

**To: NHS Highland Board**  
**From: Chair, Audit Committee**  
**Subject: Audit Committee Annual Report (2025-2026)**

## **1 Background**

In line with sound governance principles, an Annual Report is submitted from the Audit Committee to the NHS Highland Board. This report covers the activity considered within the reporting period and supports the Board in taking assurance on the adequacy and effectiveness of governance, risk management, internal control, audit and counter-fraud arrangements. The report also supports the Board's wider consideration as part of the Annual Accounts process.

The Audit Committee provides independent scrutiny and assurance on the systems of governance, risk management and internal control. Its remit includes oversight of internal and external audit activity, management action follow-up, counter fraud, financial controls and write-offs, information assurance where relevant, and the effectiveness of risk management and assurance arrangements across NHS Highland.

## **2 Activity May 2025 to May 2026**

During the period covered by this report, the Committee met on five occasions: 13<sup>th</sup> May 2025, 19<sup>th</sup> June 2025, 24<sup>th</sup> June 2025, 9<sup>th</sup> September 2025, 12<sup>th</sup> January 2026 and 10<sup>th</sup> March 2026. The 19<sup>th</sup> June and 24<sup>th</sup> June meetings were additional meetings held within the Annual Accounts cycle, supporting detailed scrutiny of the Annual Report and Accounts, external audit reporting and associated assurance matters.

Across the reporting period the Committee's programme of work included:

- (i) Internal audit progress reporting and individual audit reports
- (ii) Management action follow-up and scrutiny of implementation timescales
- (iii) External audit and Annual Accounts assurance
- (iv) Risk management development and risk appetite implementation
- (v) Counter fraud reporting
- (vi) Information assurance and externally provided systems assurance
- (vii) Financial write-offs, losses and special payments; and (viii) governance committee annual assurance reporting.

### **Membership from April 2025- March 2026:**

Emily Austin (Committee Chair)  
 Albert Donald, Non-Executive Director (Committee Vice Chair from 12 January 2026)  
 Garret Corner, Non-Executive Director  
 Alex Anderson, Non-Executive Director  
 Brian Steven, Non-Executive Director (From 1<sup>st</sup> October 2025)

### **2.1 Key themes considered by the Committee**

Across the reporting period, key themes included the sustainability of control improvement activity, the pace of outstanding management actions implementation, the quality of evidence available to support assurance, the continued development of risk management arrangements and the risk appetite approach alongside the need to ensure that learning from internal audit, external audit, counter fraud and wider assurance work is translated into practical, embedded improvement.

The Committee also scrutinised the Annual Accounts, the reliance on non-recurring financial measures, external systems assurance, information governance and the governance implications of advance payments, write-offs and third sector funding arrangements.

At its March 2026 meeting, the Committee's key areas of scrutiny included Health and Safety governance, SSTS processes, IT change controls, progress with internal audit management actions, approval of the 2026/27 Internal Audit Plan, external audit planning for the 2025/26 Annual Report and Accounts, risk management improvement work, counter fraud arrangements and the six-monthly Information Assurance Group update. The meeting also included annual review of the Committee's Terms of Reference and approval of the 2026/27 Committee Work Plan, subject to inclusion of the Internal Audit review reporting schedule.

## **2.2 Internal audit and management action follow-up**

Internal audit reporting was a central feature of the Committee's work. In May 2025 the Committee received the Internal Audit Progress Report, noting that work remained on track to deliver the 2024/25 Internal Audit Plan by the June 2025 Audit Committee.

Internal audit themes identified through 2024/25 included alignment of financial and performance data, policies and procedures and roles and responsibilities. The Committee noted that the Children Services review would be reported through the 2025/26 plan and brought to the September 2025 meeting.

The Committee also received regular management action updates. In May 2025, 49 actions were reported, with progress made against each and no outstanding actions where no progress had been made. The Committee nevertheless scrutinised slippage, noting that 24 of the 32 actions assessed as on track or being progressed with a revised completion date had already had their due dates moved at least once. Specific discussion covered cyber security network controls, adult complex care packages and Adult Social Care services.

In June 2025, the Committee received the Internal Audit Annual Report 2024/25, which provided an overall opinion that NHS Highland had a framework of governance, risk management and controls that provided reasonable assurance regarding the effective and efficient achievement of objectives. The Committee discussed progress monitoring, the handling of revised completion dates, and the importance of follow-up activity through tracker documents and scheduled meetings with lead officers.

In September 2025, the Committee considered a refreshed internal audit progress position and received individual reports on Children Services Transition Arrangements and NHS Highland Resident Doctor Compliance. Both reviews reported that substantial improvement was required. The Committee scrutinised action timescales, learning from findings, oversight arrangements and the extent to which future attendance arrangements should ensure relevant Executive Officer involvement where substantive operational accountability was required.

In January 2026, the Committee considered further internal audit reports on Remote Access, Third Sector Allocations, Financial Management and Savings Plan, and Operational Performance and Compliance Monitoring. The Remote Access and Operational Performance and Compliance Monitoring reviews were reported as requiring minor improvement, while the Third Sector Allocations and Financial Management and Savings Plan reviews were reported as requiring substantial improvement. The Committee noted the management actions, challenged ownership and oversight arrangements, and requested further progress reporting where required.

The Committee also considered the draft Internal Audit Plan for 2026/27. Members discussed where internal audit could add value, including risk management, learning from review findings, and the potential scope of any future statutory and mandatory training review. The Committee requested further refinement and circulation of the draft plan ahead of approval discussion.

In March 2026, the Committee considered a significant Health and Safety internal audit report, which provided an audit rating of immediate major improvement required. The review identified 28 improvement actions, including 18 relating to the design of controls. Members expressed concern regarding the findings and agreed that action timelines should be prioritised, reviewed and updated for the next meeting, with a further update requested on any changes proposed to the Corporate Risk Register arising from the internal audit recommendations.

## **2.3 External audit, Annual Accounts & External Systems Assurance**

The Committee undertook additional scrutiny during the Annual Accounts cycle. On 19<sup>th</sup> June 2025, members considered the draft Annual Report and Accounts 2024/25, the draft final Annual Audit Report position, the Audit Committee Annual Report 2024/25, and a draft audit assurance report on external systems.

The Committee noted the positive progress of the Annual Accounts process, discussed amendments and presentational matters, and recommended the Annual Report and Accounts for approval by the NHS Highland Board.

On 24<sup>th</sup> June 2025, the Committee considered the Draft Final External Audit Annual Report, the Letter of Representation, assurance for consolidation of Endowment Fund Accounts, and the Draft Annual Report and Accounts 2024/25. The external audit opinion was confirmed as unqualified, with no significant findings or adjustments above the reporting threshold. The Committee took substantial assurance from the Annual Report and Accounts and recommended them for approval by the Board, while also noting the recommendations relating to debt adjustments/write-offs over £15,000 and took moderate assurance from those reports.

The Committee noted the external auditors' wider scope conclusions, including that governance and transparency arrangements were effective and improving and that NHS Highland had well-established arrangements for securing best value. The Committee also noted the auditors' conclusion that NHS Highland's financial position was not sustainable, in the context of sector-wide challenges, with continuing reliance on non-recurring measures and a significant starting deficit for 2025/26.

The Committee also considered service audit reports relating to NHS National Services Scotland practitioner and counter fraud services, national IT services, the National Single Instance financial ledger service, and ePayroll. The Committee took substantial assurance and discussed in-year reporting and update arrangements for each relevant external system.

## **2.4 Risk Management & Risk Appetite**

Risk management was a recurring theme throughout the reporting period. In May 2025, the Committee received a Blueprint for Good Governance six-monthly update focused on actions relevant to the Audit Committee, including reviewing and revising organisational controls in line with risk appetite, translating the revised risk appetite into workable processes, and upskilling the workforce in risk management knowledge and methodology. The Committee took moderate assurance and agreed that risk management should remain a standing item on future agendas.

The May 2025 risk management update also covered the Board-level risk register, development work to link risk appetite to operational processes, use of the risk dashboard, qualitative sampling at Levels 2 and 3 and training/cascade activity.

In September 2025, the Committee discussed the potential development of risk metrics and improved system governance reporting, noting that Executive responsibility for risk had moved from the Medical Director to the Deputy Chief Executive.

In January 2026, the Committee received a detailed risk management review update with extensive discussion taking place. Members considered existing risk structures, risk registers, review activity, gaps and opportunities for improvement. Discussions focused on how adverse event learning and root cause analysis could inform risk register review, how internal audit findings should impact risk registers, what risk information the Committee requires to discharge its remit, escalation processes, trend analysis and avoiding duplication across governance committees.

In March 2026, the Committee received a further detailed update on NHS Highland's risk management improvement work. It was noted the planned transition to Healthcare Guardian required a structured approach to reviewing risk register accuracy and relevance, alongside implementation of a training programme.

Members specifically discussed how Healthcare Guardian could support improved analysis of risk movement, review dates and escalation processes, and emphasised the importance of clear ownership and review of ongoing risk assessment beyond the point of escalation.

## **2.5 Counter Fraud**

The Committee received counter fraud updates in May 2025, September 2025 and January 2026, each providing assurance on progress with counter fraud actions and services, current cases and events, National Fraud Initiative activity, training and standards-related work. The Committee took substantial assurance from the counter fraud reports presented during the period.

In May 2025, the Committee considered progress across Counter Fraud Standards components and noted work to translate the NHS National Services Scotland/Counter Fraud Services Annual Delivery Plan into local NHS Highland actions. In September 2025, the Committee discussed counter fraud assessment activity, Counter Fraud Services capacity and access to trained investigators.

In January 2026, members requested further details on Counter Fraud Standards activity, noted that an update on Operation Dunnet (eHealth) would come to the next meeting, and agreed that further consideration should be given to the level of detail provided in future reports given the sensitivity of the item.

## **2.6 Information Assurance, Records and Information Governance**

In September 2025 and March 2026, the Committee received a six-month updates from the Information Assurance Group. The reports provided assurance on compliance with information security and data protection legislation and included updates on the Caldicott Guardian, Adult Social Care, Corporate Records Management, Clinical Records Management, Data Protection, Freedom of Information, Information Governance and IT security, regulatory audits, ratified policies and reportable incidents.

The Committee discussed guidance for staff taking professional records, the role of Information Assurance Group members as advocates for information governance and cyber security, and the high-risk profile associated with potential information incidents and external actors. The Committee agreed to take substantial assurance.

## **2.7 Financial Controls, Write-Offs & Standing Financial Instructions**

The Committee considered several matters relating to financial controls, losses and special payments. In May 2025, the Committee approved a write-off of £1,078,898.11 relating to Community Pharmacy advance payments and Lloyds Pharmacy entering liquidation. Members discussed lessons learned, including that advance payments are not a common approach within NHS processes so cases like this are rare.

In September 2025, the Committee approved a further financial write-off of £56,689.20, noting that the amount had been pursued and was logged with the relevant administrators, with no material impact on the 2025/26 NHS Highland Annual Accounts. In June 2025, the Committee also considered losses, special payments and debt adjustment/write-off reporting as part of the Annual Accounts process.

The Committee also considered a proposed deviation from Standing Financial Instructions in June 2025 relating to Highland Alcohol and Drugs Partnership third sector payment arrangements. The Committee approved time-limited changes to financial payment arrangements for a small number of third-sector organisations and agreed to take moderate assurance, while noting the need to balance any anchor organisation considerations with minimising financial risk.

In January 2026, the Committee agreed that the broader question of potential deviation from SFIs/payments would more appropriately be considered within a separate forum, with Population Health and Planning Committee suggested.

## **2.8 Governance Committee Assurance & IJB Audit Committee Reporting**

In May 2025, the Committee received the Governance Committee Annual Assurance Reports for 2024/25 covering Clinical Governance, Finance, Resources and Performance, Highland Health and Social Care, Pharmacy Practices, Remuneration and Staff Governance Committees. The Committee approved and recommended these reports to the NHS Highland Board as evidence supporting the Annual Accounts process.

The Committee also received six-monthly updates from the Argyll and Bute IJB Audit and Risk Committee in May 2025 and January 2026, taking moderate assurance. Matters highlighted included the scope and detail of recent IJB Audit and Risk Committee activity and, in January 2026, workforce risk.

### **3 Corporate Governance**

The Committee continued to strengthen its own governance arrangements and those of the wider governance system. The Committee approved minutes, workplans and rolling action plans, monitored closure of actions, and maintained focus on whether assurance reporting provided the level of evidence, clarity and follow-up required.

In June 2025, the Committee approved its 2024/25 Annual Report for onward submission to the NHS Board and also considered the value of holding additional meetings during the Annual Accounts process and agreed there was benefit in continuing this approach for future years.

The Committee maintained a clear role in oversight of governance committee annual assurance reports and associated Terms of Reference arrangements. In June 2025, the Committee approved a change to the Highland Health and Social Care Committee Terms of Reference relating to quorum requirements for inclusion in the Code of Corporate Governance.

In January 2026, the Committee endorsed the appointment of Bert Donald as Committee Vice Chair and welcomed Brian Steven to the Committee membership, with effect from October 2025 whilst recognising the contribution of Alasdair Christie as an outgoing member and previous Chair.

In March 2026, the Committee completed its annual review of its Terms of Reference and approved the document with no amendments proposed. The Committee also approved the draft Committee Work Plan for 2026/27, subject to inclusion of the relevant Internal Audit review reporting schedule.

### **4 External Reviews**

During the reporting period, the Committee received and considered external audit, internal audit and externally generated assurance reports relevant to its remit. This included the external audit reporting on the 2024/25 Annual Report and Accounts, the external audit wider scope conclusions, service audit reports for key external systems, Audit Scotland reports selected for Committee members' attention, and the Argyll and Bute IJB Audit and Risk Committee six-monthly updates.

The Committee used these sources to test assurance on governance, financial reporting, best value, external provider assurance, information governance, and the implementation of management actions arising from scrutiny activity.

### **5 Key Performance Indicators**

The Committee considered Key Performance Indicator information primarily through internal audit progress reporting and internal audit annual reporting. Relevant indicators included progress against the internal audit plan, delivery of audit work within the agreed timetable, completion of management actions, and status of actions with revised completion dates.

The Committee also considered KPI-related assurance through wider reports, including counter fraud standards/components, National Fraud Initiative activity, external systems assurance, and risk management dashboards/metrics under development. A recurring theme was the need for reporting to provide clear visibility of trends, action ownership, revised timescales and whether completed actions had demonstrably delivered the intended improvement.

In March 2026, the Committee considered the planned scope and timing of the 2025/26 external audit of NHS Highland's Annual Report and Accounts. The update covered planned audit work against auditing standards and the Code of Audit Practice, including materiality, timeframe, audit fee, group audit risk assessment procedures, wider scope and best value,

and Fairness and Equality activity. The Committee noted that the 2025/26 audit represented the fourth year of the current five-year audit appointment and that the timetable remained on track.

## **6 Emerging issues for 2026/27**

Based on issues considered during the reporting period, it is likely the following items may be key emerging areas for continued scrutiny and assurance in 2026/27:

- Health and Safety governance, particularly delivery of actions arising from the internal audit review, including water risk assessment, fire risk assessment, third-party premises assurance, RIDDOR reporting and the relationship between backlog maintenance and the organisational risk profile.
- Completion and sustainability of management actions, particularly where actions have revised completion dates or require evidence of embedded improvement.
- Follow-up on internal audit reviews requiring substantial improvement, including Children Services Transition Arrangements, Resident Doctor Compliance, Third Sector Allocations and Financial Management and Savings Plan.
- Further development of risk management reporting, including metrics, escalation routes, trend analysis, risk appetite application and the relationship between audit findings, adverse events and risk registers.
- Implementation of the risk management improvement programme and transition to Healthcare Guardian, including training, ownership, review cycles, escalation routes and meaningful KPI reporting.
- External systems assurance, including formal assurance from external providers such as NSS where NHS Highland relies on national systems and services.
- Counter fraud standards, National Fraud Initiative activity and the level of reportable detail that can appropriately be provided to Committee while protecting investigation requirements.
- Information assurance, cyber security and records management, recognising the high-risk profile of information incidents and the need for ongoing staff awareness and advocacy.
- Governance of third sector funding, advance payment arrangements and financial control exceptions, including links with procurement, commissioning and Standing Financial Instructions.
- Maintaining additional Audit Committee meetings during the Annual Accounts cycle where this supports proper scrutiny, transparency and timely Board approval.

## **7 Conclusion**

The Chair of the Audit Committee concludes that, during the period covered by this report, the Committee has provided appropriate scrutiny and challenge across the areas within its remit. The Committee has reviewed internal and external audit reporting, monitored management action progress, scrutinised the Annual Accounts process, approved relevant financial control matters, and maintained oversight of risk management, counter fraud, information assurance and governance assurance reporting.

The Committee identified areas requiring strengthened reporting, sustained management action delivery and further assurance where appropriate. Through this work, the Committee has supported the Board's wider governance and assurance arrangements and contributed to the evidence base underpinning the Governance Statement.

**Emily Austin, Chair**  
**Audit Committee**  
**Date: March 2026**

**To: NHS Highland Board**  
**From: Chair, Area Clinical Forum**  
**Subject: Area Clinical Forum Annual Report (2025-2026)**

## **1 Background**

In line with good governance and assurance principles, the Area Clinical Forum (ACF) submits an Annual Report to the NHS Highland Board. This report covers the activity of the Forum during the period May 2025 to March 2026 and supports the Board in taking assurance on the provision of clinical advice, professional engagement and the effective operation of advisory governance arrangements across NHS Highland.

The Area Clinical Forum is a formal advisory forum to the Board, bringing together Chairs and representatives of Professional Advisory Committees and senior clinical leaders from across NHS Highland. The Forum provides a structured space for system-level clinical discussion, escalation of clinical quality and safety concerns, consideration of strategic developments, and assurance on the effectiveness of professional advisory structures.

While the Forum does not hold decision-making authority, it plays a key role in coordinating and articulating professional advice to support Board decision-making, strategic planning and wider governance processes, in line with its approved Constitution and Terms of Reference.

## **2 Activity May 2025 to March 2026**

During the period covered by this report, the Area Clinical Forum met on five occasions: 3 July 2025, 11 September 2025, 6 November 2025, 15 January 2026 and 6 March 2026. The meeting scheduled for May 2025 was cancelled and did not take place.

Across the reporting period, the Forum's programme of work included:

- I. Coordination and consideration of advice from Professional Advisory Committees.
- II. Identification, discussion and escalation of clinical quality, safety and system risks through appropriate governance routes.
- III. Contribution to the development of strategic priorities, including population health, prevention and long-term sustainability.
- IV. Oversight and review of professional advisory governance arrangements, including membership, quoracy, representation and Terms of Reference.
- V. Discussion of workforce, recruitment and cultural issues impacting on the delivery of clinical services.
- VI. Strengthening the role, visibility and effectiveness of the Area Clinical Forum within the wider NHS Highland governance framework.

### **Membership from April 2025– March 2026:**

Catriona Sinclair (Committee Chair) Until September 2025  
 Allyson Turnbull-Jukes (Committee Chair) From September 2025 and (Psychology Advisory Group)  
 Zahid Ahmad (Area Dental Committee)  
 Edward Bateman (Area Dental Committee)  
 Alex Javed (Healthcare Sciences Forum - Lab Manager)  
 Peter Cook (Healthcare Sciences Forum - Medical Physics)  
 Andrew Strain (Area Medical Committee - GP)  
 Grant Franklin (Area Medical Committee)  
 Frances Jamieson (Area Optometry Committee)  
 Calum Fraser (Area Optometry Committee)  
 Linda Currie (NMAHP Advisory Committee)  
 Helen Eunson (NMAHP Advisory Committee)  
 Eileen Reed-Richardson (NMAHP Advisory Committee)  
 Gillian Valentine (NMAHP Advisory Committee)  
 Gavin Smith (Employee Director)  
 Catriona Brodie (Area Pharmaceutical Committee)  
 Rebecca Helliwell (A&B Clinical Representative)  
 Idreece Khan (Area Pharmaceutical Committee)

## 2.1 Key themes considered by the Committee

Across the reporting period, the Forum consistently focused on:

- Clarifying and strengthening the ACF's advisory role, visibility and relationship with the NHS Highland Board
- Whole-system clinical risk, including pressures across acute, community and social care interfaces
- Strategic transformation, including the emerging 10-year NHS Highland strategy and Population Health Strategy
- Governance and effectiveness of Professional Advisory Committees, including representation, constitution, engagement and administration
- Workforce and recruitment challenges, including use of national systems and sustainability of clinical capacity
- Embedding prevention, realistic medicine and trauma-informed approaches within service delivery and organisational culture

The Forum sought to ensure that advice provided to the Board reflected both strategic ambition and the operational realities of delivering care across Highland.

## 2.1 Key themes considered by the Forum

Across the reporting period, the Area Clinical Forum focused on its role as a clinical and professional advisory forum to the NHS Highland Board. Key themes included the effectiveness and visibility of the Forum's advisory function, the coordination and engagement of Professional Advisory Committees, and the escalation of clinical quality, safety and whole-system risks through appropriate governance routes.

The Forum gave particular attention to the clarity of professional advisory governance arrangements, including representation, quoracy and Terms of Reference, recognising the importance of robust professional input to Board-level decision-making. Significant discussion also centred on workforce sustainability, recruitment challenges, organisational culture and the impact of system pressures across acute, community and social care services.

Throughout the year, the Forum contributed to strategic discussions, including the development of NHS Highland's emerging 10-year strategy and Population Health Strategy, with a strong emphasis on prevention, health inequalities and long-term sustainability. The Forum sought to ensure that professional and clinical advice reflected both strategic ambition and the practical realities of service delivery across Highland.

At its March 2026 meeting, key areas of focus included delivery of diabetes care in North Highland and associated clinical risk, whole-system approaches to managing risk across health and social care, progress with Population Health Strategy engagement, and proposals to strengthen the Forum's responsiveness to Board requests and emerging system issues. The meeting also included further discussion on professional advisory governance, including alignment of Terms of Reference and mechanisms to improve communication and administration support.

## 2.2 Clinical quality, safety and system risk

Consideration of clinical quality, safety and system-level risk was a central feature of the Forum's work throughout the reporting period. The Forum provided a space for early identification and discussion of risks affecting patient care, professional practice and service sustainability, with a clear focus on escalation where required.

In July 2025, the Forum considered public protection arrangements, including workforce capacity, governance structures and alignment with national expectations. Subsequent meetings explored broader system pressures, particularly the interaction between acute services, community capacity and social care provision.

In March 2026, the Forum discussed in detail the delivery of diabetes care in North Highland, including contractual challenges, referral pressures, patient safety considerations and escalation to Scottish Government. The Forum agreed specific actions to ensure appropriate clinical governance oversight and reporting through established committee routes, reinforcing its role in providing assurance on clinical risk management to the Board.

The Forum also considered how risk is understood and managed across the system, emphasising the importance of shared ownership, learning cultures, and consistency in risk tolerance between health and social care partners.

## **2.3 Strategic planning, population health and prevention**

Strategic planning and population health were recurring themes across the reporting period. In November 2025, the Forum received an in-depth presentation on the development of NHS Highland's new 10-year strategy, highlighting prevention, place-based approaches and a shift away from reactive models of care.

Further discussion in January and March 2026 explored population health priorities, engagement activity and the challenges of delivering long-term strategic ambition within current financial and operational constraints. Forum members provided clinical perspectives on engagement approaches, inclusion of under-represented communities and the need to ensure professional input informed strategic direction.

The Forum supported continued dialogue between clinical leaders and the Strategy and Transformation Team, recognising the importance of sustained professional engagement in shaping and delivering strategic change.

## **2.4 Professional advisory governance and representation**

Strengthening professional advisory governance was a significant focus during the reporting period. The Forum reviewed the effectiveness of existing arrangements and supported changes to improve clarity, engagement and representation.

A major development was the restructuring of the former Nursing, Midwifery and Allied Health Professionals Advisory Committee into two distinct bodies: an Allied Health Professionals Advisory Committee and an Area Nursing and Midwifery Advisory Committee. Revised Terms of Reference were developed and approved, with arrangements put in place to improve representation, resilience and administrative support.

The Forum also considered representation gaps across other Professional Advisory Committees, including acute and geographical coverage, and supported initiatives to improve visibility, communication and participation, recognising their importance in maintaining credible and coordinated professional advice to the Board.

## **2.5 Workforce, recruitment and organisational culture**

Workforce sustainability and organisational culture featured prominently throughout the year. The Forum discussed recruitment challenges associated with national systems, particularly the administrative burden associated with large volumes of unsuitable applications and considered potential mitigations in discussion with executive colleagues. The Forum also explored cultural initiatives supporting sustainability and quality, including trauma-informed practice and Realistic Medicine. These discussions highlighted the links between staff wellbeing, service pressures, prevention and long-term system sustainability. The Forum emphasised the importance of professional leadership in embedding these approaches across services and supporting consistent understanding and engagement.

## **3. Corporate Governance and Advisory Effectiveness**

Throughout the year, the Forum reviewed and strengthened its own governance arrangements, including approval of minutes, monitoring actions and revisiting its Constitution and Terms of Reference to ensure ongoing fitness for purpose. Significant work was undertaken to improve clarity of purpose, representation and engagement, including dialogue with the Board Chair and Chief Executive, and alignment with wider corporate governance review activity. Particular attention was given to ensuring appropriate clinical representation from across geographies and professional groups. The Forum also identified opportunities to enhance responsiveness to Board requests and emerging system pressures, including discussion on more agile mechanisms for providing timely clinical advice.

## **4. Key Outcomes and Assurance to the Board**

During the reporting period, the Area Clinical Forum provided coordinated clinical and professional advice on strategic, population health and transformation priorities, identified and escalated clinical quality, safety and service delivery risks through appropriate governance routes, supported the strengthening and restructuring of Professional Advisory Committees including the approval of revised Terms of Reference, and contributed to workforce, cultural and sustainability discussions impacting patient care. Through this work, the Forum improved clarity and effectiveness of its role within the NHS Highland governance framework and supported the Board's wider assurance responsibilities in relation to clinical safety, quality and professional engagement.

## **5. Emerging issues for 2026/27**

Based on matters considered during the period May 2025 to March 2026, the Area Clinical Forum identified several priorities likely to remain a focus in 2026/27. These include the continued development of the Forum's advisory role and responsiveness to Board requirements, ongoing oversight of whole-system clinical risk across health and social care, embedding revised Professional Advisory Committee governance and representation arrangements, sustaining clinical engagement in population health and long-term strategic planning, and addressing workforce sustainability, recruitment processes and professional engagement.

## **6. Conclusion**

The Chair of the Area Clinical Forum concludes that, during the period covered by this report, the Forum has fulfilled its advisory role to the NHS Highland Board. The Forum has coordinated professional advice, supported governance improvement, escalated clinical risks where appropriate and contributed to strategic discussions affecting the quality and sustainability of services across NHS Highland.

This work provides a strong foundation for continued development of the Forum's role in 2026/27, supporting effective clinical governance and Board assurance.

**Allyson Turnbull-Jukes, Chair**  
**Area Clinical Forum**  
**Date: May 2026**

Appendix One – Attendee List for 2025/2026 Meetings

<b>Committee Members</b>	<b>03-Jul-25</b>	<b>11-Sep-25</b>	<b>06-Nov-25</b>	<b>15-Jan-26</b>	<b>06-Mar-26</b>
Catriona Sinclair (Committee Chair) Until September 2025	Yes	Yes			
Allyson Turnbull-Jukes (Committee Chair) From September 2025 and (Psychology Advisory Group)	Yes	No	Yes	Yes	Yes
Zahid Ahmad (Area Dental Committee)	No	No	Apologies	No	No
Edward Bateman (Area Dental Committee)	No	No	No	No	No
Alex Javed (Healthcare Sciences Forum - Lab Manager)	Yes	Yes	Apologies	Apologies	Apologies
Peter Cook (Healthcare Sciences Forum - Medical Physics)	No	Yes	No		No
Andrew Strain (Area Medical Committee - GP)	Yes	No	Yes	Yes	Yes
Grant Franklin (Area Medical Committee)	Yes	No	Yes	Yes	Yes
Frances Jamieson (Area Optometry Committee)	No	No - Sent Deputy	No	No	No - Sent Deputy
Calum Fraser (Area Optometry Committee)	No - Sent Deputy	Yes	Yes	No - Sent Deputy	No - Sent Deputy
Linda Currie (Need to confirm)	Yes	No	Apologies	Yes	Yes
Helen Eunson (Need to confirm)	Yes	No	Yes	Yes	No
Eileen Reed-Richardson (Need to confirm)	No	Yes	Yes	No	No
Gillian Valentine (Need to confirm)	Yes	No	No	No	No
Gavin Smith (Employee Director)	No	No	No	No	No
Catriona Brodie (Area Pharmaceutical Committee)	Yes	No - Sent Deputy	No	No	Yes
Rebecca Helliwell (A&B Clinical Representative)	No	No	No	Apologies	Yes
Idreece Khan (Area Pharmaceutical Committee)	No	No	No	No	No

**To: NHS Highland Audit Committee**  
**From: Chair, Clinical Governance Committee**  
**Subject: Clinical Governance Committee Annual Report 2025-26**

## **1 Background**

In line with sound governance principles, an Annual Report is submitted from the Clinical Governance 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.

The Committee's work included scrutiny of patient experience and feedback, learning from adverse events and complaints, infection prevention and control, service and operational unit exception reporting, and key quality and performance indicators.

## **2 Activity May 2025 to November 2025**

During the period covered by this report, the Committee met on six occasions during 2025/26. Minutes from each meeting were submitted through the appropriate governance routes up to and including the appropriate Board Meeting.

Across the year the Committee maintained a balanced programme of work comprising of deep-dive updates on high-risk or high-profile services; routine scrutiny of patient experience, complaints and adverse events; operational unit exception reporting and assurance from Quality and Patient Safety groups. It also scrutinised infection prevention and control oversight and targeted annual or six-monthly reports to support assurance on specific statutory, regulatory or quality themes.

The Committee held no development sessions but plans are underway for a development session on general committee effectiveness and the use of the Quality Management System.

Committee raised some concerns around the delay in submission of the Duty of Candour report and highlighted there may be an awareness, training & confidence issues across the organisation around this area.

### **2.1 Key themes considered by the Committee**

Across the reporting period the Committee maintained oversight of:

- (i) Access, waiting times and service sustainability risks
- (ii) Clinical governance learning systems, including complaints, SPSO activity and Datix adverse event reporting;
- (iii) Infection prevention and control
- (iv) Inspection and regulatory readiness
- (v) Quality strategy, performance reporting and the refresh of the IPQR;
- (vi) Operational unit exception reporting (including Argyll and Bute HSCP, Highland HSCP, Acute services, and children's services); and
- (vii) Key clinical service assurance topics brought by exception.

### **2.2 High-risk services, service sustainability and access**

Neurodevelopmental Assessment Service (NDAS) pressures were a recurrent topic. In May 2025 the Committee considered the significant waiting list position and the impact of reduced clinical capacity, noting increasing external scrutiny and the need for a business case to support sustainability. In July and September 2025 further updates described strengthened

governance through a Neurodevelopmental Programme Board and a twin-track approach for stabilisation, legacy recovery and longer-term service redesign aligned to national specification.

Vascular services were also kept under review, including ongoing mutual aid arrangements with other NHS Boards, locum cover, emerging national considerations regarding reconfiguration and the need to ensure appropriate clinical governance arrangements across joint working activity. The Committee sought clarity on timeframes and governance implications to support communication and risk management.

The Committee considered long wait performance across specialties, including the complexity of intersectional waits and the need for improved data to support productivity and efficiency insight recognising that national direction and Board-level alignment on data requirements would be important.

Care at Home service pressures were noted in May 2025, including inspection concerns in Sutherland, associated actions and adult protection investigation considerations. The Committee recognised the importance of learning and escalation routes for integrated governance.

### **2.3 Patient experience, complaints and learning from adverse events**

Patient experience remained a core agenda feature. The Committee reviewed complaint case studies and learning updates and considered performance against the 20-day complaints response target. Across meetings, the Committee took assurance in relation to the operation of the complaints learning system and monitoring arrangements, while also challenging the consistency and timeliness of complaint responses and the support available to response officers.

Clinical governance performance reporting drew on Datix trend information and covered key harm themes including significant adverse events, inpatient falls, tissue viability and infection control indicators. The Committee sought to strengthen the quality and usability of reporting, including the use of clearer trend information and outcome-focused measures to enable more effective scrutiny and targeted improvement.

The Committee also highlighted concerns around complaints management, and the timeliness of responses and noted that improvements were required overall on the process.

### **2.4 Quality assurance from operational units and services**

Operational unit exception reporting was routinely considered, providing assurance on local governance structures, escalation routes, and key risks and improvement actions. This included reporting from Argyll and Bute HSCP, Highland HSCP, Acute Services, and the Infants, Children and Young People's Clinical Governance Group, with associated minutes from quality and safety groups where relevant. Across the period, the Committee generally accepted assurance from these reports while identifying areas where deeper analysis, clearer assurance statements or follow-up updates were required.

In July 2025 the Committee reviewed cancer Quality Performance Indicators (QPIs) and discussed the relationship between performance, workforce capacity and wider network arrangements. Committee members sought clearer action plans, timelines and trend data where performance was declining, recognising the importance of governance learning from other service sustainability challenges.

The Committee received a six-monthly update on Women's Services, including maternity and neonatal services, highlighting the unprecedented level of national scrutiny, evolving standards and inspection expectations and the need for clear evidence of assurance both locally and nationally. The Committee requested additional reporting detail in future updates, including on infrastructure, team function and cancer service reporting, and accepted the levels of assurance proposed in the report.

## **2.5 Infection prevention and control and regulatory readiness**

Infection Prevention and Control (IPC) remained an ongoing focus, with updates provided on national aims and locally monitored incidents, antimicrobial prescribing target expectations, surveillance requirements and specific estates-related risks such as water supply concerns. The Committee accepted the levels of assurance offered within IPC reports presented during the period.

The Committee considered a Care Inspections Regulation update outlining the regulatory landscape (including the Care Inspectorate, HIS, HSE and other bodies), inspection outcomes and improvement plans.

The Committee took assurance that governance is in place and developing to support inspection preparedness and delivery of improvement actions, and discussed the importance of communication, consultation and celebrating positive outcomes.

## **2.6 Strategy, Performance Reporting and Governance Development**

The Committee considered updates relevant to strategic alignment and performance reporting. In September 2025, members were advised that the IPQR refresh had commenced to better align performance metrics and indicators with the Annual Delivery Plan and Operational Improvement Plan, with phase two (quality and outcome KPIs) targeted for completion by the end of October. The Committee took assurance on the interface between the ADP and deliverables within the OIP.

The Committee also reinforced the importance of robust committee processes and timely reporting to support effective scrutiny. In November 2025, committee members noted late papers were not considered and agreed the timely submission of reports required improvement and recognised the Chair's introduction of additional planning meetings. A new Clinical Governance Oversight group was established to strengthen pre-committee scrutiny and improve assurance quality over time.

## **3 Corporate Governance**

The Committee continued to strengthen governance arrangements supporting its assurance role, including iterative development of the committee workplan and reinforcing expectations regarding report quality and timeliness. The establishment of the Clinical Governance Oversight Group was a key development intended to improve the flow, quality and scrutiny of papers and to support a more consistent assurance narrative prior to committee consideration.

The Committee also maintained oversight of its risk register and the articulation of significant clinical risks and approved the addition of risks related to service sustainability challenges, reinforcing the need for high-level risk articulation and clear links between mitigations and governance oversight.

## **4 External Reviews**

None

## **5 Key Performance Indicators**

Key performance information considered by the Committee included complaints performance (including the 20-day target), SPSO activity, adverse event trends (including SAERs), inpatient falls, tissue viability, infection control indicators, and service performance measures such as long waits and cancer QPIs. The Committee emphasised the importance of trend

reporting, meaningful commentary, and clear links between indicators and improvement actions to support stronger assurance.

## **6 Emerging issues for 2026/27**

Based on the issues considered during the reporting period it is likely that the following are key emerging areas for continued scrutiny and assurance:

- Sustained improvement and governance assurance for neurodevelopmental services, including legacy waiting list recovery, workforce sustainability and impact evaluation of service redesign.
- Ongoing resilience and governance arrangements for vascular services, including national reconfiguration, mutual aid arrangements and MDT access for non-critical pathways.
- Strengthening complaint response performance and organisational learning, including capability support for response officers and improved reporting of learning outcomes.
- Improved quality and outcome KPI reporting through the refreshed IPQR, with clearer thematic and trend-based reporting aligned to strategic plans.
- Infection prevention and control surveillance and assurance, including antimicrobial stewardship and management of estates-related risks.
- Regulatory readiness and inspection improvement planning, including communications and engagement routes for staff and communities, particularly where staff have limited IT access.
- Operational unit assurance reporting that is consistently outcome-focused with clear assurance statements, follow-up on identified risks, and strengthened escalation routes across integrated services.

## **7 Conclusion**

Karen Leach as Chair of the Clinical Governance 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 the system of control within the respective areas are operating adequately and effectively.

**Karen Leach, Chair**  
**Clinical Governance Committee**  
**Date: March 2026**

To: NHS Highland Audit Committee

From: Chair, Finance, Resources and Performance Committee

Subject: Finance, Resources and Performance Committee Report (2025 – 2026)

## **1 Background**

In line with sound governance principles, an Annual Report is submitted from the Finance, Resources and Performance (FRP) Committee to the Audit Committee. This report covers the reporting period and supports the Audit Committee in providing assurance to the Board to inform approval of the Governance Statement, which forms part of the Annual Accounts.

The FRP Committee provides oversight and assurance on NHS Highland's financial performance, resource stewardship, capital and estates matters, and organisational performance against key national and local targets.

The Committee's scrutiny includes:

- (i) In-year financial performance and forecast
- (ii) Resource allocation and utilisation
- (iii) Performance Management & reporting through the Integrated Performance and Quality Report
- (iv) Strategic and Operational Planning such as Value and efficiency/cost improvement delivery & the ADP
- (v) All digital functions
- (vi) Environmental sustainability workstreams

## **2 Activity May 2025 to March 2026**

During the period covered by this report, the Committee met on twelve occasions & minutes from each meeting were submitted through the appropriate governance routes upto and including the Board.

Across the reporting period the Committee maintained a structured programme of work comprising:

- Routine monitoring of monthly/bi-monthly financial position and forecast
- Scrutiny of value and efficiency delivery and associated governance arrangements
- Capital programme oversight and the operation of capital governance groups
- Performance improvement and delivery planning (ADP/OIP), supported by IPQR reporting; and
- Themed updates to provide assurance on resilience, sustainability and enabling functions (e.g., digital and estates).

### **2.1 Key themes considered by the Committee**

As noted above across the reporting period, key themes included: financial sustainability and in-year deficit management; adult social care (ASC) funding gap and integrated financial governance; value and efficiency delivery (including oversight and refreshed approaches); cross-Board charging and service level agreement (SLA) risks; budget setting and stewardship.

Other areas included delivery planning and performance improvement (ADP/OIP) and IPQR development; capital planning and backlog maintenance; digital delivery and benefits realisation; environmental sustainability; and organisational resilience and incident preparedness.

### **2.2 Financial performance and sustainability**

The Committee received routine updates on NHS Highland's financial position and forecast, including year-end outturn for 2024/25 and in-year monitoring for 2025/26. Throughout 2025/26 the Committee monitored the trajectory toward an

in-year forecast position and the reliance on delivery of value and efficiency plans, alongside mitigations assumed for adult social care and partnership positions.

Key areas of discussion included: the consequences of limited national brokerage/financial support arrangements; the implications of non-recurrent funding; the balance between recurring and non-recurring mitigations; and ensuring that financial risk articulation remains transparent, including where there is uncertainty on ASC funding or national funding allocations.

The Committee also considered specific financial risks and complexities such as cross-Board charging, including concerns regarding revised charging methodologies and the potential exposure if changes are progressed without a nationally agreed approach.

During 2025/26, the Committee received routine updates on the NHS Highland revenue position. The forecast outturn remained at £40.005m overspend at multiple points across the year (reported as the forecast position as at 31 March 2026). The in-year year-to-date (YTD) position increased from £17.868m (Month 3) to £22.665m (Month 4), £34.584m (Month 6), £35.241m (Month 7) and £41.159m (Month 8), reflecting the scale and persistence of cost pressures and the challenge of delivering mitigations at pace.

In response to the financial position, the Committee maintained close oversight of financial governance arrangements, including the maturity and deliverability of value and efficiency plans, the need to refresh schemes and associated documentation, and the importance of strengthening stewardship expectations across budget holders.

The Committee highlighted the value of consistent, comparable reporting to support scrutiny, including improved clarity on planned versus actual performance, clearer presentation of assumptions, and a stronger line of sight between financial risks, mitigations, timelines and expected benefits. Where reporting or deliverability concerns were identified, the Committee sought further updates and reinforced the need for strengthened grip-and-control alongside longer-term sustainable change.

### **2.3 Value and efficiency, cost improvement and stewardship**

The Committee received regular updates on value and efficiency delivery and the cost improvement position. Members scrutinised the maturity of workstreams, clarity of targets and ownership, and the need to refresh schemes and supporting documentation to strengthen deliverability and accountability.

Discussion consistently emphasised that sustainable financial improvement requires:

1. Clear operational ownership
2. Robust programme governance and benefit tracking
3. Credible trajectories and risk assessment; and
4. Strengthened stewardship culture that supports consistent budget management at all levels.

In January 2026, the Committee considered proposals to redefine financial assurance and stewardship and strengthen budget setting. This included establishing clearer structures for financial governance, enhancing budget holder accountability through documentation and training, and supporting a longer-term shift towards stronger stewardship while maintaining delivery requirements within the immediate budget cycle.

### **2.4 Annual Delivery Plan, Operational Improvement Plan and IPQR**

The Committee monitored delivery planning and performance improvement through updates on the Annual Delivery Plan (ADP) and the Operational Improvement Plan (OIP), supported by Integrated Performance and Quality Report (IPQR)

reporting. Scrutiny included the definition of deliverables, the status of amber/at-risk items, and the link between planned actions, trajectories and reported performance.

The Committee also considered the development and refresh of the IPQR to strengthen alignment with strategic priorities and 'Well' themes, including clarifying key indicators, targets and benchmarking where available. Members highlighted the importance of ensuring that reporting supports actionable scrutiny, including appropriate specialty/service granularity for access measures and clear narrative on causes, mitigations and anticipated impact.

## **2.5 Capital Programme, Estates, Digital and Sustainability**

Capital planning and investment remained a key component of the Committee's work, with updates provided on capital allocation, delivery progress, and the governance arrangements operated through the Capital Asset Management Group (CAMG). The Committee considered the practical challenges of phasing expenditure and invoice timing while maintaining assurance that procurement and delivery plans were on track.

The Committee received assurance updates on digital delivery planning and system resilience, including progress across core digital programmes and the importance of benefits realisation methodology to evidence value from digital investment.

Environmental and sustainability updates provided assurance on carbon emissions, energy consumption and utility costs, including progress associated with fuel changes, energy procurement, and ongoing work to strengthen waste management and wider sustainability measures. The Committee noted that achieving major step changes in emissions will require significant investment, and highlighted the importance of recognising a broad set of sustainability achievements alongside net-zero trajectories.

## **2.6 Resilience and Incident Preparedness**

The Committee considered reports on organisational resilience, including the development of refreshed incident response frameworks aligned to statutory duties and recognised practice (eg: JESIP principles). Members welcomed the shift from single-plan approaches to integrated handbooks, action cards and exercises designed to embed organisational preparedness. The Committee emphasised the importance of testing and exercising arrangements to confirm familiarity and readiness across operational levels.

## **3 Corporate Governance**

The Committee maintained focus on the governance arrangements that underpin good corporate governance. This included scrutiny of the committee workplan and rolling action plan, expectations regarding report quality and timeliness, and the use of assurance levels to support a clear narrative of confidence and required follow-up.

Across the year, the Committee emphasised the importance of transparent risk articulation and governance routes that enable early escalation where financial or performance pressures increase, particularly where integrated financial responsibilities and dependencies exist (eg: ASC, cross-system demand and capacity, and cross-Board charging risks).

## **4 External Reviews**

During the reporting period, the Committee considered relevant intelligence from external scrutiny and national frameworks where aligned to its remit. This included engagement with national planning requirements, support and intervention arrangements, and learning from diagnostic work undertaken in other NHS Boards that may be relevant to local stewardship and value and efficiency approaches.

## **5 Key Performance Indicators**

Core KPIs and indicators reviewed by the Committee included: in-year financial performance and forecast; delivery of value and efficiency plans; key access and performance measures reported through the IPQR (eg: planned care and diagnostics indicators); and delivery planning progress through ADP/OIP reporting. The Committee placed particular emphasis on ensuring that indicators are supported by clear narrative commentary, credible trajectories and defined actions, and that reporting evolves to enable meaningful scrutiny and targeted improvement.

## **6 Emerging issues for 2026/27**

Based on the issues considered during the reporting period, the following points may be considered as key emerging areas for continued scrutiny and assurance:

- Delivery of recurring value and efficiency savings at scale, supported by strengthened governance, programme capacity and benefits tracking.
- Adult social care financial sustainability, including strengthened tripartite governance and transparency on funding gap assumptions and mitigations.
- Budget setting and stewardship culture, including clearer delegated authority, training for budget holders and improved documentation and controls.
- Cross-Board charging and SLA risk management, ensuring any move towards patient-level costing or tariff approaches is progressed on a nationally agreed basis.
- Continued development of IPQR reporting to support more actionable scrutiny, including specialty/service granularity and clearer benchmarking/trajectory presentation.
- Capital investment prioritisation and backlog maintenance, including delivery assurance and transparent articulation of risks and dependencies.
- Digital delivery benefits realisation, ensuring that investment decisions are supported by measurable value and change management capacity.
- Environmental sustainability trajectory planning, balancing achievable operational improvements with longer-term investment requirements.
- Resilience and incident preparedness, including continued roll-out of training and exercises to embed frameworks in practice.

## **7 Conclusion**

The Chair of the Finance, Resources and Performance Committee concludes that during the period covered by this report, the Committee has provided appropriate scrutiny and challenge across the areas within its remit. He confirms the system of control within the respective areas are operating adequately and effectively and the Committee identified matters requiring strengthened assurance and improved reporting where appropriate

This has supported the Board's wider governance and assurance arrangements through routine monitoring of financial performance, stewardship and performance improvement activity.

**Alex Anderson, Chair**

**Finance, Resources and Performance Committee**

**Date: March 2026**

## **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 discharges), 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**

**To: NHS Highland Audit Committee**  
**From: Chair, Staff Governance Committee**  
**Subject: Staff Governance Committee Annual Report 2025-26**

## **1 Background**

In line with sound governance principles, an Annual Report is submitted from the Staff Governance 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.

The Staff Governance Committee provides oversight and assurance on performance against the Staff Governance Standards and associated workforce governance arrangements. The Committee's work included scrutiny of workforce performance, staff experience and wellbeing, fair and consistent treatment, learning and development and safe and respectful working environments.

## **2 Activity May 2025 to March 2026**

During the period covered by this report, the Committee met on six occasions during 2025/26. The minutes from each meeting were submitted through the appropriate governance routes up to and including the appropriate Board Meeting.

The Committee's work programme combined routine scrutiny of workforce metrics and assurance reports with targeted 'spotlight' sessions to provide deeper assurance on local workforce issues and improvement actions within directorates and services. The Committee also maintained focus on strengthening the usability and clarity of reporting to enable meaningful scrutiny and action.

### **2.1 Key themes considered by the Committee**

Across the reporting period the Committee maintained oversight of:

1. Workforce performance metrics (including sickness absence, time-to-fill, appraisals and statutory/mandatory training compliance)
2. Leadership, culture and management capability
3. Staff wellbeing and support
4. Health and safety governance and violence and aggression training
5. Speaking up/whistleblowing and organisational learning
6. Equality, diversity and inclusion (EDI); and
7. Statutory duties, including the Health and Care Staffing Act 2019.

### **2.2 Workforce performance, delivery and improvement**

The Committee monitored key workforce indicators through the Integrated Performance and Quality Report (IPQR) and other related workforce reports. In January 2026, sickness absence was reported as broadly stable at around the mid-6% range, while time-to-fill timescales were noted as beginning to increase after progressively improving in previous months.

The Committee also sought improved clarity and consistency in the presentation of workforce metrics to support effective assurance and targeted improvement.

Appraisal completion and the quality of performance conversations remained a recurrent focus across the reporting period. The Committee reiterated that appraisals were a key control to support staff development, workforce planning, wellbeing and challenged whether improvement activity was delivering the required sustained change. The Committee considered

process barriers (including TURAS usability), the role of local leadership, capacity challenges, particularly in clinical settings and the need to target support to areas with persistent underperformance.

Statutory/mandatory training compliance was routinely scrutinised as a core control for safe services. The Committee considered improvement activity and practical levers to support compliance, including access for staff groups with limited digital time and the use of protected learning time. Committee members highlighted the need for clearer reporting on violence and aggression training, recognising that aggregated figures could be misleading where training requirements vary by role.

### **2.3 Leadership, culture and staff wellbeing**

The Committee considered leadership and culture as a long-term programme of work. Updates included delivery of leadership and development activity and the need to move from reporting activity and attendance to clearer evidence of impact on culture/management capability. The Committee frequently discussed how to bridge gaps between newly appointed managers receiving compulsory development and existing managers who may not have had the same baseline training.

Staff wellbeing was monitored through updates on the Health and Wellbeing Strategy and the work of the Health and Wellbeing Oversight Group. Activity referenced during the year included the Employee Assistance Programme, wellbeing events, communications and targeted work on stress at work. The Committee highlighted the importance of understanding caring responsibilities within the workforce and noted that caring needs may not be well captured by existing absence categories, potentially contributing to avoidable sickness absence in some circumstances.

The Committee reinforced the need for psychologically safe workplaces and consistent management practice to address incivility and poor behaviours. Members emphasised the value of confident, timely management interventions (including ‘courageous conversations’) to protect staff experience and sustain respectful team cultures.

### **2.4 Governance, Risk and Statutory Duties**

Health and safety governance featured through assurance discussions and updates on improvement work, including strategy development and strengthening sub-group governance. The Committee also discussed practical controls such as lone working arrangements, risk assessments and compliance approaches where staff work from home or across sites.

The Committee monitored speaking up/whistleblowing and the wider organisational learning environment. Discussion included the importance of accessible engagement routes for staff in remote and rural areas, consistent and fair manager responses and the need to ensure that learning from concerns is captured and communicated.

The Committee considered progress on the Equality, Diversity and Inclusion Workforce Strategy, including governance via an EDI Oversight Group, staff networks and work to improve equality data completeness. Committee members recognised the importance of maintaining psychologically safe environments when sensitive issues arise and the need for clear risk escalation where issues cannot be resolved locally.

Updates were also received on compliance with statutory duties under the Health and Care Staffing Act, including how staffing tools and escalation processes are embedded and how the organisation balances service pressures with the requirement to evidence safe staffing and effective risk management.

The Committee received updates on formal Staff Governance monitoring and the processes used to compile and agree national returns. The Committee recognised the importance of partnership working and transparency and supported the establishment of a Staff Governance Standards Monitoring Group to provide continuous improvement focus, strengthen shared understanding of evidence and reduce the risk of late-cycle disagreement.

## **2.5 Whistleblowing**

The Committee received quarterly and annual Whistleblowing reports which provided an update on cases being progressed alongside key themes of Whistleblowing concerns raised but did not fall within the Whistleblowing standards. Case rates remained low across the year and it was noted the expected resolution dates in the Whistleblowing standards were challenging due to the complexity of the cases being investigated.

The Committee recognised it was difficult to apply learning based on the small number of cases and the confidential nature of those cases. Some related to concerns raised around potential individual cases of fraud but were being robustly investigated and appropriate action taken.

## **3 Corporate Governance**

The Committee maintained focus on strengthening staff governance monitoring arrangements. Over the period, updates supported the development of a more continuous improvement approach to Staff Governance Standards monitoring, including clearer governance routes for compiling evidence and increasing transparency.

In November 2025, the Committee discussed capacity pressures within the People and Culture function, including the impact of vacancies and additional workload arising from retrospective PVG work linked to legislative change. The Committee considered how prioritisation and resourcing decisions interact with delivery of improvement activity and assurance requirements.

## **4 External Reviews**

None

## **5 Key Performance Indicators**

Workforce KPIs formed a central part of the Committee's agenda, including sickness absence, time-to-fill, appraisal completion and statutory/mandatory training compliance. The Committee placed particular emphasis on:

1. Improving the clarity and interpretability of KPI reporting
2. Ensuring that measures are meaningfully benchmarked where possible; and
3. Maintaining a clear line of sight between indicators, underlying causes and agreed improvement actions.

## **6 Emerging issues for 2026/27**

Based on issues considered during the reporting period it is likely that the following are key emerging areas for continued scrutiny and assurance in 2026/27:

- Appraisal completion and the quality of performance conversations, including TURAS/process barriers and targeted support for persistent underperformance.
- Statutory and mandatory training compliance, with improved metric clarity (including bank staff where applicable) and practical levers such as protected learning time.
- Leadership and culture assurance, shifting from activity reporting to clearer measures of impact and engagement across management cohorts.
- Sickness absence reduction and wellbeing, including deeper understanding of caring responsibilities and how policy supports may prevent avoidable absence.

- Recruitment and workforce capacity, including time-to-fill trends and remote/rural workforce challenges, and the impact on workload and service resilience.
- Speaking up/whistleblowing culture, including accessible engagement routes and consistent manager response, with closed-loop learning.
- Health and safety governance, including violence and aggression prevention and clearer reporting on training and incidents.
- Embedding statutory duties under the Health and Care (Staffing) (Scotland) Act 2019, including consistent escalation and assurance mechanisms.
- Sustaining EDI programme delivery with clear governance, safe environments and appropriate risk escalation.

## **7 Conclusion**

Philip MacRae as Chair of the Staff Governance 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 the system of control within the respective areas are operating adequately and effectively.

**Philip MacRae, Chair**  
**Staff Governance Committee**  
**Date: March 2026**