



# Finance and Performance Committee Minutes 31 July 2025

## Attendance

Melanie Barnes (Interim Director of Finance), Stephen Brown (Chief Officer - Integration Joint Board (IJB), Davie Campbell (Chair - Non-Executive Director), Debs Crohn (Interim Head of Corporate Governance), Kat Jenkin (Head of Patient Safety, Quality and Risk), Joanna Kenny (Non-Executive Director), Ryan McLaughlin (Non-Executive Director - Employee Director), Alan Scott (Head of Estates), Tammy Sharp (Director of Performance, Transformation), Laura Skaife-Knight (Chief Executive Officer), Keren Somerville (Head of Finance), Sam Thomas (Executive Director of Nursing, Midwifery, Allied Health Professionals and Chief Officer Acute Services EDoNMAHP), Dr Anna Lamont (Medical Director), Deborah Langan (Chief Finance Officer – IJB).

### 1. Cover page (Presenter: Chair)

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 the 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 (Davie Campbell) opened the meeting at 09.30 am and welcomed members to the meeting.

Apologies received from Jarrod O'Brien (Director of People and Culture), Sharon Keyes (Head of Facilities and NPD Contract), Jean Stevenson (Non-Executive Director) and Meghan McEwen (Chair), Jason Taylor (Non-executive Director).

### 3. Declarations of Interest (Presenter: Chair)

There were no declarations of interest raised.

### 4. Minutes of the Finance and Performance Committee 22 May 2025 (Presenter: Chair)

The Chair presented the minutes of the Finance and Performance Committee held 22 May 2025.

#### Decision/conclusion

The Minutes of the meetings held on 22 May 2025 were accepted as an accurate record of the meeting and approved.

## **5. Action Log (Presenter: Chair)**

The Interim Head of Corporate Governance presented the Action Log to the Committee.

### **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 Report Finance and Performance Committee 22 May 2025 (Presenter: Chair)**

The Committee Chair presented the Chairs Assurance report of the Finance and Performance Committee meeting held on 22 May 2025.

Delayed Transfers of Care (DToC) - Workshop has taken place with Care Home Managers to better understand issues and staffing ratios. The follow-up meeting will take place early September 2025, in the meantime interim solutions are being discussed in relation to Hamnavoe House. The DToC report presented to the IJB was well received, a whole system task force is being established recognising.

Capacity for managing change management - A risk has been identified, agreement at the Executive Team to undertake recruitment in the Improvement Team. Work is underway to re-patriate administrative tasks back to the Organisation. These changes will better support the Improving Together (efficiency) programme and Clinical Services Review.

The CEO confirmed that all Boards have received confirmation from Scottish Government that Annual Delivery Plan will form part of reporting on the Operational Improvement Plan.

Options are being explored to mitigate the risk associated with the workforce delivery workstream, this risk continues and is at risk of increasing.

### **Decision/Conclusion**

The committee noted the update.

## **8. Update from National Directors of Finance Meeting (Presenters: Head of Finance)**

The Head of Finance presented an update from the National Directors of Finance Meeting, highlighting the following.

- 4 groups have been established to take forward the chief executive delivery plan.
- Procurement continues on deployment of the National Business Systems

### **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; no new risks have been added in relation to finance and performance.

In relation to degradation from guidance on water, there is no risk to patient safety.

Central Decontamination Unit and waiting times risks are now closed having met their target score.

The Committee Chair asked if the risk in relation to the Island Games would be closed. The Interim Director of Finance advised that risk will be closed ahead of the next meeting.

The CEO asked for confirmation of the issues in relation to the Old Balfour site. Head of Estates confirmed that a walk of the site was undertaken last week on the back of recent vandalism, CCTV cameras have been installed on site. Monitoring the site continues; there is no evidence that opening the car park has increased vandalism at the Old Balfour.

### **Decision/Conclusion**

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

## **10. PLACE**

### **10.1. Chair's Assurance Report - Sustainability Steering Group (Presenter: Head of Facilities and NPD)**

No meeting has taken place since the last update to the Committee due to the timing of the meeting. The next meeting will take place in September, with CAR being presented to the Committee in October 2025.

### **10.2. Chairs Assurance Report - Capital and Property Strategy Group 9 June 2025 (Presenter: Interim Director of Finance)**

The Interim Director of Finance presented the Chairs Assurance report from the Capital and Strategic Estates Group meeting 9 June 2025.

Capital spend is on track, unallocated spend of £600k remains noting this is still early in the year. Funding has been earmarked for the Old Balfour site, but this is no longer required.

Conversations have taken place with University Highlands and Islands and Orkney Island Council (OIC) re a housing accommodation strategy.

A proposal will be presented to the Committee in January 2026 on the plans for the Old Balfour Site. This item is to be discussed later in the agenda.

**Decision/conclusion**

Members noted the update.

**10.3. Update on the Old Balfour and King Street sites (Presenters: Interim Director of Finance)**

The Interim Director of Finance presented an update on the Old Balfour and King Street sites.

Conversations have taken place with Scottish Government and funding confirmed for surveys and demolition of the Old Balfour Site. Procurement will commence in August 2025 including identification of contaminants. Timescales to be confirmed.

A strategic housing accommodation proposal is being developed in partnership with Hub North, this will be returned to the Committee in January 2026.

Conversations have taken place with OIC in relation to King Street, a formal proposal to dispose of King Street will be presented to the Board shortly.

Chief Officer IJB asked for confirmation of income from King Street as this was included in our financial plan for 2026/27. The Interim Director of Finance advised that the sale of King Street is likely to be September 2025, however there is a risk that the funding may not materialise this financial year resulting in a £175k cost pressure.

The CEO asked for confirmation on whether a decision in relation to the sale of King Street was made by the Board. Interim Director of Finance to confirm if a decision has been made.

**Decision/conclusion**

Members welcomed the update on the Old Balfour and King Street sites.

**11. PATIENT SAFETY, QUALITY AND EXPERIENCE - No papers presented****12. PERFORMANCE****12.1. Programme for Government - NHS Reform and Renewal Framework - what this means for NHS Orkney - item deferred (Presenters: Head of Planning, Performance and Information)**

Item deferred to the next meeting.

The CEO advised that confirmation is required on the Executive Leads for Reform and Renewal agenda.

**12.2. Integrated Performance Report (IPR) - Finance and Performance (Presenter: Interim Director of Finance)**

The Interim Director of Finance presented the Integrated Performance Report. Director of Performance and Transformation advised that work is underway to refresh chapters of the Integrated Performance Report, and metrics and format have been updated.

The Refreshed IPR will be circulated to Board Members for comments. Refreshed sections will be included in August 2025 IPR. The refreshed IPR will be in place by October 2025.

### **Acute/operational services**

The EDoNMAHP advised that from an acute performance, ED continues to be in the top 3 performers. During the Island Games performance increased however we remained at 95%.

Work on inpatient falls continues, no pressure sores reported demonstrating our commitment to continuous improvement.

### **Community services**

The Chair asked if the narrative for Community services be updated in the next IPR. The Chief Officer - IJB acknowledged the need for metrics to be featured in the IPR particularly in relation to Alcohol and Drugs Services.

### **Finance**

Status at Month 3 is rated red, driven by the additional £200k increase in spending.

### **Decision/conclusion**

Members noted and took assurance on the IPR.

## **12.3. Month 3 (June 2025) Financial Results and Improving Together (efficiency) Programme update (Presenters: Interim Director of Finance)**

The Interim Director of Finance presented Month 3 (June 2025) Financial Results and Improving Together (efficiency) Programme update. The Board is £200k off track against plan due to increased locum and agency staffing.

To date only 5% of savings have been achieved, significant risk in relation to workforce workstream and sale of King Street. Cost pressures not accounted for are in relation to a 5-6% SLA uplift, the plan was agreed at 3%. High-cost drugs will increase costs, these are currently unknown,

Additional Extended Senior Leadership Team (ESLT), Executive and Senior Leadership Team (SLT) meetings have taken place, however there are substantial risks in relation to not meeting the terms and conditions of transitional funding.

EDoNMAHP advised that agency nurses are being used due to vacancies and long term sickness. We have been successful in our substantive recruitment, new graduate nurses have commenced in IP1, theatres and ED. Once rotations are complete staff will be placed in areas of greatest need. Long term sickness challenges continue, with support from the People and Culture team this is being addressed.

Chief Officer IJB advised that challenges remain in relation to savings within the IJB. Sessions have been scheduled in August 2025 to look at the project plan for the

Clinical Services Review recognising that some of the savings may not be achieved until Quarter 4 2025/26 and 2027/28.

The Director of Performance and Transformation advised that an Executive Grip and Control meeting now takes place weekly.

The CEO confirmed that a review of IJB spend is now complete. All Executive Directors are reviewing all staffing establishments to identify posts which could be removed and opportunities with a reduction quote being confirmed. An additional SLT meeting will take place on 5 August to discuss opportunities.

The Committee Chair asked for confirmation on saving costs against Near Me (virtual consultations) as this has been reduced due to capacity issues. The Interim Director of Finance advised that savings targets were set earlier this year, we are heavily dependent on NHS Grampian and their ability to deliver the service.

**Decision/conclusion**

Members discussed and took assurance on the update.

**12.4. Planned Care - 52 week waits and addressing longest waits (Presenter: Director of Performance and Transformation)**

The Director of Performance and Transformation presented the Planned Care 52 weeks waits and addressing the longest waits paper and confirmed that all patients who are available to be booked are now booked recognising that all people are not at 52 week waits.

The key area of risk is the Ears and Nose Throat service and ensuring we meet our Treatment Time Guarantee (TTG) for all services.

Work continues with the National Elective Co-ordination Unit (NECU) to review all waiting lists; this will be completed by the end of this year.

The CEO asked for confirmation on the impact of not receiving funding for Endoscopy services. Director of Performance and Transformation advised that conversations have taken place with NHS Highland; there could be an opportunity for locums from NHS Highland to provide Endoscopy service in Orkney.

**Decision/conclusion**

Members welcomed and noted the update.

**12.5. NHS Renewal – Urgent and Unscheduled Care Funding 2025/26 (Presenters: EDoNMAHP)**

The EDoNMAHP presented the NHS Renewal – Urgent and Unscheduled Care Funding 2025/26 for assurance, advising that the First Minister has committed to increasing bed capacity and frailty models at the front door in this current parliament.

Initial conversations took place with the Board earlier this year, the Board were asked to submit a bid for unscheduled care funding. EDoNMAHP and Chief Officer IJB submitted a funding bid to Scottish Government; confirmation has been received that

NHS Orkney has been allocated £746 funding. Funding has been allocated as follows.

- £161k - For unscheduled winter monies
- £400k - Frailty and front door model
- £140k - Hospital at Home

EDoNMAHP advised that we currently do not deliver a Hospital at Home service due to substantive funding not being allocated, however this additional funding provides an opportunity to deliver anti-biotics in the Community which will result in a cost saving in relation to bed days advising that target set by Scottish Government is a reduction of 10 bed days saved per month.

The funding will also be used to enable the Respiratory Advanced Practitioner to provide respiratory support in the Community. This was included in our Annual Delivery Plan, Operational Improvement Plan and a recommendation in the Clinical Services Review. The funding proposal included establishing a multi-disciplinary team at the front door to avoid admission and identify frail elderly and set up a virtual ward. Target is the national ED performance standard.

The EDoNMAHP advised that there is a risk that this is not recurrent funding, targets have not yet been confirmed but are likely to be the Getting It Right for Everyone targets. There is a risk that recruiting for fixed term contract is a challenge due to lack of accommodation and travel.

J Kenny asked for confirmation of how much the Hospital at Home service will cost as the Hospital at Home and Frailty work go hand in hand. The EDoNMAHP advised that some of this work is already being delivered, the £140k will fund an additional 2 posts,

The Chair asked for additional details on the benefits and what will be delivered. EDoNMAHP advised that this was not captured in the submission but was discussed with Scottish Government's Policy Team. There is a risk that not understanding the trajectories and metrics we will not deliver the additionality required by Scottish Government.

The Interim Director of Finance raised a concern regarding non-recurrent funding and asked for clarity on what additionally will be delivered and how long will embedding the staffing in our operational model noting this is temporary funding.

The EDoNMAHP advised that delivering the Outpatient Parenteral Antibiotic Therapy (OPAT) service will support re-patriation of patients from Aberdeen and a reduction in bed days. In relation to staffing, some of the staff are already in post or are working as locums, there is currently no capacity to support physiotherapy and occupational therapy at the front door, however there is interest in people relocating to Orkney.

EDoNMAHP confirmed that this funding will not be used for permanent recruitment, however Scottish Government are expecting that staff will be recruited on a permanent basis. The Chief Officer – IJB reminded Committee that all Boards are in the same position in relation to this being non-recurrent funding.



EDoNMAHP advised that engagement with the Nursing and Midwifery Advisory Committee (NAMAC) has taken place, recognising this funding is part of a wider transformation piece of work.

The Employee Director raised a concern that we are adding additional cost pressures to a system which is already experiencing financial challenges.

J Kenny advised that there is a risk that focusing on front door model is rushing to address one issue but may create additional pressures elsewhere in the health and care system and felt unable to commit to accepting the funding due to the risk of non-delivery. System re-design needs to be undertaken with the resources we currently have.

The CEO thanked EDoNMAHP and Chief Officer IJB for their work on submitting the bid recognising links to the CSR and FM priorities. The suggestion of putting substantive posts in the system and the lack of clarity on KPI's creates a high risk for the Board.

J Kenny raised concerns regarding the paper coming to Board in August 2025, and how this will be presented to the Integration Joint Board. EDoNMAHP advised that the issue is in relation to timing, recognising the first submission on KPI's is due 31 July 2025.

Due to the level of risks associated with the funding and the need for further clinical engagement it was agreed that the paper presented to Board 28 August 2025 clearly sets out the benefits, KPI's, wider pieces of work already underway, risks and mitigations.

#### **Decision/conclusion**

Members discussed the NHS Renewal – Urgent and Unscheduled Care Funding 2025/26.

### **12.6. Addendum to 3-year financial plan (Presenter: Interim Director of Finance)**

Dr Anna Lamont joined the meeting at 10.50.

The Interim Director of Finance presented the addendum to the 3-year financial plan along with the extension to the 4-year plan to bring the Board back to balance.

The Committee Chair asked for confirmation of increased savings in 2026/27. The Interim Director of Finance advised that operational financial planning would commence in October 2025 to ensure the additional £500k savings are delivered.

Scottish Government have accepted and approved the addendum to the 3-year financial plan. Quarter 1 meeting with Scottish Government will take place next week, there is a need to review Agenda for Change additional pay costs.

Employee Director asked for confirmation that the medical staffing savings will be achieved in year and asked if funding for pay uplifts will be covered by Scottish Government. The Interim Director of Finance advised that all savings plans are being



reviewed. The Medical Director advised that recruitment for medical staffing remains a challenge, several methods of recruitment have been tried, and a further recruitment campaign will take place in the next 2 weeks.

The Committee Chair asked for confirmation of the high-level risk in relation to the Board being issued with a section 22 - this has now been reviewed and updated on the Corporate Risk Register which has been reduced.

**Decision/conclusion**

Members noted the addendum to the 3-year financial plan and took assurance on what was presented.

**12.7. Process for approving Business Cases (Presenter: Interim Director of Finance)**

The Interim Director of Finance presented the process for approving Business Cases to the Committee for approval.

Criteria were agreed by SLT in October 2024, the template presented will be used for all pay and non-pay business cases.

**Decision/conclusion**

Members welcomed and approved the process for approving Business Cases

**12.8. Litigation 6-monthly Report (Presenter: Head of Patient Safety, Quality and Risk)**

The Head of Patient Safety, Quality and Risk presented the litigation 6-monthly report. Claims are being processed, there are no outstanding claims.

Committee Chair welcomed sight of the report at Committee.

J Kenny asked for confirmation that all staff are required to undertake training on the use of hoists. Head of Patient Safety, Quality and Risk advised that all staff are required to be compliant with the use of hoists as part of manual handling training.

**Decision/conclusion**

Members welcomed and noted the litigation 6-monthly report.

**12.9. Revised Standing Financial Instructions Phase 2 Update (Presenter: Interim Director of Finance)**

The Head of Finance presented the revised Standing Financial Instructions Phase 2 update.

Amendments are minor wording changes and do not substantially change context or process.

**Decision/conclusion**

Members discussed and approved the revised Standing Financial Instructions Phase 2

**12.10. Chair's Assurance Report - Improving Together Programme Board 11 July 2025 (Presenter: Chief Executive)**

The Chief Executive presented the Improving Together Programme Board Chairs Assurance Report from the meeting held 11 July 2025.

Matters of escalation in relation to project management support, medical staffing and Quarter 1 results were covered earlier in the agenda.

**Decision/conclusion**

Members noted the update and took assurance on what was presented.

**12.11. Planned Care Programme Board - Chair's Assurance Report 17 July 2025 (Presenter: Director of Performance and Transformation)**

The Director of Performance and Transformation presented the Planned Care Programme Board - Chair's Assurance Report 17 July 2025.

No matters of escalation.

Health Intelligence team are supporting the Radiology team to develop trajectories for MRI patients who have been repatriated from NHS Grampian waiting lists.

Work continues to clinically assess patients who have indicated they no longer require an appointment via the NECU validation exercise on ENT, general medicine, general surgery, Ophthalmology and Trauma and Orthopaedics. Plans will be in place to have all assessments completed and patients removed from waiting lists by the end of July 2025.

**Decision/conclusion**

Members noted the update and took assurance on what was presented.

**13. PEOPLE - No papers presented**

**14. POTENTIAL**

**14.1. Chair's Assurance Report - Digital and Information Operational Group (DIOG) (Presenter: Interim Head of Corporate Governance)**

The Interim Head of Corporate Governance presented the Chair's Assurance Report - Digital and Information Operational Group (DIOG).

**Matters of escalation**

Transition from OneTrust to GRC Tool – Security to manage our Information Asset registers will result in a cost pressure to the Board – Business Case to be developed by the end of Quarter 2 once more information on costings is available from National Services Scotland.

Resourcing challenges within our eHealth Team due to staff absences. From Monday 26 May 2025, NHS Grampian will provide short-term support for eHealth tickets – this will be picked up as part of the Digital Services Review currently underway.

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 Senior Leadership Team 26 August 2025.

#### **Decision/conclusion**

Members noted the update and took assurance on what was presented.

#### **14.2. Digital and Information Services Operational Delivery Plan Quarter 1 2025/26 Update (Presenter: Head of Information Technology)**

The Interim Head of Corporate Governance presented the Digital and Information Services Operational Delivery Plan Quarter 1 update. The Interim Head of Corporate Governance presented an overview of the national and local digital deliverables and updated on progress to date on actions in NHS Orkney's Corporate Strategy Delivery Plan 2025/26.

The First Minister has made it clear that NHS renewal and reform must be underpinned by a digital-first approach to ensure sustainable and future-proofed healthcare services.

As set out in NHS Orkney's Year 2 Corporate Strategy, a key priority under the Potential Strategic Objective is to accelerate digital transformation. There are no deliverables rated red or amber in Quarter 1.

Led by the Chief Executive of NHS Shetland, conversations continue at a North of Scotland level to look at how we could potentially share digital resources, noting that all our clinical services are hosted by NHS Grampian.

The Digital Services Delivery Plan 2025/25 will continue to be monitored by the Digital Information Operations Group (DIOG) with quarterly reports and monthly Chair's Assurance Reports presented to the Finance and Performance Committee for Assurance.

The Interim Director of Finance asked if a 2 - 3-year plan could be developed which encompasses all national digital requests.

Head of Finance asked if Electronic Patient Records and Order comms could be included in the Digital Delivery Plan. The Chief Executive advised that until the model of delivery for digital services, staffing and lack of clinical engagement need to be addressed before this can be rolled out.

Committee Chair asked if an additional narrative could be included in Appendix 4 for tracking business as usual deliverables.

**Decision/conclusion**

Members welcomed the Quarter 1 update and took assurance on delivery of the Digital and Information Services Operational Delivery Plan

**14.3. National Business Systems Update - implications for NHS Orkney (Presenter: Interim Director of Finance)**

The Interim Director of Finance presented an update on the NHS National Business Systems Update and members discussed the implications for NHS Orkney.

Implementation for NHS Orkney will be substantial and require standardised operating procedures across all Boards likely to be deployed in 2026/27 for full roll out by 2027/28.

A full business case will be developed over the next 6 months; Directors of Finance are looking at how funding will be allocated for the roll-out as this is currently not funded.

EDoNMAHP shared that concerns have been raised by the Scottish Executive Nurse Directors on clinical engagement with the National Business Systems Update. Interim Director of Finance advised that e-roster is out of scope for this piece of work.

**Decision/conclusion**

Members noted the update.

**15. ANY OTHER COMPETENT BUSINESS**

EDoNMAHP asked for successful completion of the Island Games to be noted. The Committee Chair said they were looking forward to the lessons learned being brought to the Committee.

**16. ITEMS TO BE INCLUDED IN THE CHAIR'S ASSURANCE REPORT TO BOARD**

The committee agreed with the following items being included in the Chair's Assurance Report for escalation to the Board

**Escalations**

- Urgent unscheduled care funding 2025/26
- Improving Together Workforce Workstream
- Quarter 1 financial performance

**Positive Assurance**

- 52 weeks' wait performance.
- Successful completion of the Island Games

**Decisions made.**

- Business Case process approved.
- Standing Financial Instructions phase 2 approved

### **Work Underway**

- Balfour King Street
- Refresh of the Integrated Performance Report (IPR)
- National business systems

## **17. KEY ITEMS FOR NOTING (Presenter: chair)**

### **17.1. Key documentation (Presenter: Chair)**

Members noted the following documents.

- Community Glaucoma Service response to MSP - May 2025
- PCS(AFC)2025-5 - Pay and Conditions for NHS Staff Covered by The Agenda for Change Agreement
- CCHST- Collaborative Care Home Support Teams - Funding and objectives letter - 2025-26- draft May 22, 2025, FINAL
- Board Chief Executive Finance Update - July 2025
- NHS Territorial Boards - Annual Delivery Plan 2025-26 - July 2025
- Financial Delivery Unit Annual Report 2024-2025
- Financial Delivery Unit Update - July 2025
- Sustainability Funding Letter - June 2025
- NHS Scotland Employer National Insurance Contributions Increase- June 2025
- Board Chief Executive Finance Update - July 2025
- Letter to NHS July 2025-Scottish Public Finance Manual Guidance

### **17.2. Finance and Performance Committee - Timetable for Papers - 2025/26 (Presenter: Chair)**

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

### **17.3. Record of Attendance 2025/26 - (Presenter: Chair)**

Members noted the Record of Attendance 2025/26.

The Chair closed the meeting at 11.30.