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	**12 September 2025 at 9.30am**

Present	Alexander Anderson, Chair Graham Bell, Non-Executive Director Louise Bussell, Board Nurse Director Sarah Compton-Bishop, Board Chair Garret Corner, Non-Executive Director Fiona Davies, Chief Executive (from 10.30am) Dr Jennifer Davies, Director of Public Health and Policy Richard MacDonald, Director of Estates, Facilities and Capital Planning David Park, Deputy Chief Executive Dr Boyd Peters, Board Medical Director Steve Walsh, Non-Executive Director
In Attendance	Kristin Gillies, Head of Strategy and Transformation Philippa Hurley, Corporate Assistant Michael Imperato, Independent Member, Hywel Dda (Observing) Arlene Johnstone, Chief Officer (Highland HSCP) Brian Mitchell, Committee Administrator Katherine Sutton, Chief Officer (Acute) Elaine Ward, Deputy Director of Finance Dr Neil Wright, Non-Executive Director (Observing)

1 STANDING ITEMS

1.1 Welcome and Apologies

Apologies for absence were received from Committee members H Cooper and G O'Brien.

At the invite of the Chair M Imperato introduced himself to the Committee at the start of the meeting, outlining the similarities when considering delivery if healthcare across similar geographical areas. He thanked the Committee for facilitating observation of the meeting.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minutes of Previous Meetings held on Friday 1 August 2025, Associated Rolling Action Plan and Committee Work Plan 2025/26

The draft Minute of the Meeting held on 1 August 2025 was **Approved.** The Committee further **Noted** the Rolling Action Plan. With regard to the associated Committee Work Plan for

2025/26, it was **Noted** this would be refreshed ahead of the next meeting, following recent discussion and in association with similar discussion around other Governance Committees.

2 MATTERS ARISING

There were no matters discussed in relation to this Item.

3 FINANCE

3.1 NHS Highland Financial Position (Month 4) Update and Value and Efficiency Update

E Ward spoke to the circulated report detailing the NHS Highland financial position as at end Month 4, advising the Year-to-Date (YTD) Revenue over spend amounted to £22.665m, 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. 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, 336.372m of funding had been confirmed at end of Month 4, including a pay award allocation of £8.812m and further allocation due on settlement of other uplifts. Specific detailed updates were also provided for the Highland Health and Social Care Partnership area; 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.

The following was discussed:

- Approach to Adult Social Care Funding Gap. Requested update on current discussion, compared to previous years. Advised as to approach being taken, including discussion and development of cost control and containment plans/processes and further discussion of areas of shared risk. Aspects relating to Transformation Fund use, and development of Highland Care Model were also highlighted.
- Non-Pay Funding. Questioned if included totality of fully identified working week reduction element. Advised NHS Highland had received a share of £150m fund in this area, addressing the initial half hour reduction and Band 5 to Band 6 increases. Plan to be submitted to Scottish Government relating to further reduction of working week from April 2026, detail of the funding package for which was awaited. Further detail was also provided in relation to wider national level discussions.
- Oversight of Value and Efficiency Activity. Advised achieving a 3% target year on year represented an increasing challenge for NHS Boards. Ownership of delivery noted as resting with operational areas, with support from Finance and Strategy, Planning and Performance teams. Advised as to ongoing active consideration and discussion of existing oversight processes. Aspects relating to cross-system efficiencies were also highlighted.
- Value and Efficiency Element of Overall Financial Position. Questioned if 100% delivery required to meet agreed financial target overall. Confirmed this was the case. Further advised monthly meetings held with Scottish Government colleagues, where relevant risks to delivery of financial targets discussed. Development of recovery plan may be required.

There had also been circulated letter dated 22 August 2025 from the Health and Social Care Chief Finance Officer providing a summary assessment of the finance position for NHS Highland, key risks recently discussed, and actions required. It was stated this represented an endorsement of the approach being developed and taken forward within NHS Highland. The letter also referenced aspects relating to associated escalation status, operational performance, longer-term planning and next steps aspects. Members were advised further

detail had now been provided by Scottish Government in relation to categorisation of the existing escalation process for NHS Boards and would be shared with members.

After discussion, the Committee:

- **Examined** and **Considered** the content of the circulated report.
- **Agreed** future reports include additional information on financial impact of Value and Efficiency activity.
- **Noted** the detail of the associated letter from Scottish Government.
- **Noted** detail of the categorisation of the escalation process for NHS Boards would be shared with members.
- **Agreed** to take **Limited** assurance.

3.2 15 Box Grid Update – Quarter 1

E Ward spoke to the circulated report and associated appendices outlining the NHS Highland position against the refreshed 2025/26 15 Box Grid and current position as reported to the Scottish Government. Key aspects were highlighted and discussed. It was advised the level of detail provided in the next self-assessment submission would be enhanced and developed. The report proposed the Committee take **Moderate** assurance.

After further discussion, the Committee otherwise:

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

4.1 INTEGRATED PERFORMANCE AND QUALITY REPORT

K Gillies gave a presentation and spoke to the circulated report**,** providing a bi-monthly update on performance based on the latest information available. A narrative summary table had been provided against each area to summarise the known issues and causes of current performance, how these issues and causes would be mitigated through improvements in the service, and what the anticipated impact of these improvements would be. Specific updates were provided in relation to CAMHS, NDAS, Screening Activity, Pre-School Vaccination activity, Smoking Cessation, Alcohol Brief Interventions, Breastfeeding, Drug and Alcohol Recovery, Emergency Department Access, Delayed Discharges, Outpatients, Treatment Time Guarantee activity, Diagnostics, Cancer Waiting Times, SACT Access and Benchmarking, and Psychological Therapies Waiting Times. The report proposed the Committee take **Limited** assurance.

The following was discussed:

- 62 Day Cancer Waiting Times. Advised as to issues relating to Breast Service and associated Diagnostic capacity and updated on revised service model considerations. An update in relation to discussion and agreement with NHS Forth Valley on mitigation of the matters identified was provided. Further advised as to challenges within the Urology Service and discussions being taken forward in that area.
- NDAS. Increase in Waiting List noted. Advised a recent presentation to the last Clinical Governance Committee had highlighted concerns relating to sustainability of the current service model. Staffing challenges were highlighted. An update on discussion with Highland Council was provided, noting the Chief Officer for Acute had been asked to lead a team to look at identifying a potentially sustainable future service model.
- Impact of Establishment of Population Health and Planning Committee. Questioned what current reporting elements would go to that Committee. Advised new Committee would primarily focus on strategy and planning activity relating to improving overall population

health across Highland. The first meeting was to be held in early October 2025. Wider Committee governance aspects were under active consideration.

- **After discussion, the Committee:**

- **Noted** the circulated report content and the continued and sustained pressures facing both NHS and Commissioned Care services.
- **Agreed** to take **Limited** assurance.

4.2 OPERATIONAL IMPROVEMENT PLAN UPDATE

K Gillies spoke to the circulated report providing an update on progress with the Operational Improvement Plan (OIP) since the previous update to Committee in August 2025. Detailed updates were provided in relation to four OIP sections relating to improving access to treatment; shifting the balance of care; improving access via Digital activity; prevention activity; and future reporting considerations. A table illustrating planned future reporting to Committee was also provided. The report proposed the Committee take **Substantial** assurance.

There was discussion of the following:

- Prevention Activity. Questioned level of early consideration given to engagement of external partners when planning relevant activity. Advised as to three Policy documents being taken forward by NHS Boards and the impact on current operational service delivery considerations. Acknowledged the potential role of external partners in future long-term planning and NHS Board strategy considerations.

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

5 PLANNED CARE UPDATE AND SPOTLIGHT

K Sutton spoke to the circulated report and shared a presentation on the progress of the agreed Activity Plan with NHS Highland and Scottish Government towards achieving targets for new patients and in patient day care. The trajectory number was based on patients waiting over 52 weeks to the end of March 2026 with national aim to reach zero. There was significant high scrutiny at Board and national level, including service level. A performance summary indicated that current delivery for new outpatients was 6.6% below trajectory but the number of patients waiting over 52 weeks was 10.4% above plan. For inpatient/day case, procedures were 2.3% above trajectory, and long waits were 33.8% below plan. It was noted that significant work had gone into developing dashboards that monitor operational and service-level activity to drive improvement. Some risks and challenges were highlighted such as underperformance in gynaecology, some dental specialities and gastroenterology. A level of contingency planning would be required to mitigate some risk areas around workforce, operational areas (eg. Laundry and E-health system outages) and clinician engagement in decision making processes when applying the access policy. An update on the Strategic Plan for scheduled care outlined key initiatives towards improvement planning such as theatre and outpatient groups established with regular reporting and ongoing to align theatre management systems with high performing UK sites etc. The report proposed the Committee take **Moderate** assurance.

The following was discussed:

- Service Provision Changes. Questioned consideration of impact of treatments potentially being removed from service provision to help manage waiting list numbers. Advised there

was a National Group reviewing procedures of low clinical value.eg minor treatments, but no significant changes have been made or any further review undertaken.

- Patient management. Questioned about the stricter application of waiting times and missed appointments. Advised this was being considered across regional and national boards.
- Data Risks. Questioned if focussing on the longest waits can impact on waiting list data and data reporting in general. Stated cancer and urgent delivery care takes up most capacity and how this can present a risk to meeting delivery targets.
- Regional Support Impact. Advised as to wider challenges being faced across NHS Boards and potential impact on NHS Highland service delivery.

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

6 CAPITAL ASSET MANAGEMENT UPDATE

R MacDonald spoke to the circulated report with an update on the NHS Capital position at month four. It was noted that Capital allocation funding of £7.294m was higher than previous years due in part to funding being received through a business continuity investment plan for high-risk projects. Funds had been distributed to e-health, estates and EPAG. It was reported, as at month four, the year to date spend was £4.273m. It was reported that due to staffing changes in the Estates team, robust processes were required to support capital plan delivery. The report proposed the Committee take **Moderate** assurance.

On the point raised in relation to the potential for shared facilities arrangements with Highland Council, it was advised a Highland Property Board had been established to consider a number of suggested projects. Further updates would be provided to future meetings.

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

7 RISK REGISTER – REFRESH OF LEVEL 1 RISKS UPDATE

Members **Noted** Executive responsibility for risk would transfer to the Deputy Chief Executive, from the Board Medical Director. Reporting requirements were being actively considered.

8 2025/26 and 2026/27 Meeting Schedules

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

3 October 2025
14 November 2025
5 December 2025
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
8 January 2027
5 February 2027
12 March 2027

4 December 2026

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

8 ANY OTHER COMPETENT BUSINESS

No matters were raised.

9 DATE OF NEXT MEETING

The next meeting of this Committee was to be held on Friday 3 October 2025.

The meeting closed at 11.25am