

HIGHLAND NHS BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk	 NHS Highland na Gàidhealtachd
MINUTE of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMS	11 July 2025 at 9.30am	

Present

Alexander Anderson, Chair
 Graham Bell, Non-Executive Director
 Louise Bussell, Board Nurse Director
 Heledd Cooper, Director of Finance
 Garret Corner, Non-Executive Director
 Fiona Davies, Chief Executive
 Dr Jennifer Davies, Director of Public Health
 Mike Hayward, Deputy Chief Officer (Acute) (For Katherine Sutton)
 Richard MacDonald, Director of Estates, Facilities and Capital Planning
 Gerard O'Brien, Non-Executive Director
 Dr Boyd Peters, Board Medical Director
 Steve Walsh, Non-Executive Director

In Attendance

Kate Cochrane, Head of Resilience
 Sarah Compton-Bishop, NHS Board Chair
 Arlene Johnstone, Interim Chief Officer (Highland HSCP)
 Bryan McKellar, Whole System Transformation Manager
 Brian Mitchell, Committee Administrator
 Iain Ross, Head of eHealth
 Elaine Ward, Deputy Director of Finance
 Nathan Ware, Governance/Corporate Records Manager
 Dominic Watson, Head of Corporate Governance

1 STANDING ITEMS

1.1 Welcome and Apologies

An Apology for absence was received from Committee member D Park. Apologies were received from non-Committee members K Gillies and Dr N Wright.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minutes of Previous Meetings held on Friday 6 June 2025, Associated Rolling Action Plan and Committee Work Plan 2025/26

The draft Minute of the Meeting held on 6 June 2025 was **Approved**. The Committee further **Noted** the Rolling Action Plan and associated Committee Work Plan for 2025/26.

2 FINANCE

2.1 NHS Highland Financial Position (Month 2) Update and Value and Efficiency Update

E Ward spoke to the circulated report detailing the NHS Highland financial position as at end Month 2 and advising Scottish Government had indicated there would be no brokerage available to NHS Boards in 2025/26, with the NHS Highland Plan forecasting a £40m overspend at financial year end. The report outlined planned versus actual financial performance to date as well as the underlying data relating to Summary Funding and Expenditure. Key Risks and Mitigations were outlined, noting recurring sustainability funding pressures to date. Updates were also provided on overall funding receipt, Highland Health and Social Care Partnership; Adult Social Care; Acute Services; Support Services; Argyll and Bute; wider overall 2025/26 Financial Plan position; Cost Reduction and Improvement Activity, and associated targets; Value and Efficiency aspects; Supplementary Staffing; Subjective Analysis and Capital spend position. The report proposed the Committee take **Limited** assurance.

The following was discussed:

- **Supplementary Staffing.** Questioned impact of national activity in terms of reducing demand and pay rates and increasing applications for substantive posts. Advised pay rates were nationally set and unaffected, with continued challenges in terms of attracting agency staff. A number of agency staff had been engaged.
- **Assessment of In-Year Position and Pressures.** Advised further consideration being given as to presentation of relevant data, recognising certain contributory elements could only be included and fully factored in at financial year end despite mature monitoring and tracking arrangements. Provision of further clear guidance on targets for managers in relation to savings activity and wider financial performance was under discussion. In year pressures were assessed and considered in line with usual financial monitoring processes.
- **Adult Social Care.** Assurance sought in relation to current pressures, development of a management action plan and associated actions. Advised revised Risk for current financial year would be considered later on the agenda. Relevant issues and anticipated mitigations were being actively considered in association with Highland Council, with further discussions ongoing on a range of associated matters.
- **Care Home/Care at Home/Independent Sector.** Advised associated risk elements recognised within overall NHS Highland financial risk assessment. Further recognised within relevant Partnership Risk Registers.
- **Additional Funding for National Priorities.** Advised many associated funding allocations based on performance delivery. Trajectories had yet to be agreed for some activity.

After discussion, the Committee:

- **Examined** and **Considered** the content of the circulated report.
- **Agreed** to examine and provide data in relation to recent engagement of agency staff.
- **Agreed** to take **Limited** assurance.

2.2 NHS Highland 2025-28 Financial Plan Addendum Letter

H Cooper spoke to the circulated letter from the Director of Health and Social Care Finance, outlining the response to submission of the revised NHS Highland Financial Plan for 2025-26 and acceptance of the Plan as submitted.

After discussion, the Committee Noted the content of the circulated letter.

3 CAPITAL ASSET MANAGEMENT PLAN UPDATE

R MacDonald spoke to the circulated report, providing an update to the Committee on the NHS Highland Capital position at Month 2. It was advised, as at Month 2, 50% of the capital budget had been released to budget holders to enable capital projects to progress. As in 2024/25 progress was being monitored through monthly monitoring reports, monthly one to one meetings with budget holders and through the Capital Asset Management Group (CAMG). As at Month 2, the year to date spend had been £0.666m. Full detail of projects and associated expenditure were also detailed. It had been confirmed additional Capital funds would be received through the National Infrastructure Board for medical equipment replacement and through the Business Continuity Plan for estate projects. In relation to Medical Equipment Purchasing, several orders had been placed but spend would not be realised in the ledger until the goods were delivered in the latter part of the calendar year. In relation to the planned projects with Estates and eHealth, little spend has been incurred due to most schemes remaining in the design stage, although it was expected spend would increase from Month 4. In regard to IFRS 16, in Month 2, a lease for office space had been approved for use by Medical Education and the Fleet Approval Board had advised the lease of one new vehicle had been approved. The report proposed the Committee take **Moderate** assurance.

The following was discussed:

- Longer Term Capital Allocation Discussions. Advised as to positive movement in relation to release of additional capital allocations in year, based on a two-year cycle. Longer term investment was under discussion at national level.
- Lochaber Service Redesign Activity. Confirmed relevant Capital funding was not part of the wider NHS formula allocation for 2025/26 and was subject to a separate allocation.
- Funding for Backlog Maintenance. Advised as to specific projects within the current plan, outlining the overall funding position for 2025/26. Further advised as to current progress.

After further detailed discussion, the Committee:

- **Noted** the circulated report content.
- **Agreed** to take **Moderate** assurance.

4 DIGITAL HEALTH AND CARE UPDATE

I Ross spoke to the circulated report providing an update on progress with the NHS Highland Digital Delivery Plan for 2025/26, overseen by the Digital Health and Care Group. Specific updates were provided in relation to system support and resilience; digital records programme; Primary Care activity; Community Care activity; Social Care activity; hospital care; and a range of associated core supporting projects including data network upgrades, Lorn & Isles Hospital laboratory system, replacement of the Radiology system in North Highland, upgrade to SWAN2, replacement of PACS and introduction of MedsIDL. Progress updates were also outlined in relation to a number of other digital projects. An update on the associated capital funding position for 2025/26 was provided. The report proposed the Committee take **Substantial** assurance.

There was discussion of the following:

- Social Care Activity and Pilots. Advised these were progressed in association with Highland Council. Discussion was underway on a digital strategy for Adult Social Care.
- Financial Benefits Realisation. Advised discussion was ongoing in relation to this aspect with finance colleagues. This included aspects such as change management and associated benefits realisation, and relevant transformational change in the workplace components. An update on development of benefits realisation assessment methodology matters was provided.

- GP IT Contract Provisioning. Advised contract was subject to financial remodelling considerations at national level. NHS Boards to bear the share of any additional costs. The financial impact of national discussions on local NHS Boards was recognised.
- Digital Front Door. Advised much work to be taken forward in this area. The potential impact on the wider digital programme required to be assessed.

After further detailed discussion, the Committee:

- **Noted** the circulated report content.
- **Agreed** to take **Substantial** assurance.

5 BUSINESS CONTINUITY/RESILIENCE UPDATE

K Cochrane spoke to the circulated report providing an update on NHS Highland's resilience activities over the previous year. The report provided assurance that NHS Highland continued to meet its duties as a Category 1 responder under the Civil Contingencies Act 2004; that resilience arrangements were being developed, tested and used across the organisation to support service continuity and emergency response; that recent incidents and exercises had informed system development and staff preparedness; and that internal governance processes were ongoing for key documents, including the Board's Major Incident Response approach. It was advised a separate report would be brought forward once the Major Incident Response documentation had been considered by the Executive Directors' Group. Specific updates were provided in relation to key developments and activity relating to live incident response; training and exercising activity; and Statutory and Strategic Engagement. The report proposed the Committee take **Substantial** assurance.

The Committee Noted the report content and **Agreed** to take **Substantial** assurance.

6 RISK REGISTER – LEVEL 1 RISKS

6.1 NHS Highland Board Risk Register

H Cooper spoke to the circulated report providing the Committee with an overview extract from the NHS Highland Board Risk Register; awareness of risks being considered for closure and/or additional risks to be added. The report covered NHS Board Risks that were reported through this Committee, and Staff Governance Committee for governance and oversight. It was recommended that Risks 1254, 1255 and 1279 be closed. It was further advised the Risk relating to the ADP for 2025/26 was to be updated, the Risk relating to New Craigs would be closed in the coming month and the Risk relating to Strategic Transformation would be revisited. The report proposed the Committee take **Substantial** assurance.

The Committee:

- **Noted** the report content.
- **Agreed** to the closure of Risks 1254, 1255 and 1279.
- **Agreed** to take **Substantial** assurance.

6.2 Finance Risks 2025/26

H Cooper spoke to the circulated report, advising that as part of the budget setting process for NHS Highland a financial risk had been highlighted and a significant proportion of this risk related to Adult Social Care delegated services. The overall risks for 2025/26 had been

refreshed and provided for agreement. The report proposed the Committee take **Substantial** assurance.

After detailed associated discussion, the Committee:

- **Noted** the circulated report content.
- **Agreed** the financial risks as detailed.

7 2025/26 and 2026/27 Meeting Schedules

The committee **Noted** the dates provided as follows:

1 August 2025	13 November 2026
12 September 2025	4 December 2026
3 October 2025	8 January 2027
14 November 2025	5 February 2027
5 December 2025	12 March 2027
9 January 2026	
6 February 2026	
13 March 2026	
10 April 2026	
8 May 2026	
5 June 2026	
10 July 2026	
7 August 2026	
11 September 2026	
2 October 2026	

The Committee Noted the meeting schedules for 2025/26 and 2026/27.

8 ANY OTHER COMPETENT BUSINESS

Members were advised an update on the Operational Improvement Plan would be brought to the next meeting.

9 DATE OF NEXT MEETING

The next meeting of this committee was to be held on Friday 1 August 2025.

The meeting closed at 11.00am