

NHS HIGHLAND BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot nhs.uk/ 
DRAFT MINUTE of BOARD MEETING Virtual Meeting Format (Microsoft Teams)	27 May 2025 – 9.30am

Present

Dr Tim Allison, Director of Public Health & Policy
Alexander Anderson, Non-Executive
Emily Austin, Non-Executive
Graham Bell, Non-Executive
Elspeth Caithness, Employee Director (until 12pm)
Sarah Compton-Bishop, Board Chair
Louise Bussell, Nurse Director
Garret Corner, Argyll & Bute Council stakeholder Non-Executive
Alasdair Christie, Non-Executive
Muriel Cockburn, Highland Council stakeholder Non-Executive
Heledd Cooper, Director of Finance
Albert Donald, Non-Executive
Fiona Davies, Chief Executive
Karen Leach, Non-Executive
Philip Macrae, Non-Executive
Joanne McCoy, Non-Executive
Gerard O'Brien, Non-Executive
Dr Boyd Peters, Medical Director
Janice Preston, Non-Executive
Catriona Sinclair, Non-Executive & Chair of ACF
Steve Walsh, Non-Executive
Dr Neil Wright, Non-Executive

In Attendance

Gareth Adkins, Director of People and Culture
Dr Heather Bain, University of the Highlands and Islands
Evan Beswick, Chief Officer, Argyll & Bute Health & Social Care Partnership
Rhiannon Boydell, Head of Service
Andrew Devlin, Interim Head of Communications & Engagement
Kristin Gillies, Interim Head of Strategy & Transformation
Liz Humphreys, Non-Executive, Scottish Ambulance Service (Observing)
Richard MacDonald, Director of Estates, Facilities and Capital Planning
David Park, Deputy Chief Executive
Katherine Sutton, Chief Officer, Acute
Nathan Ware, Governance & Corporate Records Manager
Dominic Watson, Incoming Head of Corporate Governance (Observing)

1.1 Welcome and Apologies for absence

The Chair welcomed attendees to the meeting, especially members of the public and press.

The Chair paid tribute to Catriona Sinclair whose term as Area Clinical Forum was coming to an end, highlighting her dedication, leadership and the positive impact she has had on strengthening engagement between the Forum and Board.

The Chair also expressed gratitude to Nathan Ware, Governance and Corporate Records Manager for maintaining continuity of Board business following the departure of the Board Secretary, ahead of the new Head of Corporate Governance joining in June.

Additionally, the Chair welcomed new Board Member Dr. Neil Wright, alongside Liz Humphries, who was attending as part of the Aspiring Chairs Programme.

Apologies for absence were received from Brian Williams and Pamela Stott.

1.2 Declarations of Interest

Alasdair Christie stated he had considered making a declaration of interest in his capacity as a Highland Council Councillor, but felt this wasn't necessary after completing the Objective Test.

Steve Walsh stated he had considered making a declaration of interest in his capacity as an employee of Highlife Highland, but felt this wasn't necessary after completing the Objective Test.

1.3 Minutes of Previous Meetings and Action Plan

The Board **approved** the minutes as an accurate record of the meeting held on 25 March 2025.

The Board **noted** the Action Plan and **agreed** to keep Actions 33, 35, and 42 open, as they were dependent on matters expected to be addressed through the proposed Population Health and Planning Committee, which was due for discussion later in the agenda. The Board **approved** the closure of the remaining six actions.

1.4 Matters Arising

2 Chief Executive's Report – Update of Emerging Issues

The Chief Executive provided updates on the Cabinet Secretary for Health and Social Care visit to Raigmore and the National Treatment Centre. Further updates on the Sutherland Care at Home Improvement Notice, Vascular procedures, Integration with The Highland Council, and the Hospital Electronic Prescribing and Medicines Administration (HEPMA) roll out.

She also took the opportunity to congratulate Lochardil Pharmacy, who won Community Pharmacy of the Year and KinWell Pharmacy in Nairn, who won the Innovation in Community Pharmacy Practice at the Scottish Pharmacy Awards 2025.

During discussion the following points were raised:

- The Chair extended her congratulations to the two pharmacy teams and welcomed the continued rollout of the HEPMA programme.
- Board Members acknowledged the challenges surrounding Sutherland Care at Home and appreciated immediate remedial actions were being prioritised. However, they expressed concern about the communication process, particularly around why information was shared out of sequence; They requested clarity on how this occurred and what steps would be taken to prevent a recurrence. The Deputy Chief Executive confirmed that it will form part of the large-scale investigation, and an action plan would be developed once the formal recommendations were received.
- The Chair highlighted a concern around support for staff during this difficult period, particularly as they were working extremely hard to deliver the Care at Home services under such challenging circumstances. The Deputy Chief Executive provided assurance that support for staff was an essential element in the review process, but work had already taken place by way of a recruitment fair and additional training provided to line managers to assist them in supporting their staff directly.
- Board Members asked whether the additional funding given to the National Treatment Centre was recurrent. The Director of Finance confirmed it was recurrent but was subject to delivering on some key metrics.

The Board **noted** the update.

3 Governance and other Committee Assurance Reports

a) Finance, Resources and Performance (FRP) Committee agreed minute of 14 March and 4 April 2025, and summary of meeting of 9 May 2025

The Chair of FRP highlighted that committee had received updates on the financial position at each meeting which were discussed in detail and would be revisited later in the Board agenda. The Committee also reviewed a letter from the Scottish Government regarding the financial plan; and discussed Scottish Government's challenging 75% decarbonisation target particularly around feasibility and investment required.

Updates were also provided on the IPQR, digital healthcare strategy and financial risk. He noted that while financial risks had decreased, work would be needed to manage them in the next financial year.

b) Staff Governance Committee agreed minute of 4 March 2025 and summary of meeting of 6 May 2025

The Vice Chair of Staff Governance reflected positively on the meeting. The Committee discussed the draft Annual Delivery Plan (ADP) and welcomed the staff governance deliverables.

A spotlight session on employability in acute services highlighted the operational implementation of the employability strategy and NHS Highland's role as an anchor institution.

The Committee also reviewed the Medical Education, and the Education, Learning and Organisational Development (ELOD) annual reports. It was noted that the integration of ELOD work had delivered efficiencies and effective working across NHS Highland. Following discussion, the committee agreed to raise the level of assurance on the Medical Education annual report to substantial.

c) Highland Health & Social Care Committee (HHSCC) agreed minute of 5 March 2025 and summary of meeting of 7 May 2025

The Chair of HHSCC highlighted Committee received the Annual Care Home Collaborative Report, which provided a reassuring overview of the care home sector across North Highland but referenced the sector's ongoing fragility primarily driven by financial pressures. He noted the issue had been escalated to the Executive Directors Group.

He added it was positive to see the planned opening of up to 78 new care home beds over the course of 2025/26.

The Committee also reviewed progress against the vaccination options appraisal and noted that work had been divided into two main workstreams, children and adults with both progressing steadily. An update was also received from dental services and work continued to address the ongoing service provision challenges.

The Chair of HHSCC welcomed Dr Neil Wright as Non-Executive Director alongside Dr Tom Brown as the new lead GP.

d) Clinical Governance Committee agreed minute of 6 March 2025 and summary of meeting of 1 May 2025

The Chair of Clinical Governance Committee highlighted a rich discussion around the vascular service, care at home services, and the ongoing challenges with the Care at Home service in Sutherland.

These areas continued to face pressure and work was underway to address those but acknowledged the broader national issue which contributed to the challenges. It was confirmed the Chief Officer for Acute would provide an executive summary in due course.

She noted that staff continued to input a considerable amount of effort to maintain these essential services but the demand on staff and impact on service users was clearly noted.

e) Audit Committee agreed minute of 11 March 2025 and summary of meeting of 13 May 2025

The Chair of Audit Committee highlighted there had been positive news regarding children's services, as fieldwork for the internal audit had now commenced and an update on progress was expected in June with an aim to present findings at the September meeting.

She noted Committee focused on the management actions and all items were on track for closure. Concerns remained in adult social care and complex care with a comprehensive update planned for the June meeting.

f) Argyll and Bute Integration Joint Board (IJB) Minute 26 March 2025

The Chair of the IJB highlighted financial challenges continued to be a focus and the end-of-year financial position was reviewed which indicated reserves were utilised to achieve balance.

He noted that in an effort to strengthen local engagement the IJB bimonthly meetings would be held in various locations across Argyll and Bute to assist board members gain a deeper appreciation of local issues. He noted resourcing remained a major concern but focused work was underway on long-term sustainability of the workforce.

The Board:

- **Confirmed** adequate assurance had been provided from Board governance committees.
- **Noted** the Minutes and any agreed actions from the Argyll and Bute Integration Joint Board.

4 Draft Annual Delivery Plan 2025-26

The Board received a report from the Interim Head of Strategy and Transformation outlining the draft Annual Delivery Plan (ADP) for 2025-26, which was submitted to Scottish Government in March 2025. The report provided an Executive Summary across each Well theme and will be subject to quarterly reporting to EDG and Scottish Government, with 6-monthly progress updates planned for Finance Performance and Resources Committee (FRP). Once approval from Scottish Government is received, a final version of the ADP 25/26 will be shared with FRP for assurance prior to progression to NHS Highland Board.

The Board was asked to take substantial assurance as the plan provides confidence and compliance with legislation, policy and Board objectives in development of the Annual Delivery Plan and Medium-Term Plan.

The Interim Head of Strategy and Transformation spoke to the circulated report and highlighted the ADP was awaiting final approval from Scottish Government and included medium-term priorities for 2027–2028, key performance indicators, and proposed success measures which would be integrated into the next version of the Integrated Performance and Quality Report (IPQR).

She added that final feedback from government was expected imminently, with the aim of presenting the final version for board approval in July.

During discussion the following points were raised:

- Board Members sought clarity on whether delays in receiving Scottish Government approval had impacted progress, potentially affecting the ability to meet KPIs due in June 2025 or whether work had already commenced. The interim Head of Strategy and Transformation confirmed the work was ongoing and didn't envisage any concerns from Scottish Government as early feedback had been positive.
- The Board Chair asked whether the delay was due to NHS Highland being an outlier by comparison to other Boards. The interim Head of Strategy and Transformation confirmed that wasn't the case and the delay revolved around the ADP's alignment to NHS Highland's financial plan which was under review.
- Board Members asked whether the First Minister's commitment to eliminating waits beyond 52 weeks by 26 March 2026 would be reflected in the final trajectories in the ADP, particularly given the strong performance NHS Highland's Treatment Time Guarantee had this year. They also sought clarity around the rationale behind the projected trajectory for delayed discharges.
- The interim Head of Strategy and Transformation advised the trajectories were being actively reviewed following confirmation of planned care funding and the team remained in close dialogue with government colleagues should the trajectories require adjusted if further funding was secured.
- The Chief Officer for Acute added that delayed discharges had reduced slightly, with further improvement expected through new frailty pathways alongside a dedicated unit at Raigmore and targeted Hospital at Home services in high-impact areas.
- Board Members welcomed the inclusion of the easy read section, noting that it had made the content more accessible and digestible. They commended the effort involved in condensing complex information and highlighted the importance of presenting key priorities in a way that supported public understanding and transparency.

The Board **noted** the content of the report and took **substantial assurance** it provided confidence and compliance with legislation, policy and Board objectives in development of the Annual Delivery Plan and Medium-Term Plan.

5 Finance Assurance Report – Month 12 Position

The Board received a report from the Director of Finance which detailed the financial position as at Month 12, 2024/2025. The Board were invited to take moderate assurance as the board delivered a balanced position within the agreed brokerage, although the final accounts position was still subject to audit.

The Director of Finance advised the draft Month-12 financial position remained subject to external audit and final sign-off. She confirmed the Board's original plan presented a budget gap of £112.491m. With a brokerage cap of £28.400m which meant savings of £84.091m were required, but an agreed plan of £50.6m deficit. At the end of March 2025 (Month 12) an underspend of £0.206m was reported. This position had been delivered following the receipt of £49.700m of brokerage and additional funding from the Highland Council Transformation Fund to support the Adult Social Care position. This results in a cumulative brokerage position of £106.5m.

The Highland Health and Social Care Partnership (HSCP) reported an improved position at year-end, although Adult Social Care recorded an overspend. This was reduced through additional support from The Highland Council's transformation fund, and the remainder offset through slippage in non-recurrent funding in Health budgets. The Argyll and Bute HSCP achieved a balanced position by utilising reserves to offset reported pressures. The financial position for Acute services had improved, with cost reductions across specialties and services in the Belford and Caithness Hospitals.

It was highlighted that £30.4m savings had been delivered, representing a 2.7% saving against a 3% target. Supplementary staffing costs increased in Month 12 due to prior period adjustments and a provision for a potential future claim. The Board had worked with Scottish Government to maximise the use of available funding to deliver an on-target position at financial year end.

Board members queried whether the rollout of HEPMA would help reduce overspending on drugs and prescribing. The Director of Finance advised that the programme is expected to support improved governance and reporting, which may contribute to better cost control.

Having **examined** the draft Month 12 financial position for 2024/2025, the Board **considered** the implications and **agreed** to take **moderate assurance** from the report.

6 NHS Highland 2025/26 Budget Update

The Board received a report from the Director of Finance detailing the 3-year financial plan 2025/26 to 2027/28 setting out the process to identify and deliver further actions required to reduce the financial gap to the SG requirements.

The Board was invited to take Limited Assurance that NHS Highland would deliver the level of savings required by SG and the delivery of a plan that reduces the gap further in year. The report noted assurance should be taken from the robust approach and identification of pressures and mitigations.

The Director of Finance spoke to the circulated report and highlighted the following:

- The budget presented was interim and subject to change whilst discussions continued with Scottish Government prior to formal agreement.
- The plan included a 3% recurrent savings target, consistent with the previous financial year and an opening deficit of £115.6 million for 2025/26 with planned outturn position of £55.7million deficit.
- Argyll and Bute also faced a 3% efficiency target, but actions were yet to identified to achieve the full amount.
- Adult Social Care has been set a 3% recurrent savings target but further actions would be needed to reduce the full funding gap.
- There were no new investments beyond agreed allocations, but funding had been received for 60% of employer National Insurance contributions and a sustainability payment to support the financial position. However, no allocation had been assumed for national insurance contributions within adult social care.
- She noted Scottish Government expected the board to limit the deficit to £40 million despite a confirmation that there would be no brokerage for 2025/26. Further work was underway to identify non-recurrent savings and accelerate the efficiency programmes.
- She highlighted that risk remained in delivering the adult social care position and there was an emerging risk from the new planned care funding, which is conditional on achieving core activity first.

During discussion the following points were raised:

- The Chair asked what the £40 million figure, mentioned by Scottish Government was based on and whether discussions had been held around that figure. The Director of Finance explained that there had been no prior discussion with Scottish Government before the letter was issued. She noted that based on verbal feedback, the £40 million figure appeared to factor in sustainability allocations but did not fully account for rising cost pressures and lacked a clear, evidence-based calculation.
- Board Members sought clarity around the specific proposals that would deliver the required level of savings in adult social care and asked if the final version of the budget proposal could be shared with members. The Director of Finance explained that the adult social care position remained unchanged from previous plans and reflected similar assumptions to last year, where a comparable funding gap existed. While some significant transformation programmes had been proposed and supported by council funding, detailed improvement trajectories were not yet available. She confirmed the final submission would be scrutinised by the Finance, Resources and Performance committee (FRP) prior to submission given the tight timelines involved.
- The Chair added that Non-Executive Members were welcome to attend the FRP meeting should they wish.
- Board Members asked whether the full impact of the National Insurance increase had been included in the budget under national policy decisions or pay pressures. They also queried if the same assumption applied to adult social care and whether partial funding such as 60% had been assumed.
- The Director of Finance confirmed that the full National Insurance cost for directly employed staff was included in the budget with 60% funded by Scottish Government, the rest was offset through sustainability funding. In adult social care, the full £1.3 million cost was assumed for directly employed staff without confirmed Council funding, although some funding is anticipated.
- Board Members questioned whether the Board should actively challenge or seek clarification from Scottish Government around the £40 million deficit target, rather than passively accepting it without clear justification. The Director of Finance explained that whilst the ministerial letter offered little context, there had been ongoing dialogue with them and discussions revealed a more flexible stance. She added that work was underway to develop realistic, supported plans that would not compromise the Annual Delivery Plan (ADP).
- The Chair proposed that the FRP Committee on 6th June finalised a cover letter to accompany the financial plan submission to the Scottish Government. She suggested it incorporated key points raised, particularly around the £40 million target and the Board's position.

The Board **examined** and **considered** the content of the report and **agreed** to take **limited** assurance.

The Board took a break at 11.30am and the meeting resumed at 11.45am

7 Integrated Performance and Quality Report

The Board received a report from the Deputy Chief Executive that detailed current Board performance and quality across the health and social care system. The Board was asked to take limited assurance due to the continued and sustained pressures facing both NHS and commissioned care services, and to consider the level of performance across the system.

The Deputy Chief Executive spoke to the circulated report and highlighted:

- Waiting list numbers continued to reduce and the Treatment Time Guarantee (TTG) remained slightly ahead of ADP target.
- Vaccination uptake had declined but work was under way to drive improvement.
- Delayed Discharges have reduced from a peak of 220 to 208
- 31-day and 62-day cancer performance had improved and increased to 94% and 78% respectively in April.
- Vacancy time to fill has continued to improve alongside absence rates which have continued to reduce since November 2024.

During discussion the following points were raised:

- Board Members sought clarity on whether previously advised complaints training had helped to improve overall performance. They also asked how learning from Significant Adverse Event Reviews (SAER's) was applied.
- The Medical Director explained that the complaints training had focused on improving the quality of responses rather than response times, so it had not impacted the performance metric. He added that learning from SAERs

had occurred both locally and at an organisational level, with clinical governance managers using the insights to inform training.

- Board Members asked if the cancer performance figures reflected the Argyll and Bute locality or only Highland. The Interim Head of Strategy and Transformation confirmed they only represent the Highland locality as any cancer pathways in Argyll and Bute were tracked through NHS Greater Glasgow and Clyde.
- Board Members sought clarity on the appraisal completion rates and whether any further progress had been made. The Director of People and Culture noted that completion rates had improved from 28.1% to 32%, though progress remained slow. A short-life working group had been formed to support improvement, with challenges such as high manager-to-staff ratios; he highlighted some were managing 20 direct reports.
- The Board Chair asked whether any remedial work was underway to identify why 31-day and 62-day cancer performance had fluctuated regularly. The Chief Officer for Acute confirmed that had taken place and resourcing challenges had been the underlying factor and work was underway to maintain improvements, particularly around the creation of a resilience plan.
- Board Members expressed concern over virtual appointment performance at 36% against a 95% national target, suggesting NHS Highland should lead due to its rural geography. The Chief Officer for Acute noted NHS Highland was outperforming other Boards but explained many appointments were unsuitable for virtual delivery. Work was underway to explore alternatives, such as locating practitioners closer to patients when appointments couldn't be virtual.

The Board:

- Took **limited assurance** from the report.
- **Noted** the continued and sustained pressures facing both NHS and Commissioned Care Services.
- **Considered** the level of performance across the system.

8 Corporate Risk Register

The Board received a report from the Medical Director which provided an overview of the NHS Highland corporate risk register. The Board was invited to examine and consider the evidence provided and make final decisions on those risks and take substantial assurance.

The Medical Director spoke to the circulated report and highlighted work was underway to improve how clinical risks across the organisation were articulated and confirmed this would be reported through Clinical Governance Committee.

The Board **noted** the content of the report and took **substantial** assurance on compliance with legislation, policy and Board objectives.

9 Board Strategy Update

The Board had received a report from the Interim Head of Strategy and Transformation outlining the initial considerations for the development of NHS Highland's future Strategy to iterate Together We Care by 2026.

The Board were invited to take **moderate assurance** to the Board regarding the development of a refreshed strategic approach to NHS Highland's Strategy encompassing population health and proposing an early update to the current "Together We Care" strategy by 2026.

The Interim Head of Strategy and Transformation spoke to the circulated report and highlighted that the work of the recent Board development session had been incorporated into the report which outlined the future direction of NHS Highland's strategy. She noted the revised strategy would focus on prevention, improving population health outcomes and reducing health inequalities. A new Population Health and Planning Committee was proposed to oversee the development and delivery of the refreshed strategy.

During discussion the following points were raised:

- Board Members asked whether the planned approach would incorporate the community planning partnerships alongside other public authorities. The Interim Head of Strategy and Transformation confirmed that was the intention whilst taking cognisance of NHS Highland being an Anchor institution and had an Anchor strategy which would be part of the development.

- The Director of Public Health added that it was vital to work closely with the Community Planning Partnerships to address health inequalities and noted ongoing efforts underway to develop metrics for monitoring inequalities and highlighted this would present opportunities to align the work with NHS Highland's strategic priorities.
The Board:

- Took **moderate assurance** from the report.
- **Approved** the requirement for a refresh to the TWC strategy (2022-2027) a year earlier than planned – 2026
- **Approved** the outline and approach to the development of a refreshed NHS Highland strategy
- **Approved** the proposed Population Health and Planning Committee.

10 Governance Committees Annual Reports

The Board had received a report from the Chief Executive and Board Chair on the Annual Governance Committee Reports for the period 1 April 2024 to 31 March 2025 which had been endorsed by the Audit Committee on 13 May 2025.

The Board were invited to take substantial assurance from the reports, noting that the Governance Committee Annual Reports formed a key part of the evidence in support of the Board's Annual Accounts Governance Statement.

The Board:

- **Agreed** to take **substantial assurance** from the report.
- **Noted** that the Governance Committee Annual Reports for financial year 2024- 25 were considered by the Audit Committee on 13 May 2025.
- **Approved** the Annual Reports which form a key part of the evidence in support of the Board's Annual Accounts Governance Statement.

11 Community Empowerment Act – Annual Reports

The Board had received a report from the Chief Executive detailing the NHS Highland Annual Reports dealing with Asset Transfers and Public Participation Requests for the period 2024/25. The Board were invited to take substantial assurance and approve the Annual Reports.

The Governance & Corporate Records Manager presented the circulated report and noted that there had been no public participation or asset transfer requests during 2024/25. He highlighted that work had been ongoing in relation to a previous asset transfer request, with further details included in the report. Although there had been no new public participation requests, he emphasised that other engagement activities had been underway, including the launch of NHS Highland's Engagement Hub.

During discussion the following points were highlighted:

- The Chair reflected on the value of the recent development session on community empowerment and emphasised the importance of embodying the spirit of the Community Empowerment Act, not just fulfilling formal reporting requirements and suggested adding more narrative and meaning to future reports to reflect broader engagement work.
- Board Members agreed, particularly around the contrast of the current report by comparison to the rich, engaging discussion in the development session. The Director of People and Culture suggested a review of which committee should take ownership of the statutory reporting to ensure alignment with the broader strategic work taking place, he confirmed he'd discuss this with the incoming Head of Corporate Governance.
- The Director of Finance added that the expanded reporting could be integrated into the annual accounts report which incorporates performance and governance statements.

The Board **agreed** to take **substantial assurance** and **approved** the annual reports.

12 Register of Members Interests

The Governance and Corporate Records Manager provided a verbal update, confirming that the register was accessible via the link in the Board Agenda. He also reminded members to notify him within 30 days of any changes to their declarable interests

The Board **noted** the 2025-26 Register of Member Interests.

13 Any Other Competent Business

No items were brought forward for discussion.

Date of next meeting – 24 June 2025

The meeting closed at 12.57pm

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