

## SUMMARY REPORT OF GOVERNANCE COMMITTEE MEETING

<b>Name of Committee</b>	<b>Finance, Resources and Performance Committee</b>
<b>Date of Meeting</b>	<b>9 January 2026</b>
<b>Committee Chair</b>	<b>Alex Anderson</b>

### KEY POINTS FROM DISCUSSION AND ESCALATION

#### ALERT

- Glasgow SLA Dispute: £8m invoice to be disputed
- Adult Social Care Forecast gap could increase, and Scottish Government could offer non-recurrent support.

#### ASSURE

- NHS Highland Financial Position 2025/26 (Month 8) Update – Limited assurance.
- Redefining Financial Assurance and Stewardship and Budget Setting Approach – Moderate Assurance.
- Support and Intervention Framework – Scottish Government Quarterly reporting Q2 – Moderate Assurance.
- Capital Asset Management Group Update – Moderate Assurance
- Integrated Performance and Quality Report – Moderate Assurance
- Operational Improvement Plan Deliverables Report – Substantial Assurance
- Committee Annual Review of Terms of Reference – Substantial Assurance

#### ADVISE

- At the end of Month 8, an overspend of £41.159m was reported, with a forecast year-end overspend of £40.005m, predicated on the assumption that further work will enable delivery of a breakeven position within Adult Social Care by 31 March 2026.
- Budget-setting timelines were confirmed, with the initial submission to Scottish Government due in early February and the final submission in mid-March.
- Proposals were outlined to strengthen financial governance through new integrated financial performance and assurance groups, with standardised budget-holder templates to be issued in the coming week.
- A Service Change Review Group was proposed to provide a structured and consistent space for consideration of service redesign proposals.

#### RISKS

- Financial Exposure Risk. Failure to resolve the Glasgow SLA dispute or secure sustainable Adult Social Care funding could result in unplanned cost crystallisation and further pressure on the Board's financial position.

- Governance and Assurance Risk. Reliance on interim assumptions, unresolved reconciliation issues, and emerging sub-national arrangements may limit assurance over the robustness and consistency of financial reporting if not addressed in a coordinated way.
- Delivery Risk. Capacity constraints and dependencies on national partners may impact the timely delivery of some Operational Improvement Plan and digital deliverables.

#### **ACTIONS**

#### **LEARNING**

- Sustained improvement requires alignment between financial governance, operational delivery, and workforce planning rather than reliance on short-term mitigations.
- Clear accountability, consistent data, and structured forums for service redesign are critical to strengthening financial stewardship and supporting informed decision-making.