

Stephen Brown (Chief Officer)

Orkney Health and Social Care Partnership

01856873535 extension: 2601

OHACfeedback@orkney.gov.uk



Agenda Item: 15.

Integration Joint Board

Date of Meeting: 2 September 2026.

Subject: Public Service Reform – Update.

1. Purpose

1.1. To provide Members with an update on the work being done locally in respect of Public Service Reform.

2. Recommendations

The Integration Joint Board is invited to note:

2.1. The work undertaken by the Integration Joint Board and its partners to date in progressing work around the Public Service Reform agenda.

3. Background

3.1. NHS Orkney and Orkney Islands Council are currently addressing a combined annual deficit of approximately £26 million. This represents an unsustainable financial position, which is exacerbated by ongoing demographic changes and public protection pressures, which mean that securing more efficient joined up service provision is the best option for sustaining public services in Orkney.

3.2. The Scottish Government's Programme for Government 2025/26 included a pledge, by the end of the current Parliament, to publish: "Preferred models for Single Authority Models in Argyll and Bute, Orkney and Western Isles that have been developed jointly by local government and health and enable a shift towards prevention. This will include a plan and timeline for implementation, with at least one area transitioning to shadow arrangements."

3.3. The Scottish Government has offered to support Orkney, through Orkney Islands Council, with £300,000 of funding from its Invest to Save Fund, to support capacity to work with partners on a public service reform model for Orkney.

3.4. The Scottish Government had set a number of deadlines for submission of work. The Scottish Government had also intimated that it expected Orkney Islands Council to liaise with the Integration Joint Board and NHS Orkney and submit a detailed reform model by 12 December 2025.

3.5. Members will recall that on 9 December 2025, the Board was presented with Orkney's Routemap to Reform which highlighted the established principles to guide the focus of the work.

3.6. These principles are:

- There must be benefit to the community. Public Service Reform must deliver clear and measurable benefits to the community.
- Accountability to the Orkney community. The decision-makers of services to the public will be fully and transparently accountable to the people of Orkney.
- Understanding of the national situation. Local models of service delivery will relate to and work effectively with regional and national models.
- Reduced duplication. Key objectives will be to improve efficiency, pool resources, streamline bureaucracy and improve cohesion across Orkney's public services.

4. Key Highlights

4.1. The Steering Group has continued to meet on a regular basis since the last highlight report to Board was provided. The frequency of these meetings has just recently increased from every three weeks to twice a month.

4.2. As Members will recall, a Public Service Reform Event was held at the St Magnus Centre on 8 June 2026 which brought together NHS Orkney and Integration Joint Board members, as well as Elected Members of Orkney Islands Council, together with senior leaders across both NHS Orkney and Orkney Islands Council. The day was facilitated by John Sturrock KC and had input from a range of local leaders as well as the Auditor General and Chair of the Accounts Commission. While some of those in attendance had reservations, feedback from the day was overwhelmingly positive with invitees being asked to make a pledge on what they will do to progress Public Service Reform in Orkney.

4.3. One of the outputs from the event was to draft an action plan. This has now been reviewed and honed with clear SMART target dates identified.

4.4. Adverts are now open for a Project Manager and Project Officer to support the work, and the Chief Executives of NHS Orkney and Orkney Islands Council alongside the Chief Officer are exploring what further leadership support will be required to accelerate progress.

4.5. Officer discussions with local leaders and Scottish Government continue monthly as Government prepares to announce its new Programme for Government in early September 2026.

4.6. The first Joint NHS Orkney and Orkney Islands Council Corporate Leadership Team/Executive Team Meeting was held on 13 July 2026 at the Harbour Authority Building. Further dates are organised to build on initial conversations.

4.7. On 12 August 2026, the Chief Officer met with the Head of Facilities, NHS Orkney, and the Service Manager (Fleet), Orkney Islands Council, to initiate discussion for potential collaboration within their remits.

4.8. Leaders across the organisations are looking at how to progress Public Service Reform in Orkney such as organising meetings with NHS and Council staff where opportunities arise or where there are challenges being faced in one organisation where the other organisation may be able to assist.

4.9. The Steering Group has a scheduled facilitated session with John Sturrock on 4 September 2026 and a follow up session for November which is being organised at the time of writing this report.

5. Contribution to quality

Please indicate which of the Orkney Community Plan 2025 to 2030 values are supported in this report adding Yes or No to the relevant area(s):

Resilience: To support and promote our strong communities.	Yes.
Enterprise: To tackle crosscutting issues such as digital connectivity, transport, housing and fuel poverty.	Yes.
Equality: To encourage services to provide equal opportunities for everyone.	Yes.
Fairness: To make sure socio-economic and social factors are balanced.	Yes.
Innovation: To overcome issues more effectively through partnership working.	Yes.
Leadership: To involve partners such as community councils, community groups, voluntary groups and individuals in the process.	Yes.
Sustainability: To make sure economic and environmental factors are balanced.	Yes.

6. Resource and financial implications

6.1. Significant analysis would be required to assess the financial impacts of the model of transition and those arising from any operating structures that may be agreed in the future.

7. Risk, equality and climate change implications

7.1. There are no risk, equality or climate change implications directly arising as a result of this report.

8. Direction required

Please indicate if this report requires a direction to be passed to:

NHS Orkney.	No.
Orkney Islands Council.	No.

9. Escalation required

Please indicate if this report requires escalated to:

NHS Orkney.	No.
Orkney Islands Council.	No.

10. Authors and contact information

10.1. Stephen Brown (Chief Officer), Integration Joint Board. Email: stephen.brown3@nhs.scot, telephone: 01856873535 extension 2601.