

SHETLAND NHS BOARD

Minutes of the Finance and Performance Committee (FPC) meeting held virtually on Tuesday 25 February 2025 at 14:00

PRESENT

Mr. Gary Robinson (Chair)	Mrs. Kathy Hubbard
Ms. Natasha Cornick (substitute member)	

IN ATTENDANCE

Mr. Colin Marsland, Director of Finance (Executive Lead)	Mr. Brian Chittick, Chief Executive
Mr. Karl Williamson, Integrated Joint Board (IJB) Chief Financial Officer	Ms. Jo Robinson, IJB Chief Officer
Professor Kathleen Carolan, Director of Nursing and Acute Services	Ms. Lucy Flaws, Head of Planning
Ms. Edna Mary Watson, Chief Nurse Corporate	Mr. David Wagstaff, Head of Estates, Facilities, and Medical Physics
Mr. Craig Chapman, Head of Information and Digital Technology	Mr. David Morgan, Head of Information Governance (IG), Freedom of Information (Fol) Lead, and Data Protection Officer (DPO)
Mr. Sam Collier-Sewell, IG Manager and Deputy DPO	Mr. Lawson Bisset, Sustainability Lead
Ms. Millie Boulton, Board Business Manager	Mrs. Erin Seif, FPC minute taker and admin support

1. Apologies for absence

Apologies were received from FPC member Mrs. Emma Macdonald, and core attendee Director of Human Resources (HR) and Support Services Mrs. Lorraine Hall.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of 3 December 2024 meeting

The minutes of the 3 December 2024 meeting of the FPC were approved.

4. Matters arising

In response to a member's query on when the planned Health Intelligence Group (HIG) should form—item 19.c. in the 3 December 2024 meeting minutes noted HIG “has not yet been established since being approved for formation by the FPC on 25 May 2023”—Mr. Marsland noted this was being discussed with the proposed HIG Executive Lead.

This matter is also addressed under item 13 of these minutes, the Digital Health update.

5. Action Tracker

The FPC noted all items on the action tracker should be covered later on the agenda.

Standing Items

6. Strategic Risk Report

Chief Nurse Corporate Ms. Edna Mary Watson presented the Strategic Risk Report, highlighting risks the rating scores of which have changed, that require updating or have been closed, or where controls are considered inadequate.

To a member's query on whether strategic risk SR14 regarding Estates is at an appropriate level given the current building work at the Gilbert Bain Hospital (GBH), Ms. Watson explained this risk will be reviewed in March at a Risk Management Group meeting and at the Clinical Governance Committee, taking into account both estates and clinical performance elements.

Regarding a member question related to risk SR1378 on whether NHS Shetland will procure an electronic document management system, Director of Finance Mr. Colin Marsland shared the Executive Management Team has agreed to implement a system relating to Fols and is considering another on policy management.

One member asked if a more formal process will be introduced around testing controls on risks and then reporting the results. Ms. Watson explained work is underway, alongside Business Continuity (BC) and Resilience Officer Mr. James McConnachie, to develop a schedule of testing risk-controls, and that internal audit recommendations to include reporting on existing tests within the recorded risks on the register are being implemented.

The FPC noted the contents of the Strategic Risk Report.

7. Waiting Times Report

Professor Kathleen Carolan presented the Waiting Times Report flagging the inclusion of the first iteration of the 2025–26 Planned Care Plan as an appendix and emphasising the risks it shows of services including rheumatology, dermatology, Ear Nose and Throat, ophthalmology, and orthopaedics having significantly reduced or completely absent service provision if NHS Shetland does not received matched funding for the year. SG has been informed of these risks and have asked to see a version of the plan with no mitigations.

Prof. Carolan stressed to FPC that though current performance remains good, largely due to several recovery plans put in place with additional funding SG provided in 2024–25, a number of risk areas mean there will be access challenges and possibly safety and quality issues for services going forward. Prof. Carolan characterised the risk level as unacceptable and, depending on SG feedback, the risk may be re-categorised to the corporate level.

Responding to a member's question, Prof. Carolan explained colposcopies can no longer be delivered locally because it has been difficult for the single service-practitioner to maintain accreditation and NHS Shetland is working with NHS Grampian to establish a visiting service.

Regarding audiology, Prof. Carolan welcomed a member's suggestion for NHS Shetland to coordinate with voluntary work the Royal National Institute for Deaf People undertakes locally and explained partner-work with Specsavers in Lerwick is also being explored.

The FPC noted the contents of the Waiting Times Report.

8. Financial Monitoring Report

Mr. Marsland presented the Financial Monitoring Report and offered a verbal update on the month ten position, noting while NHS Shetland is currently at a £2.1m overspend, the year-end forecast is a £1.3m overspend. This £1.3m may be offset by an equivalent Scottish

Government (SG) allocation to all three island Boards to part-cover the costs of Distant Islands Allowance (DIA), which should then result in a break-even position.

Chief Executive Mr. Brian Chittick expressed appreciation for Mr. Marsland's role in negotiating DIA funding and noted an anticipated break-even at year-end was just one point in a three-year sustainability journey of developing a viable plan focused on recurring savings.

A member noted staff vacancies are a significant contributor to non-recurrent savings. Head of Planning Ms. Lucy Flaws shared the Finance and HR departments are preparing data around why some hard-to-fill vacancies have not yet prompted service re-design, the out-turn of which should be included in the next Finance and Sustainability Group (FSG) report to FPC.

Mr. Marsland highlighted various pressures related to locums covering vacancies, including the greater cost, the additional workload to support staff outside the service, and reduced leadership in a service when delivery is covered but redesign and development may not be.

IJB Chief Officer Ms. Jo Robinson commented staff should be assured "dropped" vacancies could be reinstated where a need is demonstrated in future, but if departments are managing and performing to a reasonable level despite vacancies, those funds should go to the bottom line rather than topping up a service above and beyond what needs to be delivered.

The FPC noted the contents of the Financial Monitoring Report.

9. Performance Report

Ms. Flaws presented the Performance Report, noting a vacancy in the Substance Support and Recovery Service affected a related target, while the FSG is examining sickness absences by team to see where support can be offered.

Ms. Flaws went on to highlight exceptional additions to the report tied to the Annual Delivery Plan—including Accident and Emergency (A&E) attendance for over-85s, rates of appraisal completion and winter vaccinations, health visiting pathways, and screening data—and flagged information on systems-balance and long-term conditions review.

Regarding a member's query on the outturn of the FSG "deep dive" on sickness absence coming back to FPC, Mr. Chittick emphasised the importance of reinvigorating the staff well-being agenda, in collaboration with the Employee Director, the Area Partnership Forum, and the Staff Governance Committee (SGC), and outlined an intended process of identifying organisational areas with high stress or sickness levels, consulting with those teams, and tailoring staff wellbeing support according to their needs. Mr. Chittick also shared a new Occupational Health Nurse is in post and a new Spiritual Lead will start soon.

A member expressed concern about a possible connection between low appraisal completion rates and staff well-being, with colleagues potentially not feeling valued, not engaging, and consequently missing out on training and development opportunities. Mr. Chittick agreed this should be high on the staff-wellbeing agenda, noting previous broad comms on the topic could be supported by a "bottom-up" approach empowering staff to seek out opportunities.

On the long-term condition management mentioned by Ms. Flaws, Ms. Robinson added this review has reassured some outer-island stakeholders as it demonstrated similar performance across mainland and outer isles' health centres. Mr. Chittick queried where performance-improvement from preventative and proactive community care might be measured, for example in lower rates of A&E attendance or subsequent hospital admission, and Ms. Robinson explained this was being assessed and managed alongside Health Improvement Scotland but would probably involve fewer unplanned care episodes and more planned. However, no clear model exists of the lowest safe provision of care in Shetland.

Ms. Flaws added there are no national Scottish standards for long-term conditions or Primary Care and without agreed organisational trajectories or targets, measurement remains difficult. In terms of A&E attendance converting to admission, work is underway to standardize coding of events to improve understanding, while a colleague is undergoing training to examine the

patient experience of long-term condition management, which should feed into improvement. NHS Shetland is shifting from most Primary Care being delivered “on the day” to allow patients to plan ahead, and is also helping to improve the Scottish data-set on “risk of re-admission”.

Responding to a member’s question on the role of the FPC distinct from that of the SGC on overseeing sickness absences as well as rates of mandatory training and appraisal completion, FPC Chair Mr. Gary Robinson noted FPC triangulates those factors with the impact on the performance and finances of NHS Shetland, such as the cost of agency cover.

The FPC noted the contents of the Performance Report.

10. Capital Programme update

Head of Estates, Facilities, and Medical Physics Mr. David Wagstaff presented the quarterly update on the Capital Programme, highlighting the reduction in lease properties through relocating teams to NHS Shetland-owned office accommodation; the renewal of the lab managed service contract; and the roof repair at Montfield Dental.

Looking ahead, Mr. Wagstaff flagged the process underway towards the 2025–26 investment programme; continuing separate transition funding for IFRS (International Financial Reporting Standards) 16 lease costs; the upcoming whole-system infrastructure planning process; and the receipt of emergency funding to cover immediate and ongoing works on the GBH following water ingress. Mr. Wagstaff noted this work is anticipated to continue until the end of 2026 and will be overseen by a newly created programme board.

The FPC noted the contents of the Capital Programme update.

11. FPC Business Plan 2025–26

Mr. Marsland presented the proposed FPC Business Plan 2025–26, which takes into account the committee’s Terms of Reference and schedules its work in the coming year.

The FPC approved the contents of the FPC Business Plan 2025–26.

12. Information Governance update

Head of IG, FoI Lead, and DPO Mr. David Morgan presented his last update on the IG Work Plan to FPC before his retirement in April, noting the risks in that plan regarding insufficient staff to support the new Corporate Records Manager and collaborate with the Information and Digital Technology team on information security have been offset by increased resourcing.

Mr. Chittick thanked Mr. Morgan for his pioneering work establishing the IG Department at NHS Shetland, and Mr. Robinson echoed this gratitude and appreciation on behalf of the FPC.

The FPC noted the contents of the IG update.

13. Digital Health update

Head of Information and Digital Technology Mr. Craig Chapman presented the Digital Health update, noting the completion of some outstanding actions, such as amendments to the Digital Governance Group (DGG) Terms of Reference on how DGG interfaces with projects whose governance sits outside it, and that its sub-groups are resource, not meeting groups.

On the first iteration of the “Digital Dashboard”, Mr. Chapman explained it was a demonstration of the metrics and data that could be provided, and included benchmarks against comparably sized organisations, while subsequent versions should include less data and more narrative. A short overview on digital projects was also provided as requested, each of which could be reported on in greater detail at future meetings if sought by the FPC.

Mr. Chapman noted recent recruitment should continue to improve future NIS audit outturns and added, in response to an attendee question on benchmarking NHS Shetland’s cyber security, the additional resource would allow the team to target the highest risks identified.

Regarding possible duplication of work across governance committees, Mr. Chapman will talk to relevant colleagues about how this can be minimised while maintaining levels of assurance.

On a member's query under "Matters Arising" about the unestablished HIG (see also item 22c), Mr. Chapman explained the Information Department now falls under Planning. Mr. Chapman and Ms. Flaws will bring a proposal to FPC outlining how responsibilities that group would own could be incorporated under existing groups instead.

ACTION: Mr. Craig Chapman and Ms. Lucy Flaws

Mr. Marsland flagged an in-year M365 licence configuration review saved NHS Shetland £45k.

After discussion with members, Mr. Chapman will increase the proposed quorum for DGG.

The FPC noted the content of the Digital Health update and approved the amended DGG ToR.

14. Environmental Sustainability update

Sustainability Lead Mr. Lawson Bisset presented his last Environmental Sustainability update before his retirement in March, highlighting a "sustainability awareness module" which he will publicise again soon to all staff, and the upcoming review of two major national sustainability documents and the volume of data which needs to be returned to SG. Mr. Bisset also thanked NHS Shetland for supporting the Environmental Management System and Compliance Officer, and flagged the possibility of reducing grass-cutting on its properties for environmental benefit.

Mr. Robinson shared excessive data requirements were raised at the recent Public Sector Reform Summit, and members and attendees discussed the potential for positive comms around the benefits of allowing the grass around NHS Shetland properties to grow.

The FPC noted the contents of the Environmental Sustainability update.

15. Finance and Sustainability Group update

Mr. Chittick presented the FSG update noting various work-streams underway including workforce planning, an internally-commissioned Transport Review, a review of the internal audit of NHS Shetland's savings plan, and communication with staff on finance, containment measures, and break-even versus sustainability.

IJB Chief Financial Officer Mr. Karl Williamson commented on positive impacts of FSG including overseeing change programmes, improved workflow efficiencies around monitoring progress against various projects, and documenting budget-setting as business-as-usual. However, Mr. Williamson noted re-design projects still need to be driven by service managers.

The FPC noted the contents of the FSG update.

Ad-hoc Reports

16. Draft Financial Plan feedback letter

Mr. Marsland presented the feedback letter from SG on NHS Shetland's draft Financial Plan explaining IJB cost-control is highlighted within as four of five highest-overspend areas for the NHS happen to sit within the IJB. Shetland Islands Council and NHS Shetland do not risk-share, unlike other Scottish IJBs, and each entity funds its own overspend. Mr. Marsland noted the letter sets out an expectation for NHS Shetland to break-even in 2024–25 and set a balanced budget going forward, and mentioned factors in favour of this including new DIA funding, ongoing work to recruit to vacancies, and calculating how the budget is set for drugs.

Members and attendees expressed concern that the apparent "anti-IJB" narrative in the letter was simplistic and unhelpful in the Shetland context, agreeing this should be countered in future representations to SG while the local partners continue to work together constructively.

The FPC noted the contents of the Draft Financial Plan feedback letter.

17. Draft Financial Plan for 2025–26

Mr. Marsland presented the draft Financial Plan for 2025–26 highlighting energy and water costs, partial SG funding of National Insurance costs, and potential sustainability payments. Further detail will be added to the Plan, including the prescribing savings plan, as it becomes available until the point the Plan is submitted to SG, whose feedback should come in April.

The FPC noted the contents of the draft Financial Plan for 2025–26.

18. Draft Annual Delivery Plan for 2025–26

Ms. Flaws presented the draft Annual Delivery Plan for 2025–26 noting it was unchanged from the version that recently went to Board. Ms. Flaws also shared recent feedback from SG, including appreciation of a Shetland-first approach that maps local priorities across to SG priorities, and a request to see more information on NHS Shetland’s dependencies on other Health Boards, local trajectories and targets, risks associated with delivery, and how financial risks will be mitigated by long-term changes to services.

The FPC noted the contents of the draft Annual Delivery Plan for 2025–26.

19. FPC Annual Report 2024–25

Mr. Robinson presented the FPC Annual Report 2024–25, thanking Mr. Marsland for writing it.

Mr. Marsland explained no members, or previous members in-year, had returned any concerns for inclusion. However, three concerns have been carried over from the previous year regarding NHS Shetland’s projected failure to break even, the scale of work ahead for the new Corporate Records Manager, and the ongoing challenge of cyber security.

The FPC agreed there were no significant issues the FPC Annual Report 2024–25 should convey to the Chief Executive as Accountable Officer.

The FPC approved the contents of the FPC Annual Report 2024–25.

20. FPC Certificate of Assurance

Mr. Marsland presented the FPC Certificate of Assurance 2024–25, showing no significant issues the Committee wishes to convey to the Chief Executive as Accountable Officer.

The FPC approved the contents of the FPC Certificate of Assurance 2024–25.

21. FPC Terms of Reference review

Mr. Marsland presented the FPC Terms of Reference for review, noting for future years FPC membership no longer comprises the Chairs of all the governance committees and so may no longer be a suitable venue to review the Annual Accounts.

One member flagged a contradiction regarding the number of members between points 1.1 and 1.3, and FPC agreed Ms. Flaws, as Head of Planning, should be a core rather than ad-hoc attendee, while the post of “Public Health and Planning Principal” should be removed as it no longer exists. FPC admin support Mrs. Erin Seif will make these three adjustments.

ACTION: Mrs. Erin Seif

Members and attendees discussed if alternative Public Health representation is required at FPC. Mr. Robinson and Mr. Chittick will take up the broader question of population health governance outwith FPC.

Subject to the above three alterations, FPC approved the FPC Terms of Reference.

Information and noting

22. Digital meeting minutes

a. Digital Governance Group (DGG)

The FPC noted the DGG minutes of 12 November 2024.

b. Information Governance Group (IGG)

The FPC noted the DGG minutes of the 10 September 2024 meeting.

The IGG also met on 10 December 2024 and 14 January 2025, and these minutes will come to a later FPC meeting. The IGG is next due to meet on 11 March 2025.

c. Health Intelligence Group

The Health Intelligence Group has not yet been established since being approved for formation by the FPC on 25 May 2023.

23. Environmental and Sustainability Group minutes

The FPC noted there are no approved minutes available from the Environmental and Sustainability Group, which last met 25 November 2024 and is next scheduled to meet on 5 March 2025.

24. Capital and Asset Management Group (CMG) minutes

The FPC noted there are no approved minutes available from the Capital and Asset Management Group, which last met 13 November 2024 and is next scheduled to meet on 13 February 2025.

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25. AOCB

There was no other competent business.

Date of next meeting: Tuesday 20 May 2025 at 14:00, via Microsoft Teams