Finance and Performance Committee Minutes 23 September 2025 (Approved)

Attendance

Fiona Mackay (Chair – Non-executive Director), Melanie Barnes (Interim Director of Finance), Debs Crohn (Head of Improvement), Tammy Sharp (Director of Performance and Transformation), Sam Thomas (Executive Director of Nursing, Midwifery, Allied Health Professionals and Chief Officer Acute Services, Joanna Kenny (Non-Executive Director), Dr Anna Lamont (Medical Director), Joanna Kenny (Non-Executive Director), James GoodYear (Interim Chief Executive), Ryan Mclaughlin (Non-Executive Director - Employee Director), Jason Taylor (Non-Executive Director), Davie Campbell (Non-Executive Director – Interim Board Chair)

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, welcomed members to the meeting, offering a warm welcome to James Goodyear (Interim Chief Executive).

Apologies received from Stephen Brown (Chief Officer IJB), Jean Stevenson (Non-Executive Director), Sharon Keyes (Head of Facilities and NPD Contract), Alan Scott (Head of estates)

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

Dr Anna Lamont advised they would be stepping out of the call at 10 am to chair another meeting.

3. Declarations of Interest (Presenter: Chair)

There were no declarations of interest raised.

4. Minute of the Finance and Performance Committee held 31 July 2025 (Presenter: Chair)

The Chair asked for comments on the meeting held on 31 July 2025.

Decision/conclusion

The Minutes of the meetings held on 31 July 2025 were accepted as an accurate record of the meeting and approved.

5. Action Log

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).

6. Matters Arising (Presenter: Chair)

No matters arising were raised.

7. CHAIRS ASSURANCE REPORTS

7.1. Finance and Performance Committee Chair's Assurance Report - 2025 (Presenter: Chair)

The Committee Chair presented the Chairs Assurance report of the Finance and Performance Committee meeting held on 31 July 2025.

The Interim Board Chair asked for an update on the risk in relation to the Workforce Workstream not meeting its financial saving target which will be impacted by leadership changes within the People and Culture Team. The Interim Chief Executive advised that we do not have anyone from the People and Culture team to answer the question. The CEO asked if actions on the Chair's Assurance Report should be added to the action log to ensure actions are not lost.

The Medical Director advised that one of the challenges is around the ability to recruit medical consultants, this will impact on our ability to make the savings required.

The Interim Director of Finance advised that risks are being captured on the Improving Together Programme Risk Register, the medical recruitment workstream is one of the programmes highest risks. It is unlikely that the workforce workstream will meet its savings target this financial year, work is underway to look at how the savings target will be met.

The Interim Board Chair asked for clarity on the reduction in headcount and conditions of the transitional funding being met. The Interim Director of Finance advised that Scottish Government are more concerned with meeting with the saving target in totality rather than the reduction

The implementation for the roll-out of MORSE (Community EPR) will require a programme to be stood up to roll-out to all Community Services – this will be a cost pressure to the Board. Amendment to the Business Case for hosting MORSE will be considered by the DIOG on 24 September 2025. Members of the IJB have been asked to confirm their commitment to delivering the programme, but this will require full sign-up by all stakeholders. There are challenges with NHS Grampian, this is being worked through as the Board is dependent on NHS Grampian for delivery of the system.

The sale of King Street was approved at Board in August 2025, the Interim Director of Finance advised that we are optimistic this will sell this financial year.

Tenders are being produced for the demolition of the Old Board site – which is expected to take place in Quarter 1 2026/27. Nothing has been formally agreed or commissioned.

Decision/Conclusion
The committee noted the update.

Deborah Langan (Chief Finance Officer) joined the meeting at 09:55).

8. Update from National Directors of Finance Meeting (Presenter: Interim Director of Finance)

The Interim Director of Finance presented an update from the National Directors of Finance meeting. The key themes being discussed by all Board Directors of Finance is the focus on the Agenda for Change Reduced Working Week (RWW) – there is 6 months to identify the resources required, this will impact on our staffing resources, this remains a key focus for all Board Directors of Finance.

The Employee Director asked for clarity on the areas that cannot be reduced, which will still be required to pay overtime. The Interim Director of Finance advised that the first RWW SLWG will take place 23 September 2025, Scottish Government have not provided clarity on what funding will be available and the level of risk associated with backfill and part time hours. The EDoNMAHP advised that this may impact on delivery of services, patient quality and safety, releasing staff to lead and protected time for learning.

Decision/Conclusion
Members noted the update.

9. 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.

The top risk for Committee is lack of financial sustainability

A new risk has been added to the Corporate Risk Register in relation to the lack of project management capacity and capability, this was approved by the Senior Leadership Team.

The risk in relation to the shortfall in training budget requires further work between the EDoNMAHP and Head of Patient Safety, Quality and Risk.

J Taylor advised that the Audit and Risk Committee have asked that links be provided to Committees for additional assurance.

The Interim Board Chair asked for clarity on the risk in relation to fragile services and benchmarking against other remote and rural Health Boards.

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

10. Integrated Performance Report (IPR) Finance and Performance

The Director of Performance and Transformation presented the finance and operational standards chapters of the Integrated Performance Report up to the end of August 2025.

The refreshed chapters for operational standards, finance and performance are included, a new structured format has been introduced along with statistical control process, support and training are available should be required. Clear areas and actions for KPIs have been introduced for each section of the IPR.

Repatriation of prostate scanning for Orkney will impact on financial position and patient experience.

Unplanned expenditure remains averse to plan, vacancy and capacity challenges remain across our community services.

The Chair thanked the team for IPR and asked Committee to spend time looking at the areas off track.

The Interim Board Chair acknowledged that updates have been made, and asked what training was available for staff and NEDs. The Director of Performance and Transformation advised that informal training will be provided, this will include how the packs feed into the Performance Review Meetings (PRMs).

The Interim Board Chair asked for assurance on the number of Delayed Transfers of Care (DToC) given there are empty beds in the Community. The EDoNMAHP advised that work is underway with the IJB as part of the development of the Older Peoples strategy, recognising that social care remains a challenge as we approach winter. The EDoNMAHP advised that winter pressures for Orkney are usually January and February which require a system wide approach. The Interim Chief Executive recognised the importance of working with partners from Orkney Island Council (OIC), in relation to doing things differently with our system partners.

The Chief Finance Officer (IJB) advised that the situation at St Ragnvalds House is reviewed on a weekly basis to ensure patients are moving through the system.

J Taylor, asked for clarity on diagnostics and the backlog created by re-patriating services – the Radiology Team are working on a trajectory for reducing the backlog which will be shared with Committee.

J Taylor asked for clarity on the waiting times for Musco-Skeletal clinics and asked if additional clinics could be added to address the issue.

Decision/conclusion
Members took assurance on performance reporting as well as the performance itself.

11. PLACE

11.1. Chairs Assurance Report – Sustainability Steering Group – 15 September 2025 (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Chair's Assurance Report from the bi-annually Sustainability Steering Group held 15 September 2025.

The Interim Director of Finance advised that staff absences have impacted on the work of the group. Positive assurance provided in relation to solar panels at GP practices and EV Chargers. A proposal is being developed in relation to EV charging. Annual reports remain on track for delivery

The Interim Board Chair shared feedback from Cabinet Secretary congratulating the Board following the recent visit from MS S Robison.

Decision/conclusion
Members took assurance from the report.

12. PATIENT SAFETY, QUALITY AND EXPERIENCE – No papers were presented

13. PERFORMANCE

13.1. Month 5 Financial Results and Improving Together (efficiency) Programme Update (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the month 5 financial results and improving together (efficiency) programme update.

The Board is £197k adverse to our trajectory at Month 5, whilst the savings target was met, this equates to 15% of our target and an average of 450K per month is still required for the next 7 months to deliver our savings target.

High and medium risks were discussed in relation to the programme, the Interim Director of Finance and Director of Transformation and performance continue to review all planned savings.

Whilst Agency nursing costs have reduced, this remains above projections. Costs of prescribing continue to be above projections; clarity is still required on the SLA uplift costs.

There has been a change to the escalation framework, the Board remains at level 3, however there is a requirement for more qualitive data now required due to the removal of brokerage.

The worse case scenario is that we will not meet the financial target this year as this will result in a section 22 notice.

The Interim CEO advised that we have a really challenging position at this point in the year, as a result a rapid finance review will be undertaken by an experienced DOF from the English system to look at what additional grip and control measures are required which will inform conversations with Scottish Government and what additional support may be required.

J Taylor asked for clarity on the rapid finance review and if this will form part of the 6-month review agreed by the Financial Escalation Board. The Interim Director of Finance confirmed the review will include the request from the Financial Escalation Board.

J Taylor asked for clarity on the measures agreed by the SLT. The Interim Director of Finance advised that the ideas from the SLT are being taken forward as part of the Improving Together Programme Board Update later in the agenda.

The Employee Director asked for confirmation on the process for the review being undertaken. The Interim Director of Finance confirmed that procurement processes will be followed when commissioning the rapid finance review.

The Interim Board Chair asked for confirmation on timescales for Business cases to be brought to Committee and asked if the impact of energy costs is being addressed. Several CSR workshops have been undertaken and recognised the need for this work to move at pace.

The Interim Board Chair asked for confirmation of the costs and benefits of the rapid finance review advising that the rapid review will also be used to satisfy the requirements of

the Accountable Officer. The Interim CEO advised that the cost for rapid review will be in the range of £5 -10k. The Interim Director of Finance advised that conversations are taking place with Scottish Government to ascertain if funding may be available to support this work, but the Board have built the cost into our financial plan.

The Interim Director of Finance confirmed energy costs are being reviewed.

The Chair thanked the team for the paper recognising the challenges that the Board faces and the opportunities the Clinical Services Review presents, noting that savings have been backloaded to the end of the financial year.

Decision/conclusion
Members discussed and noted the update.

13.2. Scottish Government Quarter 1 Meeting (Presenter: Interim Director of Finance)

The Interim Director of Finance provided an update following the Scottish Government Quarter 1 meeting.

Decision/conclusion
Members noted the update and took assurance.

13.3. Finanical Improvement Plan (Presenter: Interim Director of Finance)

The Interim Director of Finance provided an update on progress against the improvement plan for the finance team which brings together action plans, governance reviews and internal audit.

Whilst most of the actions have been delivered, due to absences within the team, the improvement plan will now be reviewed to ensure the plan is prioritised based on capacity within the team.

J Taylor confirmed that a recent internal audit has been undertaken, this will be brought to the next committee meeting along with the rapid finance review.

Decision/conclusion
Members welcomed and took assurance from the update.

13.4. Planned Care - 52 week waits and addressing longest waits (Presenter: Director of Peformance and Transformation)

The Director of Performance and Transformation presented an update on performance against the planned care – 52 week waits. The ask from SG is that there will be zero waits by 31 March 2026, the Board remains on track to deliver the target. There remains a focus through the weekly waiting times for all patients over 20 weeks. Mutual aid has been requested by North of Scotland Health Boards; we continue to work with NHS Grampian to look at our capacity to support.

The Interim Board Chair welcomed the update and asked what the picture is across Scotland and asked what support Orkney will receive from other Boards. The Director of Performance and Transformation advised that it is a mixed picture, the approach we are taking is not massively different, the Board remains in a strong position, quarterly meetings now take place with NHS Highland and NHS Grampian, due to our position we are able to offer support at this stage.

The Interim CEO took assurance on our current trajectory and asked where performance is monitored. The Director of Performance and Transformation advised that trajectories for actual performance are monitored by the monthly Planned Care Programme Board.

Decision/conclusion
Members discussed and took assurance on progress to date

13.5. Unscheduled Care Funding Submission (Presenter: EDoNMAHP)

No paper received.
Committee agreed that further discussions are required by the Board in relation to the unscheduled care funding proposal and that information be shared with members.

Decision/conclusion
Members noted no paper had been received due to the author being unaware a paper was required and asked that the EDoNMAHP arrange a meeting to discuss the longer-term costs associated with acceptance of the funding and the benefits this will bring to our patients. Committee asked that the EDoNMAHP draft a paper outlying the position statement with evidence of clinical engagement for discussion with the Executive team and that the paper be shared with Committee.

13.6. Improving Together Programme Board - Chair's Assurance Report 15 August 2025 (Presenter: Director of Performance and Transformation)

The Director of Performance and Transformation presented Improving Together Programme Board Chair's Assurance Report on 15 August 2025.

Areas of concern escalated to committee

- Adverse financial position
- Medical Recruitment

Additional grip and control meetings take place each week. Additional SLT meetings took place in July and August 2025 – viable opportunities have been incorporated into the savings plan.

A refreshed weekly delivery group is now in place focused on actions and putting in place recovery actions for actions which are off track.

Several Quality Impact Assessments have been reviewed and approved.

A new form has been introduced for agency and bank spend for Executives to monitor to spend – this will be reconciled by the finance team monthly.

Significant work has been undertaken to increase the uptake of Near Me consultations.

Project PIDs and plans will be developed by the Improvement Team with the aim of them all being in place ahead of the next Improving Together Programme Board.

The Interim Board Chair asked for clarity on overachieving savings and asked where and when transitional funding will be re-profiled. The Interim Director of Finance advised that the Quarter 2 meeting with Scottish Government will be the opportunity to discuss our credible plans.

The Interim CEO asked for clarity on overachieving schemes. The Director of Performance and Transformation advised that the improvement team is being asked to look at further areas of opportunities, recognising the impact of doing so.

The Chair asked for confirmation that people are taking ownership of the projects, recognising the importance of them being involved. The Interim Director of Finance advised that members of the delivery group are now engaged. The Interim CEO advised that feedback from the improvement team is that people are better engaged this year, evidence of this is available in SLT minutes.

The Medical Director advised that engagement with NHS Grampian is the key to moving forward with virtual consultations noting the resources required to do so.

Decision/conclusion
Members took assurance from the report.

13.7. Chairs Assurance Report Planned Care Programme Board - 20 August 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 20 August 2025. Key risks associated with sleep assesment patients are being worked through with NHS Grampian. Positive assurance provided on ophthalmology improvements and validation of inpatient and outpatient waiting lists.

Decision/conclusion
Members took assurance from the report.

13.8. Procurement Annual Report 2024/25 (Presenter: Interim Director of Finance)

The procurement lead presented the Procurement Annual Report 2024/25 following approval by the Senior Leadership Team 11 September 2025. A new strategy was approved in May 2025. Key highlights regulated spend in line with previous years, 2 additional procurements are currently underway.

We continue to collaborate with other Boards and OIC and other public sector organisations to look at joint services.

The Interim CEO asked for clarity on invoices paid within 30 days – The Interim Director of Finance advised that we are in a good position at 87%, a piece of work is underway to ensure invoices are receipted in a timely manner.

Decision/conclusion
Members took assurance from the report.

14. PEOPLE – No papers presented

15. POTENTIAL

15.1. Chair's Assurance Report Digital Information Operations Group (Presenter: Interim Head of Corproate Governance)

The Interim Head of Corporate Governance presented the Chair's Assurance Reports from the 28 July and 25 August 2025 Digital Information Operations Group.

Positive assurance provided

- The NHS Grampian eHealth team continues to provide valuable support to NHS Orkney, both locally and through national engagement.

Items of escalation

- NHS Grampian confirmed as a delivery partner for the deployment of MORSE (Community Electronic Patient Record. It remains unclear if any additional costs pressure will be associated with the implementation – paper to be presented to DIOG 24 September 2025 setting out the costs and risks.
- Support for Windows 10 ends in October 2025 creating financial risk if Windows 11 is not deployed across all Health Boards. Out-of-hours rollout and TOIL are approved, and communications to emphasize Windows 11 as an organisational priority.
- The roll-out, which includes all staff, adds pressure to digital services.
- Additional costs for RIS, DATIX and MORSE have been identified, and the Committee were asked to note that the costs are business costs and not digital costs.

Given absences within the digital services team, a prioritisation exercise has been undertaken, communications have been issued to the business as business as usual may be impacted by absences in the team.

Decision/conclusion
Members took assurance from the reports.

16. 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
  - Workforce workstream – impact of Reduced Working Week
  - Financial performance – review commissioned to return 20 November 2024
  - DTOCs remain off track
  - MORSE – Community Electronic Patient Record
- Major issues commissioned
  - Unscheduled care funding
- Positive assurance
  - 52 weeks remain on trajectory
  - A refreshed Improving Together Delivery Group has been established
  - Improvements to the IPR providing additional assurance to Committee
- Decisions made
  - No decisions made

17. AOCB (Presenter: Chair)

No AOCB raised.

18. Key Items for Noting (Presenter: Chair)

Members noted the following papers

- Board Chief Executive Business - 15-box grid reporting.
- Scottish Government Quarter 1 Finance Meeting with Scottish Government slides
- 2025-26 – Quarter 1 Review Letter - 11 - NHS Orkney

- NHS Orkney response to SG letter - Q1 Financial Review Response - August 2025
- Letter from Director of Primary Care - NHS Board CEs - Community Glaucoma Scheme - 1 August 2025
- Community Glaucoma Scheme response Aug 25
- 2025-26 - DL (2025) 14 - Whole System Infrastructure Planning - June 2025
- Long COVID ME-CFS 4.5m funding letter to HB CEOs - Christine McLaughlin 28.8.25
- NHS Scotland energy efficiency and decarbonisation capital funding
- BCE Business - Finance Update - August 2025
- BCE Finance Update - 10 Sept 2025
- NHS Orkney - Additional Planned Care Funding - July Activity

18.1. Meeting Schedule 2025/26 (Presenter: Chair)

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

The Interim Head of Corporate Governance advised that the next meeting of Committee is 20 November 2025

18.2. Evaluation of meeting (Presenter: Chair)

- The Medical Director welcomed the Chair and Interim CEO to the meeting
- The Interim Board Chair thanked members for stepping in to cover gaps on the agenda
- There is a need to look at duplication across Committees.

The Chair closed the meeting at 11.46