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| HIGHLAND NHS BOARD | Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk |  Highland na Gàidhealtachd |
| MINUTE of the FINANCE, RESOURCES AND PERFORMANCE COMMITTEE TEAMs | 14 November 2025 at 9.30am | |

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| Present | Alexander Anderson, Chair Graham Bell, Non-Executive Director Louise Bussell, Board Nurse Director Heledd Cooper, Director of Finance (Lead Officer) Garret Corner, Non-Executive Director Fiona Davies, Chief Executive Dr Jennifer Davies, Director of Public Health and Policy Richard MacDonald, Director of Estates, Facilities and Capital Planning Gerald O'Brien, Non-Executive Director David Park, Deputy Chief Executive Dr Boyd Peters, Board Medical Director Steve Walsh, Non-Executive Director |
| In Attendance | Rhiannon Boydell, Head of Service, Integration Planning and Performance. Philippa Hurley, Corporate Assistant Brian McKellar, Whole System Transformation Manager, Strategy and Transformation. Brian Mitchell, Committee Administrator Ian Ross, Head of eHealth Dominic Watson, Head of Corporate Governance |

1 STANDING ITEMS

1.1 Welcome and Apologies

Apologies for absence were received from Non-Committee members A Johnstone and K Sutton.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minutes of Previous Meetings held on 3 October 2025, Associated Rolling Action Plan and Committee Work Plan 2025/26

The draft Minute of the Meeting held on 3 October 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

2.1 Time to Care Review and Planning Report

D Park spoke to the circulated report on the Time to Care Review and Planning Project and progress toward a planning approach to embedding productivity and efficiency in line with national policy directives. He provided a review of and reflection on the programme overall. He advised the report highlighted that although there were some benefits realised, these did not meet expectations, and the programme had not been sufficiently robust in its current format to take forward. This was mainly due to insufficient lead-in time, lack of robust IT/mechanics, and a manual system that had raised data accuracy concerns. Although some teams had seen immediate benefits, such as reduced supplementary staffing and redeployment of resources and teams, it had been agreed that a wider framework was required to take this forward. He added that in relation to the question of cost there were some direct financial benefits through a reduction in supplementary staffing, redeployment of resources and a rebalancing of teams. The report proposed the Committee take **Limited** assurance.

The following was discussed:

- Staff Response and Impact on Productivity. Advised whilst staff responses to Programme administrative activity had been varied, this had been expected, and a number of positive aspects had been realised, for relevant managers as a result. Lessons had been taken in relation to future scene setting, activity methodology framing exercises and messaging language relayed to staff.
- Financial Investment and Return. Advised the Programme had cost in the region of £0.5m, with the associated benefits realisation recognised, as indicated in discussion, although less quantifiable in nature. Additional funding from the previous financial year had been applied, with agreement from Scottish Government. Activity would help lead to a more data-led management approach. It was stated the Programme had helped identify variation in productivity, with some teams exceeding expectations and that sharing best practices and learning was the intent. The acute system was applying lessons learned in a different context (Theatres), with a more collaborative approach having been adopted.

After further detailed discussion, the Committee:

- **Noted** the review of the Time to Care project and progress towards a planning approach to embedding productivity and efficiency in line with national policy directives.
- **Agreed** to take **Limited** assurance.

3 FINANCE

3.1 NHS Highland Financial Position (Month 6) Update and Value and Efficiency Update

H Cooper spoke to the circulated report detailing the NHS Highland financial position as at end Month 6, advising the Year-to-Date (YTD) Revenue over spend amounted to £34.584m, 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, 343.066m of funding had been confirmed at end of Month 6, including a GMS uplift. 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:

- Supplementary Staffing. Advised there had been national work undertaken in relation to this subject around both nursing and AHPs. Stated was a current need to focus on control aspects relating to locum spend.
- Risk Adjusted Year End Forecast Position. Advised as to current underlying position and consideration of aspects such as Recovery Plan activity that were built in. A high level of recurrent savings had been and were being identified that would strengthen the position in future years.
- Adult Social Care Position. Recognising ongoing discussions, questioned the process for escalation of concerns to Scottish Government. Confirmed matter had been raised in relevant Q2 review discussion and would be reflected in the Q2 letter to be received, and the subsequent NHS Highland return. Discussion continued with Highland Council.

After discussion, the Committee:

- **Examined** and **Considered** the content of the circulated report.
- **Agreed** to take **Limited** assurance.

3.2 (a) Response to Financial Position and Utilisation of Pyramid of Support Resource

H Cooper advised as to ongoing work to strengthen relevant governance and assurance processes, including the formation of a dedicated PMO team, enhanced budget setting and planning oversight, and increased clinical engagement. The aim was to improve financial visibility, workforce controls, and systematic budgetary and financial performance review, with relevant support from the Scottish Government.

The Committee Noted the reported position.

3.2 (b) NHS Grampian Diagnostic Overview

Heledd spoke to the circulated report, providing a summary of the KPMG Diagnostic report on NHS Grampian's financial position, the detail and key findings and risks relating to which were outlined. Aspects relating to leadership and governance, and deficit drivers were highlighted. It was advised the assessment of Opportunity Identification and Operational Improvements identified a number of areas for review by NHS Grampian, with opportunities presented also being reviewed by NHS Highland. Aspects relating to savings activity would be considered by the Value and Efficiency Group. The Diagnostic Summary document circulated would provide a strong reference point. The report proposed the Committee take **Substantial** assurance.

There was discussion of the following:

- Use of Artificial Intelligence Resources. Questioned if Policy for use of AI resource had been developed. Advised the level of governance and technical guidance applied varied widely across activity areas and use, with shared learning being taken across NHS Boards.

After further discussion, the Committee otherwise:

- **Examined** and **Considered** the content of the circulated report.
- **Agreed** to take **Substantial** assurance.

4 Annual Delivery Plan 2025/26 Q2 Update

B McKellar spoke to the circulated report outlining the progress of the Annual Delivery Plan (ADP) deliverables and the links to the associated Operational Improvement Plan (OIP) and Integrated Performance and Quality Report (IPQR) reporting for performance metrics, to the end of Q2 (30 September 2025). The report provided detail of the update process and progress on deliverables, with a comprehensive summary also provided. The report proposed the Committee take **Substantial** assurance.

The following was discussed:

- Action on Deliverables Rated Amber. Advised discussions held with relevant Executive leadership, and action taken through relevant individual programmes.
- Scoping of Deliverables and Trajectory Planning. Noting the OIP was the primary government focus, advised a number of contributory factors were considered when planning relevant trajectories and these varied according to the deliverable in question.

After discussion, the Committee:

- **Noted** the circulated report content the progress of the ADP and links to the operational Improvement Plan and IPQR reporting for performance metrics to the end of Quarter 2.
- **Agreed** to take **Substantial** assurance.

5. Integrated Performance and Quality Report

B McKellar 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 Breastfeeding, CAMHS, NDAS, Screening Activity, Smoking Cessation, Alcohol Brief Interventions, Drug and Alcohol Recovery, Psychological Therapies Waiting Times, Emergency Department Access, Delayed Discharges, Outpatients, Treatment Time Guarantee activity, Diagnostics, Cancer Waiting Times, and SACT Access and Benchmarking. The Chair emphasised the importance of recognising improvement success where this was evidenced. The report proposed the Committee take **Substantial** assurance.

There was discussion of the following:

- Waiting Times. Advised much of government focus was in this area, and there was a move to applying a similar level of scrutiny across Unscheduled Care activity moving forward. This would involve enhanced reporting requirements both internally and to government. The strong level of performance in this area by NHS Highland to date had been recognised.
- Emergency Department Access. Advised as to recent discussion relating to this area, noting same day discharge performance was high.
- Impact of Government Activity Prioritisation. Advised enhanced government scrutiny, and associated process, can provide a positive focus and benefit at NHS Board level.
- Delayed Discharges. Questioned the focus of the associated reporting narrative, recognising a stable position and the key contributory role of community and adult social care activity. The success of front door activity across a number of elements and staff groups was acknowledged. Matters relating to Home Care were also raised in discussion.

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

6. Operational Improvement Plan Update

B McKellar spoke to the circulated report providing an update on progress with the Operational Improvement Plan (OIP) since the previous update to Committee in September 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. An OIP Deliverables Dashboard was also provided. The report proposed the Committee take **Substantial** assurance.

There was discussion of the following:

- Enhanced Service on Cardiovascular Disease. Recognised the positive introduction of this Service and the benefits it may provide.
- Long Term Cost Analysis for Weight Loss Prescribing. Advised current programme of work, relating to prescribing activity and pathways overall, included consideration of this. Consideration of the matter had also been scheduled for a future EDG meeting.

After discussion, the Committee Noted the circulated report content and **Agreed** to take **Substantial** assurance on NHS Highland's delivery against the Scottish Government Operational Improvement Plan deliverables.

7. Strategy, Transformation and Assurance – Update on Future Structural Arrangements.

Matters relating to this Item had been discussed under 3.2 on the agenda.

8. Digital Update 2025/26

I Ross spoke to the circulated report proving an update on progress with the NHS Highland Digital Delivery Plan for 2025/26, overseen by the Digital Health and Care Group. Specific updates were provided in relation to system support and resilience; digital records programme; Primary Care activity; Community Care activity; Social Care activity; hospital care; and a range of associated core supporting projects including data network upgrades, Lorn & Isles Hospital laboratory system, replacement of the Radiology system in North Highland, upgrade to SWAN2, replacement of PACS, introduction of MedsIDL and commissioning of a new data centre. Progress updates were also outlined in relation to a number of other local and national projects. The report proposed the Committee take **Substantial** assurance.

The following was discussed:

- MS365 and Cyber Security. Advised as to progress on rollout of MCAS, with additional national tools being implemented to strengthen cyber defence. An increased level of information on this wider activity would be included in future reports.
- Existing Radiology Systems. Advised as to activity relating to moving to a single system across NHS Highland, noting relevant ongoing contract management and licensing implications and discussions.
- HEPMA and OrderComms Rollout. Advised rollout, including to community hospitals, was being impacted by relevant Wifi network upgrade requirements. Substantial capital resource had been applied to taking relevant improvement work forward in the current and future financial years, with relevant costings having been identified. The associated rollout plan would be included within the next update.
- Morse and Eclipse Systems. Advised the systems had differing and overlapping elements however the potential to merge activity was being kept under review.

- Staff Recruitment and Retention. Advised recent recruitment activity had been successful, with a high level of candidacy skill base being evidenced. Most recruitment had been Highland based, with the relevant recruitment model under consideration, including having locally based staffing elements.
- Investment in IT Services. Members took the opportunity to acknowledge significant progress and ongoing commitment to investment in this activity area.

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

9. Capital Asset Management Update

R MacDonald spoke to the circulated report with an update on the NHS Capital position at month six. All capital budget funds had been released to budget holders to enable projects to progress. Progress was being monitored through monthly reporting, monthly one to one meetings and via the Capital Asset Management Group. The year to date spend was indicated as £5.628m, including the £3m New Craigs Final Settlement Payment. With regard to Medical Equipment Purchasing, several orders had been placed however spend would not be realised in the ledger until the goods were delivered in the latter part of the calendar year. Limited expenditure had been recorded against the planned projects with Estates and eHealth, as indicated, and with a significant increase in spend anticipated as key milestones were achieved and corresponding invoices were processed. The report proposed the Committee take **Moderate** assurance.

After discussion, the Committee Noted the circulated report content and **Agreed** to take **Substantial** assurance, based on the data provided.

10. Risk Register – Review of Level 1 Risks

D Park spoke to the circulated report, providing an overview extract from the NHS Highland Board risk register, awareness of risks that were being considered for closure and/or additional risks to be added. The report covered board risks reported through the Finance, Resources and Performance Committee (FRPC), and Staff Governance Committee (SGC) for governance and oversight. It was reported all risks in the Board Risk Register had been mapped to the Governance Committees of NHSH responsible for oversight and scrutiny of the management of the risks. An overview was presented to the NHS Board on a bi-monthly basis. The Audit Committee had responsibility for ensuring appropriate risk management processes were in place. The report presented the Committee risks identified as belonging to the NHS Highland strategic risk register and recorded on Datix. The report proposed the Committee take **Substantial** assurance.

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

11. 2026/27 Meeting Schedules

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

2026:

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
4 December 2026

2027:

8 January 2027
5 February 2027
12 March 2027

The Committee Noted the meeting schedules for 2026/27.

9 DATE OF NEXT MEETING

The next meeting of this Committee was to be held on Friday 5 December 2026 at 9.30am

The meeting closed at 12.05pm.