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 PEFORMANCE COMMITTEE TEAMs	**8 May 2026 at 9.30am**

Present
Alexander Anderson, Chair
Graham Bell, Non-Executive Director
Louise Bussell, Board Nurse Director
Heledd Cooper, Director of Finance
Garret Corner, Non-Executive Director
Fiona Davies, Chief Executive
Jennifer Davies, Director of Public Health and Policy
Gerry O'Brien, Non-Executive Director
Steve Walsh, Non-Executive Director
Richard MacDonald, Director of Estates, Facilities and Capital Planning

In Attendance
Arlene Johnstone, Chief Officer for Highland HSCP
Bryan McKellar, Whole System Transformation Manager
Dominic Watson, Head of Corporate Governance
Neil Wright, Non-Executive Director
Neil Stewart, Assistant Director of Finance
Katy Styles, Associate Director of Planning and Performance
Gil Paget, Project Manager, Strategy and Transformation
Susan Clifton, Accountant

1 STANDING ITEMS

1.1 Welcome and Apologies

1.1.1 Apologies were received from Sarah Compton-Bishop, Iain Ross, Evan Beswick and David Park.

1.2 Declarations of Interest

1.2.1 There were no formal Declarations of Interest.

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

1.3.1 The draft Minutes of the Meeting held on 10 April 2026 were **Approved.**

Decision: The Committee approved the Minutes and further Noted the Rolling Action Plan and associated Committee Work Plan.

2 MATTERS ARISING

2.1 There were no matters arising raised.

3 Highland Improvement Value and Efficiency (HIVE) Team Proposals

3.1 The Committee received a detailed presentation from the Assistant Director of Finance outlining proposals to establish the Highland Improvement, Value and Efficiency (HIVE) Team. The strategic context was set out, including the requirement to deliver sustainable savings, efficiencies and productivity improvements, and the need to move beyond previous approaches which had not delivered consistent or enduring impact.

3.2 The proposed vision and operating model were presented, emphasising a service-led, collaborative and evidence-based approach focused on working alongside services to identify, develop and deliver practical and sustainable improvements. It was highlighted that this represents a deliberate shift away from traditional programme management approaches, with the HIVE team focused on delivery and providing end-to-end support from idea generation through to implementation and realisation of benefits.

3.3 The Committee noted the core principles underpinning the model, including engagement with frontline teams, use of data and analytical insight to identify opportunities, and the development of multiple pipelines of improvement ideas originating from services, data analysis and programme activity. The importance of reducing reliance on a small number of senior leaders and building wider organisational capability for improvement was emphasised.

3.4 Details of the proposed team structure, funding model and implementation approach were provided, including the use of a combination of recurring and non-recurring funding. The need to ensure clarity of roles and alignment with existing finance and service transformation functions was highlighted, alongside the importance of establishing a clear identity for the team and ensuring long-term sustainability beyond the period of Scottish Government support.

3.5 In discussion, Members were supportive of the approach and recognised the importance of delivering both financial value and wider service improvement. The Committee emphasised the need to ensure the approach supports and empowers services and does not create additional burden and noted the importance of proportionate leadership arrangements to avoid over-reliance on a small number of senior staff.

After detailed discussion, the Committee **Endorsed** the recommendations and noted the governance arrangements, including alignment with existing financial governance processes.

Action: The Committee noted that the approach to evidencing financial benefits and wider service impact will be developed as part of the HIVE team's operating model and reporting arrangements. This will be taken forward through the HIVE governance structure and does not require separate monitoring as a specific action through FRP.

4 FINANCE

4.1 NHS Highland Financial Position (Year End) Including Cost Improvement Update

4.1.1 The Committee considered the draft Month 12 financial position prior to submission to Scottish Government, noting the following highlights:

- A net deficit position of just under £40m, offset by deficit support funding
- Delivery of a marginal underspend following support funding
- Progress on value and efficiency delivery
- Position of Health and Social Care Partnership, Acute Services and Support Services
- Full utilisation of capital allocation

4.1.2 Following a full discussion Members noted the accuracy of year-end financial forecasting and the management of both supplementary staffing cost pressures and capital delivery assurances in relation to year end spend.

After discussion, the Committee **Examined** and **Considered** the content of the report and **Agreed** to take **Limited** assurance.

4.2 Agency and Staffing Spend Analysis

4.2.1 Members noted the analysis of pay, vacancies, agency and locum expenditure including the following highlights:

- There continued to be significant reliance on use of supplementary staffing with acknowledgement that some of this would be due to emergency cover for sickness absence etc
- Existing workforce models had highlighted structural affordability issues
- Safe staffing level requirements must be adhered to and may require support from supplementary staffing at times
- The ongoing impact of long term vacancies, and vacancy factoring in service design and transformation

4.2.2 Members discussed these in detail and how this linked into workforce and service design and financial sustainability of services. Members also discussed the affordability of current staffing establishment and the opportunities to reduce reliance on premium agency and locum expenditure and future plans to mitigate this.

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

5 Capital Asset Management

5.1 Members reviewed the report in full noting the following:

- During the period 2025-26 there had been full utilisation of the capital allocation
- There had been progress on a number of major projects
- There was ongoing engagement with Scottish Government on future allocations.

After discussion, the Committee otherwise **Noted** the report content and agreed to take **Moderate Assurance** over capital governance and delivery.

6 Lochaber Service Redesign Project Update

6.1 Members reviewed the outline business case presented for the Lochaber Service Redesign project and discussed the following areas in detail;

- Preferred option agreed as Option 4
- The updated capital costs estimates provided
- Implications for revenue and requirement for additional funding identified
- Links with workforce planning, service outcomes and sustainability of service
- Risk management approach and how this aligned to the wider NHS Highland strategic objectives.

After discussion Members approved the outline business case for onward submission to the NHS Highland Board for final approval following minor amendments discussed and took **Moderate Assurance** from the proposals.

Action: To remove reference to the Health and Social Care Committee from the Board paper prior to submission – Lochaber Programme Team

7 Operational Improvement Plan 2025-26 Final Report

7.1 Members reviewed the final year end report of the Operational Improvement Plan 2025-26 and noted the following;

- 9 of 20 deliverables had been completed.
- 2 deliverables were scheduled to conclude in June 2026
- All remaining deliverables would continue into the 2026-27 plan.

After discussion, the Committee otherwise **Noted** the report content and agreed to take **Substantial Assurance** on delivery of the plan.

8 Integrated Performance and Quality Report

8.1 Members reviewed the Integrated Performance and Quality Report (IPQR) in full noting the following:

- Improving and sustained performance in relation to Child and Adolescent Mental Health Service (CAMHS) during the period
- Overall improvement, but with remaining challenges in Planned Care and diagnostics services
- Continuing pressures around the Unscheduled Care services
- Significant variation in performance within Cancer Pathways, particularly Breast Cancer

8.2 Members expressed a need to more fully understand the volatility within the cancer performance data and the potential impact on patient experience and staff wellbeing.

After discussion the Committee took **Moderate Assurance** from the IPQR.

Action: To bring a focused paper on cancer performance (including patient experience and specific pathway analysis) to a future meeting, ensuring clinical leadership input – Deputy Chief Executive/ Chief Officer - Acute

9 NHS Highland Risk Register

9.1 Members reviewed and noted the Board Risk Register noting the mitigations and progress to date.

After discussion, the Committee s **Noted** the report content and agreed to take **Substantial Assurance** that Level 1 risks were being actively managed with appropriate mitigations in place.

10 Any Other Business

10.1 There was no other competent business raised.

11 2026/2027 Meeting Schedule

11.1 The committee **Noted** the dates provided as follows:

2026:

5 June 2026
10 July 2026
7 August 2026
11 September 2026
2 October 2026
13 November 2026
4 December 2026

2027:

8 January 2027
5 February 2027
12 March 2027

12 DATE OF NEXT MEETING

The next meeting of this Committee was to be held on Friday 5 June at 9.30am

The meeting closed at 10.50am.