

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	9 May 2025 at 9.30 am

Present

Alexander Anderson, Chair
Graham Bell, Non-Executive Director
Heledd Cooper, Director of Finance
Garret Corner, Non-Executive Director
Dr Jennifer Davies, Deputy Director of Public Health & Policy
Richard MacDonald, Director of Estates, Facilities and Capital Planning
Gerard O'Brien, Non-Executive Director
David Park, Deputy Chief Executive
Steve Walsh, Non-Executive Director

In Attendance

Sarah Compton-Bishop, NHS Board Chair
Kristin Gillies, Interim Head of Strategy and Transformation
Brian Mitchell, Committee Administrator
Barry Muirhead, Associate Nurse Director
Becky Myles, Head of Procurement
Katherine Sutton, Chief Officer (Acute)
Elaine Ward, Deputy Director of Finance
Nathan Ware, Governance and Corporate Records Manager
Dr Neil Wright, Non-Executive Director
Dominic Watson, Head of Corporate Governance (Observing)

1 STANDING ITEMS

1.1 Welcome and Apologies

Apologies for absence were received from Committee members T Allison, L Bussell and F Davies.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minutes of Previous Meetings held on Friday 4 April 2025 and Associated Rolling Action Plan

The draft Minute of the Meeting held on 4 April 2025 was **Approved**. The Committee further **Noted** the Rolling Action Plan, subject to the closure of Action 18.

2 FINANCE

2.1 NHS Highland Financial Position 2024/25 Report (Month 12 Year End Position), Value and Efficiency Update and Annual Accounts Update

E Ward spoke to the circulated report detailing the NHS Highland financial position as at financial year end 2024/25, advising as to £0.206m underspend following application of £49.7m brokerage and additional funding from the Highland Council Transformation Fund to support the Adult Social Care position. She went on to advise the position presented was subject to final adjustment and associated audit processes. The report further outlined planned versus actual financial performance to date as well as the underlying data relating to Summary Funding and Expenditure. An update on Key Risks and Mitigations was provided, noting a number of generic risks had remained constant and would be carried forward into 2025/26. Specific updates were also provided on the Highland Health and Social Care Partnership; Adult Social Care; Acute Services; Support Services; Argyll and Bute; Cost Reduction and Improvement Activity; Supplementary Staffing; Subjective Analysis and Capital spend position. The report proposed the Committee take **Moderate** assurance.

There was discussion of the following:

- Support from Transformation Fund. Advised financial position had been discussed with Highland Council through regular meetings across financial year. Any support received was not subject to any conditionality requirements although it would reduce the value of the Fund overall moving forward.
- IR35 Detail. Advised as to the NHS Highland position relating to external contractors and the payment of employer National Insurance (NI). Discussion continued as to the future position, with a working group to be established to take relevant options discussion forward.
- Value and Efficiency Activity. Noted number of workstreams had no target set. Advised some schemes set up as enablers for other associated activity. A process for a refresh of schemes was under way, with Project Initiation Documents issued to relevant work stream lead officers. New schemes would be added for 2025/26.
- Brokerage Position 2025/26. Advised consideration being given as to articulation of the risk relating to the position if no central brokerage arrangements were agreed. Feedback was awaited following the NHS Highland Draft Financial Plan re-submission.

After discussion, the Committee:

- **Examined** and **Considered** the reported year-end Financial Position.
- **Agreed** to take **Moderate** assurance.

2.2 Financial Plan 2025-28

H Cooper advised as to discussion by the Executive Directors Group in relation to associated asks received from Scottish Government, regarding a potential financial deficit position and refresh of the Plan based on the relevant 2024/25 outturn. Regular discussion was held with Scottish Government colleagues on all relevant aspects. Value and Efficiency processes relating to setting financial targets were continuing, with the aim of achieving a minimum 3% saving across 2025/26. Discussion had also taken place on enhancing STAG schemes, including consideration of any that may be accelerated at that time, with additional discussion planned. An update would be provided to the next meeting.

There was discussion of the following:

- Non-Repayable Transformational Funding. Advised would likely relate to Transformation Programme activity and PMO support. NHS Boards had been told there would be no brokerage in 2025/26. Elements of high level “spend to save” activity could represent an

area where funding flexibility may be possible. Scottish Government had indicated an interest in working with NHSH on future strategy/activity relating to population health.

- Acceleration of Potential Savings Activity. Advised NHS Boards require to continue to identify relevant projects, including in association with partner local authorities. Scottish Government direction to NHS Boards was related to health activity only. Regular discussion continued.

After discussion, the Committee:

- **Noted** the reported position.
- **Noted** an update on Value and Efficiency activity would be brought to the next meeting.

3 ANNUAL DELIVERY PLAN 2025/26 SUBMISSION AND FEEDBACK

K Gillies spoke to the circulated report, providing an overview of progress in developing the NHS Highland Annual Delivery Plan, the draft of which had been submitted to Scottish Government and had been circulated for information. Members were advised Scottish Government approval for the ADP must be received before this could be presented to the NHS Highland Board for approval. An Executive Summary across each Well theme had been developed, to be used to communicate the ADP internally with key stakeholders. While engagement was continuing with Scottish Government, the ADP deliverables across Well themes were being progressed, largely as part of strategic transformation (STAG) programmes. Once formal feedback/approval from Scottish Government had been received, a final version of the ADP for 2025/26 would be shared with the Committee for assurance prior to progression to the NHS Board. She went on to give a brief presentation on a range of activity to date in relation to development of the draft Plan, following receipt of relevant guidance, and including aspects relating to Key Deliverables/Performance Indicators, medium term plan to 2027/28 and performance improvement. Future reporting arrangements were also referenced. It was proposed the Committee take **Substantial** assurance.

D Park took the opportunity to advise members as to the central government process undertaken on receipt of draft Plans from individual NHS Boards, prior to those Plans being formally agreed and made publicly available. He highlighted aspects relating to consideration of Scheduled Care elements, including the associated funding position, indicating NHS Highland had been notably successful in this area. K Sutton expanded on that area, outlining recent NHS Highland successes and those activity areas currently being progressed.

The following was discussed:

- Development of Performance Monitoring at Governance Committee Level. View expressed Committees would benefit from agreement on defined portfolio roles in this area. Advised active consideration being given to this aspect, with regard to both performance and quality reporting elements of the IPQR. A Development Session was suggested.
- Key Performance Indicator Detail. Confirmed activity was ongoing in relation to further defining relevant detail, including in relation to targets and trajectories.

After further detailed discussion, the Committee:

- **Noted** the update provided.
- **Noted** a proposal on developing an updated Integrated Performance and Quality Report would be submitted to the next meeting.
- **Agreed** to take **Substantial** assurance.

4 NHS HIGHLAND CAPITAL PLAN 2025/26

R MacDonald spoke to the circulated report, advising confirmation had been received of the NHS Highland Capital Allocation 2026/26 and the associated Capital Plan developed and approved. The Capital Asset Management Group had approved the allocation of the formulary allocation based on a three-year average. The NHS Highland formula was £7.294m, representing a 5% uplift on the 24/25 allocation. Scottish Government instruction remained the same as the previous year, in that the formula Capital Allocation in 2025/26 should be spent on estate backlog maintenance, digital maintenance, and equipment replacement. The Capital Prioritisation Group (CPG) had met in February 2025 to discuss and approve the Capital Plans on behalf of the Capital Asset Management Group. Plans for Equipment Replacement Advisory Group (EPAG) and eHealth had been approved however the Estates Capital Plan had been deferred until early May. Budget holders had drafted a secondary list of Capital items which had been approved by CPG, to ensure the NHS Board was able to utilise any additional capital funding were it to become available. Other areas highlighted in discussion had included the wider staffing position and overall risk profile. The report proposed the Committee take **Moderate** assurance.

After further discussion, the Committee:

- **Noted** the update on the allocation and delivery of the Capital Formula Spend delivered through NHS Highlands Capital Asset Management Group.
- **Agreed** to take **Moderate** assurance.

5 NHS HIGHLAND PROCUREMENT STRATEGY 2025-2030

B Myles spoke to the circulated report and Strategy document, seeking approval to publication of the NHS Highland Procurement Strategy 2025-2030 and the taking of Substantial assurance relating to compliance with legislation, Policy and NHS Board Objectives. A number of key themes were highlighted, including relevant priorities and strategic objectives; supplier engagement; category management; and value for money aspects. Work had commenced on a relevant Annual Delivery Plan. It was stated the period of the Procurement Strategy reflected a time of continuous improvement and development for NHS Highland Procurement and was designed to be monitored continuously and reviewed annually. There was a commitment to a significant programme of projects to further develop data reporting, processes and procedures to increase levels of compliance, governance and assurance.

The following was discussed:

- Commercial/Voluntary Sector Engagement. Advised strategy direction was to improve on the existing position across a range of associated constituent areas, including direct engagement activity. The Strategy would be publicly launched.
- Small Business Development Activity. Advised working with national Supplier Development Programme on barriers to entry, alongside facilitating discussion with Adult Social Care colleagues on strengthening links between the Strategy and the Adult Social Care Delivery Plan. New providers were emerging and activity continued in that area. Noted improving SME engagement was a performance metric for the Annual Procurement Reporting process. The potential impact of procurement spend activity on the local economy was recognised.
- Links with External Public Bodies. Questioned potential role of external bodies to assist local business development to address specific health service areas where appropriate. Advised direct discussions held with suppliers at events hosted by other bodies, including HIE. Activity to strengthen performance in this area was being actively considered. Regular discussion was held with partner local authorities and Public Contract Scotland, on cross-sector procurement matters. The level of such activity was increasing.

After discussion, the Committee:

- **Approved** the publication of the NHS Highland Procurement Strategy 2025-2030.
- **Agreed** to take **Substantial** assurance.

6 2025/26 and 2026/27 Meeting Schedules

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

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

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

7 ANY OTHER COMPETENT BUSINESS

There were no matters raised.

8 DATE OF NEXT MEETING

The next meeting of this committee was to be held on Friday 6 June 2025.

The meeting closed at 11.00am