

Minute Finance and Performance Committee

17 December 2025

Attendance

Fiona Mackay (Chair – Non-executive Board Member), Melanie Barnes (Interim Director of Finance), Debs Crohn (Head of Corporate Governance), Tammy Sharp (Director of Performance and Transformation), Sam Thomas (Executive Director of Nursing, Midwifery, Allied Health Professionals and Chief Officer Acute Services), James Goodyear (Interim Chief Executive), Ryan McLaughlin (Non-Executive Director - Employee Director), Jason Taylor (Non-Executive Board Member), Davie Campbell (Non-Executive Board Member – Interim Board Chair), Stephen Brown (Chief Officer IJB), Dave Harris (Director of People and Culture), Sharon Keyes (Head of Facilities and NPD Contract), Dr Anna Lamont (Medical Director), Jean Stevenson (Non-executive Board Member), Isobel Greive (Non-Executive Board Member) and Mohammed Sohail (Chief Finance Officer – IJB)

Kate Doughty (Corporate Records Manager) attended for agenda item 12.2.

1. Cover Page

Finance and Performance Committee Purpose

To review the financial and non-financial targets of the Board, to ensure that appropriate arrangements are in place to deliver against organisational performance measures, to secure economy, efficiency, and effectiveness in the use of all resources, and provide assurance that the arrangements are working effectively.

Quorum:

Three members present including at least two non-executive Board Members, one of whom must be Chair or Vice-Chair, and one Executive Member.

2. Welcome and Apologies (Presenter: Chair)

The Chair (Fiona Mackay) opened the meeting at 09.30 am and welcomed members.

Apologies received from Dr Louise Wilson (Director of Public Health).

Members agreed the meeting was quorate in accordance with the Boards Code of Corporate Governance.

3. Declarations of Interest (Presenter: Chair)

There were no declarations of interest raised.

4. Minute of the Finance and Performance Committee held 26 November 2025 (Presenter: Chair)

The Chair asked for comments on the minutes of the meeting on 26 November 2025.

Decision/conclusion

Minute of the meetings held on 26 November 2025 were accepted as an accurate record of the meeting and approved subject to the amendment discussed and approved.

5. Matters Arising

The Interim CEO provided an update to Committee on sub-regional planning. Sub national planning structures are being stood up, first meeting East SRPC is Friday this week (add date) with all East Territorial Health Boards and national health boards. An additional remote and rural workstream has been proposed, Lead Director appointments have been delayed, pending national staff side conversations.

East region CEOs met 17 December 2025; regular communications will be issued to East Health Boards. North of Scotland CEO continue to meet to ensure smooth transition into the new structures.

The Chair asked for confirmation on who is representing the Board at the Remote and Rural Workstream. This is being worked through and will be discussed at the meeting 17 December 2025, the Board's Interim CEO has agreed to take a lead role in this space, there is an expectation that Executives leads will be involved and that an Islands Impact Assessment is conducted as well as a Strategic Needs Assessment to ensure a remote model of healthcare is in place to ensure equity for remote and rural communities.

Chief Officer IJB asked that the consultation on the Islands plan which concludes in January 2025 be considered as part of the East of Scotland planning.

The Interim Board Chair asked for an update in relation to Executive financial control targets and the first meetings with Executive Directors. The Interim CEO advised that forecasting work is slightly behind where we want to be, this will be stood up as soon as possible, with an update brought to the next meeting.

Decision/conclusion

Members noted the update on sub-regional planning

6. Action Log (Presenter: Head of Corporate Governance)

The Chair presented the Finance and Performance Committee Action Log 2025/26.

Decision/conclusion

The action log was reviewed, no outstanding issues (see action log for details).

7. CHAIRS ASSURANCE REPORT - Finance and Performance Committee Chair's Assurance Report – 26 November 2025 2025 (Presenter: Chair)

The Committee Chair presented the Chairs Assurance report of the Finance and Performance Committee meeting held on 26 November 2025 for assurance.

Decision/Conclusion

The committee noted the update with the amendment discussed for onward submission to the Board February 2026.

8. Corporate Risks aligned to the Finance and Performance Committee (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Corporate Risks aligned to the Finance and Performance Committee. All risks have been reviewed in line with our risk management framework.

Risks in relation to project and change management have been reduced and general safety in the Old Balfour due to mitigating actions.

The Interim Board Chair asked the EDoNMAHP and Chief Officer IJB when the risk score would be reviewed in relation to social care capacity. The EDoNMAHP advised that the risk is reviewed regularly, additional work is required to capture work across the system and not Delayed Transfers of Care (DTOC). Whilst there are high levels of DTOCs, plans are in place for patients, noting that whilst the indicator is red, monitoring continues in relation to all risks aligned to the Finance and Performance Committee. Chief Officer IJB agreed to review the risk in relation to social care capacity.

J Stevenson asked for clarity on the risk associated with the lack of digital maturity and the implications for the Board. The Interim Director of Finance recognised that a review of the risk. Head of Corporate Governance advised that a risk jotter is being presented to the Risk Management Group on 17 December 2025 in relation to Digital Capacity and Capability.

Decision/Conclusion

Committee took assurance on the progress and mitigations presented on the latest Corporate Risk Register

9. DEEP DIVES

The Chair advised that due to scheduling meetings, i.e. the last meeting was 3 weeks ago, no Integrated Performance Report was presented to Committee.

9.1. Financial Planning Assumptions 2026/27

The Interim Director of Finance presented the Financial Planning Assumptions 2026/27 to Committee for discussion.

Developing an integrated financial plan is critical to ensure NHS Orkney can make coherent, system-wide decisions that balance finance, activity, workforce and quality. These components are interdependent, and planning them in isolation creates operational blind spots, cost pressures and avoidable variation.

Our opening deficit has been revised to £4.2m in line with our reported position at Month 7. The £4.2m deficit out-turn for 2025/26 does not meet the terms and conditions of the transitional funding agreement and it is therefore assumed no transitional funding will be received in 2025/26.

NHS Orkney have approved transitional funding of £1.5m for 2026/27, dependent on the outturn of 2025/26. We have developed our 2026/27 Financial Plan on known funding increases and cost pressures and modelled savings delivery targets.

£650K savings scheme has been identified, there is a proposal to give all directorates a target saving. 3 scenarios were presented to committee, each scenario results in a gap in funding.

The Boards financial plan will be integrated into the East of Scotland Plan, although this detail is yet to be agreed.

The Interim Director of Finance advised that the draft financial plan 2026/27 will need to be submitted to Scottish Government by 7 February 2026, will be presented back to Committee in January 2026.

J Taylor asked if transitional funding had been included, noting that £100k was suggested in relation to Isles Network of Care, The Chief Officer IJB advised that work is taking place in the background

around potential models. The figure presented in the paper is based on a pilot being undertaken on Papa Westray.

J Taylor asked for clarity on the Out of Hours savings being delivered, with a target date of March 2027. The EDoNMAHP advised that this would be the completion date, recognized further work is required.

J Taylor asked if the budget control target of 1.5% is based on pay or non- pay, Interim DOF advised it is based on total budget.

J Taylor asked for confirmation on the target for the reduction in Whole Time Equivalent. Interim Director of Finance advised that no assumptions have been included in the financial plan.

The Interim CEO advised that the planning paper is very much work in progress, guidance shared with Committee as part of the financial review should be used to inform the planning based on best- and worst-case scenario across all our big schemes so a consistent way to understand savings is in place.

The Interim CEO asked for clarity on whether transitional funding would be received if we end the year with a deficit of £4.2M. The Interim Director of Finance confirmed funding would not be received. Recognising our Director of People and Culture joined the Organisation in November there is a piece of work to look at workforce planning, bank and agency controls and activity before the paper returns to Committee in January 2026. In our most recent workforce report (September 2025), our substantive headcount, bank and agency staff costs have increased, whilst sickness absence has remained stable.

J Stevenson asked for clarity in relation to staff redundancy. Director of People and Culture advised that we are constrained in terms of reducing WTE. The Employee Director advised that compulsory redundancy is not an option, voluntary redundancy could be. The Interim Director of Finance advised that voluntary redundancy is an option however agreement would be required by Scottish Government.

The Interim Board Chair asked for case studies/business cases to be included in the financial plan to demonstrate accountability and credibility to Scottish Government rather than presenting high level figures. The Interim CEO advised that the Clinical Services Review Project Initiation Documents provides some of the narrative and advised that the paper presented to Committee is a high-level plan at this stage. In relation to the waste reduction plan, schemes need to be quickly worked up with a 2-3% savings target for all directorates, noting that this may not be achievable. Engagement and conversations with teams will be key to working through the savings targets.

The Medical Director advised that a Business Case for the relocatable MRI scanner is being developed recognising that funding is not available to absorb the service is funding is not secured from Scottish Government.

The EDoNMAHP advised that triangulation of the data is noted important but underpinning this is the consideration which needs to be given to the implications of implementing the Agenda for Change Reduction in Working Week.

The Employee Director asked for confirmation on who will be supporting engagement with staff on savings targets. The Director of Performance and Transformation advised that ongoing work is underway to bolster corporate schemes, Executive Directors will be required to identify savings, once targets are agreed the Improvement Team will be available to facilitate sessions with teams.

The Interim Director of Finance advised that savings will be identified at directorate level and not at a team level.

The Interim CEO reminded Committee that there is a need to look at service planning commencing in July 2026, this needs to be built into Committee business.

Decision/Conclusion

Committee discussed and noted the report.

10. STRATEGIC OBJECTIVE – PLACE

David Miller (Resilience Officer) joined the meeting at 10.26

10.1. Integrated Emergency Planning update (Presenter: Resilience Lead)

The Resilience Lead presented an Integrated Emergency Planning Update. Members were advised that an emergency planning exercise was undertaken earlier this year following a review of the major incident plan approved 19 January 2024.

The 'Foreland Exercise' was well attended, it was a successful challenging tabletop exercise.

On the 23 June 2025 a live plan exercise was undertaken, there were limitations noting clinical and operational capacity challenges. Lessons learned were presented to the resilience group 2 December 2025, increasing loggist capability, leadership training, improving communications and simplifying tools are being taken forward.

There are financial implications to undertaking live play exercises, recognising the benefits of live play versus desktop exercises.

The Interim CEO thanked the Resilience Officer for the report and lessons learned and asked for more information on when training will be in place for incident management training, particularly for staff who are working on call. The EDoNMAHP advised that HMS training cannot be delivered on Island, conversations are taking place around alternative methods for delivery of training.

Interim Board Chair asked that actions and timescales for lessons learned be brought back to Committee. The Resilience Officer advised that lessons learned will be presented to Senior Leadership Team. Resilience workplan update to be brought back to Committee in February 2026.

Decision/conclusion

Members noted and took assurance on the report.

11. STRATEGIC OBJECTIVE - PERFORMANCE

11.1 Robertsons Contract Update (Presenter: Head of Facilities and NPD Contract)

The Head of Facilities and NPD contract presented an update to Committee on the Robertsons Contract and concerns raised.

Despite financial penalties being applied, the situation has not improved despite escalation to NHS Assure.

The Interim CEO asked for clarity on how the Robertsons contract is monitored and advice from NHS Assure. The Head of Facilities and NPD contract advised that planned maintenance is managed via the service desk. Warning notices are raised with Robertsons Facilities Management, assurance has been given by Directors of Robertsons, however this has not resolved the issues.

The Interim Director of Finance advised that this is a Non-profit distributing contract, governance is a monthly meeting with Robertsons. A quarterly meeting takes place with Robertsons Facilities Management (RFM) Directors, our final point of escalation is NHS Assure, noting that issues with the contract is via NHS Assure.

The Interim CEO asked for confirmation of the financial health of RFM and asked if there is a broader risk of the organisation not putting in place the resources required to deliver the service. The Interim Director of Finance advised that RFM have experienced challenges in relation to recruitment, and there is currently no evidence of financial issues with RFM.

The Head of Facilities and NPD Contract noted that, while financial reporting is ongoing, recruitment remains the main challenge.

J Taylor asked if there are any additional levers that could be used to resolve the issues. The Head of Facilities and NPD advised that the Board needs to continue raising concerns via the service desk.

The Employee Director asked for clarity on internal escalation routes, and if there is an opportunity to utilise NHS Orkney noting our duty of care to staff and patients. The Interim Director of Finance advised that the Board recognises its responsibility for Health and Safety.

The Medical Director advised that the issue with Fire Dampers has been raised as a risk and asked if we could sub-contractor the work and re-charge RFM. The Head of Facilities and NPD advised that sub-contracting would need to be via NHS Assure and Scottish Future Trust.

The Interim CEO asked if the risks are captured on the risk register and asked if NHS Assure would be willing to attend Committee in an advisory capacity. The risk is in the process of being raised with the Risk Management Group.

The Interim Board Chair asked for clarity on the levers available to the Board, Robertsons Contract is a standing agenda item for Committee going forward.

Decision/conclusion

Members noted the update

11.2 Chair's Assurance Report Improving Together Programme Board – 28 November 2025 (Presenter: Interim CEO)

The Interim CEO presented the Chair's Assurance Report from the Improving Together Programme Board 28 November 2025. The Improving Together team have simplified reporting for clarity on actions.

Scottish Government attend the meeting, which has been useful in relation to collaboration with other Health boards.

The Director of Performance and Transformation confirmed that streamlining papers has supported efficiency of meetings.

Decision/conclusion

Members took assurance on the report

11.3 Planned Care Programme Board - Chair's Assurance Report – 11 November 2025 (Presenter: Director of Performance and Transformation)

The Director of Performance and Transformation presented the Chair's Assurance Report from the Planned Care Programme Board held on 11 November 2025.

The meeting is now running quarterly, with weekly waiting times meeting. Monitoring 52 weeks waiting times position is now via the IPR, members were asked to note that the noting this is not just 52 week waits.

Internal audit has now been undertaken on waiting times.

No items were escalated to Committee.

Decision/conclusion

Members took assurance on the report

11.4 Chairs Assurance Report Strategic Estates and Capital Group 17 November 2025 (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Chair's Assurance Report from the Strategic Estates and Capital Group held 17 November 2025.

6 business cases were approved by the Strategic Estates and Capital Group.

20 estates policies were presented for consideration and deferred to the December 2025 meeting to give members time to review the policies.

Robertsons contract and inflationary pressures were escalated to Committee; discussed earlier in the agenda.

The Interim Board Chair asked for an update on the sale of King Street. The Interim DOF advised that the sale is now out to the open market.

Decision/conclusion

Members took assurance from the report

12 POTENTIAL

12.1 Chair's Assurance Report Digital Information Operations Group – 8 December 2025 (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Chair's Assurance Reports from the Digital Information Operations Group 8 December 2025.

The Head of Corporate Governance raised the clinical risk that current Digital Services Team resources are inadequate for the required business change in 2026/27, potentially causing project delays and impacting strategic goals. The Executive Management Team should consider further investment, temporary support, shared services, or pausing local priorities to mitigate this and ensure successful delivery. The risk is being escalated to the Risk Management Group for inclusion on the Corporate Risk Register. Mutual aid has been requested from the East of Scotland Digital Leads.

J Stevenson raised concerns in the red rated cyber security risk, Head of Corporate Governance provided assurance that the Board is safe from a cyber security perspective

Medical Director asked if a business case could be submitted to Capital Group for additional digital resources. The Interim Director of Finance advised that capital funding cannot be used to support revenue costs.

Decision/conclusion

Members took assurance from the reports.

12.2 Network and Information Systems Audit Report 2025 (Presenter: Corporate Records Manager)

The Corporate Records Manager presented an overview of the Network and Information Systems Audit Report 2025.

In Spring 2024 NHS Orkney integrated its reporting for the 'Network and Information Systems Regulations 2018 (NIS), the Records Management Plan (RMP, required under the Public Records Scotland Act), and the Scottish Government (SG) and Convention of Scottish Local Authorities (COSLA) Digital Maturity Assessment.

In November 2025, auditors on behalf of Scottish Government undertook an assessment on progress since the last audit in November 2024, the Board has made significant improvements in compliance across 15 out of 17 areas, with overall compliance status now reaching 56%, from 38% in 2023. Seven categories and 33 sub-categories are rated at 60% compliance or above. 48% of the 427 controls have been achieved.

Members were asked to note progress made in this year's Network and Information Systems (NIS) noting this audit marks the end of the current NIS process, with a new 360 Assurance Maturity Questionnaire and an SC3 Cyber Resilience Assessment to be undertaken by all Board.

J Taylor welcomed the improvement in compliance noting the work that has been undertaken to date, recognising there are areas for development. Head of Corporate Governance to ensure progress is captured via the Digital Information Operations Group (DIOG) Chairs Assurance Report.

The Interim CEO recognised the progress made, noting that the rating isn't clear on what the risk is for the Organisation. Corporate Records Manager advised that areas of improvement noted in the report are: Organisational Governance, Information Security Management, System Management, Incident Management, People, Environmental Security, Physical/Building Security Disaster Recovery and Service Resilience. Head of Corporate Governance to provide Executive Team with an update of areas of vulnerability and actions in place to mitigate any risks.

The Medical Director advised that one of the high-risk areas for the Board is in relation to our reliance on Locums.

Decision/conclusion

Members took assurance from the report.

13 Items agreed for Chairs Assurance Report to Board (Presenter: Chair)

Members agreed on the following items for inclusion in the Chairs Assurance Report to the Board

- Areas of concern
 - Robertsons Contract
 - Digital Capacity
- Major issues commissioned

- Service Re-design (4 areas of focus) to be brought to committee January 2026
- Financial planning assumptions work is underway
- Positive assurance
 - Risk Register
 - Improvement in compliance with national Information Security Audit Report
- Decisions made
 - Minutes and Chairs Assurance Report 18 November 2026 approved

14 AOCB (Presenter: Chair)

No other business raised.

15 Key Items for Noting (Presenter: Chair)

Members noted the Orkney Walk in Centre Proposal

15.1 Attendance Record 2025/26 (Presenter: Chair)

Committee noted the Attendance Record 2025/26

15.2 Timetable for Papers 2025/26 (Presenter: Chair)

Committee noted the Finance and Performance Committee Timetable for Papers 2025/26.

15.3 Evaluation of meeting (Presenter: Chair)

Chair thanked members for their support since taking over as Chair of Committee.

The Chair closed the meeting at 11:27