates ahead of the Review and were pleased to note the ongoing positive engagement and contribution of both; the Board will need to harness this and ensure full staff support and engagement for the longer term recovery and renewal phase.

16. To summarise, we are most grateful for the outstanding efforts of local staff to adapt and maintain key services for the benefit of local people, in the face of unrelenting pressures. We must also recognise that the initial pandemic response, which necessitated the prioritisation of Covid, emergency and urgent care, meant that there has inevitably been a regrettable increase in non-COVID health and wellbeing harms, alongside a significant and growing backlog of non-urgent planned care; and that, despite the success of the vaccination programme, we face ongoing risks around the disease, alongside a range of other pressures that are likely to have a significant impact.

Forward look

17. Ensuring that the NHS is not overwhelmed remains of paramount importance and, given the myriad of pressures facing us, Boards remained on an emergency footing until the end of April 2022. The Government had supported NHS Board planning for the most recent winter via the [Health and Social Care Winter Overview](#), published on 22 October. The approach was based on four principles: maximising capacity; supporting staff wellbeing; supporting effective system flow; and improving outcomes. It outlined how we would: protect the public from the direct impact of Covid-19 and other winter viruses; support our staff to deliver high quality care; increase capacity and maintain high quality integrated health and social care; support the public through clear and consistent messaging to make sure they access the right care, in the right place, at the right time; and use digital and financial enablers to achieve these objectives.

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18. This approach, supported by the [Adult Social Care Winter Plan](#), is backed by £300 million of recurring funding, aimed at ensuring we have a well-staffed, well-supported and resilient health and social care system. The new multi-year funding will support a range of measures to maximise capacity in our hospitals and primary care, reduce delayed discharges, improve pay for social care staff, and ensure those in the community who need support receive effective and responsive care.

19. Most NHS Boards, including NHS Highland, had faced a very difficult period since last autumn, including the impact of record Omicron infections and hospitalisations; with total patients in hospital nationally with Covid exceeding both the initial and previous pandemic peaks. The acute sector had been under particular, sustained pressure; resulting in very high bed occupancy, bed closures, cancellations of elective surgery, overcrowding in A&E, high numbers of people experiencing delays, both to access services and to move on to the most appropriate care setting.

20. We noted that the Covid-associated pressures had been further exacerbated by recent outbreaks of norovirus at Raigmore Hospital and at Caithness General. However, the new maternity unit, outpatient department and reconfigured A&E Department at the latter have helped to improve patient flow and experience. We also recognise that the pressures have been marked right across the system: in primary, community and social care; as well as acute settings.

21. We remain very conscious on the cumulative pressures on the health and social care workforce and were pleased to note the steps NHS Highland is taking in terms of the wellbeing and resilience of local staff. You confirmed that the Board has established a range of support measures for staff in order to promote personal resilience, help prevent mental health issues developing, and to promote overall wellbeing in the workplace. These measures will also play a pivotal role during the essential recovery period, following on from the height of the pandemic, and in rebuilding staff resilience.

22. Whilst our recent focus has necessarily been on resilience, we remain ever conscious of the backlog of elective care and associated harms. We continue to assist NHS Boards, including NHS Highland, with local plans for recovery, in light of the more than £1 billion of targeted investment driving the remobilisation of our NHS; as part of our [Recovery Plan](#), announced in August 2021.

23. The Board had submitted a high level recovery plan for elective surgery in March that seeks to bring NHS Highland up to 90-95% of pre-pandemic activity. Nonetheless, further significant work will be required to develop a robust approach to recovery, balancing the local workforce and capacity challenges. The new £32 million National Treatment Centre in Inverness will offer a very significant boost to local capacity. Construction is currently expected to be complete by the end of 2022 and open for procedures by the spring of 2023. The centre will provide state of the art, innovative ophthalmology and orthopaedic healthcare to the people of the North of Scotland; providing 24 beds, five operating theatres and 13 consulting rooms; including four for virtual consultations. You confirmed that recruitment activity was well underway for the additional 210 staff required.

24. The local urology and cancer teams are to be commended on the good progress made on the pathways, particularly for prostate cancer where the performance and patient experience has improved; with an average of 40 days removed from the pathway. The refreshed *Framework for Effective Cancer Management* was published in December and monthly monitoring of the Board's action plan to implement the Framework is in place to ensure all 8 key elements are embedded.

25. NHS Highland's performance against the national A&E standard has fluctuated throughout this year. As noted above, frequent high occupancy and patient acuity, limited bed capacity and continuing staffing gaps (for a number of reasons inc. Covid) have been contributing to lengthy delays. Local performance against the 4-hour standard for the week ending 1 May was 85.1% against the national average of 71.6%. We noted the work underway locally as part of a range of improvement programmes, such as the Redesign of Urgent Care; with the local Flow Navigation Centre consistently discharging over 30% of patients to self-care, where appropriate.

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26. For mental health services, as noted above, local improvement plans are being further developed to stabilise and strengthen services; to sustainably reduce the longest waits and as a robust base for recovery in line with the national waiting times standards. The Government's Mental Health Performance Unit will continue to offer support and monitor progress closely.

27. 2022-2023 presents a further financial challenge for the Board against a backdrop of remobilisation, recovery and the ongoing impact of Covid. We recognise the ongoing financial impact of Covid and associated pressures; alongside workforce, social care costs and slippage in the delivery of savings. The Scottish Government will continue to regularly engage with the Board to monitor the financial position and to assist with longer term financial planning.

Conclusion

28. I hope that by the time of the next Review we will be free of some of the more extreme recent pressures and able to focus fully on local service recovery and renewal. I am, nonetheless, under no illusion that the NHS continues to face one of the most challenging periods in its history and remain grateful for your ongoing efforts to ensure resilience. We will continue to keep both local activity under close review and to provide as much support as possible.

29. I want to conclude by reiterating my sincere thanks to the NHS Highland Board and staff for your sustained professionalism and commitment, in the face of unprecedented and unremitting pressures during both 2020/21 and 2021/22, for the benefit of local people.

Yours sincerely



KEVIN STEWART

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