Minute Finance and Performance Committee
Wednesday 24 June 2026

Attendance

Fiona MacKay (Chair – Non-Executive Board Member), Debs Crohn (Head of Corporate Governance), Sam Thomas (Executive Director of Nursing, Midwifery, Allied Health Professionals and Chief Officer Acute Services), Dave Harris (Director of People and Culture), Jason Taylor (Non-Executive Board Member), Damian Reid (Interim Director of Finance), Dr Louise Wilson (Director of Public Health), Dr Anna Lamont (Medical Director), Alan Scott (Head of Estates), Hazel Aim (Senior Corporate Governance Officer – minute), Ryan McLaughlin (Employee Director), Joanna Kenny (Non-Executive Board Member) and Mohammed Sohail (Interim Chief Finance Officer, IJB) attended from item 8.

Guests

John Daniels (Head of Primary Care), Chloe Crawford (NPD/Facilities Business Support Officer), Richard Rae (Head of IT).

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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.

Apologies received from T Sharp (Director Performance and Transformation), D Campbell (Board Chair), S Brown (Chief Officer IJB), Carrie Somerville (Head of Performance, Planning and Information), James Goodyear (Interim CEO) and Jean Stevenson (Non-Executive Board Member).

Members agreed the meeting was quorate in accordance with the Board's 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 25 May 2026 (Presenter: Chair)

The Chair asked for comments on the minute of the meeting held on 25 May 2026.

Decision/conclusion
The minute of the meeting held on 25 May 2026 was accepted as an accurate record of the meeting.

5. Matters Arising

No matters arising.

6. CHAIR'S ASSURANCE REPORT - Finance and Performance Committee Chair's Assurance Report 25 May 2026 (Presenter: Chair)

The Chair presented the Chair's Assurance Report of the Finance and Performance Committee meeting held on 25 May 2026.

Decision/Conclusion
Committee took assurance on the Chair's Assurance Report from the meeting held 25 May 2026 for onward submission to the Board 25 June 2026.

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

The Head of Corporate Governance presented the Finance and Performance Committee Action Log 2026/27.

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

8. Integrated Performance Report (IPR) (Presenter: Executive Directors)

The Executive Directors presented the Integrated Performance Report (IPR) and highlighted areas of positive performance and areas requiring continued focus.

It was noted that several indicators remained green, with Emergency Department (ED) performance continuing to be reported as amber, largely reflecting increased presentations associated with seasonal activity, including cruise ship activity.

The Committee noted the significant reduction in delayed transfers of care, while recognising that bed days continued to accrue. Positive performance against maternity standards was also highlighted.

The community performance position was discussed, including strong performance in psychological therapies compliance. Members recognised that, although standards were being met, an 18-week wait remained a long period for children and young people and that further improvement should continue to be explored.

Allied Health Professional (AHP) performance was noted to include a number of red and amber indicators. Work was underway to review performance management arrangements, strengthen reporting, and identify areas where improvements could be made.

The Medical Director highlighted improvements across areas of outpatient activity and waiting times, while noting continuing challenges in relation to radiology reporting. Members also discussed cancer waiting times, noting that performance could fluctuate due to small numbers, out of area pathways, patient choice to delay treatment, and multidisciplinary team pathways, particularly in relation to prostate cancer. It was reported that patients were not being carried forward month on month and that overall compliance remained high.

The Interim Chief Finance Officer IJB joined the meeting at 09:50.

Members sought further assurance regarding off-track performance, particularly in relation to AHP indicators and Musculoskeletal (MSK) services. It was agreed that a focused update on MSK performance would be provided as part of the next Integrated Performance Report submission. Committee also discussed whether broader AHP data, including areas such as speech and language

therapy, could be reflected in future reporting. It was noted that work was planned to strengthen AHP leadership and provide a broader, more integrated approach.

The Committee discussed the impact of guardianship and power of attorney delays on patient flow and length of stay. It was noted that the number of patients affected could fluctuate, but that delays could result in people remaining in hospital when this was not the right setting for them. The issue was being considered through the frailty and older persons workstream and by the IJB. Members also discussed the national position and the potential to raise concerns through appropriate local and national routes.

In relation to the Primary Care Improvement Plan (PICIP), members noted that funding changes had affected recruitment to posts intended to relieve pressure on GP workload, including first contact physiotherapy. It was reported that, although recruitment had not progressed as intended, there was no direct correlation identified with current waiting times. Further work would be undertaken to understand capacity and whether any additional funding requirements should be explored.

Emergency Department performance was discussed. The Committee was advised that NHS Orkney continued to perform strongly compared with other Boards, with daily escalation arrangements in place to monitor flow. It was noted that increased summer presentations could affect performance, but that the service continued to focus on appropriate treatment and discharge, with length of stay remaining low. Members welcomed the assurance that the service was focused not only on meeting the target but on taking the right clinical decisions for patients.

The Head of Primary Care left the meeting at 10:13.

The financial component of the report was also considered, including performance on payment of invoices within 10 days of receipt. It was reported that there was no significant delay in processing payments once authorised, but that authorisation delays, particularly in relation to travel invoices, remained challenging.

Committee noted that work continued to maintain oversight and improve performance. It was also noted that radiology reporting data was being reviewed to ensure the reported position accurately reflected performance.

Decision/conclusion
The Committee took assurance from the Integrated Performance Report.

9. Month 2 Financial Results Update (Presenter: Interim Director of Finance)

The Interim Director of Finance presented Month 2 financial results update, advising that the reported deficit was favourable to budget. However, it was noted that the budget had been planned on the basis of a higher deficit and that a significant proportion of the required savings were profiled for later in the financial year.

The Committee recognised that, while Month 2 position appeared more favourable than anticipated, there remained a material risk around the organisation's ability to deliver the required efficiencies in full.

The Committee discussed the budget-setting position and noted that further work was required to tighten budgets and ensure they reflected realistic staffing and expenditure assumptions. It was reported that the draft budget would have left a deficit of approximately £7.3 million, and that adjustments were being made to take account of issues such as locum costs and other staffing-related pressures. Members expressed concern that budget holders had not yet received finalised budgets and noted the importance of ensuring managers had the information required to manage and be held accountable for their budgets.

Members discussed the need to maintain appropriate controls on recruitment and discretionary spending, while recognising the distinction between holding vacancies and disestablishing posts. It was noted that a more constrained approach, aligned to last year's expenditure and additional savings requirements, would

be required to avoid over-recruitment and ensure the organisation remained within financial limits. The Committee also noted the importance of staff-side involvement and consideration of any implications arising from the Health and Care Staffing Act.

The Committee sought assurance on governance and financial control arrangements. It was noted that several controls were already in place, including scrutiny of larger expenditure and recruitment decisions through multiple approval routes. The Head of Corporate Governance emphasised the importance of staff adhering to Standing Financial Instructions. Members were advised that the Finance Team reviewed the financial position in detail and that the position would be discussed further by Executive Directors over the following days.

Members raised concerns regarding the accuracy and consistency of figures within the cover paper and the main report, particularly in relation to savings targets. It was clarified that there were two savings figures: the target reported to Scottish Government and the organisation's internal improvement target. It was reported that performance against the savings target was slightly ahead of plan, but that the cover paper would be reviewed and corrected prior to submission to Board.

The Committee also noted that a late fuel bill from Robertson Facilities Management had been received, which had adversely affected Month 2 position. Members agreed that the position should continue to be progressed at pace, with further clarity required on budgets, savings delivery and financial controls.

Decision/Conclusion
Committee noted the Month 2 financial position and the continuing risks associated with savings delivery, budget finalisation and financial control.

Committee took assurance from the update, noting that further work was underway to tighten budgets, clarify the savings position and maintain appropriate financial oversight.

10. STRATEGIC OBJECTIVE – PLACE – no papers were presented to the meeting.

11. PATIENT SAFETY, QUALITY AND EXPERIENCE

11.1. Transformational Priorities 2026/27 Highlight Reports (Presenter: Director of Finance)

The Interim Director of Finance presented the transformational priorities 2026/27 highlight reports and advised that progress was being made across the four priority areas, with continued focus required on delivery, consistency of reporting and local efficiencies.

Older Persons and Frailty

Committee noted that most areas were on track, although case studies remained off track. Work was ongoing to progress dementia mapping, with positive clinician engagement reported. Members noted that the work was broader than ward-based activity and had been widened to reflect frailty across the population, rather than being limited to those aged over 75. The Committee welcomed the progress made and discussed the importance of understanding whether the work was having a measurable impact, including on length of stay. Concern was raised that the review of social care services could divert resources and affect momentum. It was noted that the work remained a priority, with learning being taken from other Boards and a focus on progressing work ahead of winter pressures.

Redesign of Isles Care

Members noted that a further update would be provided at the next meeting due to the absence of key presenters. The Committee noted that service sustainability in the Isles remained at risk and was reflected on the IJB risk register.

Out of Hours

It was reported that the programme was mostly on track, with continued focus on the service model and service sustainability. The Committee noted that financial constraints remained a key challenge. Discussions had taken place and further information was being collated to support progress.

Medical Staffing

The Medical Director provided an update on Mental Health Staffing and advised that all areas were reporting green. Members noted that this remained a challenging area to deliver and that, while progress was positive, there continued to be a need to focus on performance and developing a more sustainable clinical position.

The Interim Director of Finance advised that progress was being made across all four areas and that there would be a continued focus on local efficiencies. Members noted the importance of ensuring consistency between the cover paper, the main report and the information being reported to Scottish Government. It was agreed that the transformation team would be asked to check the position to ensure consistency of reporting.

Decision/Conclusion
The Committee took assurance from the update.

11.2 Local Efficiency Scheme Highlight Report (Presenters: Executive Directors)

Committee noted that the local efficiency schemes sat alongside the four transformational priorities and formed an important part of the wider financial recovery and sustainability programme.

It was reported that delivery was ahead of target at this stage; however, members recognised that there remained a risk to the overall delivery of efficiency plans. Committee discussed the importance of maintaining sufficient detail within the Finance and Performance Committee reporting to enable appropriate scrutiny, while also ensuring that the key high-level points were reflected through the regular financial update.

Members noted that the position should continue to be monitored closely as part of the wider financial recovery work.

Decision/Conclusion
Committee took assurance from the update, noting that delivery was ahead of target at Month 2 but that risks remained in relation to the delivery of the overall efficiency programme.

It was agreed that future reporting should continue to provide sufficient detail for Committee scrutiny, with key high-level points reflected in the financial update.

12. STRATEGIC OBJECTIVE - PERFORMANCE

12.1. Medical Staffing Plan 2026/27 (Presenter: Medical Director)

The Medical Director presented the Medical Staffing Plan 2026/27 and advised that it built on previous discussions and papers considered by the Committee. The Committee noted that NHS Orkney continued to rely heavily on locum medical staffing, with very limited substantive staffing in some areas. Although the organisation had access to high quality locum clinicians, the current model was financially challenging and did not provide the level of sustainability required for the longer term.

The Committee discussed the clarification provided in relation to whole-time equivalent figures previously reported. It was noted that some figures had represented a cost-equivalent measure, rather than the actual WTE employed. This did not alter the reported spending but reinforced the need for change, as the Board was incurring the cost-equivalent of a larger establishment while securing a much smaller clinical presence through the current locum model.

Members noted that work was underway to develop a more sustainable medical workforce model for Orkney, including efforts to recruit substantively to anaesthetics. It was recognised that recruitment remained difficult, with consultants seeking flexibility and some potential applicants unlikely to accept new terms or rates. The Medical Director advised that engagement had taken place with individual clinicians and that, while there was recognition of the need for change, implementation would be challenging. The Committee noted that a new model had worked effectively in Shetland and the Western Isles and that learning was being taken from other island Boards, while recognising that local circumstances differed.

The Committee discussed the financial implications of the revised approach and noted that changes to rates were expected to contribute to the savings plan. It was recognised that the work formed part of a wider cultural and sustainability programme and would require continued executive, Board and staff-side support. Members also discussed the importance of communication, noting the sensitivity of the issue and the need for appropriate reactive communications while continuing proactive engagement with Scottish Government.

Members welcomed the progress being made and recognised the significant challenge involved in securing a sustainable medical staffing model for Orkney. The Committee noted that further updates would be required as the work progressed.

Decision/Conclusion
The Committee took assurance from the report.

12.2. Planned Care – Elective Trajectories 2026/27 (Presenter: EDoNMAHP)

The Executive Director of Nursing, Midwifery, Allied Health Professionals and Chief Officer Acute Services (EDoNMAHP) presented the Planned Care Elective Trajectories 2026/27 update.

The Committee discussed the relationship between planned care and medical staffing. It was noted that elective services were less directly dependent on the local medical staffing model than some other services, as a number of services were delivered by visiting clinicians or through Near Me appointments.

Members noted that data-driven planning was strengthening decision-making; however, demand continued to exceed available capacity. The Committee was advised that work was ongoing with colleagues to model demand and capacity and to manage waits through targeted activity.

Additional specialisms had been brought in to support reductions in long waits, including 52-week waits, with further focus on 104-week waits, particularly in orthopaedics.

The Committee noted that non-recurrent targeted national investment of approximately £288,000 was anticipated and would support planned care delivery. It was recognised that this funding would need to be used carefully to maximise impact, with an ambition to reduce waiting times to 12 weeks where possible. Members noted that a Planned Care Group was in place, chaired by the relevant senior manager, and would support decision-making on the use of any additional funding.

Members questioned whether the level of detail in the report was appropriate for the Committee and suggested that key points may be more appropriately reflected through the Chair's Assurance Report. The Committee also welcomed the focus on paediatric waiting times, recognising that waits could represent a significant period in a child's life.

Decision/Conclusion
The Committee took assurance from the update.

12.3. Robertsons Facilities Management Contract Update (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Robertson Facilities Management Contract Update and advised that progress had been made since the previous report to Committee. However, it was noted that progress had plateaued in some areas and that a number of issues remained outstanding, including long-standing action plan items. The Committee noted that continued focus was required to tighten performance management and maintain pressure on Robertson Facilities Management to deliver required improvements.

Members sought further assurance on the current position, including the status of fire damper works, water tank issues and other red-rated actions. It was agreed that a clear list of reported issues, progress to date, outstanding actions and timescales would be prepared. The Committee noted that the Interim Director of Finance would meet with estates colleagues before further engagement with Robertson Facilities Management.

The Head of Estates advised that work was underway to review the outstanding action plan items across the contract and to introduce monthly operational meetings to provide clearer oversight, timescales and accountability. It was noted that some actions had been outstanding for a significant period and required continued focus. The Committee also noted that Robertson Facilities Management was experiencing challenges in maintaining core staffing levels, which was affecting delivery.

Members discussed the application of contractual performance measures and deductions where standards were not being met. It was noted that deductions were applied where possible; however, the way the contract was written limited the extent to which charges could be applied in some circumstances. Members expressed concern that they were unable to take full assurance until clearer information was available on the scale of outstanding issues, the actions being taken and the timescales for resolution.

The Committee also discussed the scope of the contract management arrangements and agreed that relevant representation should be widened, including infection prevention and control input where appropriate. It was reported that an action log was being developed to support clearer tracking of actions, timescales and accountability. The Committee requested that, where appropriate, a further update be brought to the next meeting.

Decision/Conclusion
Committee noted the update and recognised that some progress had been made. However, members were unable to take full assurance until further detail was provided on outstanding issues, timescales, performance indicators and the application of contract management arrangements.

13. STRATEGIC OBJECTIVE – PEOPLE – No papers presented to Committee.

14. STRATEGIC OBJECTIVE – POTENTIAL - No papers presented to Committee.

15. CHAIR'S ASSURANCE REPORTS

15.1. Chair's Assurance Report – Digital and Information Operational Group (DIOG) 27 May 2026 (Interim Director of Finance)

The Interim Director of Finance presented the Chair's Assurance Report from the Digital and Information Operational Group (DIOG) meeting held on 27 May 2026. The Committee noted the key issues escalated, including capacity pressures within leadership and administrative support, and the need to maintain oversight of implementation and delivery across a number of digital programmes.

Members discussed the implementation of the national Picture Archiving and Communication System (PACS) programme and noted that NHS Orkney was part of a wider national rollout involving a significant number of Boards. It was reported that implementation was anticipated towards the end of December. Project management arrangements for national GP IT re-provisioning were also noted.

Members asked for clarity on the timescale for MORSE (Electronic Patient Record) and were advised that the programme was back on track. It was noted that the previous challenges had not been digital in nature but related to leadership within the mental health team, with additional support now in place. The Committee also noted that the child health system had benefited from early identification of issues by NHS Orkney as a small Board, allowing concerns to be escalated at an early stage.

The Committee noted positive progress in relation to the development of a more structured approach to a single Electronic Patient Record and the ongoing work to progress single finance and HR systems.

Members recognised that changes to any system could create anxiety and disruption for staff, particularly where new systems required significant adjustment. It was noted that, although implementation would require staff to become familiar with different ways of working, the systems provided the functionality required.

Decision/Conclusion
The Committee took assurance from the update.

15.2. Chair's Assurance Report – Capital & Property Strategic Group – No meetings have taken place since last committee.

16. Agree Items for Chair's Assurance Report to Board

Members agreed the following content for inclusion in the Chair's Assurance Report to Board:

Areas of Concern

- Month 2 financial performance
- The sustainability of the Isles model of care
- The Committee was unable to take full assurance on the Robertson Facilities Management contract

Major Work Commissioned / Underway

- Work continued to strengthen sustainability through the transformational priorities and local efficiency schemes.
- Further work was underway to improve community performance reporting, including AHP indicators and a focused update on MSK performance through the next Integrated Performance Report.
- The impact of guardianship and power of attorney delays on patient flow and length of stay continued to be explored through the frailty and older persons workstream and by the IJB.
- Workforce implications, including medical staffing sustainability, staff-side engagement and the implications of the Health and Care Staffing Act, continued to be progressed.
- The transformation team would review the Transformational Priorities reporting to ensure consistency between the cover paper, main report and Scottish Government reporting.
- Further work would be undertaken to clarify Robertson Facilities Management outstanding actions, performance measures, timescales and escalation arrangements.
- Medical staffing updates would continue to be provided to Committee as the revised sustainable staffing model progressed.

Positive Assurance

- Integrated Performance Report
- Positive progress was noted in relation to outpatient activity and waiting times, including the ultrasound service waiting list.
- Committee noted strong performance against the Emergency Department 4-hour target, with the Board consistently among the top three performing Boards in Scotland. Mental Health Staffing within the transformational priorities was reporting green, while recognising the need to maintain focus on sustainable clinical performance.
- Older Persons/Frailty and Out of Hours Transformational Priorities Workstreams.

Decisions Made

- Minutes and Chair's Assurance Report approved from the meeting held on 25 May 2026.
- Committee agreed to recommend to the Risk Management Group an increase to the financial sustainability risk score to 16.
- Agreed that high-level efficiency schemes will be included in the monthly financial update brought to Committee.

17. AOCB (Presenter: Chair)

No other competent business raised.

18. Key Items for Noting (Presenter: Chair)

No documents were presented for noting.

18.1 Attendance Record

Committee noted the attendance record 2026/27.

18.2 Meeting Schedule 2026/27 (Presenter: Chair)

Committee noted the meeting schedule 2026/27.

The Chair thanked those who attended for their input and contributions and closed the meeting at 12:01.