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| **HIGHLAND NHS BOARD** | Assynt House<br>Beechwood Park<br>Inverness IV2 3BW<br>Tel: 01463 717123<br>Fax: 01463 235189<br>www.nhshighland.scot.nhs.uk |
| **MINUTE of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMs** | **10 July 2026 at 9.30am** |

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| **Present** | Alexander Anderson, Chair<br>Graham Bell, Non-Executive Director<br>Louise Bussell, Board Nurse Director<br>Sarah Compton-Bishop, NHS Board Chair<br>Heledd Cooper, Director of Finance<br>Garret Corner, Non-Executive Director<br>Richard MacDonald, Director of Estates, Facilities and Capital Planning<br>Gerry O'Brien, Non-Executive Director<br>David Park, Deputy Chief Executive<br>Heather Richardson, Head of Operations (Acute)<br>Andrew Turvey, Deputy Director of Public Health and Policy<br>Steve Walsh, Non-Executive Director |
| **In Attendance** | Rhiannon Boydell, Mid Ross District Manager<br>Graham Ilsley, Non-Executive Director<br>Ruth Innes, Sustainability Manager<br>Andrew King, Governance and Corporate Records Manager<br>Brian Mitchell, Corporate Administrator<br>Katy Styles, Associate Director of Planning, Strategy and Performance<br>Nathan Ware, Deputy Head of Corporate Governance<br>Neil Wright, Non-Executive Director |

## 1 STANDING ITEMS

### 1.1 Welcome and Apologies

Apologies were received from F Davies, A Johnstone, K Sutton and E Ward.

### 1.2 Declarations of Interest

There were no formal Declarations of Interest.

### 1.3 Minute of Meeting held on 5 June 2026, Associated Rolling Action Plan and Committee Work Plan 2026/27

The draft Minutes of the Meeting held on 5 June 2026 were **Approved.**

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

## 2 MATTERS ARISING

There were no matters arising raised.

## 3 FINANCE

### 3.1 NHS Highland Financial Position (Month 2) Including Cost Improvement Update

The Director of Finance spoke to the circulated report detailing the NHS Highland financial position as at end Month 2, advising the Year-to-Date (YTD) Revenue over spend £13.166m, with the overspend forecasted to be £62.940m as of 31 March 2027. The forecast included Deficit Support Funding which will bring this down to £22.940m. It was noted that the forecast position had been revised to reflect a reduced planning assumption for the Glasgow Service Level Agreement charge. This remained subject to ongoing discussions and national work relating to financial flows and cross-boundary charging. The Month 2 position remained in line with the plan and delivery of the full savings programme continued to be expected despite recognised challenges.

Further updates were provided for the Health and Social Care Partnership; Acute Services; Argyll & Bute; and Supplementary Staffing; and Capital Spend. The report proposed the Committee take **limited** Assurance.

During discussion, the following points were raised:

- Financial baselining. The Director of Finance explained that Scottish Government had been baselining recurrent funding allocations nationally to provide greater certainty over Boards' financial envelopes, reduce reliance on late funding confirmations and increase local flexibility in how resources were used.
- Funding formula and allocations. It was noted that while the NRAC funding formula provided a basis for allocations, concern remained regarding additional non-recurrent and performance-based funding streams which could create inconsistencies and challenges in aligning financial planning with performance objectives.
- Business systems integration. Members discussed the risks associated with the forthcoming business systems integration programme, particularly the impact on staff capacity, governance of expenditure and implementation demands. It was acknowledged that whilst the programme presented significant longer-term opportunities, the immediate impact was viewed primarily as a financial and operational risk.
- System replacement requirements. The Deputy Chief Executive highlighted that some existing systems were approaching end of support, creating time pressures and reinforcing the need for replacement solutions.
- Agenda for Change reform. The Director of Finance advised that the principal financial uncertainty related to Band 5 to Band 6 progression arrangements, where no clear implementation timeline had yet been confirmed, making it difficult to fully quantify the ongoing financial impact.
- Savings programme. Assurance was provided that recurring savings and actions carried forward from previous years were being reviewed and incorporated into the current programme, with a clearer assessment of delivery expected in later reporting.

After discussion, the Committee **examined** and **considered** the content of the report and Agreed to take **limited** assurance.

### 3.2 15 Box Grid

The Director of Finance provided an update on the 15 Box Grid assurance framework, highlighting that £14 million of savings had been reported against the previous year's programme. It was noted that while some workstreams had clear financial benefits, others focused on productivity, service improvement and longer-term transformation. Ongoing work with Scottish Government and national partners sought to support benchmarking, shared learning and the identification of improvement opportunities across Scotland.

During discussion, the following points were raised:

- National collaboration. It was noted that while all Health Boards worked within the same framework, collaboration and shared learning varied across workstreams.
- Learning and evaluation. Members queried whether sufficient national learning was being captured, noting that benchmarking information was available but there was no formal review of overall outcomes.

- Programme effectiveness. Concern was raised that the process could become a compliance exercise without a stronger focus on learning and improvement.
- Shared learning. It was suggested that a national review or audit could help assess impact, identify good practice and strengthen learning across Boards.

After discussion, the Committee **examined** and **noted** the content of the report and agreed to take **moderate** assurance.

**4 Integrated Performance and Quality Report**

The Associate Director of Planning, Strategy and Performance spoke to the Integrated Performance and Quality Report (IPQR), highlighting a refreshed reporting format with trend indicators to provide greater context to performance data. Key points included sustained improvement in Child and Adolescent Mental Health Services (CAMHS); reductions in planned care and Treatment Time Guarantee (TTG) long waits; strong performance in diagnostics and endoscopy; ongoing challenges within neurodevelopmental services, cancer pathways, unscheduled care and delayed discharges; and continued monitoring of public health measures including vaccinations, alcohol brief interventions and screening performance.

During discussion, the following points were raised:

- Performance targets and KPIs. Members sought assurance on the development of local targets and trajectories. It was noted that work was ongoing to strengthen performance reporting through measurable KPIs and numerical targets where possible.
- Planned care funding. An update was provided on the funding allocation to support the elimination of waits over 52 weeks by March 2027. It was noted that plans had recently been submitted and discussions with Scottish Government and regional partners remained ongoing.
- Waiting times challenge. The scale of activity required to reduce long waits was highlighted. It was noted that progress would become increasingly difficult as larger volumes of patients moved into shorter waiting time bands.
- Financial uncertainty. The Committee heard that national funding arrangements had evolved several times and that planned care and unscheduled care funding streams were not always clearly distinguished. Close financial monitoring was therefore required.
- Governance and scrutiny. Members noted the enhanced national oversight arrangements, including weekly reviews involving Health Boards, Chief Executives, the Cabinet Secretary and the First Minister.
- Regional collaboration. Discussion took place regarding opportunities and risks associated with the sub-national planning approach. It was noted that further work was required to identify opportunities to optimise capacity and performance across the West of Scotland.
- Operational impact. Concerns were expressed regarding the resource required to produce increasingly detailed reports and performance returns, and the potential impact this could have on management time available for service delivery.

After discussion, the Committee **considered** the level of performance across the system, **noted** the continued and sustained pressures facing both NHS and Commissioned care services and took **moderate** assurance.

**5. Annual Delivery Plan 2026/2027**

The Associate Director of Planning, Strategy and Performance presented the final draft of the 2026/27 Annual Delivery Plan (ADP) and the associated Operational Improvement Plan (OIP). It was noted that the ADP sets out NHS Highland's high-level deliverables across the Together We Care Well themes, while the OIP reflects the subset of priorities aligned to Scottish Government operational requirements.

Updates made following Committee feedback included strengthened commitments on carbon emissions, the inclusion of defined performance targets where available and further refinement of delivery measures. Members noted that additional KPIs would be developed and incorporated throughout the year, including the completion of Argyll and Bute performance measures following local governance processes.

There was discussion of the following:

- Performance reporting. Members welcomed the move towards more measurable reporting. It was noted that future updates would focus on specific deliverables and performance indicators rather than narrative reporting.
- ADP flexibility. Members recognised that the ADP reflected the current position and that targets and deliverables may require amendment during the year in response to national planning requirements and emerging priorities.

After discussion, the Committee agreed to take **substantial** assurance on the development of NHS Highland's Annual Delivery Plan for 2026/27 and the subset of deliverables comprising the Operational Improvement Plan 2027/27.

**6. Estates, Facilities and Capital Planning - Environment and Sustainability Update & Adjustment to Targets**

The Head of Energy, Environment and Sustainability provided an update on progress across NHS Highland's sustainability programme. Continued reductions in Scope 1 and Scope 3 emissions were reported. Improvements were attributed to decarbonisation measures, better waste segregation and reduced waste volumes. Updates were also provided on the Environmental Management System, the Green Ward initiative, EV infrastructure projects and sustainability planning. Scottish Government funding had been confirmed for a number of decarbonisation projects. It was noted that a 3 per-cent year-on-year reduction in emissions was being proposed to support progress towards Net Zero by 2045.

During discussion, the following points were raised:

- Waste management. Members welcomed progress in waste segregation and recycling, noting opportunities to increase recycling rates and maximise value through future waste contracts.
- Local sustainability targets. Members expressed strong support for the revised local targets and their contribution to achieving net zero ambitions through a more coordinated environmental approach.
- Decarbonisation funding. The Head of Energy, Environment and Sustainability confirmed that Scottish Government funding had been secured for decarbonisation and EV charging projects. Members welcomed the funding and recognised its role in supporting future sustainability initiatives.
- Performance of new facilities. Members sought assurance that new facilities were delivering anticipated carbon reductions. The Head of Energy, Environment and Sustainability advised that performance could be monitored through energy consumption and carbon emissions data. The Director of Estates, Facilities and Capital Planning agreed to provide a future update on post-occupancy evaluations.
- Fleet transition and infrastructure. Members discussed the importance of charging infrastructure in supporting the transition to electric vehicles. The Head of Energy, Environment and Sustainability highlighted the need for investment at remote sites, while the Director of Finance reported positive progress in replacing larger fleet vehicles with smaller electric alternatives.
- Renewable energy opportunities. Members explored opportunities for onsite renewable energy generation. The Head of Energy, Environment and Sustainability advised that options varied across the estate and would be considered through future decarbonisation planning.

After discussion, the Committee:

- **Noted** the progress of the development of NHS Highland's Environmental & Sustainability programme and associated projects **agreed** to take **moderate assurance** on the Environmental and Sustainability Update.
- **Noted** the revised targets and take **moderate assurance** on the Environment and Sustainability – Adjustment to Targets.

## 7. Business Continuity Planning Investment Plan Risk Review

The Committee noted that the item relating to business continuity and resilience would be brought to the August meeting. It was clarified that future updates should refer to resilience rather than business continuity planning investment, to better reflect the intended scope of the report.

## 8. Risk Register – Level 1 Risks

The Deputy Chief Executive noted that the Risk Register was broadly consistent with previous reports and that further updates would be made as the Annual Delivery Plan and 2026/27 numbers were finalised. The Committee also noted that cyber and information governance risks continued to be actively managed, with internal audit work and resilience testing intended to provide further assurance.

Discussion took place on backlog maintenance. It was noted that clarification would be provided regarding the outstanding action associated with this risk.

After discussion, the Committee **considered** the Risk Register and agreed to take **moderate** assurance that the Level 1 risks were being actively managed.

## 9. Committee Self-Assessment

The Deputy Head of Corporate Governance provided an update on the proposed approach to the annual Committee self-assessment. It was reported that the questions had been refined to better reflect the Committee's Terms of Reference and to support more meaningful feedback.

Members noted that a Non-Executive member and an Executive member would lead the self-assessment discussion once responses had been received. It was also noted that the questions would be issued through Microsoft Forms to support completion and collation of feedback.

Discussion took place on the scope of the survey and who should be invited to participate. It was noted that further consideration would be required on whether participation should be limited to regular attendees or widened to others who had contributed to the Committee.

## 10. 2026/2027 Meeting Schedule

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

**2026:**

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 7 August at 9.30am

**The meeting closed at 11.01 am**