SHETLAND NHS BOARD

Minutes of the Finance and Performance Committee (FPC) meeting held virtually on Thursday 28 May 2026 at 14:00

PRESENT

Mr. Gary Robinson, Chair	Mrs. Emma Macdonald
Mrs. Kathy Hubbard	

IN ATTENDANCE

Mr. Colin Marsland, Director of Finance and FPC Executive Lead	Dr. Brian Chittick, Chief Executive
Ms. Jo Robinson, Integrated Joint Board (IJB) Chief Officer	Mr. Karl Williamson, IJB Chief Financial Officer
Professor Kathleen Carolan, Director of Nursing, Acute and Specialist Services	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	Mr. James McConnachie, Business Continuity and Resilience Officer
Ms. Bibianna Wojtczak, Senior Project Manager, Digital	Ms. Dina Strait, Corporate Records Manager
Ms. Katie McMillan, Lead Programme Manager	Ms. Millie Boulton, Board Business Manager
Mrs. Erin Seif, FPC admin support	

1. Apologies for absence

Apologies were received from Director of Human Resources and Support Services Mrs. Lorraine Hall; Director of Nursing, Acute and Specialist Services Professor Kathleen Carolan; and Head of Information Governance (IG), Freedom of Information (FoI) Lead, and Data Protection Officer (DPO) Mr. Sam Collier-Sewell.

2. Declarations of interest

There were no declarations of interest.

3. Minutes of 3 March 2026 FPC meeting

The FPC approved the minutes of its 3 March 2026 meeting.

4. Matters arising

There were no matters arising.

5. Action Tracker

[33] – Drafting a specific risk relating to lift-failure at the Gilbert Bain Hospital (GBH)

Chief Nurse Corporate Ms. Edna Mary Watson shared Director of Nursing, Acute and Specialist Services Professor Kathleen Carolan has drafted a specific risk on how a lift failure could lead to a full evacuation of the GBH, which will link to the strategic ageing estate risk.

Standing Items

6. Strategic Risk Report

Ms. Watson shared the Strategic Risk Report for the 2025–26 Quarter Four period highlighting the only increased risk score relates to access to services, including a greater fragility in the nursing workforce, particularly in remote areas; reduced risk scores relating to cyber security, finance, and the climate emergency, following the re-establishment of active work in that area; inadequate controls previously discussed; and out-of-date risks under review, including one relating to “external factors” which is being updated to reflect wider global issues and developments in the Middle East following a recent deep dive at Risk Management Group.

Ms. Watson noted an upcoming Board Development Session will be dedicated to risk appetite.

In response to a member’s question Ms. Watson explained the Board will explore a new approach to preparing a risk appetite statement at its August development session. Chief Executive Dr. Brian Chittick added this session will also cover new and evolving risks, while the relationship of risks around power and digital systems and the estate is under review.

The FPC noted the contents of the Strategic Risk Report.

7. Waiting Times Report

Head of Planning Lucy Flaws presented the Waiting Times Report on behalf of its author Prof. Kathleen Carolan, flagging improvements around Psychological Therapies and Audiology and a higher than anticipated outturn in planned and elective care. However Ms. Flaws also noted recent cancellations of oral and cataract surgeries: these services depend upon visiting staff and the related risks have been articulated in funding bids to Scottish Government (SG).

Ms. Flaws explained NHS Shetland has submitted bids for planned-care funding with both national and sub-national elements to SG, but only non-recurring funding has been allocated for the immediate period. This is creating an emerging risk that staff, particularly within orthopaedics, will seek more permanent opportunities elsewhere before funding is confirmed.

Director of Finance Mr. Colin Marsland noted SG has bundled what recurrent funding is in place into a single amount to be distributed locally across planned care, unscheduled care, Hospital at Home, and frailty services, and this distribution has not yet been determined.

On a member’s question about ophthalmology contracts, Ms. Flaws shared a regular visiting service delivers care on-island—which the team prefers to a higher-volume cataract surgery pathway on the mainland as patients may struggle to travel—but it can deliver only 70% of required activity since the withdrawal of funding for enhanced payments for weekend working. Ms. Flaws and Dr. Chittick noted recent ophthalmology cancellations arose from weather-disrupted travel and clinicians undertaking higher-priority commitments elsewhere linked to pre-31 March waiting-list initiatives: there should be greater service stability going forward.

One member expressed concern around ongoing anecdotal evidence Shetland patients are not being adequately briefed ahead of orthopaedic surgery at the Golden Jubilee Hospital in Clydebank, leading to delays in treatment; Dr. Chittick pledged to review this issue.

The FPC noted the contents of the Waiting Times Report.

8. Financial Monitoring Report

Mr. Marsland presented the Financial Monitoring Report noting NHS Shetland ended the financial year 2025–26 at a break-even position with underspend relating to a transfer from capital to revenue associated with GBH works and to underlying operational performance.

In response to a member’s question Mr. Marsland noted SG does not provide additional funding to NHS Shetland to offset travel cost rises, such as the recent fuel surcharge increase.

The FPC noted the contents of the Financial Monitoring Report.

9. Quarterly finance review letter from Scottish Government

Mr. Marsland presented the SG quarterly finance review letter noting it encourages NHS Shetland to maintain its financial position while delivering further recurring efficiency savings; this would be through service and pathway redesign and more sustainable staffing models.

Responding to a member's query about Board Support Leads, Mr. Marsland explained that because NHS Shetland is not subject to enhanced oversight the role is advisory, providing guidance on national expectations, and mainland-based.

Dr. Chittick and IJB Chief Office Ms. Jo Robinson flagged SG's increasing focus on Health Boards aligning with the 3% recurring savings target, but noted ongoing efforts to emphasise NHS Shetland's particular challenges as an island Board, including recruitment and travel.

The FPC noted the contents of the quarterly SG finance review letter.

10. Finance and Sustainability Group (FSG) update

IJB Chief Financial Officer Mr. Karl Williamson presented the FSG update flagging optimisation work resulted in a £50k reduction on taxi spend and a potential £30k reduction in hire car costs, as well as £30k recovered from a complex and high-value laboratory contract. Looking ahead, Mr. Williamson highlighted planned work on process improvement, including around vacancy approvals, and aligning departmental work to strengthen project planning.

Mr. Marsland added NHS Shetland now spends below the £2.75m budget allocated by SG in 2016 on patient travel, due to years of dedicated improvement work in this area.

Members acknowledged the value of the optimisation efforts FSG is overseeing.

The FPC noted the contents of the FSG update.

11. Performance Report

Ms. Flaws presented the Performance Report noting a broadly stable picture compared to previous quarters and touching on good performance against Accident and Emergency, cancer, and Child and Adolescent Mental Health Services targets, but ongoing challenges with Psychological Therapies and delayed discharge due to constrained social care capacity.

On a member's question regarding Flow Navigation Centres (FNC) Ms. Flaws explained NHS Shetland's urgent and unscheduled care system links to the NHS Highland FNC, a virtual service in Inverness, though its usefulness is limited by its availability, especially out of hours. Ms. Robinson added its location in relation to Shetland now clashes with the new East/West sub-national planning and it remains to be seen how this might be reconciled going forward.

Regarding a member's query on how a "waiting well" approach will work for Mental Health patients Ms. Flaws outlined a substantive, clinician-led initial conversation with patients waiting twelve weeks or more, to check in and provide support while they wait. Dr. Chittick noted other Boards have successfully helped patients earlier through this approach, reducing waiting lists.

The FPC noted the contents of the Performance Report.

12. FPC Business Plan 2026–27

Mr. Marsland presented the FPC Business Plan 2026–27, noting it comes to each meeting for review and new items can be proposed at any time throughout the year.

The FPC noted the contents of the FPC Business Plan 2026–27.

13. Strategic Change Oversight Group (SCOG) update

Lead Programme Manager Ms. Katie McMillan presented the SCOG update noting the inclusion of the group's current portfolio, draft governance arrangements, Terms of Reference,

and decision-making framework, and explaining its purpose is to improve visibility and consistency in managing large and complex change across the organisation.

Members and attendees agreed it is important to incorporate not only staff but community engagement, including by collaboration with the Chief Nurse Corporate, into change-planning, and discussed possibilities including periodically co-opting patients or members of the public to SCOG, attending community events, and working with partners to gather feedback.

The FPC noted the contents of the SCOG update.

Ad-hoc Reports

14. Capital programme update

a. 2025–26 Capital Programme out-turn report

Head of Estates, Facilities, and Medical Physics Mr. David Wagstaff presented the 2025–26 Capital Programme out-turn in which Capital and Asset Management Group (CAMG) managed a £6m capital and revenue programme, plus additional funding received in year for medical and non-medical equipment and for digital and business continuity projects. Mr. Wagstaff noted continued investment in the GBH estate, particularly the mortuary, and NHS Shetland's purchase of the Kvelsdro Hotel for staff accommodation and meeting space.

In response to a member's question Mr. Wagstaff explained an orthopantomogram, which Shetland has acquired, produces panoramic x-ray images of the jaw and teeth.

The FPC noted the contents of the 2025–26 Capital Programme out-turn report.

b. Capital Work Plan 2026–27

Mr. Wagstaff summarised the 2026–27 Capital Work plan, noting the CAMG and Executive Management Team prioritised potential projects against the £1m budget: the resulting programme focuses on addressing backlog infrastructure issues in critical areas, while any slippage available in-year will go to quickly deliverable equipment and digital purchases.

On a member's queries on the hypothetical cost to clear backlog maintenance in Shetland and nationally, Mr. Wagstaff shared the local figure—including fees, VAT, and ancillary costs as well as the actual physical works—would be around £50m, while the national figure will reported on later in the year. Mr. Wagstaff added national capital investment has not kept up with the estate's age or deterioration: current funding would take 80 years to clear the backlog.

The FPC noted the contents of the Capital Work Plan 2026–27.

c. Revised Capital and Asset Management Group Terms of Reference

Mr. Wagstaff presented the revised CAMG Terms of Reference including a need to reflect national and regional capital planning, though local capital planning responsibility remains with the Board, as well as the addition of a review cycle, from an internal audit recommendation.

The FPC approved the revised CAMG Terms of Reference.

15. Climate Emergency and Sustainability update

Mr. Wagstaff presented the Climate Emergency and Sustainability update highlighting a now fully operational Climate Emergency and Sustainability Group including an Executive Director and strengthened links with Shetland Partnership; ongoing work around recycling and waste-reduction with the Green Healthcare Project shifting focus from green theatres to reducing single-use items in endoscopy and renal services; transport and logistics work extending from staff to patient transport; the launch of a food-waste awareness campaign; the Energy Group progressing heating-related sustainability initiatives at Brae Health Centre and GBH; and developing collaboration with SIC including on electric vehicles and wider climate initiatives.

Regarding challenges, Mr. Wagstaff flagged progress on the Environmental Management System, a compliance area to reduce organisational risk from environmental legislation, has been slower been hoped as it requires significant time and resource.

The FPC noted the contents of the Climate Emergency and Sustainability update.

16. Information Governance update

Mr. Marsland presented the IG update report on behalf of its author Head of IG, FoI Lead, and DPO Mr. Sam Collier-Sewell, alongside Corporate Records Manager Ms. Dina Strati, noting NHS Shetland's 2025–26 FoI response level fell below the required standard, prompting a visit from the FoI Lead for Scotland, and the organisation is also not consistently meeting its obligations around Subject Access Requests, primarily due to the need for clinical review and redactions; work is underway however to address the shortfall in both areas.

Ms. Strati explained a number of policies were updated in-year, and system-configurations and internal workflows are being finalised on a new policy management system which will address limitations in the current document register.

Dr. Chittick noted tension between reducing non-clinical headcount in NHS Shetland and increasing resource to improve FoI compliance; Ms. Flaws and Mr. Marsland emphasised FoI response work sits across the whole organisation, placing significant demand on managers.

The FPC noted the contents of the IG update.

17. Records Destruction Policy

Ms. Strati presented the Records Destruction Policy noting it brings together clinical and corporate requirements, ensures standard practice across services, and complies with requirements of the Records Management Plan and the Keeper of the Records of Scotland.

Dr. Chittick and Mr. Marsland flagged the importance of ensuring good practice across NHS Shetland by operationalising the policy with training and consistent processes, to reduce risk.

Members and attendees discussed approaches to assurance on the policy's implementation including reporting through the risk-register as a corporate risk, updates in annual IG reports, audit activity around information asset registers, and Datix reporting on relevant incidents.

The FPC approved the Records Destruction Policy.

18. Business continuity update: 2025–26 Business Continuity Annual Report, 2026–27 Business Continuity work plan

Business Continuity (BC) and Resilience Officer Mr. James McConnachie presented a BC update describing a shift to a more proactive, risk-based approach, improving BC ownership at service level, and strengthening assurance through testing and oversight, particularly in areas with higher risk or lower compliance with preparing a Business Impact Analysis or BC plan.

Mr. McConnachie further noted the Chief Executive and Director of Health are engaged in crisis-management capability training, beginning to address a recognised gap at Gold and Silver Command levels; additional training is being developed and rolled out by SG.

Regarding BC information storage and resilience, Mr. McConnachie explained the BC Management System, with other relevant documentation, is now embedded in NHS Shetland's intranet and key documents are also readily available in hard-copy and offsite digital storage.

Members and attendees agreed culture is key: managers must see BC as a core responsibility and all staff should keep resilience as a continuous mindset, not only when an incident occurs.

Mr. McConnachie stated he would bring the Major Incident Plan to the next FPC meeting.

The FPC noted the contents of the BC update, including the 2025–26 Business Continuity Annual Report and the 2026–27 Business Continuity work plan.

19. Digital Health Annual Report 2025–26

Dr. Chittick presented the Digital Health Annual Report 2025–26 noting a balance of progressing national initiatives, including Digital Dermatology, Community Glaucoma, and theatre scheduling, and maintaining safe and reliable local digital services, such as the migration to Windows 11, network and server upgrades, and strengthening cyber resilience.

Looking ahead, Dr. Chittick noted the importance of aligning digital ambitions with delivery-capacity and flagged collaboration with internal auditors to review project-management processes and resource-allocation, as well as with Adapt2Digital to identify barriers to becoming a fully digitally enabled organisation.

In response to a member's query on whether he has had sufficient support since taking on Executive leadership for Digital Health, Dr. Chittick noted his focus is strategic and future proposals will likely include increased leadership capacity in the department as progress currently remains significantly reliant on the goodwill of the existing, strong team.

One member noted recognition at the national level of the increasing demands in this field, noting this report provides assurance on the direction of travel of local digital development.

The FPC noted the contents of the Digital Health Annual Report 2025–26.

20. Annual Delivery Plan for 2026–27

Ms. Flaws presented the Annual Delivery Plan (ADP) for 2026–27, the second full year of the Strategic Delivery Plan 2024–29, noting its continued focus on three core objectives: delivering excellent services, creating a sustainable organisation, and supporting healthy communities.

On changes since draft submission Ms. Flaws highlighted: the addition of a dedicated risk section; additional detail on innovation projects; development of the health intelligence functions; the inclusion of obesity as a priority aligned to population health; and more focus on "failure demand", highlighting inefficiencies and wasted time experienced by patients and staff.

Ms. Flaws outlined the ADP's emphasis on balancing service delivery with re-design, often by the same staff, and its recognition of key local risks around access to planned and elective care, as well as workforce constraints, infrastructure limitations, and financial sustainability.

Finally Ms. Flaws explained the ADP's programme-based approach aims to strengthen accountability and governance, in dialogue with the SCOG, while the plan overall seeks to balance immediate operational pressures with long-term transformation, and alignment to national direction with responsiveness to local population needs.

A member agreed the ADP effectively articulates Shetland's local priorities and particular challenges to SG, as must be frequently done, while also aligning with national requirements.

The FPC noted the contents of the ADP for 2026–27.

21. Governance Committee Annual Reports

The FPC noted the Governance Committee Annual Reports.

22. NHS Shetland Annual Accounts governance statement

Mr. Marsland presented the NHS Shetland Annual Accounts governance statement noting it was informed by the governance committee annual reports at the previous agenda item and highlighting a target change; ongoing concerns over patient waiting times; updated information on cancer performance, delayed discharges, and the impact of Hospital at Home; and details of infrastructure issues, decisions on which will be made externally, beyond the Board.

The FPC noted the contents of the NHS Shetland Annual Accounts governance statement.

23. Fixed Asset Procedure update

Mr. Williamson presented the Fixed Asset Procedure update explaining while this is a routine three-year review it also outlines a more streamlined approach, arising from an audit finding staff uncertainty around the previous process, where asset verification becomes part of routine business rather than a one-off annual exercise.

The FPC approved the contents of the revised Fixed Asset Procedure.

Information and Noting

24. Financial Plan 2026–27

Mr. Marsland presented the Financial Plan 2026–27 noting no changes have been made since it was approved by the Board.

The FPC noted the contents of the Financial Plan 2026–27.

25. Digital meeting minutes

a. Digital Governance Group (DGG) / Digital Board

The FPC noted the approved minutes of the 2 September 2025 DGG and 24 March 2026 Digital Board meetings.

26. Information Governance Group (IGG)

The FPC noted the approved minutes of the 10 March 2026 IGG meetings.

27. Climate Emergency and Sustainability Group (CESG) minutes

The FPC noted the minutes of the 9 February 2026 CESG meeting.

28. Capital and Asset Management Group (CAMG) minutes

The FPC noted the approved minutes of the 12 February 2026 CAMG meetings.

AOCB

29. AOCB

There was no other competent business.

Date of next meeting: Tuesday 8 September 2026 at 14:00, via Microsoft Teams