

<b>HIGHLAND NHS BOARD</b>	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 <a href="http://www.nhshighland.scot.nhs.uk">www.nhshighland.scot.nhs.uk</a>	
<b>MINUTE of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMS</b>	<b>5 December 2025 at 9.30am</b>	

**Present**

Alexander Anderson, Chair  
 Graham Bell, Non-Executive Director  
 Louise Bussell, Board Nurse Director  
 Heledd Cooper, Director of Finance (Lead Officer)  
 Garret Corner, Non-Executive Director  
 Richard MacDonald, Director of Estates, Facilities and Capital Planning  
 Gerald O'Brien, Non-Executive Director  
 David Park, Deputy Chief Executive  
 Dr Boyd Peters, Board Medical Director

**In Attendance**

Natalie Booth, Senior Corporate Administrator  
 Kate Cochrane, Head of Resilience (Item 5)  
 Arlene Johnstone, Chief Officer of Highland HSCP  
 Addy Massey, Corporate Administrator  
 Brian Mitchell, Committee Administrator  
 Becky Myles, Head of Procurement (Item 6)  
 Katherine Sutton, Chief Officer for Acute Services  
 Angela Waring, Head of Resilience  
 Elaine Ward, Deputy Director of Finance

## **1 STANDING ITEMS**

### **1.1 Welcome and Apologies**

Apologies for absence were received from Committee Member S Walsh.

### **1.2 Declarations of Interest**

There were no formal Declarations of Interest.

### **1.3 Minutes of Previous Meetings held on 14 November 2025, Associated Rolling Action Plan and Committee Work Plan 2025/26**

The draft Minute of the Meeting held on 14 November 2025 was **Approved**.

The Committee further **Noted** the Rolling Action Plan. Regarding the associated Committee Work Plan for 2025/26, it was **Noted** this would be refreshed ahead of the next meeting.

## 2 MATTERS ARISING

There were no matter arising discussed.

## 3 FINANCE

### 3.1 NHS Highland Financial Position (Month 7) Update and Value and Efficiency Update

The Deputy Director of Finance spoke to the circulated report detailing the NHS Highland financial position as at end Month 7, advising the Year-to-Date (YTD) Revenue over spend amounted to £35.241m, with the overspend forecasted to be £40.005m as of 31 March 2026. The forecast assumed further action would be taken to deliver a breakeven Adult Social Care (ASC) position and the Value and Efficiency programme will deliver in full. The circulated report further outlined planned versus actual financial performance to date as well as the underlying data relating to Summary Funding and Expenditure, noting the relevant Key Risks and Mitigations. It was noted £ 1,342.613m of funding had been confirmed at end of Month 7.

Specific detailed updates were also provided for the Highland Health and Social Care Partnership area; Adult Social Care; Acute Services; Argyll & Bute; the Cost Reduction/Improvement activity position, including relevant financial targets; the wider position relating to Value and Efficiency activity; Supplementary Staffing; Subjective Analysis; and Capital Spend. The report proposed the Committee take **Limited** Assurance.

The following was discussed:

- Risk-Adjusted Financial Gap. Members queried the likelihood of closing the £15–16 million gap. It was advised that full closure was unlikely; projected savings of £22 million supported by balance sheet mitigations for the health side. Adult social care mitigations remained outstanding, with an overview of the plan requested.
- Adult Social Care Plan. The Chief Officer for the HSCP confirmed there was a written plan with two tracks: short-term cost control for this year and longer-term transformation supported by the Highland Council Transformation Fund. No additional resources would be allocated until next year.
- Adult Social Care Financial Gap. Closing the £20 million gap would require additional funding discussions and stronger governance to avoid uncertainty later in the year.
- Scottish Government Correspondence. Members were advised that the letter raised key issues with no new funding streams identified.
- Glasgow SLA Risk. Reported a position disputing the £8 million charge due to weaknesses in methodology and lack of due process. A formal response would be issued and noted Scottish Government were aware of the Boards position.
- Care Homes Position. It was clarified that underspend was limited as NHS Highland had taken on several care homes directly, which was proportionally increased costs.

#### After discussion, the Committee:

- **Examined** and **Considered** the content of the circulated report.
- **Agreed** to take **Limited** assurance.

### 3.2 15 Box Grid Q2 Update

The Director of Finance advised the latest return was submitted in a revised Excel format to include requested figures, which were easily added from existing trackers. It was confirmed that the data would inform Scottish Government on the usefulness of the 15-box grid, with a refresh expected next year. The Committee were asked to take **moderate** assurance from the report.

#### After further discussion, the Committee otherwise:

- **Examined** and **Considered** the content of the circulated report.
- **Agreed** to take **Moderate** assurance.

## 4 Environment and Sustainability Update

The Director of Estates, Facilities and Capital Planning advised carbon emissions were slightly lower than the previous year, with a minor fluctuation in July attributed to a reporting error. Reductions were achieved through existing projects such as lighting insulation and waste management, while power consumption also decreased due to LED lighting and beta controls. Applications for ringfenced funding to support next year's initiatives were submitted and awaited. Utility costs fell significantly due to the electricity and gas contract, delivering savings and projecting year-end figures within £100,000 of targets.

Waste management improved following the appointment of a waste manager and measures to enhance clinical waste segregation, including bin relocation and staff engagement. Non-compliance reduced, audits progressed well, and procurement work began to consolidate supplier contracts. A public bodies report was submitted to the Environment and Sustainability Committee, migration from the Charge Place Scotland system advanced without disruption, and EV infrastructure and carbon reduction projects were ongoing. The Committee were asked to take **moderate** assurance from the update provided.

The following was discussed:

- **Graph Presentation.** Members requested removal of NHS Scotland data from carbon emissions, utilities and power consumption graphs to provide clearer comparisons. It was confirmed this would be actioned.
- **Waste Incineration.** The proportion of waste sent for incineration was queried. Members were advised that figures would be confirmed later, noting procurement changes had reduced non-combustible waste.
- **Sustainability Focus.** The breadth of environmental work was highlighted, and caution was shared against focusing solely on net zero targets, as progress may plateau without major projects. It was emphasised there would be a need to recognise wider sustainability achievements.
- **Cost of Major Reductions.** It was acknowledged that achieving significant carbon reductions would require substantial investment, which had been unavailable.
- **Plastic Waste Management.** Members queried progress on laundry-related plastic waste. It was highlighted that waste continued to go to landfill while a national project analysed recycling options. Confirmed compatibility and cost challenges but noted efforts were ongoing to find better solutions.

#### After discussion, the Committee:

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

## 5. Business Continuity/Resilience

### 5.1 Resilience and Incident Response Framework Update

The Head of Resilience advised that a major incident response framework had been developed to align with existing ways of working, supporting staff under stress and ensuring compliance with statutory duties, including the Civil Contingencies Act. The framework incorporated JESIP principles, international crisis and continuity standards, and NHS resilience standards. It replaced the previous single major incident plan with an integrated system of handbooks, quick response guides and action cards. Reasonable worst-case scenarios and planning assumptions had been introduced to validate plans, covering severe weather, hazardous material exposure, terrorist incidents and mass casualty events.

Training was being aligned with National Occupational Standards through collaboration with the UK Resilience Academy, supported by a resilience group with sector sub-groups for Highland, HSCP, Argyll & Bute, corporate and digital areas. Next steps included a full roll-out of exercises and communications packages to embed processes across operational levels, with additional support offered on governance during crisis phases. The Committee were asked to take **substantial** assurance on the information provided in the report.

In discussion, the following was discussed:

- **Framework Development.** Members recognised that the framework was a significant step forward, providing a single point of reference to ensure responses were aligned with legislative requirements. It was emphasised that the next stage was to test knowledge and familiarity through exercises and training.
- **Governance During Incidents.** Members queried governance arrangements during incidents and noted that immediate response was managed through strategic, tactical and operational levels rather than board involvement. It was clarified that governance referred to organisational controls and structures, not direct oversight by the board.
- **Long-Term Response.** It was highlighted that governance extended beyond the initial emergency phase to include ongoing support for affected individuals, families and communities. This approach ensured continuity and prevented gaps in care.
- **Scenario Tailoring.** Members confirmed that reasonable worst-case scenarios were tailored to service pressures and location. Escalation would move from business-as-usual to continuity, critical incident and board-level response as required.

#### After discussion, the Committee:

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

### 5.2 Incident Response Framework

The Head of Resilience advised that work had continued to ensure compliance with legal requirements. Several exercises had been delivered, including a local emergency planning exercise and participation in a UK-wide pandemic exercise that lasted three months, with feedback still awaited. The organisation had also responded to severe weather events, wildfires and prolonged electricity outages caused by seasonal storms.

Strategic developments had included participation in a national working group on hospital evacuation planning, preparation for compliance with new anti-terrorism legislation, and planning for future operational resilience. Progress on the incident response framework had continued, with handbooks being finalised. A new Resilience Manager had been appointed to

support training and exercise programmes. Priorities had included completing framework alignment, delivering crisis management training and embedding governance and assurance processes. The Committee were asked to take **substantial** assurance from the report.

Following discussion, the following points were raised:

- **Integration Responsibilities.** It was noted that NHS Highland had a unique responsibility compared with other health boards due to integration arrangements, particularly around care for people, which added demand across the organisation.
- **Team Commitment.** The committee acknowledged that teams had worked well despite geographical challenges and staffing limitations. Continued training and exercises were highlighted as a priority for the coming year, with credit given to staff who consistently went above and beyond, often outside normal hours.
- **Learning from Recent Incidents.** Key learning from recent severe weather and power outages included improved collaboration with partners and the use of technology to identify power loss and locate mobile food providers, reducing travel for affected communities.
- **Future Risks and Planning.** It was confirmed that resilience planning focused on consequences rather than causes, with the highest national risk identified as a failure of the electricity transmission network. Plans were being developed to maintain patient services for up to seven days without National Grid power, supported by hospital generators. Work continued strengthening resilient communications to ensure access to digital patient services during outages.

**After discussion, the Committee:**

- **Considered** the content of the circulated report.
- **Agreed** to take **Substantial** assurance that the NHS Incident Response Framework has been approved by the Executive Directors' Group, is now being implemented across the organisation, and that supporting annexes (A–I) provide evidence of alignment with national standards and operational readiness.

## **6. Annual Procurement Report 2024/25**

The Head of Procurement advised the annual procurement report was presented to provide assurance that NHS Highland met its obligations under the Procurement Reform (Scotland) Act 2014. The report covered April 2024 to March 2025 and included mandatory metrics on regulated spend, savings, community benefits and supported business engagement. Data was drawn from multiple sources, including Public Contracts Scotland, the Scottish Procurement Information Hub and internal registers.

Staff development remained a priority, with bespoke training underway and participation in a national working group to enhance procurement capability. Savings continued to be recorded and reported through appropriate channels. It was noted that the new NHS Highland Procurement Strategy (2025–2030) launched this year, and future reports would align more closely with its objectives. The report had been compiled in line with legislative requirements and was ready for submission to the Scottish Government. The Committee were asked to **substantial** assurance from the report content.

There was discussion of the following:

- **Community Benefits.** It was noted that future iterations should include more detail on community benefit capture. Plans were outlined to improve tracking using Public Contracts Scotland rather than the internal register.
- **Savings Calculation.** It was explained that cash and non-cash savings were calculated in line with Scottish Government guidance, with direct cash savings based on previous

contract prices and non-cash savings benchmarked against market rates. A reference document was available for members to review.

- Service Level Agreements. Questions were raised about managing out-of-area SLAs. Work was underway to ensure all SLAs and commissioning activities were recorded on the commitments register, supported by improved engagement with stakeholders.
- Procurement Strategy Implementation. The new five-year procurement strategy had been well received and was influencing team decision-making. A communications plan was being developed to raise awareness across the wider organisation, with implementation planned over the coming months. The strategy had also been recognised externally as good practice.

**After discussion, the Committee:**

- **Considered** the content of the circulated report.
- **Agreed** to take **Substantial** assurance it provides confidence of compliance with legislation, policy and Board objectives.

## **7. 2026/27 Meeting Schedules**

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

### **2026:**

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  
13 November 2026  
4 December 2026

### **2027:**

8 January 2027  
5 February 2027  
12 March 2027

**The Committee Noted** the meeting schedules for 2026/27.

## **9 DATE OF NEXT MEETING**

The next meeting of this Committee was to be held on Friday 9 January at 9.30am

**The meeting closed at 10.53 am.**