To: NHS Highland Audit Committee
From: Chair, Highland Health and Social Care Committee
Subject: Highland Health and Social Care Committee Annual Report 2025-26

1 Background

In line with sound governance principles, an Annual Report is submitted from the Highland Health and Social Care Committee to the Audit Committee. This is undertaken to cover the reporting period and enables the Audit Committee to provide the Board of NHS Highland with assurance to support approval of the Governance Statement, which forms part of the Annual Accounts.

2 Activity May 2025 to March 2026

During the period covered by this report, the Committee met on six occasions during 2025/26. Development sessions formed an important element of committee development and three were held in 2025/26. The minutes from each meeting were submitted through the appropriate governance routes up to and including the appropriate Board Meeting.

The Committee reviewed its self-evaluation outcomes in May 2025 and identified areas to strengthen effectiveness, including clarity of the Committee's role, the ability for lay and stakeholder members to contribute effectively, and readiness for potential governance-model transition. Development-session requirements were kept under review, with future sessions to be progressed with members.

2.1 Key themes considered by the Committee

Across the reporting period the Committee maintained oversight of:

1. Financial sustainability, particularly the Adult Social Care financial recovery position
2. Performance and quality reporting through development of the Integrated Performance and Quality Report (IPQR) and related KPI framework
3. Service pressures, including urgent and unscheduled care winter pressures and hospital flow
4. The quality of commissioned and in-house registered services, including Care Inspectorate intelligence
5. Strategic development, including commissioning strategy development and the Highland Care Model; and
6. Governance and engagement, including the Engagement Hub and the Committee's own Terms of Reference.

2.2 Service planning, commissioning and strategic development

The Committee considered key developments shaping service planning and commissioning across the partnership. In January 2026 the Committee provided structured feedback on the draft Adult Social Care Commissioning Strategy and Intentions (2026–2029). Members recognised this as an important first step and emphasised that the strategy should be outcomes-focused. The Committee sought clearer separation between commissioning, procurement and market facilitation with members also requesting stronger context for key data (such as delayed dischares), more explicit treatment of third-sector and preventative contributions, clearer reflection of NHS Highland's dual role as provider and commissioner of registered services, and better alignment with workforce planning, integration work and financial recovery. The Committee accepted moderate assurance on the draft strategy as a starting point, while highlighting the importance of enabling plans (market facilitation, procurement and workforce plans).

Strategic alignment and delivery were also considered through performance reporting and exception updates. In November 2025, the Chief Officer highlighted ongoing work on the Adult Social Care finance plan, development of the Highland Care Model, winter vaccination programme delivery planning, and progress in stabilising and improving care-at-home services where improvement activity had been underway.

2.3 Scrutiny of performance and service delivery

2.3.1 Performance reporting and key assurance discussions

The Committee monitored performance and service delivery through reports including the Integrated Performance and Quality Report (IPQR). In November 2025, the Committee agreed not to take assurance on the IPQR due to late submission and limited time to review, and deferred a deeper discussion to January 2026. The Committee considered progress to develop a consistent set of KPIs at strategic and tactical levels, with operational indicators to follow. Members emphasised the need for realistic, evidence-based targets informed by benchmarking and national datasets alongside a phased approach to avoid over-complexity.

The Committee highlighted the importance of preventative activity and system outcomes (including third-sector contributions), and sought assurance on data quality, definitions and consistency.

In January 2026 the Committee also considered the Highland HSCP Level 2 Risk Register. Members requested clearer linkage between risks and mitigations, improved presentation to support monitoring and greater transparency on mitigation plans, timelines and milestones. The Committee discussed risks associated with information systems and sought assurance on interoperability and reporting capability. A development session on the practical use of the risk register and assurance processes was supported.

2.3.2 Urgent and unscheduled care, hospital flow and winter pressures

The Committee received an update on urgent and unscheduled care winter pressures. The report described system-wide priorities and key developments including the Hospital at Home model, expanded pathways through the Flow Navigation Centre and out-of-hours teams, and transition of discharge-to-assess from pilot to a permanent model.

The committee raised concerns around scaling pilots prior to formal evaluation and requested that benefits realisation and evaluation reporting be brought to a future meeting. Committee Members also highlighted the need to ensure risk management at discharge is robust and that national approaches are appropriately adapted for remote and rural contexts. The Committee requested briefing on system-wide spending and recognised the importance of information sharing across complex IT systems to support safe discharge and continuity.

2.3.3 Quality of services and care governance

The Committee maintained scrutiny of quality assurance arrangements for registered services. In September 2025, the Committee received updates on improvement activity within in-house care-at-home services, including the Sutherland Care at Home improvement programme (with revised timelines agreed with the Care Inspectorate), weekly progress meetings, appointment of a new registered manager, and work to strengthen medication audit processes pending longer-term system solutions.

The Chief Officer reported a rapid review workshop focused on governance and quality improvements for in-house care-at-home services, including strengthened Senior Responsible Officer oversight and structured reporting.

In November 2025, the Committee considered an overview of Care Inspectorate gradings for commissioned and in-house care home, care at home and support services and noted that most provision in Highland was graded ‘Very Good’ (grade 5) or better in one or more key areas and accepted moderate assurance on arrangements for maintaining awareness of quality across delivered and commissioned services.

The Committee supported strengthening links between care-home intelligence and wider NHS quality and patient safety systems, and recognised opportunities arising from the appointment of a new Associate Director of Quality and Clinical

Governance. The Committee was also advised of quality issues requiring active management, including work with an independent operator in relation to Care Inspectorate findings at Castle Hill and associated safeguarding and improvement actions.

2.3.4 Mental health services

The Chief Officer reported that a Joint Inspection of Adult Services had concluded favourably, highlighting good service, compassion and commitment, with regular reporting planned to support the associated improvement plan. During the reporting period the Committee considered a Mental Health Service Assurance Report with key developments linking to the Together Stronger strategy and a three-year delivery plan.

Inspection findings commended leadership and early intervention while identifying areas for improvement such as integrated outcomes and workforce planning; work on ADHD referral pathways; bed reconfiguration at New Craigs to increase acute capacity; expansion of the Distress Brief Intervention programme & digital transformation.

2.3.5 Engagement and participation

The Committee received an Engagement Framework Assurance Report, including an update on the Engagement Hub which noted fifteen projects had been launched during the year, attracting over 6,300 visits and 435 direct engagements, with higher engagement where activity directly influenced decisions. Members recognised progress but highlighted the need to increase reach, particularly to protected and vulnerable groups and to shift activity from consultation toward more collaborative engagement. A short-life working group to strengthen engagement culture and structures was noted, and members requested a further update later in the year.

2.3.6 Children and young people's services

In January 2026 the Committee noted progress in delivering the Integrated Children's Services Plan 2023–2026. This included ongoing implementation of delivery-group action plans and improvement programmes and continued focus on alignment of funding streams/strategic priorities to sustain improvements.

2.4 Finance

The Committee received regular reports on the financial position of services within its remit. In May 2025 the Committee noted a forecast year-end deficit of £44.792m for NHS Highland, with the forecast predicated on further action to deliver a breakeven ASC position. Key risks included delivery of ASC breakeven, volatility in supplementary staffing, prescribing and drugs cost pressures, provider sustainability challenges and legislative implications. Finance colleagues confirmed mitigations included strengthened agency nursing governance, additional medicines funding, and reinstated MDT funding following discussions with Scottish Government.

In September 2025 the Committee noted that the financial plan submitted to Scottish Government was not accepted and required resubmission; the revised plan submitted in June 2025 was accepted which detailed a net deficit of £40.005m. The Committee discussed the need for clear high-level overview of short-term control and long-term transformation, and for shared learning and understanding of variance drivers.

In November 2025 the Committee noted an NHS Highland overspend of £29.144m with projection to £40.005m year-end. Committee members expressed concern that delivering planned savings was unrealistic and posed financial risk; a review of workstreams and programmes was planned to assess delivery, with recognition that major transformation may be required.

In January 2026 the Committee noted an NHS Highland overspend of £35.241m at Month 7, with projections remaining at £40.005m year-end. The Committee discussed progress on ASC finance-plan workstreams to strengthen grip and cost

containment, the need for additional measures, the operational savings requirement linked to value and efficiency and anticipated 3% savings targets. Members requested improvements to financial reporting consistency and sought reassurance on balancing financial controls with ongoing frontline service delivery pressures.

3 Corporate Governance

The Committee undertook a self-assessment, reviewed the results and identified themes to strengthen effectiveness, including clarity of role, maximising member inputs, agenda and time management, and preparedness for potential governance-model change (including transition considerations).

The Committee considered governance arrangements and refreshed its Terms of Reference. A pause on the recruitment of lay members was agreed pending decisions on the potential transition to a IJB model with a commitment to revisit should timelines be delayed.

4 External Reviews

None

5 Key Performance Indicators

Performance reporting through the IPQR remained central to the Committee's scrutiny, Committee members highlighted the need for improved reporting on care-home waiting lists and discussed vaccination uptake for children, adult social care unmet need and delayed discharge as areas requiring continued focus.

6 Emerging issues for 2026/27

Based on issues considered during the reporting period it is likely that Adult Social Care financial sustainability, the implementation of the Adult Social Care Commissioning Strategy and associated enabling plans, workforce availability, the strengthening performance/quality reporting and digital transformation development impacting integrated practice and reporting will be some of the focuses of the committee moving forward.

7 Conclusion

Gerry O'Brien as Chair of the Highland Health and Social Care Committee concludes that, during the period covered by this report, the Committee has provided appropriate scrutiny and challenge across the areas within its remit and confirms the system of control within the respective areas are operating adequately and effectively

Gerry O'Brien, Chair
Highland Health and Social Care Committee
Date: March 2026