

HIGHLAND NHS BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk	
MINUTE of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMS	05 June 2026 at 9.30am	

Present

Alexander Anderson, Chair
 Louise Bussell, Board Nurse Director
 Heledd Cooper, Director of Finance
 Garret Corner, Non-Executive Director
 Fiona Davies, Chief Executive
 Jennifer Davies, Director of Public Health and Policy
 Gerry O'Brien, Non-Executive Director
 Richard MacDonald, Director of Estates, Facilities and Capital Planning
 Boyd Peters, Medical Director
 Steve Walsh, Non-Executive Director

In Attendance

Bryan McKellar, Whole System Transformation Manager
 Brian Mitchell, Corporate Administrator
 Andy King, Governance & Corporate Records Manager
 Iain Ross, Head of e-Health
 Katy Styles, Associate Director of Planning, Strategy and Performance

1 STANDING ITEMS

1.1 Welcome and Apologies

Apologies were received from David Park, Katherine Sutton, Graham Bell, Arlene Johnstone and Sarah Compton-Bishop.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minute of Meeting held on 8 May 2026, Rolling Action Plan and Committee Work Plan 2026/27

It was noted that the draft minutes provided reflected the April meeting rather than May. Amendments to the May minutes had been submitted and would be incorporated, with a refreshed version to be brought to a future meeting.

Discussion took place in relation to the recorded actions, including the appropriateness of certain actions being attributed to the Committee, particularly in relation to agency and staffing analysis activity, which was noted as being progressed through existing governance arrangements. It was also noted that some action timescales required revision.

The Committee further **Noted** the Rolling Action Plan and associated Committee Work Plan.

2 MATTERS ARISING

No matters arising were noted by the committee.

3 FINANCE

3.1 Business Systems Programme Update

The Director of Finance spoke to the circulated report providing an update on the national Business Systems Programme (BSP), a significant multi-year transformation initiative to replace existing legacy systems with a single integrated cloud-based Enterprise Resource Planning (ERP) solution covering finance, HR, payroll and procurement across NHS Scotland. It was noted that the current systems are fragmented, outdated and approaching end of life, with the programme intended to deliver modernisation, improved functionality, standardisation and longer-term efficiency.

The Committee was advised that the programme is being delivered on a national “Once for Scotland” basis, with a core principle of “adopt, not adapt”, requiring Boards to align to a common operating model rather than local variation. Procurement is currently underway for both system suppliers and implementation partners, with national governance arrangements established and local governance structures in place within NHS Highland to support delivery and readiness. It was noted that NHS Highland is actively engaged in the programme, including representation within national workstreams and establishment of internal project and oversight arrangements.

Preparatory work is progressing, including consideration of organisational readiness, data quality, governance alignment and communication approaches. The scale of change associated with the programme was highlighted, with implications extending beyond corporate services to a wide range of end users across the organisation, requiring significant change management and engagement. The anticipated implementation timeline was noted, with an expected go-live around 2028, potentially extending into 2029 given complexity and dependency on procurement outcomes.

In financial terms, it was noted that while the outline business case identified potential efficiency and productivity benefits, these assumptions are being refined through further work. Current expectations are that the programme will largely deliver cost neutrality over time, with benefits emerging in later years rather than delivering immediate savings. Uncertainty remains regarding the approach to funding the upfront investment required, particularly within the context of current financial pressures.

There was discussion of the following:

- **National Mandate.** Clarification was sought on the extent of local flexibility within the programme, with confirmation that the “adopt, not adapt” approach is mandated at national level and supported by collective Chief Executive agreement.
- **Financial Implications.** Members expressed concern regarding the affordability of the programme, particularly in relation to upfront investment costs and the absence of a clearly defined funding model.
- **Benefits Realisation.** The realism of projected efficiency savings was questioned, with acknowledgement that benefits are likely to offset costs over time rather than deliver immediate financial gain.
- **Delivery Risks.** Risks associated with implementation were highlighted, particularly in relation to data migration, system integration and alignment with existing processes.
- **Organisational Impact.** The scale of change required across services was noted, including the need for significant engagement, training and cultural shift to support adoption of standardised processes.

- Readiness and Workforce. It was recognised that ensuring organisational readiness, including capacity within teams and availability of expertise, will be critical to successful delivery.
- Governance and Oversight. The importance of maintaining robust governance arrangements and regular reporting to the Committee as the programme progresses was emphasised.

After discussion, the Committee **Noted** the content of the report and **Agreed** to take **Moderate** assurance.

4 Capital Asset Management Group Update

The Director of Estates, Facilities and Capital Planning spoke to the circulated report outlining the allocation and planned utilisation of NHS Highland's capital formula funding for 2026/27, totalling £7.294m. It was advised that funding had been allocated across estates, eHealth and equipment replacement programmes, alongside provision for statutory requirements including fire safety upgrades and business continuity, with allocations based on historical expenditure and organisational priorities.

The Committee was advised that a phased release of funding would be applied, with an initial proportion released to support delivery, and the balance deployed in line with progress during the year.

It was further noted that a pipeline of additional projects had been identified which could be progressed should further funding become available, including potential national allocations. Contingency arrangements were in place to manage risk and uncertainty within projects. The introduction of regular reporting on disposals and community asset transfers was also highlighted as an enhancement to governance and oversight. The report proposed the Committee take Moderate assurance.

There was discussion of the following:

- Contingency Arrangements. Clarification was provided that contingency is typically set at around 15%, with higher levels applied to more complex projects, reflecting the inherent uncertainty within estates and infrastructure work.
- Funding Flexibility. The importance of retaining flexibility within the capital programme was noted, including the ability to respond to emerging risks or opportunities during the year.
- Pipeline Projects. Members welcomed the identification of "shovel ready" projects that could be progressed quickly should additional funding be secured.
- Delivery Performance. Previous performance in achieving full utilisation of capital funding was acknowledged positively.
- Governance and Reporting. The inclusion of more regular updates on disposals and asset transfers was welcomed as strengthening oversight.

After discussion, the Committee otherwise **Noted** the allocation and delivery of the Capital Formula Spend delivered through NHS Highland's Capital Asset Management Group and **Agreed** to take **Moderate** assurance.

5. Draft Annual Delivery Plan

The Whole System Transformation Manager spoke to the circulated report outlining the development of NHS Highland's Annual Delivery Plan (ADP) for 2026/27. It was noted that the ADP sets out the organisation's key priorities and deliverables for the year, aligned to strategic

objectives and partnership plans, and represents an internally agreed framework rather than a submission to Scottish Government.

The Committee was advised that the number of deliverables had been significantly reduced from previous years, improving focus and clarity, with further work ongoing to refine Key Performance Indicators (KPIs) and ensure alignment with reporting frameworks. A standard operating procedure has also been developed to manage changes to the plan during the year and support governance oversight.

It was further noted that the ADP is closely aligned to the Operational Improvement Plan, with performance monitored through established reporting processes. The report proposed the Committee take Substantial assurance.

There was discussion of the following:

- Key Performance Indicators. Concern was raised that several KPIs remain qualitative, and the need for clearer, measurable indicators to support monitoring and assurance was emphasised.
- Population Health Measures. Ongoing national work to develop a core set of indicators was noted, which may support future refinement of measures.
- Sustainability. It was suggested that sustainability and climate change should be more explicitly reflected within the plan as a specific deliverable.
- Governance and Scrutiny. Members highlighted the importance of ensuring sufficient Committee scrutiny prior to Board approval, noting flexibility in timelines.
- Alignment with Reporting. The need to ensure consistency between ADP measures and other reporting mechanisms, including IPQR, was emphasised.

After discussion, the Committee otherwise Noted the report content and Agreed to take Substantial assurance.

6. Planned Care Submission

The Whole System Transformation Manager spoke to the circulated report outlining NHS Highland's planned care submission for 2026/27, including outpatient and Treatment Time Guarantee (TTG) activity. The Committee was advised that the submission reflects a shift from the previous year, with activity now based on core funding assumptions rather than additional non-recurring investment, resulting in a reduction in planned outpatient activity and a broadly stable TTG position. Modelling indicated that while some short-term reduction in longest waiting outpatients may be achieved, there is a risk of increased waits over 52 weeks during the year, particularly within TTG services, without additional support. Analysis using national tools has identified specific pressures within gynaecology and gastroenterology.

It was noted that established operational processes remain in place to monitor waiting lists and manage long-waiting patients, and that discussions are ongoing with Scottish Government regarding potential targeted funding to support further improvement. The report proposed the Committee take Substantial assurance.

There was discussion of the following:

- Baseline Assumptions. It was noted that the submission reflects a realistic "core funding" position, though concern was expressed that this may not meet national expectations without additional investment.
- Long Waiting Patients. Members highlighted the projected increase in >52 week waits and the need for continued focus on managing longest waiters.

- Data and Modelling. Clarification was sought on interpretation of modelling outputs and timelines, noting these reflect different planning scenarios.
- Specialty Pressures. Ongoing challenges in gynaecology and gastroenterology were recognised, with potential need for targeted intervention.
- National Direction. Members noted emerging expectations around eliminating long waits and potential requirement for cross-Board collaboration.
- Additional Funding. Ongoing discussions regarding targeted funding were acknowledged as critical to improving trajectories.

After discussion, the Committee otherwise **Noted** the ongoing work in relation to the elimination of the >52week waits and **Agreed** to take **Substantial** assurance on the submission of NHS Highland's planned care trajectories for 2026/27 as based on core funding.

7. **Unscheduled Care Submission**

The Whole System Transformation Manager spoke to the circulated report outlining NHS Highland's unscheduled care plan for 2026/27, covering both Highland and Argyll and Bute partnerships. The plan forms a key component of the Operational Improvement Plan and focuses on improving system flow, reducing demand on acute services and strengthening community-based care.

It was noted that a range of interventions have been developed over the past year, spanning both preventative activities to reduce attendance and initiatives to improve discharge and patient flow. A structured review of these interventions has been undertaken, supported by the Centre for Sustainable Delivery, to inform priorities for the year ahead.

The Committee was advised that reduced funding for 2026/27 will require prioritisation of activity, with further work ongoing to finalise performance trajectories across key indicators including emergency department performance, ambulance turnaround times and delayed discharges ahead of final submission at the end of June. The report proposed the Committee take Substantial assurance.

There was discussion of the following:

- Prioritisation. The need for clear criteria to prioritise interventions was emphasised given constrained funding.
- Impact and Outcomes. Members highlighted the importance of demonstrating expected impact and linking interventions to measurable outcomes.
- Performance Interpretation. It was recognised that improvement may be reflected in stabilisation of demand rather than reduction in headline metrics.
- Front Door and Flow. The balance between preventative and discharge-focused interventions was noted as critical to system performance.
- Learning from Delivery. The importance of applying learning from previous year implementation was highlighted.
- Sensitivity Analysis. Use of modelling to support prioritisation decisions was suggested.
- External Input. Ongoing support from the Centre for Sustainable Delivery was welcomed.

After discussion, the Committee otherwise **Agreed** to take **Substantial** assurance on the submission of NHS Highland's Unscheduled Care plans for 2026/27.

8. **Digital Update 2025/26**

The Head of eHealth spoke to the circulated report providing an update on digital programme delivery for 2025/26, including progress across Electronic Patient Record (EPR), primary care systems and national initiatives.

It was noted that this was the first report incorporating priorities set through Digital Change Groups, providing a structured approach to governance and prioritisation. The Committee was advised that approximately 70% of resource remains committed to system resilience and infrastructure maintenance. Good progress was reported across key programmes, including HEPMA rollout, primary care migration and the new Child Health System, alongside planned introduction of order communications within EPR. Some challenges were noted, including radiology system delays and data migration issues. National developments, including the Digital Front Door, were highlighted, with further functionality planned.

It was also noted that cyber security risk is currently assessed as severe, with ongoing mitigation activity supported through national and local investment. The importance of strengthening benefits realisation and ensuring alignment between digital investment and service outcomes was emphasised. The report proposed the Committee take Moderate assurance.

There was discussion of the following:

- Overall Progress. Progress across the digital programme was welcomed, with recognition of the scale of delivery and improvement since previous years.
- Benefits Realisation. The need to strengthen benefits tracking and ensure accountability within services for delivery of outcomes was emphasised.
- System Integration. Challenges with radiology systems were noted, with plans to move toward alignment across areas.
- Vaccination Support. Assurance was sought on digital readiness, with confirmation of ongoing engagement with national teams.
- Social Care Integration. Complexity of integration with local authority systems was highlighted, including support for service users, which will be followed up.
- Cyber Security Risk. The high-risk level was noted, with assurance provided on mitigation measures and national support.
- Equality and Inclusion. Consideration of digital inclusion and impact on service users was highlighted.
- Capital Investment. Flexibility to reprioritise digital and cyber investment in response to emerging risks was noted.

After discussion, the Committee otherwise Considered the circulated report and Agreed to take Moderate assurance.
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9. Committee Self-Assessment

It was agreed to defer this item to a future meeting.

10. 2026/2027 Meeting Schedule

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

2026:

10 July 2026 - Next Meeting
7 August 2026
11 September 2026
2 October 2026
13 November 2026
4 December 2026

2027:

8 January 2027
5 February 2027
12 March 2027

12. DATE OF NEXT MEETING

The next meeting of this Committee was to be held on Friday 10 July 2026 at 9.30am

The meeting closed at 11.09am.