Director General Health & Social Care and
Chief Executive NHSScotland
Christine McLaughlin

E: dghsc@gov.scot

Scottish Government
Riaghaltas na h-Alba

Fiona Davies
Chief Executive
NHS Highland
Assynt House
Beechwood Park
INVERNESS
IV2 3BW

13 October 2026

Dear Fiona

Lochaber Redesign Programme – Outline Business Case

Thank you for submitting the Outline Business Case for the Lochaber Redesign Programme and for the constructive engagement between NHS Highland and Scottish Government officials throughout the review process.

The Outline Business Case has been considered by the Capital Investment Group (CIG), and I am pleased to inform you that I have accepted the recommendation of the CIG and approve the Outline Business Case. NHS Highland is therefore invited to proceed to Full Business Case (FBC) development.

In reaching this decision, consideration has been given to the clear strategic case for replacing Belford Hospital and the importance of securing modern, sustainable healthcare infrastructure for the population of Lochaber. I also recognise the additional work undertaken by NHS Highland in response to Scottish Government feedback regarding the proposed service model, workforce assumptions and recurring revenue implications.

I note the steps taken by NHS Highland to reduce the additional recurring revenue requirement associated with the preferred option and welcome the commitment to continue refining the service model as part of FBC development.

I recognise that a proportion of the additional recurring revenue requirement arises from the unavoidable costs associated with operating a modern replacement facility and from service improvements considered integral to the preferred option. On that basis, and subject to the continued development of the scheme, I am content to proceed on the basis that Scottish Government support will be provided for recurring revenue costs broadly consistent with the revised position set out in your correspondence of 28 September 2026.

However, I would expect NHS Highland to continue reviewing all elements of the proposed service model, workforce assumptions and operational arrangements during FBC

INVESTORS IN PEOPLE™ We invest in people Silver
disability confident LEADER

development to ensure that costs are minimised wherever possible and that all reasonable opportunities to reduce the recurring revenue requirement are fully explored.

I would also expect the development of the Full Business Case to remain fully aligned with the objectives of health and care reform. This should include continued consideration of opportunities to shift the balance of care towards prevention, community-based support, rehabilitation, digital enablement, improved patient flow and wider whole-system integration across NHS Highland and its partners. The Full Business Case should clearly demonstrate how the proposed service model supports these objectives and contributes to the delivery of sustainable, person-centred services for the population of Lochaber.

As the project progresses, NHS Highland will also be expected to continue work to:

- optimise the proposed service model and associated workforce assumptions;
- explore opportunities for wider whole-system redesign and integration;
- demonstrate that all reasonable opportunities to minimise the recurring revenue consequences of the preferred option have been fully explored; and
- provide a robust assessment of affordability as part of FBC submission.

The Full Business Case should clearly demonstrate how these matters have been addressed and provide assurance that the benefits of the preferred option can be delivered within a sustainable operating model.

A public version of the Outline Business Case should be submitted to the Capital Investment Group mailbox within one month of receipt of this letter. As required under SCIM, NHS Highland should ensure that appropriate project documentation is made publicly available through its website.

I would like to thank NHS Highland, its partners and stakeholders for the significant work undertaken to reach this stage and I look forward to receiving the Full Business Case in due course.

Yours sincerely,

Christine McLaughlin



Director General Health and Social Care and Chief Executive of NHS Scotland

INVESTORS IN PEOPLE™ We invest in people Silver
disability confident LEADER