

Minute Finance and Performance Committee

25 February 2026

Attendance

Fiona MacKay (Chair – Non-executive Board Member), Davie Campbell (Non-Executive Board Member – Interim Board Chair), 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), Jason Taylor (Non-Executive Board Member), Stephen Brown (Chief Officer IJB), Dave Harris (Director of People and Culture), Sharon Keyes (Head of Facilities and NPD Contract), Jean Stevenson (Non-executive Board Member), Mohammed Sohail (Chief Finance Officer – IJB), Alan Scott (Head of Facilities) and Dr Anna Lamont (Medical Director).

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Finance and Performance Committee Purpose

To review the financial and non-financial targets of the Board, to ensure 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 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.

No apologies were noted.

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 28 January 2026 (Presenter: Chair)

The Chair asked for comments on the minutes of the meeting held 28 January 2026. J Taylor asked for clarity on page 3 of the minutes in relation to digital programmes, the potential to reflect escalation to East Boards to be added to the minute.

The Medical deep dive section to be updated to include the WTE medical staffing establishment.

The Interim Board Chair asked for clarity on why the IPR was not presented at Committee. The Director of Performance and Transformation advised as the meeting has been moved to monthly, the IPR will not be presented at every meeting.

Decision/conclusion

Minute of the meetings held on 28 January 2026 were accepted as an accurate record of the meeting and approved subject to the amendment discussed and approved.

5. Matters Arising

The Chair reminded colleagues of risks that have not been updated since the last meeting due to the timing of the meeting.

The Chair asked for an update on the position with Delayed Transfers of Care (DToC), noting recent press coverage. The Chief Officer IJB advised the position has not improved since the last meeting. Unscheduled care funding has been identified to support additional agency staff, the process of handover of the new Care Home facility is nearly complete.

The EDoNMAHP advised the impact of DToC is now being felt across the whole system, this has been the case since July 2025. Agency staff will provide additional capacity, and work continues in-house in relation to discharge planning,

The Interim Board Chair asked what emergency planning and communications with Scottish Government. The EDoNMAHP advised a weekly submission is presented to Scottish Government and a monthly meeting takes place with the Centre for Sustainable Delivery (CfSD), the performance team are well briefed 50% of our bed base is taken up by DToC patients.

The Sub-national East of Scotland group are working through an escalation plan, noting there is no ability for our patients to be transferred to a nearby facility.

The Interim CEO reflected reducing the number of DToC remains a key priority for the organisation. The Chief Officer IJB and EDoNMAHP will present an improvement plan to the Executive Management Team Monday 2 March 2026 noting the impact this is having on our patients and the health and care system.

J Taylor reminded Committee in 2020, in response to the COVID pandemic, the Organisation responded by the flexibility of Hamnavoe House and asked for clarity on what could be applied from experience. The Chief Officer IJB advised the issue is in relation to staffing the facility and will be reliant on agency staffing which could de-stabilise the whole system. Agency staffing continue to support the care at home service.

The Chair asked for confirmation on when the draft financial plan will be submitted to Scottish Government. The Interim Director of Finance advised the draft plan was submitted 2 February 2026, following some amendments the final plan will be submitted to Scottish Government 16 March 2026.

Decision/conclusion

Members noted the update

6. CHAIRS ASSURANCE REPORT - Finance and Performance Committee Chair's Assurance Report – 28 January 2026 (Presenter: Chair)

The Chair presented the Chairs Assurance report of the Finance and Performance Committee meeting held on 28 January 2026 for assurance.

Decision/Conclusion

The committee took assurance on the Chairs Assurance Report from the meeting held 28 January 2026 for onward submission to the Board 26 February 2026.

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

The Head of Corporate Governance 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).

8. Financial (Month 10) and Improving Together Programme Position Presenter: Interim Director of Finance)

The Interim Director of Finance presented the financial (month 10) and Improving Together Programme Position paper to Committee.

There has been a significant improvement in the YTD position as at Month 10 which is predominantly due to the release of reserves by the IJB, additional funding and release of accruals. This is a non-recurring benefit for 2025/26, and the position remains challenging for 2026/27.

At the end of Month 10, the reported financial position an overspend of £2.220m, which is £44k higher than the planned deficit of £2.176m but £195k lower than the planned trajectory.

A revised year-end forecast was submitted to SG in Month 8, predicting a deficit of £4.2m at 31 March 2026. Due to the improvements in Month 9, a revised forecast of £3.6m was submitted. With the release of the IJB reserves, the forecast has been further reduced in Month 10 to £2.7m.

Scottish Government have been notified of our position at the Quarter 3 review meeting and confirmed the transitional funding of £2m will be provided, however any deficit position over £2m will be shown as an overspend in the annual accounts. The risk of Section 22 qualified accounts being given by External Audit therefore remains.

Whilst showing an improved position, the 2026/27 financial position will be as challenging as this financial year.

£1.6m cash releasing savings have been identified through the Improving Together Programme; this has contributed to our current Year End position.

The Interim Board Chair noted the current position brings the Board under the 1% RRL position, which is positive, and asked if the Capital to Revenue funding is included in the year end position. It was confirmed that it was included in the forecast year end position.

The Interim Board Chair asked for confirmation of when the King Street Sale would be complete. The Interim Director of Finance advised this would conclude 1 April 2026 and has been included in the 2026/27 plan.

The Interim Board Chair asked for clarity on moving to the Near Me by default position. The Medical Director advised the NHS Grampian are currently unwilling to move to a Near Me by default position, however patients do have the ability to request Near Me appointments and this is well received. Conversations continue with NHS Grampian Medical Directors and the Executive Team to move to Near Me by default position.

The Interim CEO advised the current uptake of Near Me consultations is 70%, and conversations are taking place with the NHS Grampian CEO in relation to moving to Near Me by default.

J Stevenson asked for clarity on the additional cost pressures in relation to GLP1 medicines and asked if any analysis has been undertaken into the impact of drugs. The Interim Director of Finance advised

the Director of Pharmacy continues to monitor the impact. The Medical Director advised conversations at a national level continue, noting our route for prescribing GLP1 drugs is dependent on NHS Grampian, clinically the position is on hold. Medical Director to bring an update to Committee in the next quarter.

The Interim Board Chair asked for confirmation of the impact on the organisation of vacancies. The Chief Officer IJB advised there is an impact of vacancies, agency staff are required to ensure waiting lists are kept to a minimum.

The Chair noted agency usage has increased. The EDoNMAHP advised work has been undertaken to remove the use of agency staff, some pressures are being felt across Acute services in relation to staff absences.

J Stevenson asked for clarity on the underspends detailed in the paper in IP2 and High Dependency Unit. The EDoNMAHP advised a Band 6 nurse commences 1 April 2026, whilst working as 1 team there are 2 separate budgets

Decision/Conclusion

The committee noted the Month 10 financial position.

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. All risks have been reviewed in line with our risk management framework. Committee noted no risks were put forward for addition or closure, and Risk C-2026-01, Delivery of mandated digital projects, was added to the Corporate Risk Register in January 2026.

The 2 digital risks have now been consolidated into a single risk which will be presented to the Risk Management Group in March 2026.

Financial sustainability remains the highest risk for the Board due to the non-recurrent funding position.

The Interim Board Chair asked Risk 1225 (Social Care Capacity) should be increased. The EDoNMAHP advised the risk will be reviewed and reframed ahead of the next Committee meeting.

Decision/Conclusion

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

10. Code of Corporate Governance - Standing Financial Instructions and Scheme of Delegation (Presenter: Head of Corporate Governance)

The Head of Corporate Governance presented the Code of Corporate Governance Standing Financial Instructions and Scheme of Delegation update for 2026/27 for approval. Committee noted the Standing Financial Instructions remain unchanged from Version 19 and acknowledged the Code will need to be updated prior to being presented to Audit and Risk Committee to reflect the new Director of Finance who joins the Organisation in March 2026.

Committee discussed the removal of names from the Code with job titles being included only. The Medical Director suggested an appendix is included which would be easier to update should staff members leave.

Decision/Conclusion

Committee approved the Standing Financial Instructions and Scheme of Delegation section of the Code of Corporate Governance.

11. DEEP DIVES

11.1. Deep Dive – priorities 2026/27 (Presenter: Director of Performance and Transformation)

The Director of Performance and Transformation presented the deep dive priorities for 2026/26 for discussion outlining the three major transformation priorities following the Clinical Services review: Out of Hours, Isles model of Care, and Digital as an enabler which have been identified as the key 'big ticket' items for 2026/27, each with significant system impact and financial impacts.

The scale of opportunity across these programmes is substantial. All three priorities carry material risks and dependencies considering the Clinical Services Review.

The Chair acknowledged the work undertaken to date on the priorities presented

Out of Hours

The EDoNMAHP provided an overview of the current services with a spend of £900k, modernising the model could potentially result in a saving of £400k at the Hospital Front Door. John Daniels is the Senior Responsible Officer and is working on the project specification and Business Case.

Committee considered the timeline noting the requirement for support from our People and Culture Team. The proposal is to make the changes for a planned go live in September 2026 noting this will require stakeholder engagement.

The Interim CEO acknowledged the level of the detail in the plan and asked the engagement process and timelines are reviewed to ensure we meet the go live date of September 2026.

The Interim Board Chair asked the Board to be added as an internal stakeholder and asked for clarity on the risk in relation to GP resignations and whether the risk is in relation to clinicians. The EDoNMAHP advised there will always be a risk when making changes - people may choose to leave, this will be mitigated through engagement with the British Medical Association and our People and Culture team.

J Taylor asked for confirmation of the role of the Area Clinical Forum and the sequencing of public and patient engagement.

The Medical Director advised moving to this model has already been implemented in Western Isles there is a risk there is currently no clinical governance being provided because of staff vacancies.

The Director of Public Health reminded colleagues an Island Impacts Assessment and Children's Rights Assessment are completed. The EDoNMAHP advised these will be completed.

The Director of Performance and Transformation advised governance for the CSR is through the Improving Together Programme Board, through to JCCGC. The Chair asked that regular finance updates are provided to Finance and Performance Committee.

The Interim CEO advised reporting on progress will be brought to Committee, JCCGC will provide assurance models are clinically appropriate and unintended consequences are monitored.

Digital

The Interim Director of Finance advised the digital workstream is an enabler recognising the need for digital changes.

Key areas of focus are Community EPR. Trakcare and Openeyes delivery is dependent on NHS Grampian.

The Interim Board Chair noted the resource savings and asked if opportunities are being explored at the East of Scotland and opportunities to collaborate. The Interim Director of Finance advised that as a Board work is required to bring our digital systems in line with other Boards, there is a small digital team, there is a real dependency on national systems to support this work.

J Stevenson asked what support NHS Grampian could provide in relation to Trakcare upgrades and staff training. The Interim Director of Finance acknowledged the risk in relation to the dependency on NHS Grampian. There are opportunities as part of the sub national planning to support the digital workstream.

The Interim CEO reminded members there is a need to ensure we move away from localised ways of working.

Isles Model of Care

The Chief Officer IJB reminded members of the amount of money from the General Medical Services contract of £1.5m per year. The current model costs £3.4M and is in breach of the European Working Time directive, this needs to be addressed as a matter of urgency. By resolving the issue, costs will increase. There are risks associated with the current model, there has been some political, community and clinical resistance. Details have been presented to the Leader of the Orkney Islands Council as part of the Public Sector Reform work, it has been agreed nothing is off the table, a plan is being developed with Healthcare Improvement Scotland to plan the engagement detailed in the paper.

There are several models available, there is a clear need for a community planning approach required to design the model.

The Interim CEO acknowledged the complexities in relation to the Isles Model of Care noting the model currently represents poor value for outcomes they deliver for patients, but this does shift the balance from Primary Care which is not the direction of travel set out in the Population Health Framework and Public Sector Reform.

The Interim Board Chair advised managing the risks will be key to the success of the plan and asked if the pre-election period should be built into the plan. The Chief Officer IJB recognised this should be included in the plan.

J Taylor asked for confirmation on what would happen if the decision point was not supported by the IJB. The Chief Officer IJB advised there is no contingency, however, is confident working with communities will bring forward the right model for our communities.

The Medical Director raised concerns in relation to the change being driven by clinical need and not financially driven, the change has already been made in Shetland, the change is needed as it is clinically safer to do so.

The Interim CEO asked the pre-election period is used for planning and background work and engagement with HIS so works carries on.

The Director of People and Culture advised capacity within the People and Culture team is a risk, the mitigations in place will not address the risk.

The Chair thanked the Executive Team for the paper and asked consideration be given to when update reports will be presented to Committee.

Decision/Conclusion

Members welcomed the deep dive and look forward to the Executive Team bringing an update paper to a future meeting.

11.2. Medical Staffing Update – Action Plan (Presenter: Director of Performance and Transformation)

The Director of Performance and Transformation presented the medical staffing action plan following the deep dive at the meeting 28 January 2026.

An action plan with timelines and action owners was presented for discussion. The plan focuses on 5 areas.

The Medical Director thanked the team for bringing the paper together and a real move to a substantive medical workforce. Work has already commenced on the high-risk specialties, for example within our Maternity services. A recruitment workshop has taken place to look at how we recruit and retain our medical workforce.

The Medical Director recognised the need for stability, job planning process is now in place. Work has been undertaken to standardise agency spend.

The EDoNMAHP advised that a piece of work is underway with Plus Us in relation to agency staff.

The Interim CEO welcomed the medical staffing action plan, noting the process of getting to the current position and recognised that we should be back to the required run-rate by the beginning of the next financial year and contribute to bringing our finances back to balance. This is a reduction in the spend of £700k.

J Taylor asked for clarity on the disparity between the WTE and asked if the establishment review will address value for money. The Medical Director recognised the seriousness of the situation, and the need to deliver what is required and not a gold level standard, noting this will require challenging conversations in relation to different ways of working.

The EDoNMAHP confirmed the work set out in the action plan provides a good starting point to address the challenges set out in the paper.

Decision/Conclusion

Members welcomed the action plan.

12. STRATEGIC OBJECTIVE – PLACE – No papers to be presented to Committee

13. STRATEGIC OBJECTIVE - PERFORMANCE

13.1. Subnational Planning and Delivery Committee (East) update (Presenter: Director of Performance and Transformation)

The Director of Performance and Transformation provided an update on the subnational planning and delivery committee (east). The Scottish Government issued DL(2025)25 in November 2025 which mandated Health Boards across Scotland to work more closely on 5 key priorities, and to agree joint plans to deliver these by 31st March 2026.

The DL is clear there is no change to the clinical, workforce, and financial governance accountabilities of any Health Board. Ministerial Direction is to bring forward plans by 31st March against the five key priorities above, expectation SPDCE and SPDCW will continue to work after date to ensure delivery against plans by 31st March 2029.

The Interim Board Chair advised recruitment to sub-regional posts is currently paused.

Decision/Conclusion

Members welcomed the action plan.

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

The Head of Facilities and NPD contract provided an update to the Committee regarding the Robertsons contract and associated concerns.

Since the last meeting improvements have been made, a new interim contract manager is now in place, several of the outstanding issues and planned maintenance backlog has significantly reduced. Monthly deductions continue, however Roberstons Directors are engaging with NHS Assure.

Decision/conclusion

Members noted the update and welcomed the issues being escalated as a risk on the corporate risk register.

13.3 Corporate Strategy Year 2 2026/27 Quarter 3 Performance Report (Presenter: Interim CEO)

The Interim CEO provided an update on Quarter 3 performance on Year 2 of our Corporate Strategy. There are 15 deliverables in our Year 2 Corporate Strategy Delivery Plan 2025/26. 3 of the deliverables are RAG rated Red, 4 rated Amber and 8 rated Green.

The Chair asked if reporting could be included in the IPR – Head of Corporate Governance advised the Executive Team are looking at the Year 3 Corporate Strategy Delivery Plan, this will be considered

Decision/conclusion

Members noted the update.

13.4 Chair’s Assurance Report Improving Together Programme Board (Presenter: Interim CEO)

The Director of Performance and Transformation delivered the Chair's Assurance Report from the Improving Together Programme Board on 26 January 2026.

Decision/conclusion

Members took assurance on the report.

13.5. Strategic Estates and Capital Group Chairs Assurance Report - 16 February 2026 (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Chair's Assurance Report from the Strategic Estates and Capital Group meeting 16 February 2026.

Decision/conclusion

Members took assurance on the report.

14 STRATEGIC OBJECTIVE POTENTIAL

14.1 Digital Information Operations (DIOG) Group Chair's Assurance Report 26 January 2026 (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Chair's Assurance Report from the Digital Information Operations Group meeting 26 January 2026, confirming the Board is on track to go live with Infix theatre Scheduling system by the 26 February 2026 – feedback will be provided through the next DIOG CAR.

Decision/conclusion

Members took assurance on the report

15 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

- Delayed Transfers of Care
- Financial Performance
- Robertsons Contract

Major work commissioned/underway

- Interim CEO will discuss Near Me by default with NHS Grampian's CEO
- Medical Director to update Committee on GLP1 use at April 2026 meeting.
- EDoNMAHP to review the Risk 1225 (Social Care Capacity) prior to the upcoming Committee meeting.
- Director of Performance and Transformation to confirm reporting cycle for the deep dive and medical Staffing action plan reporting to Committee.

Positive assurance

- Significant improvement in the Year-to-Date position at Month 10
- At present, 70% of consultations make use of Near Me (Virtual appointments)
- Committee took assurance on the progress and mitigations presented on the latest Corporate Risk Register
- Assurance provided on the priorities for 2026/27 from the Clinical Services Review.

- A clear plan is in place for addressing the challenges associated with our current Medical Staffing Model.
- The Subnational Planning and Delivery Committee (East) is advancing the development of the East of Scotland regional plan, with assurance given that a draft will be submitted to the Scottish Government by March 31, 2026
- The committee received assurance on performance of the Corporate Strategy Delivery Plan for Quarter 3, Year 2.

Decisions made

- Minutes and Chair's Assurance Report 26 January 2026 approved
- Code of Corporate Governance Standing Financial Instructions/Scheme of Delegation approved for onward approval by the Audit and Risk Committee.

16 AOCB (Presenter: Chair)

No other business raised.

17 Key Items for Noting (Presenter: Chair)

Members noted Waiting Times Quarter 1 Funding 2026/27

17.1 Attendance Record 2025/26 (Presenter: Chair)

Committee noted the Attendance Record 2025/26

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

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

17.3 Evaluation of meeting (Presenter: Chair)

The Chair closed the meeting at 11.40