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	**10 April 2026 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 Jennifer Davies, Director of Public Health and Policy Gerry O'Brien, Non-Executive Director David Park, Deputy Chief Executive George Reid, Deputy Director of Estates, Facilities and Capital Planning Steve Walsh, Non-Executive Director
In Attendance	Arlene Johnstone, Chief Officer for Highland HSCP Bryan McKellar, Whole System Transformation Manager Megan Spratt, Corporate Administrator Nathan Ware, Deputy Head of Corporate Governance Elaine Ward, Deputy Director of Finance Dominic Watson, Head of Corporate Governance Neil Wright, Non-Executive Director

1 STANDING ITEMS

1.1 Welcome and Apologies

Apologies were received from Richard MacDonald, Boyd Peters and Katherine Sutton.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minute of Meeting held on 13 March 2026, Associated Rolling Action Plan and Committee Work Plan 2026/27

The draft Minutes of the Meeting held on 13 March 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 11) Including Cost Improvement Update

The Deputy Director of Finance spoke to the circulated report detailing the NHS Highland financial position as at end Month 11, advising the Year-to-Date (YTD) Revenue over spend amounted to £48.928m, with the overspend forecasted to be £40.000m as of 31 March 2026. The forecast assumed an overspend of £20.859m within Adult Social Care (ASC), with a review of delivery targets for identified value and efficiency schemes having been undertaken with operational units forecasting in line with Value and Efficiency deliverables. 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 £ 1,359.619m of funding had been confirmed at end of Month 11. Specific detailed updates were also provided for the Highland Health and Social Care Partnership; Adult Social Care; Acute Services; Support 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.

During discussion the following points were raised:

- NHS Greater Glasgow and Clyde SLA position. Advised conversations were continuing, with formal notification given by NHSH that it did not recognise any obligation to make payment within the current financial year. Work was required in relation to methodology, processes, and agreement of principles regarding agreeing a position for 2026/27.
- Identification and Management of Underspends. Advised part of wider detailed budget setting process. Many noted underspends were related to management of staff vacancies.
- Care Homes. Questioned, in relation to those taken over by NHSH from the private sector, what activity was undertaken relating to a re-baselining of associated budget requirements given the level of overspend evidenced. Advised as to activity in relation to recruitment of staff and reduction in reliance on supplementary staffing. The wider position in relation to Adult Social Care finance, national Care Home contract, local service provision requirements and future budget setting considerations was emphasised and discussed in detail. The Care Inspectorate role and associated impact was also referenced.

After discussion, the Committee **Examined** and **Considered** the content of the report and **Agreed** to take **Limited** assurance.

3.2 Progress on Financial Plan 2026-29

The Director of Finance spoke to the circulated letter from the Health and Social Care Chief Finance Officer indicating approval of the NHS Highland 2026/27 Three Year Financial Plan, subject to three conditions relating to working with local authority partners to mitigate pressure in Adult Social Care; ongoing work with NHS Greater Glasgow and Clyde to optimise cross boundary flow and explore options for service delivery across West Scotland; and continue to aim to deliver further savings and one-off measures to reduce the identified deficit.

During discussion, the following was raised:

- Level of Understanding of Current Position. Acknowledged the work to date involved in developing the NHSH Financial Plan and recognised the stated level of confidence in the same expressed in the circulated letter.

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

4 Environment and Sustainability Update

The Deputy Director of Estates, Facilities and Capital Planning spoke to the circulated report providing an update on how NHSH was proposing to move toward Scottish Government Net Zero targets and demonstrating the progress that had been made on various parts of the NHSH Environment and Sustainability agenda. Specific updates were provided in relation to Carbon Emissions; Power Consumption; Utility finance; Clinical Waste data and performance overview; waste management projects and on overall wider energy, environment and sustainability activity. It was reported recent achievements which had been highlighted in the NHS Highland Climate Emergency and Sustainability Annual Report included progress in energy-efficiency projects, enhanced waste-management processes, sustainable transport and fleet initiatives, and the development of greenspace and biodiversity projects, all of which reflected the NHS Board's commitment to embedding sustainability across a geographically diverse estate. The report proposed the Committee take **Moderate** assurance.

There was discussion of the following:

- Meeting Stated 2040 Targets. Stated this was driven primarily by activity at Raigmore Hospital, noting the extent and range of activity underway. There was support for encouraging culture change and considering climate change and sustainability activity in the broader context of overall population health. The reported activity, and ongoing level of framework discussion at Exec level was welcomed.
- Use of Plants adjacent to M8. Questioned if sending waste to such plants would result in green credits being applied. Highlighted matters relating to resilience aspects and the need for avoidance of duplication of activity.
- Governance Arrangements. Noted relevant Sub Committee reporting into this Governance Committee forum. Advised there would be reluctance to establish another Governance Committee and that consideration should be in relation to ensuring appropriate reporting and governance through the existing framework of meetings. A spotlight session at a future NHS Board Development Event was suggested, noting discussion of this was underway.
- Focus on Staff Matters. Questioned position in relation to training and development activity and associated reporting arrangements. Advised significant impact is usually achieved through engaging all staff members and encouraging them to support energy management within their own area. There was ongoing consideration of these aspects and discussion with the Communications and Engagement team on relevant messaging dissemination.
- Using eSight Data. Questioned if data requirement set by Scottish Government and if NHSH only data could be shown in future reporting. Advised the NHSH Annual Report provided a focus on internal activity, with the national report capturing the overall NHS Scotland position.
- SEPA Audit Activity. Advised this related to pre-acceptance audit activity, looking at waste streams and management of the same. Waste contractors then accept this audit, with the SEPA visit and audit looking to ensure appropriate arrangements are in place etc.

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

5. Annual Delivery Plan/Scottish Government Planning Guidance 2026/27

The Whole System Transformation Manager spoke to the circulated report, advising NHS Highland had commenced the development of the 2026/27 Annual Delivery Plan (ADP) which would include deliverables to meet the high-level Annual Operating Priorities (AOP) received in planning guidance from Scottish Government in February 2026. The report provided the Committee with assurance on the process for development of the ADP and outlined the process aligned to the pre- and post-election period. It also outlined the draft Annual Operational Priorities for 26/27, as described across 8 broad areas as indicated. It was noted

that further planning guidance may be issued following the Scottish Parliamentary election process. The report proposed the Committee take **Substantial** assurance.

There was discussion of the following:

- Productivity. Questioned how this would be reported and monitored at Committee level and suggested consideration be given to establishing an agreed defined denominator element for reporting purposes. Stated this was an area not previously reported upon in great detail, with consideration required in terms of variance across the organisation and the need for development of an agreed set of Key Performance Indicators and metrics as part of ongoing ADP development.
- NHS Board Overspend and Potential Impact. Noted any overspend beyond the agreed deficit position would be referenced within the NHS Highland Annual accounts for 2025/26 and questioned any associated organisational and Accountable Officer impact. Advised as to financial support level available to NHS Highland and emphasised the NHS Board was expected to manage the position in year and stated any deficit beyond that position could result in further action being taken in terms of issuing a Section 22 report etc. This matter would be the subject of ongoing discussion with Scottish Government.

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

6. 2026/2027 Meeting Schedule

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

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

12. DATE OF NEXT MEETING

The next meeting of this Committee was to be held on Friday 8 May at 9.30am

The meeting closed at 10.50am.