

SHETLAND NHS BOARD

Minutes of the Finance and Performance Committee (FPC) meeting held virtually on Tuesday 7 October 2025 at 14:00

PRESENT

Mr. Gary Robinson (Chair)	Mrs. Kathy Hubbard
Mr. Joe Higgins	

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
Mrs. Lorraine Hall, Director of Human Resources and Support Services	Ms. Lucy Flaws, Head of Planning
Ms. Edna Mary Watson, Chief Nurse Corporate	Mr. David Wagstaff, Head of Estates, Facilities, and Medical Physics
Ms. Dina Strati, Corporate Records Manager	Mrs. Christina McDavitt, Elective Care Lead
Ms. Katie McMillan, Realistic Medicine Programme Manager	Ms. Bibiana Wojtczak, Senior Project Manager, Digital

1. Apologies for absence

Apologies were received from FPC member Mrs. Emma Macdonald and substitute member Ms. Natasha Cornick.

Apologies were also received from attendees Director of Nursing, Acute, and Specialist Services Professor Kathleen Carolan and FPC minute taker and admin support Mrs. Erin Seif. Head of Information Governance, Freedom of Information Lead, and Data Protection Officer Mr. Sam Collier-Sewell was not present.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of 20 May 2025 meeting

The minutes of the 20 May 2025 meeting of the FPC were approved.

4. Matters arising

There were no matters arising.

5. Action Tracker

The open item on the Action Tracker was not discussed.

Standing Items

6. Strategic Risk Report

Chief Nurse Corporate Ms. Edna Mary Watson presented the Strategic Risk Report for Quarter One 2025–26, highlighting that no new risks have been added but several are under review, including those related to external factors, Information Governance (IG) training for NHS and non-NHS staff, and Estates. Ms. Watson also drew FPC attention to the reallocation of risk SR17—on IT failure due to cyber-attack—to Chief Executive Mr. Brian Chittick who now directly oversees the Digital team.

One FPC member suggested any new approach in risk management should prioritise making it straightforward for staff to keep risks up to date, as that has been an ongoing challenge.

In response to a member's question regarding the risk appetite of zero against SR17 versus its score of 16, Mr. Chittick agreed the appetite was unachievable and should be reviewed. Mr. Chittick further explained the NISR (Network and Information Systems Regulations) Audit response had just been submitted and should address major gaps identified the previous year including third-party access reviews, cyber-tests, and a review of the Digital Strategy.

On a member's question concerning updates to the Board on cyber exposure, Director of Finance Mr. Colin Marsland flagged the sensitivity of the topic requires a private meeting.

A member noted another territorial Scottish NHS Board has been repeatedly fined for not meeting sustainability targets, which Mr. Marsland explained probably related to exceeding regulated carbon-dioxide thresholds and should not affect NHS Shetland.

The FPC noted the Strategic Risk Report.

7. Waiting Times Report

Elective Care Lead Mrs. Christina McDavitt presented the Waiting Times Report highlighting additional funding received to support delivery of planned care, including complex cancer repatriation pathways and cancer tracking posts, and good performance against access to unplanned care and elective services, including Child and Adolescent Mental Health Services and improved audiology access. Mrs. McDavitt also flagged the risks and challenges associated with an annually-reviewed funding model that can vary in focus, which makes forward planning hard as there is no guarantee comparable funding will be received next year.

Mr. Chittick also flagged the Executive Management Team (EMT) recently approved an at-risk chemotherapy post to deliver care closer to home, which aligns with the Strategic Delivery Plan and helps prevent patients entering the slower NHS Grampian (NHSG) system.

Responding to a member's question on causes for variations on the Whole System Dashboard, Mrs. McDavitt explained teams supplying it local information understand what influences fluctuations, including seasonal factors and staffing pressures. IJB Chief Officer Ms. Jo Robinson flagged certain areas of concern for winter in the Dashboard information.

On a member's question concerning patient readiness for clinics upon referral, Mrs. McDavitt outlined the relevant processes and Mr. Chittick emphasised the complexity of patient pathways encompassing multiple tertiary Boards and national hospitals.

One member raised the recent Scottish Government (SG) request to support NHSG's waiting lists and Mr. Chittick explained NHS Shetland may offer assistance, using spare capacity, around diagnostic time in general surgery and helping prevent NHS Orkney patients entering the NHSG system, though geographic and logistical difficulties could preclude acceptance.

The FPC noted the Waiting Times Report.

8. Financial Monitoring Report

Mr. Marsland presented the Financial Monitoring Report noting NHS Shetland is £1.5m overspent at month five and outlined various circumstances causing high locum spend.

A member queried whether there was any change in SG's approach to NHS Shetland's financial position and Mr. Marsland explained SG's principal concern remains the delivery of recurring efficiency savings, with NHS Shetland rated "low risk". Mr. Marsland added the organisation is ahead of the break-even savings target for 2025–26, although additional savings will be required to offset extra costs from post-expansions and higher drug-costs earlier in the year, and the value of future allocations remain uncertain with NHS Shetland absorbing the cost of National Insurance increases.

In response to a member's question, Mr. Marsland clarified any additional activity from National Treatment Centres should include travel and accommodation costs in the application.

On a member's question concerning SG's policy around achieving break-even through non-recurring savings, Mr. Marsland shared NHS Shetland should be secure from a governance perspective on its current recurrent and non-recurrent savings trajectory.

However, Mr. Marsland described the pressures incurred through non-recurring savings from staffing gaps, including burn-out among covering staff and extra costs in recruitment and relocation expenses. Mr. Chittick confirmed most staffing gaps are in key, high-level roles, particularly consultants, meaning limited scope for saving through service re-design.

Mr. Chittick also described an "island nuance" where struggling to attract workforce is a greater challenge than which local body funds social care; the latter may be an issue elsewhere but in Shetland both the Health Board and local authority provide funding.

The FPC noted the Financial Monitoring Report.

9. Performance Report

Head of Planning Ms. Lucy Flaws presented the Performance Report, highlighting two business case appendices relating to urgent unscheduled care and addressing system pressures heading into winter. The first case covers local use of SG funding to expand "Hospital at Home" care both through recruitment, which is almost complete, and increased input from Allied Health Professionals to avoid hospital admissions and support earlier discharges. The second case aims to bridge gaps in care by identifying individuals at risk of hospital admission early, optimising function during hospital stays to improve outcomes and reduce the need for post-discharge support, and releasing social care time through digital solutions as workforce limitations mean more care-hours are not an available option.

Regarding a member's question on the resource required for pro-active case-finding, Ms. Flaws explained the required information on patients' ages and medications already existed but an analyst is now in place to run real-time data queries to combine with local multi-disciplinary knowledge and allow such case-finding going into this winter.

On a member's query concerning how the decision was made to bolster core services to support frailty rather than create a dedicated frailty team, Ms. Flaws and Ms. Robinson explained the latter approach tends to create single points of failure, additional referral pathways and related bureaucracy, and a de-skilling of wider services in supporting patients with frailty, while the former should promote capacity in this area across the board.

Responding to an attendee's question on spikes in Hospital at Home bed-days, Ms. Flaws noted data will be recorded in a more granular way going forward to reflect different types of interventions resulting in bed-days. While this should allow better visibility, Ms. Flaws highlighted the numbers involved are small, which limits their usefulness for trend analysis.

The FPC noted the Performance Report.

10. Digital Health update

Mr. Chittick presented the Digital Health update, reiterating he has taken on the Executive lead for the Digital team and its deliverables, acknowledging that gaps in governance in this area have persisted for some time, and asserting a commitment to greater transparency, oversight, and accountability, as well as renewed pace in delivering the Digital Strategy, which sets out a plan to improve access, safety, and experience through better use of technology and data.

In response to a member's query on the relationship between the existing Digital Governance Group and the proposed Transformation Leadership Group, Lead Programme Manager Ms. Katie McMillan and Senior Project Manager Digital Ms. Bibianna Wojtczak explained while these groups need to be aligned and will have cross-representation, combining them would lead to an excessive workload. They emphasised, however, an organisational understanding needs to be reached on what constitutes a digital project versus a transformational-change project with a digital element, which will be a crucial distinction to keep the groups separate.

Turning to a member's question regarding workforce capability to adopt new digital tools, Mr. Chittick acknowledged a gap between organisational development, process change, and digital skills that has negatively impacted implementation of certain projects, including Ask My GP, and noted other systems, such as Microsoft 365, are used inconsistently. Mr. Chittick flagged efforts to embed a "digital-first" approach locally and shift staff mind-set on digital, while Ms. Wojtczak described a self-assessment tool on digital skills from NHS Education for Scotland that could help staff understand their capabilities and establish a useful baseline.

The FPC noted the Digital Health update.

11. FPC Business Plan 2025–26

Mr. Marsland presented the 2025–26 FPC Business Plan for review and approval, highlighting the sole addition of the quarterly letter from SG as a standing item at each FPC meeting.

The FPC approved the FPC Business Plan 2025–26.

12. Finance and Sustainability Group update

Integrated Joint Board (IJB) Chief Financial Officer Mr. Karl Williamson presented the Finance and Sustainability Group (FSG) update, explaining the FSG has revised its Terms of Reference, which will be reviewed twice-yearly, to ensure it remains focused and continues to provide value following the completion of initial tasks, including creating the Annual Operating Plan, overseeing the transport review, and supporting the workforce planning process.

Mr. Williamson outlined how FSG will address an outstanding audit recommendation on NHS Shetland's budget-setting structure and development of savings plans through a new process by which savings proposals can be put forward by any staff member to be reviewed by FSG and monitored as live projects with a clear audit trail. FSG will continue to support workforce planning, take EMT commissions, and improve the Board Vacancy Committee (BVC) process.

In response to a member question, Mr. Williamson and Mr. Marsland explained the BVC process currently requires EMT approval for recruitment to existing posts and the creation of new ones, fulfilling SG's requirements for Health Boards to hold posts for financial balance as necessary. However, an improved approach could align the BVC process with budget setting and the Workforce Plan to allow posts already accounted for therein to proceed automatically.

Ms. Flaws added NHS Shetland is working on a more agile and responsive approach to workforce planning, working across service boundaries rather than taking each in isolation.

The FPC noted the Finance and Sustainability Group update.

13. Information Governance update

Mr. Marsland presented the IG update on its Annual Plan and introduced Corporate Records Manager Ms. Dina Strati, lead for the Records Management Plan (RMP) which outlines NHS Shetland's priorities for the year to ensure its records management and IG standards are met.

The FPC thanked Ms. Strati and colleagues for their important work, and noted the IG update.

14. Annual Report on Public Records Scotland implementation plan

Ms. Strati noted NHS Shetland will submit its second RMP to the Keeper of the Records of Scotland in 2026, which covers a wide range of IG requirements.

The FPC noted the Annual Report on Public Records Scotland implementation plan.

15. Quarter One finance review letter from Scottish Government

Mr. Marsland shared the contents of the letter were covered earlier in the finance items.

The FPC noted the Quarter One finance review letter from SG.

16. Capital Programme 2025–2026 update

Head of Estates, Facilities, and Medical Physics Mr. David Wagstaff presented the Capital Programme 2025–26 update, highlighting further delay to the Laboratory Information Management System due to national-level issues, ongoing window and door work and a November programme to repair piped medical gas systems in the Gilbert Bain Hospital (GBH), as well as the commencement of several projects funded by surplus financial-year capital allocated by the Capital Asset Management Group, including greater GBH mortuary capacity, privacy and safety improvements to the low-stimulus room, and work on non-doctor islands.

The FPC noted the Capital Programme 2025–26 update.

17. Environment and sustainability update

Mr. Wagstaff presented the quarterly Environment and Sustainability update, highlighting plans to re-energise this work after challenges around resource constraints and system pressures. These plans include reviving the Environmental and Sustainability Group, and allocating resources and establishing a process around the NHS Scotland Environmental Management System to measure NHS Shetland's compliance with environmental legislation.

Mr. Wagstaff outlined capital funding bids to SG in support of energy reduction and decarbonisation across NHS Shetland's estate and noted national guidance is being sought on how to accurately capture carbon costs for required sustainable procurement reporting.

Mr. Wagstaff also flagged areas of success including improved waste management, enhanced and expanded electric-vehicle charging infrastructure, and increases to the delivery service.

One member expressed concern for future failure penalties against net-zero targets the aging GBH can never meet; Mr. Wagstaff agreed SG should be reminded regularly of this limitation.

On a member's query on solar panels for Health Centre (HC) buildings, Mr. Wagstaff flagged Bixter HC as a possible test-case resilient "off-grid" facility with photovoltaic capacity, particularly for emergency response, following other necessary refurbishments to the site.

The FPC noted the Environment and Sustainability update.

18. NHS Shetland Annual Climate and Sustainability Report 2023–24

Mr. Wagstaff presented the NHS Shetland Annual Climate and Sustainability Report 2023–24, flagging it was due to SG twelve months ago and lacks certain data not captured at the time.

Mr. Wagstaff emphasised efforts underway to improve reporting in this area and explained the equivalent 2024–25 report will come to FPC on time, as well as other required annual reports.

The FPC noted the NHS Shetland Annual Climate and Sustainability Report 2023–24.

Ad-hoc Reports

19. Strategic Delivery Plan draft update

Ms. Flaws presented the Strategic Delivery Plan update noting it was important to do so, despite there being no formal template, to support oversight and engagement with the plan and address the audit requirement to demonstrate progress against planning. Ms. Flaws also noted the annual delivery-planning process is in flux with the new process as yet unclear.

Ms. McMillan added EMT will now hold regular “Change Board” sessions to oversee project and programme delivery organisation-wide, which Ms. Flaws explained would help balance internal priorities with funding opportunities for narrowly-defined purposes.

To a member’s question on the reference to a “workforce plan” submitted to SG, Ms. Flaws clarified this was a shorter-term ask; the organisational workforce plan is still being finalised.

Concerning a member’s query on monitoring performance against national-framework deliverables, Ms. Flaws noted they offer a valuable end-point but local milestones are vital.

In response to a member’s query, Ms. McMillan explained Change Board sessions will be initially held monthly, arising from the often short turnaround times of SG funding calls.

Mr. Williamson and Ms. Flaws also flagged the importance of aligning FSG work with these sessions, with FSG an entry point for ideas Change Board may then decide to commission.

The Strategic Delivery Plan draft update.

Information and noting

20. Procurement Annual Report

Mr. Marsland noted the Procurement Annual Report has already been approved by the Board.

The FPC noted the Procurement Annual Report.

21. Digital meeting minutes

a. Digital Governance Group (DGG)

The FPC noted the DGG minutes of the 22 April and 1 July 2025 meetings.

b. Information Governance Group (IGG)

The FPC noted the IGG minutes of the 11 March and 17 June 2025 meetings.

c. Health Intelligence Group

This group was approved for formation in 2023 but never established due to staffing and structural changes; it will be removed from this section when formally dissolved.

22. Environmental and Sustainability Group (ESG) minutes

The ESG met on 5 March 2025 and those minutes will come to a later FPC meeting.

23. Capital and Asset Management Group (CAMG) minutes

The FPC noted the CAMG minutes of the 5 May 2025 meeting.

AOCB

24. AOCB

There was no other competent business.

Date of next meeting: Tuesday 2 December 2025 at 14:00, via Microsoft Teams