HIGHLAND NHS BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk
MINUTE of the FINANCE, RESOURCES AND PERFORMANCE COMMITTEE TEAMs	**7 August 2026 at 9.30am**

Present	Alexander Anderson, Chair Graham Bell, Non-Executive Director Louise Bussell, Board Nurse Director Sarah Compton-Bishop, NHS Board Chair Garret Corner, Non-Executive Director Richard MacDonald, Director of Estates, Facilities and Capital Planning Gerry O'Brien, Non-Executive Director David Park, Deputy Chief Executive Jennifer Davies, Director of Public Health and Policy Brian Steven, Non-Executive Director Katherine Sutton, Chief Officer Acute Services Arlene Johnstone, Chief Officer Highland Health and Social Care Partnership (HHSCP) Boyd Peters, Medical Director Neil Wright, Non-Executive Director
In Attendance	Ambreen Khan, Deputy Director of Finance (NHS Dumfries and Galloway) Andrew King, Governance and Corporate Records Manager Bryan McKellar, Whole System Transformation Manager Brian Mitchell, Corporate Administrator Elaine Ward, Deputy Director of Finance Kate Cochrane, Head of Resilience Katy Styles, Associate Director of Planning, Strategy and Performance Nathan Ware, Deputy Head of Corporate Governance

1 STANDING ITEMS

1.1 Welcome and Apologies

Apologies were received from S Walsh, H Cooper, and F Davies.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minute of Meeting held on 10 July 2026, Associated Rolling Action Plan and Committee Work Plan 2026/27

The draft Minutes of the Meeting held on 10 July 2026 were **approved.**

The Committee further **noted** the Rolling Action Plan and associated Committee Work Plan.

2 MATTERS ARISING

There were no matters arising raised.

3 FINANCE

3.1 NHS Highland Financial Position (Month 3) Including Cost Improvement Update

The Deputy Director of Finance spoke to the circulated report detailing the NHS Highland financial position as at end of Month 3 and advised that the Year-to-Date (YTD) revenue overspend was £21.413m, which was forecasted to increase to £62.940m by 31 March 2027. This represented an improvement of £4m against the plan submitted to the Scottish Government. With Deficit Support Funding of £40m this would bring the forecast down to £22.940m.

Further updates were provided on the Health and Social Care Partnership; Acute Services; Argyll and Bute; supplementary staffing expenditure; key financial risks and opportunities; and value and efficiency savings. The report proposed the Committee take **limited assurance**.

During discussion, the following points were raised:

- Savings delivery and recovery planning. Members expressed concern that the savings delivery was behind profile and highlighted the remaining gap to achieve the £38m target. It was advised that several schemes and PIDs were still being developed and would be reflected in future reporting.
- Financial forecasting and reporting. Members sought clarification on the forecast position and requested greater insight into financial drivers, risks, and year-on-year comparisons. The Deputy Director of Finance advised that the Quarter 1 position remained aligned to plan and confirmed that future reports would include enhanced analysis and a revised forecast at Quarter 2.
- Financial escalation risk. Members requested information on NHS Scotland financial escalation thresholds and the organisation's proximity to Level 4 measures. The Deputy Director of Finance agreed that this could be included in future reporting.
- Budget accountability. Members questioned how budget holders were being held to account for financial performance. The Deputy Chief Executive advised that robust scrutiny arrangements were in place but noted the complexity of budget accountability within an organisation operating in a deficit position.
- Pay expenditure. The Deputy Chief Executive queried the nursing and midwifery pay overspend. The Deputy Director of Finance advised that this reflected recruitment to permanent posts and supplementary staffing costs, although further pay award allocations were expected to improve the position.
- Future reporting requirements. Members requested that the Value and Efficiency Tracker be reinstated from Month 4 and that future reports include both approved savings schemes and developing proposals to provide greater visibility of potential savings opportunities.

After discussion, the Committee **examined** and **considered** the content of the report and agreed to take **limited** assurance.

3.2 Subnational Planning Financial Update

A Khan, Deputy Director of Finance (NHS Dumfries and Galloway) spoke to the Strategic Finance Framework and advised that it had been developed to define the role of finance in supporting delivery of national priorities, operational objectives and the First Minister's commitments. The framework set out five strategic ambitions focused on improving service sustainability, supporting whole system working, optimising workforce capacity, maximising value for money, and reducing preventable demand. These ambitions were underpinned by strategic financial levers linked to capacity, throughput, productivity, value and demand. Alongside enabling capabilities including operational intelligence, digital systems, organisational effectiveness, procurement, estates and capital planning.

Members heard that the framework positioned finance as a key enabler of service transformation through data, analysis and strategic insight. A draft Strategic Finance Collaboration Charter was also presented, promoting greater collaboration across NHS Boards while maintaining local accountability. The framework supported data-led decision making, strengthened sub-national working and aimed to improve use of resources in delivering national priorities.

During discussion, the following points were raised:

- Governance and oversight arrangements. Members sought clarity on the governance structure, accountability and oversight of the sub-national planning programme. A Khan advised that oversight was provided through a series of strategic and executive groups, although arrangements remained under development. Members highlighted the absence of territorial Boards within the framework and questioned where responsibility for decision-making ultimately sat.
- Programme timelines and deliverables. Members noted that no programme timelines had been presented. A Khan advised that the current focus was on agreeing priorities and deliverables, with most benefits expected to support planning and financial improvement beyond 2026/27.
- Collaborative working and system integration. Members highlighted consultant job planning and the role of Integration Joint Boards as areas requiring further consideration. A Khan advised that sub-national working could support collaboration, reduce duplication and enable Boards to share learning, resources, expertise, and analytical tools. Further work was required to understand the current landscape and identify opportunities for improved whole-system working across health and social care.
- Governance capacity and scrutiny. Members raised concerns regarding the growth of governance structures and the impact on Executive capacity, emphasising the need to reduce duplication and deliver tangible benefits. Members also questioned the absence of Non-Executive representation and sought assurance regarding independent challenge and scrutiny. A Khan welcomed the feedback and agreed that Non-Executive perspectives should be considered as arrangements evolved.
- Impact on rural and remote populations. Members highlighted the importance of considering travel and access implications when developing future service models and collaborative arrangements across Scotland's rural and remote communities.

After discussion, the Committee **noted** the update.

4 PLANNED CARE UPDATE

The Whole System Transformation Manager spoke to the circulated report and advised that £8.3m of planned care additional funding had been received to support the reduction of long waits across a range of outpatient and Treatment Time Guarantee (TTG) specialties. As of 26 July 2026, there had been 1,534 new outpatient waits and 362 TTG waits that had exceeded 52 weeks. Whilst both measures had increased since March, performance had remained better than forecasted and confidence had been expressed that additional activity would support recovery towards the March 2027 target.

Further updates were provided on weekly performance monitoring arrangements; management of the longest waiting patients; challenges within visiting specialties including vascular surgery, neurosurgery and plastic surgery; regional benchmarking across Scotland West health boards; mutual aid arrangements; and the governance and assurance framework supporting delivery of the planned care programme. The report provided **moderate** assurance that robust monitoring and recovery arrangements were in place to support the elimination of waits over 52 weeks where planned capacity had been secured.

The Deputy Chief Executive added that NHS Highland remained in a strong position nationally despite challenges within a small number of visiting specialties which required help from partner boards. There had been increased scrutiny of week-by-week performance resulting in increased oversight during a period where some waits had been expected to rise before reducing in line with agreed plans. Robust oversight arrangements remained in place through weekly monitoring and assurance processes.

During discussion, the following points were raised:

- Waiting list recovery and performance. Members sought assurance on the management of long waiting patients and delivery of waiting time targets. The Chief Officer Acute Services advised that all patients

waiting over 104 weeks had been booked and those waiting over 78 weeks were expected to be cleared by the end of September. Detailed waiting list analysis, application of the Access Policy and additional theatre capacity continued to support recovery of the over 52-week cohort.

- Clinical prioritisation. Members discussed the balance between reducing long waits and maintaining clinical priorities, while seeking assurance on consistent decision making. The Medical Director advised that clinical need remained the primary determinant of treatment priority, and national work was underway to improve consistency of prioritisation processes.
- Capacity and governance. Members highlighted the importance of maximising existing capacity through effective job planning, full utilisation of clinics and reducing missed appointments. The Chief Officer Acute Services advised that waiting lists, booking processes and additional funded activity were routinely scrutinised to ensure resources remained focused on reducing long waits.
- Regional planning and collaboration. Members sought assurance that support for national and regional initiatives would not impact local priorities and requested clarification on Argyll and Bute arrangements. The Chief Officer Acute Services advised that NHS Highland continued to support collaborative planning arrangements, including oversight of Argyll and Bute activity, while protecting local service delivery.
- Sustainability of planned care recovery activity. Members queried the long-term sustainability of planned care recovery activity and the potential impact on staff wellbeing. The Chief Officer Acute advised that much of the additional activity was delivered through external providers. She noted that any additional internal activity was undertaken voluntarily and remained subject to Working Time Directive compliance, although concerns remained regarding longer-term workforce pressures.

After discussion, the Committee **noted** the report content and took **moderate** assurance on the plans for delivery of New Outpatient and Treatment Time Guarantee activity required to meet the planning assumption of eliminating >52 week waits by March 2027.

5. CAPITAL ASSET MANAGEMENT GROUP UPDATE

The Director of Estates, Facilities and Capital Planning spoke to the circulated report and advised that £7.294m of formula capital funding had been allocated across PFI commitments, balance sheet costs and Estates, eHealth and EPAG programmes. Around £0.5m of expenditure had been incurred to date and a further £7m of project-specific funding had been secured through the Business Investment Plan to support both continuing and new projects.

He advised expenditure was lower than expected at this stage because significant spending had been brought forward into the previous year. Monthly monitoring remained in place, and some project costs had increased in line with national trends. Moderate assurance was provided and confidence was expressed that the programme would be delivered on schedule. Additional environmental and sustainability funding was also highlighted and would be reported separately through the Environmental and Sustainability update.

Members sought assurance on the progress made by the Raigmore fire compliance programme.. The Director of Estates, Facilities and Capital Planning advised that the fire compliance work remained a long-term priority with a further five years of work planned, supported by dedicated funding and close engagement with the Fire Service.

After discussion, the Committee **noted** the position in relation to the allocation and delivery of the Capital Formula Spend delivered through NHS Highland's Capital Asset Management Group and took **moderate** assurance.

6. RESILIENCE UPDATE

The Deputy Chief Executive introduced the resilience report and advised that resilience remained a significant area of activity for NHS Highland, with a high volume of incidents requiring coordinated responses across the Board and partner agencies.

The Head of Resilience spoke to the circulated update on the Resilience Development Programme and advised that a three-year programme of work had been established to strengthen organisational resilience and support implementation of the NHS Highland Major Incident Response Framework. Members heard that a baseline assessment against NHS Scotland resilience standards was underway to establish the Board's

current position and identify priority areas for development, while work was progressing to simplify site response plans through a standardised framework and improved access to key documentation.

She also advised that delivery would be supported through Sector Resilience Groups covering acute services, Health and Social Care Partnerships, corporate services and digital resilience, providing oversight and assurance across the organisation. Strong engagement was also being maintained through local and regional resilience partnerships, with progress monitored through established workstreams and delivered within existing resources through continued collaboration across NHS Highland.

During discussion, the following points were raised:

- Recognition of resilience arrangements. Members highlighted recent wildfire incidents as demonstrating the importance of effective preparedness and response arrangements.
- Capacity, capability and assurance. Members sought clarification on how resilience would be measured. The Head of Resilience advised that workshops based on reasonable worst-case scenarios would be used to assess organisational capacity, capability and training needs, with assurance focused on confidence in NHS Highland's ability to respond effectively to incidents.
- Training and preparedness. Members heard that training would be delivered across Gold, Silver and Bronze command levels, with additional executive development planned to strengthen preparedness and understanding of major incident responsibilities, including public inquiry considerations.
- Resilience expertise and partnership working. The Deputy Chief Executive highlighted NHS Highland's strong resilience expertise and contribution to regional, national and UK resilience policy. He emphasised the importance of established relationships with partner organisations in supporting effective multi-agency responses.

After discussion, the Committee:

- **Noted** the proposed NHSH Resilience Development Programme 2026 to 2029 as the structured route for implementing the Major Incident Response Framework across NHS Highland.
- **Took** assurance that a whole-system programme approach and governance route had been established, noting that assurance about delivery and operational capability would develop.
- **Noted** the principal delivery dependencies and **agreed** that progress, risks and developing assurance would be monitored via the Board Resilience Group, with further updates provided to the Committee at appropriate programme milestones.

7. 2026/2027 MEETING SCHEDULE

The Committee **noted** the dates provided as follows:

2026:

11 September 2026
2 October 2026
13 November 2026
4 December 2026

2027:

8 January 2027
5 February 2027
12 March 2027

8. DATE OF NEXT MEETING

The next meeting of this Committee was to be held on Friday 11 September 2026 at 9.30am.

The meeting closed at 11.28 am