NHS Highland

Meeting:	**Board Meeting**
Meeting date:	**29th September 2026**
Title:	**Programme for Government Update on NHS Highland**
Responsible Executive/Non-Executive:	**Gareth Adkins, Director of People & Culture; Fiona Davies, Chief Executive**
Report Author:	**Gareth Adkins, Director of People & Culture; Nathan Ware, Deputy Head of Corporate Governance & Board Secretary**

Report Recommendation:

The Board is asked to:

- **Note** the potential implications of the Programme for Government for NHS Highland, including NHS reform, social care, local governance, workforce, finance, service delivery and partnership working.
- **Support** a proportionate review of Board governance, focused on strategic priorities, key risks, performance, statutory duties and assurance.
- **Approve** in principle moving the Finance, Resources and Performance Committee to a bi-monthly cycle, with clear escalation routes and provision for extraordinary meetings.
- **Support** use of appropriately briefed and authorised deputies where terms of reference permit.
- **Agree** that the 2027/28 Internal Audit Plan is reviewed to reflect emerging risks, organisational change and PfG delivery requirements.
- **Agree** in principle to developing a consent agenda for routine Board business, while allowing members to request discussion.
- **Endorse** continued development of the 10-year organisational strategy, responsive to the PfG and grounded in local priorities, communities and partnership working.
- **Support** continued engagement with councils, Integration Authorities, Community Planning Partners, staff-side, providers, the third sector and communities.
- **Endorse** sustained staff engagement to support morale, wellbeing, employee voice, partnership working and confidence during reform.
- **Note** the current uncertainty around the Programme for Government while recognising the importance of maintaining organisational readiness and the ability to respond quickly and effectively to any future changes or requirements that emerge.
- **Endorse** continued application of the Blueprint for Good Governance principles.

1 Purpose

This is presented to the Board for:

- Assurance
- Decision

This report relates to a:

- 5 Year Strategy, Together We Care, with you, for you.
- Emerging issue
- Government policy/directive
- Local policy
- NHS Board/Integration Joint Board Strategy or Direction

This report will align to the following NHSScotland quality ambition(s):

Safe, Effective and Person Centred

This report relates to the following Strategic Outcome(s)

Start Well		Thrive Well		Stay Well		Anchor Well	
Grow Well		Listen Well		Nurture Well		Plan Well	
Care Well		Live Well		Respond Well		Treat Well	
Journey Well		Age Well		End Well		Value Well	
Perform well		Progress well		**All** Well Themes	X		

2 Report summary

2.1 Situation

The Scottish Government's Programme for Government sets out a significant programme of public sector reform, including proposals that may have substantial implications for NHS Scotland, social care, local governance and wider partnership arrangements.

While detailed proposals and implementation arrangements are not yet confirmed, the direction of travel indicates potential changes to NHS Board structures, social care governance, regional planning, accountability arrangements and the balance between national consistency and local decision-making.

NHS Highland therefore needs to consider how it prepares for, influences and responds to emerging national reform, while continuing to deliver safe, effective and person-centred services and maintaining progress on local strategy, governance, partnership working, staff engagement and community priorities across Highland and Argyll and Bute.

This report provides an initial assessment of the implications for NHS Highland and seeks Board support for proportionate actions to ensure the organisation remains sighted on key risks, opportunities and decisions as further Scottish Government detail emerges.

2.2 Background

The Programme for Government sets out an ambitious programme of public sector reform with potentially significant implications for NHS Highland, local government and the wider health and social care system. While the detailed arrangements remain subject to further engagement and development, the direction of travel indicates a greater emphasis on strategic regional planning, simplified governance arrangements and stronger alignment between health and social care services.

The most significant proposal for NHS Scotland is the intention to replace the current fourteen territorial NHS Boards with two Strategic Health Boards. At this stage, limited detail has been provided regarding governance arrangements, accountability structures, commissioning responsibilities, workforce implications or implementation timescales. Further engagement and consultation are expected over the coming months.

The Programme for Government also signals the Scottish Government's intention to consider future arrangements for social care governance and delivery. The stated objective is to improve outcomes, strengthen accountability, reduce variation and ensure that available resources are used as effectively as possible. Discussions with local authorities, trade unions, health boards and service providers are expected to inform future proposals.

Alongside health and social care reform, the Scottish Government has committed to a national dialogue on the future of local governance. This will consider how decision-making, resources and accountability can be organised to support both strategic regional priorities and local community influence. While no formal proposals have yet been published, the outcomes of this work may have implications for existing partnership arrangements and the wider public sector landscape.

For NHS Highland, the proposals present both opportunities and risks. Potential benefits may include greater consistency of planning, enhanced opportunities for collaboration across larger populations and more coordinated approaches to service delivery. However, it will be important that any future arrangements recognise the distinct challenges associated with delivering services across remote, rural and island communities and preserve the ability to respond to local population needs.

Given the scale of the proposed reforms and the limited detail currently available, it is essential that NHS Highland continues to engage actively with the Scottish Government, NHS Scotland partners, local authorities and staff-side organisations. This will help ensure that the interests of Highland's patients, communities and workforce are reflected as policy proposals are developed and that the Board remains sighted on emerging implications for governance, service delivery, workforce planning and financial sustainability.

2.3 Assessment

The PfG sets out the direction of travel for public sector reform and signals significant change that is will be preceded by a period of further engagement and consultation led by Scottish Government. Over the

coming months further details are likely to emerge in relation to the planned consultation period with councils and other stakeholders and with forward plans to progress the reform of NHS boards.

In this context the board may need to prepare to adopt different ways of working to balance existing responsibilities and priorities with emerging developments and priorities related to the PfG.

Initial areas for consideration that have been identified through discussions within the executive team and a board development session on 22nd September include:

- Board Governance
- Board Strategy
- Partnership Working including health and social care integration and staffside
- Staff Health and Wellbeing
- Preparing for change

These are touched on briefly below.

2.3.1 Board Governance

NHS Boards remain accountable under the National Health Service (Scotland) Act 1978 for strategic direction, scrutiny of performance, value for money and effective risk management. PfG communications have been clear that existing board accountabilities will continue until such time as legislative changes are enacted to change the number of boards.

Against this context, NHS Highland will review its governance arrangements to ensure that they remain proportionate, responsive and focused on strategic priorities, significant risks and assurance needs. The review is intended to make the best use of finite Board, Executive and organisational capacity while maintaining effective oversight of statutory responsibilities, service delivery and reform. Any changes to local governance arrangements must maintain clear accountability, appropriate scrutiny and transparent decision-making.

Some initial considerations are outlined below

Committee Frequency & Attendance:

The Finance, Resources and Performance Committee could move to a bi-monthly cycle, supported by clear escalation routes, provision for extraordinary meetings, alignment with strategic risks and periodic review of effectiveness.

Where terms of reference allow, appropriately briefed and authorised deputies may attend governance meetings to maintain representation, continuity and timely decision-making.

Other governance committees already meet bi-monthly, although their workplans may be reviewed as Programme for Government implications develop.

Highland Health and Social Care Committee:

The Highland Health and Social Care Committee should retain its current arrangements to support transparency, public accessibility and continued assurance over integrated health and social care services.

Internal Audit & Assurance Planning:

The 2027/28 Internal Audit Plan will be reviewed through the Audit Committee and Director of Finance to ensure audit activity remains aligned to emerging risks, organisational change and strategic priorities, while maintaining audit independence and sufficient flexibility to respond during the year.

Board Meeting Effectiveness:

Board meetings will be reviewed to focus time on strategic priorities, key risks, performance challenges and items requiring scrutiny or decision.

This may include pausing spotlight sessions and introducing a consent agenda for routine items, while allowing members to request discussion where needed.

Board support is sought for a proportionate approach that streamlines governance where safe to do so, while maintaining effective scrutiny, accountability, transparency and documented decisions.

Changes will be developed with the Executive team and Board Secretary and aligned to the Blueprint for Good Governance, including collaborative governance, continuous improvement and oversight of organisational change.

This recognises the added demands of PfG implementation and aims to focus governance where it adds greatest value, while maintaining oversight of reform, core services, statutory duties and BAU delivery.

2.3.2 Board Strategy

NHS Highland is developing a new 10-year organisational strategy to build on *Together We Care* and provide a clear long-term direction from 2027. The Programme for Government creates a significant new context for this work, particularly through proposed NHS reform, future social care arrangements, local governance dialogue and a stronger emphasis on prevention, community-based care, value and sustainability.

The strategy should therefore take account of the emerging national direction, while avoiding delay to local strategic development. NHS Highland should continue to progress work on population health, value-based care, prevention, workforce sustainability, financial sustainability and service redesign, recognising that these remain central to both local priorities and the direction of national reform.

It will also be important that strategy development maintains momentum with the Highland area and communities. Existing work with Highland Council, Community Planning Partners, staff-side representatives, providers, professional groups and communities should continue to inform the strategy, including through planned engagement on the Highland Outcomes Improvement Plan and wider community planning arrangements. This will help ensure that future strategic choices reflect local need, lived experience, rural and island realities, demographic change and the distinct circumstances of Highland.

The Board should therefore support a strategy development process that is adaptive to the Programme for Government but remains locally grounded. This means testing the emerging strategic framework against national reform proposals, while continuing to develop the plan, performance framework and implementation approach needed to improve outcomes for the people of Highland and Argyll and Bute.

2.3.3 Partnership Working including health and social care integration and staffside

Partnership working will be central to how NHS Highland responds to the Programme for Government. The scale of proposed reform reinforces the need to maintain strong relationships with Highland Council, Argyll and Bute Council, Integration Authorities, Community Planning Partners, staff-side organisations, professional groups, providers, the third sector and communities.

Existing partnership arrangements provide an important platform for this work, including the joint leadership forums between NHS Highland and Highland Council, Area Partnership Forum engagement, staff-side involvement and wider Community Planning activity. These arrangements should continue to be used to support shared understanding, test emerging national proposals and ensure local experience informs future policy development.

In the Highland area, the pause in the Models of Integration Review should not represent a pause in partnership working. NHS Highland should continue to work with Highland Council and Community Planning Partners on the Highland Outcomes Improvement Plan and related engagement, using this as an opportunity to hear directly from communities about local priorities, prevention, access, inequalities and the future shape of health and social care services.

For staff, partnership with trade unions and professional organisations will be critical to maintaining trust during uncertainty. NHS Highland should seek clarity from Scottish Government on national staff engagement arrangements, while continuing local dialogue with staff-side colleagues so that workforce implications, employment issues, health and wellbeing, service continuity and organisational change risks are understood and managed collaboratively.

The Board should therefore support an approach that keeps partnership working active, purposeful and locally grounded. This will help ensure NHS Highland can influence national reform, maintain constructive relationships, protect confidence among staff and communities, and continue to focus on improving outcomes across Highland and Argyll and Bute.

NHS Highland has already held all staff briefings and distributed organisation wide communications as details have emerged on the PfG and will continue to work in partnership with staffside.

2.3.4 Staff Health and Wellbeing

The Programme for Government is likely to create uncertainty for staff and may affect morale, confidence and health and wellbeing. NHS Highland should therefore place staff engagement at the centre of its response, recognising that engagement is not simply communication, but a key part of maintaining trust, motivation, psychological safety and organisational resilience during change.

The MacLeod enablers of staff engagement provide a useful frame for this work. A clear strategic narrative will be required so staff understand the national context, what is known and not yet known, and how local priorities will continue to be progressed. Engaging managers will be critical in supporting teams, creating space for discussion, responding to concerns and helping staff connect wider reform to their day-to-day work.

Employee voice will also be important. Staff should have regular opportunities to ask questions, share concerns, influence local planning and contribute their experience to the development of future

arrangements. This should include continued use of all-staff briefings, local team discussions, staff-side partnership routes and targeted engagement where workforce impacts are likely to be greatest.

Organisational integrity will be essential to morale. Staff will need to see that the Board and Executive team are honest about uncertainty, consistent in their messages, and clear where decisions have not yet been made. Where commitments are given, they should be followed through; where answers are not yet available, that should be acknowledged. This will help reduce speculation, support wellbeing and maintain confidence through the reform period.

The Board should therefore support a visible and sustained engagement approach that protects morale, supports health and wellbeing, enables staff to shape local responses and reinforces NHS Highland's commitment to listening, partnership and compassionate leadership.

2.3.5 Preparing for change

Given the scale, complexity and uncertainty associated with the Programme for Government, NHS Highland will need to remain responsive to emerging developments and any implications arising from future national decisions. At this stage, the detail, scope and timing of potential changes remain unclear; however, it will be important that the organisation is able to respond positively, proactively and at pace as further information becomes available.

Existing governance and management arrangements should continue to be used to identify and assess emerging impacts, dependencies, risks and opportunities, ensuring that any required organisational response is coordinated and proportionate. This will support consideration of implications for Board governance, organisational strategy, health and social care integration, partnership working, workforce planning, finance, service delivery and stakeholder engagement, while maintaining a clear focus on business-as-usual priorities.

Any additional oversight or governance arrangements required in response to future developments should be proportionate, flexible and integrated within existing structures. As proposals become clearer, consideration can be given to how best to coordinate activity, provide assurance, and support timely decision-making through established Executive, Board and committee arrangements.

Maintaining visibility of emerging issues and potential implications will help ensure NHS Highland remains well placed to respond effectively as further Scottish Government detail becomes available. This is likely to be particularly important where proposals have implications for accountability, governance, workforce arrangements, financial planning, service redesign, digital infrastructure or partnership arrangements across the health and social care system.

The Board is therefore invited to note the current position and the continuing uncertainty surrounding the Programme for Government, while recognising the importance of maintaining organisational readiness and the ability to respond quickly and effectively to any future changes or requirements that emerge.

2.4 Proposed level of Assurance

Substantial		Moderate	X
Limited		None	

Comment on the level of assurance

Moderate Assurance is provided on the basis the Programme for Government plans continue to make progress and further advice should be received in due course from Scottish Government.

3 Impact Analysis

3.1 Quality/ Patient Care

There are no immediate direct changes to patient care arising from this report. However, future Programme for Government proposals may affect service planning, governance and delivery models. Any future changes will need to ensure continued focus on safe, effective and person-centred care, particularly for remote, rural and island communities.

3.2 Workforce

The proposals may create uncertainty for staff and have implications for morale, engagement, health and wellbeing, workforce planning and organisational change. Ongoing communication, staff-side partnership and visible engagement will be important to support confidence and ensure workforce implications are understood and managed.

3.3 Financial

There are no immediate financial decisions arising from this report. Future reform may have implications for revenue, capital, efficiency requirements, leadership capacity and the allocation of resources. These will need to be assessed as further Scottish Government detail becomes available.

3.4 Risk Assessment/Management

Key risks relate to uncertainty, governance, capacity, workforce confidence, partnership alignment, financial sustainability and continuity of service delivery. These should be managed through existing risk, assurance and governance routes, with escalation to the Board or relevant committees where required.

3.5 Data Protection

N/A

3.6 Equality and Diversity, including health inequalities

There are no immediate equality or health inequalities impacts arising directly from this report. However, future Programme for Government proposals may have implications for access, experience and outcomes for people with protected characteristics and for communities affected by socio-economic disadvantage, rurality, remoteness or island geography.

Any future changes to governance, service planning, partnership arrangements or delivery models will need to be assessed in line with the Public Sector Equality Duty, Fairer Scotland Duty and NHS Highland's Equalities Outcomes. Equality and health inequalities considerations should be built into engagement, impact assessment and decision-making as proposals develop.

3.7 Other impacts

N/A

3.8 Communication, involvement, engagement and consultation

All staff briefings have taken place and a session with staffside took place on 25th September to share the information in this paper and the pausing of the model of integration review

3.9 Route to the Meeting

N/A

4.1 List of appendices

None.