

Minute Finance and Performance Committee

Wednesday 25 August 2026

Attendance

Fiona MacKay (Chair – Non-Executive Board Member), Debs Crohn (Associate Director Corporate Governance), Damian Reid (Interim Director of Finance), Ryan McLaughlin (Employee Director), Davie Campbell (Board Chair), Sharon Keyes (Head of Facilities and Non-Profit Distributing (NPD) Contract Lead), Lesley Thomson (Interim Executive Nurse Director), John Daniels (Interim Chief Operating Officer/Head of Primary Care Services), Dr Louise Wilson (Director of Public Health), Jean Stevenson (Non-Executive Board Member), Richard Rae (Head of IT), Alan Scott (Head of Estates and Property), Stephen Brown (Chief Officer IJB), Dave Harris (Director of People and Culture) and, Mohammed Sohail (Finance Officer – IJB), Alan Scott (Head of Estates and Property) Jason Taylor (Non-Executive Board Member).

Dr Anna Lamont (Medical Director) joined at item 9.

Guests

Kirsty Francis (Head of Procurement and Improvement), Hayley Green (Non-executive Board Member) and Michael Morrison (Non-executive Board Member), Hazel Aim (Senior Corporate Governance Officer),

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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 to 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 the 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 D Langhan (Chief Finance Officer – IJB), James Goodyear (Interim CEO), Carrie Somerville (Head of Planning, Performance and Information) and Sam Thomas.(Executive Director Nursing, Midwifery, AHPs and Chief Officer Acute Services).

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 28 July 2026 (Presenter: Chair)

The Chair asked for comments on the minute of the meeting 28 July 2026.

Decision/conclusion

The minutes of the meeting held on 28 July 2026 were accepted as an accurate record of the meeting.

5. Matters Arising

The Chair noted that the risk briefing for new Non-Executive Directors had taken place and had been well received. Thanks to the Head of Patient Safety, Quality and Risk were recorded for delivering the session.

The Committee also noted that work was underway to strengthen budget ownership, with a budget sign-off process due to be considered by the Executive Team before being issued to Directors. The process will require Directors to sign off budgets and identify associated risks and mitigations.

Decision/conclusion

Committee noted the updates provided.

6. CHAIR'S ASSURANCE REPORT - Finance and Performance Committee Chair's Assurance Report 28 July 2026 (Presenter: Chair)

The Chair presented the Chair's Assurance Report of the Finance and Performance Committee meeting held on 28 July 2026.

Decision/Conclusion

Committee took assurance on the Chair's Assurance Report from the meeting held 28 July 2026 for onward submission to the Board 29 October 2026.

7. Action Log (Presenter: Associate Director Corporate Governance)

The Associate Director 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 (Presenter: Interim Chief Operating Officer)

The Interim Chief Operating Officer presented the Integrated Performance Report (IPR) and advised that the overall position was mixed, with improvement in some areas but continued pressure in others. Areas highlighted for improvement included planned care, delayed discharge, musculoskeletal waiting times, podiatry, diagnostics and endoscopy. Positive performance was noted in diagnostic cardiology, A&E, CAMHS, maternity, psychological therapies and endoscopy.

Members discussed the basis for delayed transfer of care targets and noted that further work was required to improve the quality and usefulness of community performance metrics. It was noted that implementation of Morse should support the development of more rounded local reporting, particularly for mental health, health visiting, school nursing and community nursing services.

The Committee discussed cancer 62-day performance, noting the impact of small numbers and the potential influence of other Boards' activity. A more detailed narrative and improvement plan will be brought to the next Committee meeting as part of the planned care deep dive.

Members also discussed delayed discharge arrangements, including variation in assessment and discharge planning processes, and noted that further work was required around discharge to assess and care package planning.

Ophthalmology performance and AHP waiting times were also discussed, Committee noted that planned additional ophthalmology activity had been affected by locum withdrawal, but that a more sustainable approach was being explored, including use of independent providers through procurement frameworks. Further detail will be included in next month's performance deep dive.

Decision/conclusion

Committee took assurance from the Integrated Performance Report.

9. Month 4 Financial Results Update (Presenter: Interim Director of Finance)

The Interim Director of Finance presented Month 4 financial position, reporting a year-to-date deficit of £1.3m, which was slightly better than planned. However, this was partly due to planned savings being weighted towards the second half of the year, meaning the financial challenge will increase as the year progresses. Efficiencies were slightly behind plan, with £0.6m delivered against an £0.8m target.

Key pressures included continuing agency and bank costs, particularly medical and dental agency costs, and rising travel costs.

Committee noted that confirmed full-year MRI funding had provided an in-month benefit, but that travel remained an area to watch.

Members discussed the need for clearer narrative on how the Board expects to remain within the agreed £2.4m deficit, including the split between recurrent savings, non-recurrent mitigations and longer-term transformation opportunities. It was noted that further work was underway to finalise budget sign-off with Directors, identify risks and mitigations, and clarify the size of the remaining gap.

Committee also discussed service level agreements, digital investment risks, community nursing costs, capital funding for the old Balfour site, and the need to have further invest-to-save proposals ready should funding opportunities arise.

Workforce reporting was discussed, with members noting the need to move towards clearer reporting of budgeted whole-time equivalents, actual whole-time equivalent and total staffing spend, including bank and agency.

Decision/Conclusion

Committee took assurance from the Month 4 financial position.

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

11. PATIENT SAFETY, QUALITY AND EXPERIENCE

11.1. Transformation Priorities 2026/27 Highlight Report (Presenter: Head of Procurement and Improvement)

The Head of Procurement and Improvement presented the revised highlight report, noting that the format had been updated to give members clearer information on progress, risks and mitigations.

Older People and Frailty workstream

The workstream was reported to be on track. Committee noted ongoing work to map pathways and improve consistency of approach, including the dementia diagnosis pathway.

Positive progress included the appointment of an Older People Psychiatrist with recruitment underway for an Admiral Nurse, supported by Dementia UK funding. The workstream was noted to

be focused more on prevention, consistency and service improvement than significant financial savings.

Out of Hours/Urgent and Unscheduled Care workstream

Urgent and Unscheduled Care had been broadened from the previous out-of-hours focus to reflect the need for an integrated approach across services. A refreshed project meeting was scheduled, with engagement with affected teams expected to begin as soon as practicable and an ambition to conclude this by the end of October.

Committee noted that the financial plan for this workstream was off track and that an adjusted plan would be required, with any in-year savings likely to depend on transitional arrangements.

Members discussed the scale and complexity of the transformation programme, the need to prioritise deliverable opportunities, and the importance of aligning financial expectations with Scottish Government messaging. Committee also noted that many of the transformational priorities were about service sustainability and quality as well as savings, and that some benefits may take two to three years to deliver.

Decision/Conclusion

The Committee took assurance from the Transformation Priorities 2026/27 Highlight Report.

11.2 Isles Model of Care Workstream Plan (Presenter: Chief Officer - Integration Joint Board - IJB)

The Chief Officer – IJB presented the Isles Model of Care Workstream Plan, highlighting significant concerns around the current model for emergency and urgent care on the isles. The Committee noted that some island residents currently contact the Balfour Hospital switchboard rather than 999 or NHS 24, creating potential delays where emergency care is required.

The current model provides 24/7 cover across ten islands, but costs significantly more than the funding received to deliver primary care services. A previous pilot on Papay, had taken place without significant issues but was not continued following community concerns. The pilot would have delivered recurring savings of approximately £140,000–£150,000 per year.

Members recognised that the existing model is not financially or operationally sustainable and presents workforce risks, including working time directive concerns for staff providing continuous on-call cover. The Committee discussed the need for careful community engagement, supported by Healthcare Improvement Scotland's Planning with People guidance and noted the importance of working with community planning partners, community councils, development trusts, Scottish Ambulance Service, Scottish Fire and Rescue, and other island partners.

Members emphasised that the case for change should focus on providing the right care, at the right time, in the right way, rather than being presented solely as a financial saving. It was recognised that this programme is now not expected to deliver the financial saving anticipated, meaning these savings will need to be made elsewhere.

Committee noted the sensitivity of any proposed changes for island communities, particularly where current access to local provision is viewed as a high standard of care.

It was confirmed that decision-making responsibility rests with the IJB, although the Committee can scrutinise, influence and support the development of the model.

Decision/Conclusion

Committee took assurance from the Isles Model of Care Workstream Plan, noting the programme is now not expected to deliver the financial savings anticipated, meaning that these savings will need to be made elsewhere.

11.3 Outpatient Travel Update (Presenter: Medical Director)

The Medical Director presented the Outpatient Travel Update and advised that an error had been identified in the summary charts. The corrected total spend was approximately £2m, although the remaining data and conclusions in the paper remained valid.

Members discussed the need for improved data to support decision-making, expenditure whether patient and escort travel could be broken down by specialty. It was noted that this level of detail is not currently collected, although further work may be possible to establish whether it can be extracted in future.

The Committee considered the impact of the MRI scanner on travel costs. It was noted that while the scanner benefits patients and contributes to cost avoidance, much of this impact is already reflected in previous year figures and the scope for further significant reductions is limited. Travel costs remain affected by accommodation, multi-day travel, cancellations and above-inflation increases in fares.

Members discussed the potential to engage with Scottish Government regarding the exclusion of NHS-funded patient travel from the Air Discount Scheme, and whether any approach should be strengthened by involving other island partners. It was noted that costs had previously been funded directly by Scottish Government prior to being baselined in 2015, and that above-inflation increases now represent a continuing unfunded pressure.

Committee also noted the importance of continuing to reduce avoidable travel by bringing clinicians to Orkney where possible, maximising local theatre and outpatient capacity, and building on NHS Orkney's already high level of virtual consultations.

A revised paper, correcting the data error, will be circulated to members and brought back to the next meeting before any decision is taken on the proposed approach to Scottish Government.

Decision/Conclusion

The Committee took assurance from the Outpatient Travel Update.

11.4 Medical Staffing Workstream Update (Presenter: Medical Director) - Discussed after item 11.2.

The Medical Director presented the Medical Staffing Workstream Update, noting that the paper was a point-in-time position based on working documents developed through Executive workshops.

Committee noted that the paper had been shared more widely following discussions with consultants and the Joint Local Negotiating Committee, and that it provided assurance on the scale of work underway.

The update focused on medical staffing rather than the wider clinical workforce. Progress was noted in anaesthetics recruitment, with interviews underway and further interest in posts.

Committee discussed whether consultant-level roles were always required. It was explained that this depends on the model of care and level of decision-making required, with some roles needing

an independent medical decision-maker while other models may allow for specialist doctors, advanced practitioners or nurse-led care.

Members discussed how the staffing model links to the broader clinical strategy for the hospital, including future models of care and sustainability. It was noted that recruitment cannot progress safely in some specialties until roles and models of care are clearly defined, as recruiting without a defined role would carry risk.

Committee also discussed the potential for leaner models of care, noting that these would transfer risk to individual staff availability and could only be considered once alternative models of care had been agreed. Further work is underway on paediatric, integrated urgent care and surgical models, with physician redesign likely to follow in the next financial year.

The Medical Director advised that the main opportunity for savings relates to reducing locum costs but emphasised that the primary purpose of the workstream is to secure sustainable services and develop a clear clinical staffing strategy for Orkney.

Decision/Conclusion

The Committee took assurance from the Medical Staffing Workstream Update.

The Chief Officer – IJB left the meeting.

12. STRATEGIC OBJECTIVE - PERFORMANCE

12.1. Scottish Government Quarter 1 Review Meeting – (Presenters: Interim Director of Finance, Director of People and Culture)

The Interim Director of Finance presented the Scottish Government Quarter 1 Review Meeting update. Committee noted that the Scottish Government response was stronger than expected, requiring NHS Orkney to identify alternative plans to deliver the targeted efficiencies and remain within the agreed deficit, with no further funding expected. It was noted that any additional deficit would need to be reported in the accounts and could increase the risk of a Section 22 report.

Members discussed the need for a twin-track approach: maintaining focus on recurring savings while also understanding any short-term, non-recurring mitigations that may provide breathing space while longer-term transformation schemes are developed.

Committee also noted the need to progress patient-level costing, although this will take time to develop to a level that supports decision-making.

Decision/Conclusion

The Committee took assurance from the Scottish Government Quarter 1 Review Meeting update and supported the recommendations.

12.2. Musculoskeletal (MSK) and Speech and Language Capacity and Demand Planning Update – deferred to September 2026 meeting.

12.3. Robertsons Facilities Management Contract Update (Presenter: Head of Facilities and NPD Contract Lead)

The Head of Facilities and NPD Contract Lead presented the update, noting continued service delivery and improvements in some key compliance areas. Reactive maintenance performance remained strong, with 205 of 215 jobs completed within required timescales.

Fire damper inspections continued to progress, water tank repairs were planned, and emergency lighting defects had reduced significantly.

Members noted that enhanced monitoring and contractual deductions remain in place where required, particularly in relation to planned preventative maintenance (PPM), compliance backlogs and change notices. Further work is required to ensure reporting is more current to provide a fuller picture across both fire and smoke dampers.

Committee also noted that the renal reverse osmosis plant membranes had been fitted, with water sampling underway before the service could return to normal operation. Current planned preventative maintenance figures were also discussed, as the figures presented were up to March 2026, up-to-date progress included in the reporting was requested for future meetings.

Decision/Conclusion

The Committee took assurance from the Robertsons Facilities Management Contract update and current figures were requested for future reports.

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

14. POTENTIAL – No papers were presented to Committee.

15. CHAIR’S ASSURANCE REPORTS

15.1. Chair’s Assurance Report – Digital and information Operational Group (DIOG) 27 July 2026 (Presenter: Interim Director of Finance)

The Interim Director of Finance presented the Chair’s Assurance Report from the Digital and Information Operational Group meeting held on 27 July 2026. The Committee noted progress with implementation of the sexual health system and delivery of the Picture Archiving and Communication System (PACS) rollout, with checks underway to confirm it was operating as expected. The Radiology Information System had been slightly delayed, with further work underway to understand any associated risk.

Positive assurance was noted in relation to completion of the Windows 11 rollout and successful go-live for health visiting and school nursing.

Decision/Conclusion

Committee took assurance from the Chair’s Assurance Report for DIOG on 27 July 2026.

15.2. Chair’s Assurance Report – Capital & Property Strategic Group – No meetings took place.

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 4 position, including the need to remain within the agreed deficit and strengthen recurring savings delivery.
- Delivery risk across the transformation priorities, particularly where in-year savings are now less certain.

- Scottish Government feedback following the Quarter 1 review, including the requirement to identify alternative plans and no expectation of further funding.

Major Work Commissioned / Underway

- Development of improved community metrics for inclusion in the Integrated Performance Report.
- Budget sign-off process
- Further investment-to-save proposals to be developed
- Urgent and unscheduled care workstream to progress at pace,
- Outputs from the IJB development session on the Isles Model of Care to be shared with Board members.
- Engagement on the Isles Model of Care to include community planning partners, community councils, development trusts and other island partners.
- Revised Outpatient Travel paper to return to the next meeting
- Future Robertsons Facilities Management reports to include more current KPI information and clearer forward plans for outstanding compliance and maintenance actions.

Positive Assurance

- Risk briefing for new Non-Executive Directors had taken place and was well received.
- Positive performance was noted in a number of areas within the Integrated Performance Report, including diagnostic cardiology, A&E, CAMHS, maternity, psychological therapies and endoscopy.
- Older People and Frailty transformation workstream was reported as on track,
- Progress was noted on anaesthetics recruitment as part of the Medical Staffing Workstream.
- Reactive maintenance performance under the Robertsons Facilities Management contract remained strong, with improvements in emergency lighting defects and progress on fire damper inspections.
- Digital assurance was received, including completion of the Windows 11 rollout, delivery of the PACS rollout and successful go-live for health visiting and school nursing.

Effectiveness of Meeting

- Members confirmed that the meeting covered the right agenda items and provided appropriate opportunity for discussion and challenge.
- The Chair noted that members had been able to contribute views, with the meeting providing effective scrutiny across finance, performance and transformation priorities.

17. AOCB (Presenter: Chair)

D Campbell raised question regarding the potential use of robotics within NHS Orkney. The Medical Director advised that robotic systems are managed nationally and allocated to regional centres, with NHS Orkney accessing these services through national arrangements rather than holding its own robotic equipment.

It was noted that robotics is being considered as part of wider sub-national planning discussions, but that the availability of skilled staff is as important as the location of robotic systems. The Committee also noted that while robotics can benefit patients by reducing length of stay, the wider health economic case is less clear due to increased operating time and associated running costs.

Decision/Conclusion

The Committee noted the update.

18 Key Items for Noting (Presenter: Chair)

18a Chair's Assurance Report Improving Together Programme Board Efficiencies (ITPBE) 4 August 2026

Decision/Conclusion

The Committee took assurance from the Chair's Assurance Report for the ITPBE meeting held on 4 August.

18b NHS Orkney Invest to Save Framework – Re-ablement Pharmacist and Polypharmacy**Decision/Conclusion**

Committee noted the NHS Orkney Invest to Save Framework – Re-ablement Pharmacist and Polypharmacy.

18.1 Attendance Record

Committee noted the attendance record 2026/27.

18.2 Meeting Schedule 2026/27

Committee noted the meeting schedule 2026/27.

18.3 Effectiveness of Meeting

The Committee considered the effectiveness of the meeting and confirmed that the agenda covered the appropriate items.

The Chair thanked those who attended for their input and contributions and closed the meeting at 12:30.