

<p><b>NHS HIGHLAND BOARD</b></p>	<p>Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 <a href="http://www.nhshighland.scot.nhs.uk/">www.nhshighland.scot.nhs.uk/</a></p>  <p><b>NHS</b> Highland na Gàidhealtachd</p>
<p><b>DRAFT MINUTE of BOARD MEETING</b> Virtual Meeting Format (Microsoft Teams)</p>	<p><b>28 May 2024 – 9.30am</b></p>

**Present**

Sarah Compton-Bishop, Board Chair  
Dr Tim Allison, Director of Public Health and Policy  
Alex Anderson, Non-Executive  
Graham Bell, Non-Executive (Until 11.15am, returned 1.23pm)  
Louise Bussell, Nurse Director  
Ann Clark, Board Vice Chair  
Muriel Cockburn, The Highland Council Stakeholder member  
Heledd Cooper, Director of Finance  
Garrett Corner, Argyll & Bute Council Stakeholder member  
Alasdair Christie, Non-Executive  
Fiona Davies, Chief Executive  
Albert Donald, Non-Executive, Whistleblowing Champion  
Karen Leach, Non-Executive  
Joanne McCoy, Non-Executive  
Gerry O'Brien, Non-Executive  
Dr Boyd Peters, Medical Director  
Susan Ringwood, Non-Executive  
Gaener Rodger, Non-Executive  
Catriona Sinclair, Non-Executive  
Steve Walsh, Non-Executive

**In Attendance**

Gareth Adkins, Director of People & Culture  
Evan Beswick, Interim Chief Officer, Argyll & Bute Health & Social Care Partnership (From 10.10am)  
Lorraine Cowie, Head of Strategy & Transformation  
Pamela Cremin, Chief Officer, Highland Health & Social Care Partnership  
Ruth Daly, Board Secretary  
Ruth Fry, Head of Communications and Engagement  
Richard MacDonald, Director of Estates, Facilities and Capital Planning  
David Park, Deputy Chief Executive  
Cathy Steer, Head of Health Improvement (From 12.30pm)  
Katherine Sutton, Chief Officer, Acute  
Nathan Ware, Governance & Corporate Records Manager

**1.1 Welcome and Apologies for absence**

The Chair welcomed attendees to the meeting, especially members of the public and press.

The Chair welcomed Fiona Davies to her first public Board meeting as Chief Executive for NHS Highland. Fiona had held several senior roles in both Argyll and Bute and the Highland partnership areas of the Board and was a strong champion of partnership working and delivering safe and effective care in our remote, rural and island areas.

Apologies for absence were received from Emily Woolard, Elspeth Caithness and Philip MacRae.

**1.2 Declarations of Interest**

Alasdair Christie stated he had considered making a declaration of interest in his capacity as General Manager of Inverness, Badenoch and Strathspey Citizens Advice Bureau and as a Highland Council Councillor, but felt this was not necessary after completing the Objective Test.

Steve Walsh stated he had considered making a declaration of interest in his capacity as Chief Executive of Highlife Highland, but felt this was not necessary after completing the Objective Test.

### **1.3 Minutes of Previous Meetings and Action Plan**

The Board **approved** the minutes as an accurate record of the meeting held on 26 March 2024.

The Board **approved** the updates to the Action Plan subject to the dates allocated to Action 17 – Update to the Executive Summary in the IPQR to reflect all health, care and prevention outcomes; and Action 19 – Update confirming when pre/post mitigation figures would be incorporated into the Corporate Risk Register being revised to 30 July 2024.

### **1.4 Matters Arising**

There were no matters arising.

## **2 Chief Executive's Report – Verbal Update of Emerging Issues**

The Chief Executive expressed gratitude for the warm welcome she had received since becoming Chief Executive and highlighted that she had recently engaged with community groups, staff across the organisation, and partnership organisations.

The update covered the following topics:

- Finance
- Redesign and resilience.
- Staffing
- The International Day of the Midwife and International Nurses Day

In addition to these topics, the Chief Executive provided the following updates:

- The Chief Executive provided an apology following an incident at Portree Hospital that had received considerable press and public attention due to a delay in providing equipment to support emergency services. A plan had been submitted to Scottish Government providing the Board's commitment to complete Sir Lewis Ritchie's recommendations of 2018 on the provision of urgent unscheduled care for the north of Skye. Engagement with staff, local stakeholders and elected representatives would continue to ensure that actions were completed and to seek support in addressing the root causes of remote and rural healthcare delivery challenges.
- Following the recent publication of the Infected Blood Inquiry, the Board extended their thoughts to those affected and their families. There was commitment that the organisation would work with the implementation group to make any outstanding improvements. She noted communication with patients would be improved and highlighted the significant advancements in screening and testing protocols since the events detailed in the Inquiry had occurred.
- The Board had received the International Recruitment Pastoral Care Quality Award, in recognition of the high standard of care which is offered to overseas staff coming to work in the NHS Highland area.

Board Members highlighted their support for the Chief Executive's approach in recognition of changes required to deliver the best care for NHS Highland communities despite the current challenges experienced.

The Board **noted** the update.

## **3 Governance and other Committee Assurance Reports**

### **a) Clinical Governance Committee of 2 May 2024**

The Chair for Clinical Governance Committee drew attention to the ongoing situation around waiting time pressures in the Neurodevelopmental Assessment Service (NDAS) and confirmed collaborative discussions were taking place between The Highland Council and NHS Highland to identify appropriate solutions. He also referred to the ongoing building condition challenges faced in Maternity Services areas, confirming regular progress updates were planned for committee.

Board Members sought clarity around the representation of patient related outcomes for members of the Argyll and Bute community in the Clinical Governance Committee. The Chair confirmed the governance structure in Argyll and Bute allowed the IJB to create its own sub-committees which have responsibility over patient related outcomes in the partnership area rather than the Board's Clinical Governance Committee.

The Chief Executive added the experience of patients from Argyll and Bute treated in Glasgow was not evident through NHS Highland's existing governance mechanisms. Work was underway to enable NHS Highland to have an appropriate level of scrutiny and oversight of these patients' experiences.

#### **b) Finance, Resources and Performance Committee 12 April and 3 May 2024**

The Chair for Finance, Resources and Performance (FRP) Committee drew attention to the current financial position which had improved slightly compared to previous projections. He also referred to the Scottish Government instructions to the Board to pause in capital spend and how that would affect projects in Caithness and Lochaber which the committee would continue to monitor.

The Chair of the Board added it was important to recognise the additional work FRP Committee had undertaken as they continued to meet monthly to complement the support received from Scottish Government during a challenging financial period.

#### **c) Staff Governance Committee of 7 May 2024**

The Chair of Staff Governance Committee drew attention to the progress made to the Staff Engagement Plans, Speak Up action plan and the draft Wellbeing Strategy. She confirmed that the Chief Executive spoke to a report around the importance of NHS Highland's Health and Wellbeing Strategy which she endorsed.

She also commented on the time-to-fill vacancy performance which had deteriorated, and that work was underway to improve the recruitment processes appropriately. The Director of People and Culture suggested additional change to the current model of recruitment may be required. She added that the existing Guardian Service contract was due to come to an end in July 2024 and confirmed discussions were underway to consider the approach moving forward. She acknowledged an in-house service was one of those considerations and assured Board Members that any firm proposal would follow the appropriate governance routes first.

#### **d) Highland Health and Social Care Committee of 8 May 2024**

The Chair of Highland Health and Social Care Committee (HHSCC) drew attention to the Committee's discussion of the financial position. He referred to the report on Self Directed Support which assisted in articulating the changes required across Social Care to enable the transformation necessary to support communities. The Care Home collaborative update confirmed the pressures being faced and the risks associated around funding this work from non-recurrent funds.

The Chair of HHSCC confirmed that a separate discussion would take place to refine the Committee's assurance needs within the Integrated Performance and Quality Report. He referred to the upcoming winter vaccination programme and the previously raised delivery challenges in Skye. He also noted it was the last meeting for two of our independent members and recruitment of their replacements was underway.

#### **e) Audit Committee of 21 May 2024**

The Chair of Audit Committee confirmed that nine audits had taken place with two being deferred to the 2024/25 schedule. There were two further audits outstanding; Complex Care Packages and Adult Social Care Services, she advised an extra meeting had been agreed for 18 June 2024 where these would be reviewed.

She also confirmed that 32 outstanding management actions had been agreed as complete with 25 internal audits on track to meet the proposed completion dates.

#### **f) Argyll & Bute IJB 27 March 2024**

The Vice Chair of the Argyll and Bute Integration Joint Board drew attention to the recent change in political leadership within Argyll and Bute Council and confirmed that Board Members were due to meet with the newly elected councillors. He also advised that discussions took place about how to address the ongoing workforce challenges experienced in remote and rural areas.

The Board:

- **Confirmed** adequate assurance has been provided from Board governance committees, and
- **Noted** the Minutes and agreed actions from the Argyll and Bute Integration Joint Board.

#### **4 Integrated Performance and Quality Report (IPQR)**

The Board received a report from the Deputy Chief Executive which detailed current Board performance and quality across the health and social care system. Moving forward the Argyll & Bute Integrated Performance Management Framework intelligence will be included for Board information only. The Board was asked to take limited assurance due to the continued and sustained pressures facing both NHS and commissioned care services, and to consider the level of performance across the system.

The Deputy Chief Executive spoke to the circulated report and highlighted the following:

- NHS Highland COVID Vaccination uptake remained above the National average, although he acknowledged uptake remained low overall.
- The improvements made in the Drug & Alcohol Service waiting times had been maintained with evidence of continual improvement taking place.
- There had been sustained improvements in Psychological Therapies and NHS Highland was approaching the level of improvement required to consider requesting de-escalation from Scottish Government in this area.
- Child and Adolescent Mental Health Services (CAMHS) had seen a reduction in the overall waiting list, however the performance against the 18-week target remained static.
- The 31-day Cancer performance had improved for two consecutive months and 62-day performance had improved to 79.3%.

During discussion the following points were raised:

- Board Members sought clarity on smoking cessation targets and how NHS Highland's performance contributed to the national cessation rates. The Director of Public Health confirmed there was a time lag in the data received and it focused on the process rather than outcome measures such as percentage of people smoking in the population.
- Board Members also referred to the concerns highlighted in CAMHS performance around staff recruitment challenges and what plans had been implemented to mitigate these pressures. The Chief Officer for Acute confirmed this was due to a reduction in investment from Scottish Government but work was underway to address this.
- Board Members raised concerns around staff appraisals as completion rates remained low at 25% and were concerned that clinical staff were not completing their mandatory training; The Director of People and Culture advised how appraisal completion performance was impacted by the reporting mechanisms in place. The focus of the improvement activity would be completion of managers' appraisals as a first step. Further improvements over the next 12 months would be expected to follow in terms of wider colleague appraisals and statutory and mandatory training compliance. He also clarified that professional revalidation and clinical appraisals were separate to the TURAS appraisal process.
- Board Members sought clarity around the 50% performance reduction in delayed discharges over the reporting period; The Chief Officer for Highland Health and Social Care Partnership (HHSCP) confirmed the recent reduction in Care Home capacity in the independent care sector had impacted delayed discharge performance which wasn't reflected in the IPQR data and assured Board Members that a renewed 'whole' system approach was being taken to drive improvements.

- Board Members suggested it may be helpful to include reference to NHS Greater Glasgow and Clyde (NHSGGC) data for benchmarking purposes as up to 40% of Argyll and Bute residents may receive treatment in that Board area. The Deputy Chief Executive advised that the inclusion of NHSGGC would be considered but emphasised it would be difficult to identify Argyll and Bute residents specifically from that data.
- The Chair sought clarity around the options appraisal element of the NHS Highland vaccine delivery programme and asked if there were timescales involved to ensure vaccinations were delivered across the remote and rural landscape efficiently. The Director of Public Health confirmed that work continued within the HHSCP area to identify the best way forward to address the challenges with timely vaccination delivery which Scottish Government and Public Health Scotland were supporting NHS Highland with. The Chief Officer for HHSCP added that several models were under consideration including delivery through GP Practices with the formal start of the options appraisals process planned to begin on 31 June 2024.
- Board Members asked what factors had contributed to an increase in inpatient falls. The Nurse Director responded by advising there were no obvious indicators however she noted that anecdotal evidence suggested there were complexities around some of the reported cases alongside delays in transferring patients to a more suitable care setting.
- The Chair raised concerns around the downward trend in emergency department (ED) and outpatient performance and sought clarity on what the impacts were and what mitigation was in place to improve performance. The Chief Officer for Acute confirmed that staffing capacity within ED remained a significant challenge but they were working with the Scottish Ambulance Service and the Health and Social Care Partnerships to ensure patients were in the right care setting as quickly as possible. She added that staffing capacity and funding concerns were impacting outpatient performance and work was underway to submit bids for funding to Scottish Government which would enable additional activity to improve performance.

The Chair extended thanks to the staff who had contributed to the sustained improvements in Psychological Therapies given the challenging nature of this work and the ongoing pressures faced.

The Board:

- Took **limited assurance** from the report.
- **Noted** the continued and sustained pressures facing both NHS and Commissioned Care Services.
- **Considered** the level of performance across the system.

**The Board took a short break at 11.07am and the meeting resumed at 11.22am**

## **5 Finance Assurance Report – Month 12 Draft Position**

The Board received a report from the Director of Finance which detailed the financial position as at Month 12, 2023/2024. The Board were invited to take moderate assurance as the final accounts position was still subject to audit, examine the draft Month 12 financial position for 2023/2024 and consider the implications of the matter.

The Director of Finance advised an initial budget gap at the start of the 2023-24 financial year was £98.172 million, with a £29.5 million savings target leaving a residual gap of £68.672 million. The report highlighted additional allocations received throughout the year which enabled a slight reduction in the initial budget gap. The draft (unaudited) closing position for NHS Highland is £29.235 million deficit and she noted that Finance, Resources and Performance Committee had agreed to request brokerage of £29.500 million from Scottish Government to offset this. This funding had now been confirmed resulting in an underspend of £0.265 million for the financial year end. This position was still subject to audit review.

It was noted that the Highland Health and Social Care Partnership and Acute Services had reported overspends, and Argyll & Bute IJB had delivered a break-even position. A balanced position was delivered for Adult Social Care within Highland Health and Social Care Partnership following receipt of additional allocations and the use of reserves held by The Highland Council.

From the initial savings target of £29.500 million cost improvements of £13.572 million had been delivered, £8.113 million of which was recurrent, that had contributed to the year-end position.

There had been an additional £1.319 million spend applied to the Capital Plan for the year, due to additional costs and capital pause. The additional spend was supported by Scottish Government, therefore had no impact on the Board's budget position.

The Director of Finance highlighted that while previous years had seen similar allocations, and effort was ongoing to secure additional funding, no assumptions could be made at this stage that the same allocations, funding or financial flexibility would continue throughout the current financial year.

The Board:

- Took **moderate assurance** from the report.
- **Examined** the draft Month 12 financial position for 2023/2024 and **considered** the implications of the matter.

## 6 NHS Highland Financial Plan 2024/25

The Board received a report from the Director of Finance which detailed the three-year financial plan 2024/25 to 2026/27. The plan was subject to continued engagement with Scottish Government (SG) on the further actions required to close the financial gap to within the brokerage limit set. The Board were invited to acknowledge the challenge of delivering a three percent recurrent savings plan and delivering a balanced Adult Social Care budget. The Board were also asked to take limited assurance and agree the proposed budget with a £22.2m gap from the brokerage cap and commitment to reduce the gap throughout the year.

The Director of Finance noted the Finance Plan would usually have been presented in conjunction with an agreed Annual Delivery Plan (ADP). NHS Highland's ADP had not yet been agreed by Scottish Government and could therefore not yet be received by the Board at a public meeting. She confirmed that since submission of the Finance plan to Scottish Government there had been some amendments as noted in table six of the report.

During discussion the following points were raised:

- Board Members sought clarity around opportunities for co-location in buildings, they had also asked whether there were any known issues relating to Reinforced Autoclaved Aerated Concrete (RAAC) across the estate. The Director of Finance advised that opportunities for co-location were included in the strategic assessment discussions which involved a data collection exercise to identify areas where this could be viable. She confirmed several buildings with RAAC had been identified through Scottish Government's inspections scheme but had been designated low risk and would be monitored in the ongoing management plan. The Director of Facilities, Estates and Capital Planning added Private Finance Initiative (PFI) providers were carrying out further surveys at New Craigs to determine any risk implications and noted that any cost liability was not carried by NHS Highland.
- The Chair acknowledged the challenge of late funding allocations throughout the year and asked if they had been factored into the Financial Plan. The Director of Finance advised that since the timing or certainty of late funding allocations was unknown these figures had not been included in the Plan. However, a central review of new allocations was planned to assess best use of monies in supporting services and examining service models.
- The Vice Chair acknowledged the challenges faced in addressing the three percent reduction target. She sought assurance that any deficit around Adult Social Care would not be covered by NHS Health budget funding and queried what the process would be if that occurred. The Chief Executive noted that Highland Council's delivery plan indicated a commitment to transformation, but more work was required to align this work with partnership organisations. The Chief Executive also suggested the process would involve scrutiny and assurance via committees. The Director of Finance added that given the current financial situation the process for agreeing the formal opening offer around the quantum with Highland Council would need to be part of a clear budget setting process notified in writing, in compliance with the integration agreement. Historically the process had followed a rollover of recurrent budget and agreed at the year-end which is not technically in line with the agreement. However, it was intended that a clear budget setting process would be adhered to in the first quarter of each year moving forward. Discussions were well underway to have the opening position agreed and it was hoped more detail would be provided at the next Board meeting.

- The Director of Finance explained the transformation work in Adult Social Care would be required and that £20 million funding is being made available by Highland Council for this. Highland Council had commenced work to identify areas of change, especially around some digital workstreams which they would be happy to include NHS Highland in this work. Adult Social Care should deliver a balanced budget however, if by the end of the year this hadn't occurred, the deficit would be reported through the Board's financial statements. She added it was intended that an agreed plan would be put in place to avoid a deficit position and work had been undertaken with the Council to resolve this.
- The Chair commented that all health boards were facing financial sustainability challenges, but that the remote and rural geography NHS Highland presented additional pressures.
- Board Members welcomed the approach outlined by the Director of Finance with the breakdown into components addressing each element of risk and the noted challenges, however, it was commented that the Board would need to act quickly with key partners to address areas such as any impact on Adult Social Care.
- The Director of Finance explained that it was too early to reflect the recent issues on Skye within the finance plan. Scottish Government had been presented with a range of options with varying financial impacts and highlighted the significant expenditure already incurred on services on Skye. In the absence of additional Scottish Government funding the Board's financial position would deteriorate.
- The Chief Executive noted that in developing the Board's strategy for transformation it was important to include staff in the conversation to enable their ideas.

The Head of Strategy and Transformation provided an update in lieu of the Annual Delivery Plan (ADP) being available and noted:

- Work had progressed to develop the plan collaboratively with staff and colleagues across NHS Highland and Argyll and Bute in line with the strategic plan.
- Within the current ADP, the challenges faced had been set out with attention given to the remote and rural nature of our geography and noted the amount of work required to operate with limited resources.
- Actions within the ADP were focused on quality improvement, productivity, efficiency, and prevention with medium term plan aims building on the current strategic approach set by Together We Care and the national recovery drivers across NHS Scotland.
- The ADP was submitted to Scottish Government on 11 March 2024 and would be presented to Board once feedback had been received.

The Chair commended the Director of Finance and the teams involved throughout the organisation working to deliver services.

The Board:

- Took **limited assurance** from the report.
- **Acknowledged** the challenge of delivering a 3% recurrent savings plan and delivering a balanced Adult Social Care budget.
- **Agreed** the proposed budget with a £22.2m gap from the brokerage cap and commitment to reduce the gap throughout the year.

## 7 Annual Delivery Plan

The Head of Strategy and Transformation provided an update on the progress with the Annual Delivery Plan in the previous item.

## 8 Highland Child Poverty Action report

The Board received a report from the Director of Public Health on The Highland Child Poverty Action Report 2022 – 23, which covered the Highland Council area. The report was an annual requirement by Scottish Government to provide updates on progress of joint Local Authority and NHS Board published Child Poverty Reports. The Board were invited to take limited assurance as an updated report for 2023/24 was being developed for Autumn 2024.

The Head of Health Improvement spoke to the circulated report, during discussion the following points were raised:

- Board Members sought clarity on how the achievements and progress of the plan were reported to the Board. The Head of Health Improvement confirmed that the agreed governance route was through the Integrated Children's Service Plan reporting to the Community Planning Partnership with a requirement to provide an annual report to NHS Highland and Highland Council.
- The Chair queried how the Board would receive assurance of progress and how it linked into the Highland partnership governance structures. It was unclear what actions NHS Highland had responsibility for. The Head of Health Improvement confirmed work had taken place nationally and four key priority areas of focus were indicated by Scottish Government: Leadership and Accountability, Staff Training, Our Role as an Anchor Organisation focusing on parental employment and procurement, and Income Maximisation, she also mentioned that there wasn't anything in place formally to provide the Board with assurance, however she confirmed she would discuss potential options with the Chair and Chief Executive offline.
- The Nurse Director added that the new Child Health Commissioner was identifying what is in place and what is needed to ensure compliance with the expectations of the Child Poverty priorities. Board Members noted it was vitally important to undertake an overarching holistic approach to this piece of work.

The Board:

- Took **limited assurance** from the report.
- **Noted** the report provides confidence of compliance with legislation, policy and Board objectives noting further work to improve processes and that an update report for 2023/24 would be developed by Autumn 2024.

**The Board took a lunch break at 12:45pm and the meeting resumed at 1.15pm**

## **9 Whistleblowing Standards Report – Quarter 4**

The Board received a report from the Director of People and Culture on the Whistleblowing Standards Quarter four activity covering the period 1st February – 31st March 2024. The report gave assurance on performance against the National Whistleblowing Standards in place since April 2021. The Board was invited to take moderate assurance on the basis of commitment to the principles of the standards and completing robust investigations while acknowledging the challenge to achieving this within the stipulated 20 working days due to the complexity of cases.

The Director of People and Culture confirmed that three new cases had been raised in this period, one was a monitored referral and remained under review, and work was underway with the Independent National Whistleblowing Officer (INWO) to close this case as there had been no contact received from the individual.

During discussion the following points were raised:

- The Chair sought clarity around the reporting mechanisms and asked whether there was a national plan to refresh the reporting style. The Director of People and Culture confirmed INWO had convened a practitioner forum and held workshops to consider the annual whistleblowing report data but there were no plans to change the reporting format at this time.
- The Chair asked how the Board could support staff so they were confident to raise concerns. The Director of People and Culture confirmed work was underway to develop a set of proactive processes Board Members asked if there had been an increase in concerns being raised through other avenues given Whistleblowing cases were low. The Director of People and Culture confirmed there had been some 200 contacts through the Guardian service last year. The number of contacts may have reached a plateau but would be assisted by moving to a proactive approach to resolve issues rather than the current reactive method.
- The Board Whistleblowing champion added that whilst the recorded cases are low, he had been approached by many staff to raise concerns which did not formally meet the whistleblowing criteria and would require another form of intervention.

The Board:



- Took **moderate assurance** from the report.
- **Noted** the report provided confidence of compliance with legislation, policy and Board objectives noting further work to improve processes.

## 10 Revisions to Standing Financial Instructions

The Board received a report from the Director of Finance which detailed updates to Standing Financial Instructions to be incorporated into the Board's Code of Corporate Governance. The Board was invited to approve the revisions to the Standing Financial Instructions as recommended by the Audit Committee and note that a fully revised version of SFIs will be incorporated into the Code of Corporate Governance and uploaded to the web once fully agreed.

The Director of Finance spoke to the circulated report and highlighted the changes made, which included adjustments to Non-Pay costs, particularly around the number of quotes required depending on the financial limits noted in section nine on Page 15 of the report.

The Board:

- Took **substantial assurance** from the report.
- **Approved** the revisions to the Standing Financial Instructions as recommended by the Audit Committee, and
- **Noted** that a fully revised version of SFI's will be incorporated into the Code of Corporate Governance and uploaded to the web once fully agreed.

## 11 Corporate Risk Register

The Board received a report from the Medical Director which provided an overview of NHS Highland's Board risk register, awareness of risks that are being considered for closure and/or additional risks to be added. The report highlighted board risks that are reported through Finance, Resources and Performance Committee (FRPC), Staff Governance Committee (SGC) and Clinical Governance Committee (CGC) for governance and oversight. The Board were invited to take substantial assurance and note it provides confidence in compliance with legislation, policies, and Board Objectives. The Board were also invited to examine and consider evidence provided and reach final decision on risks that are recommended to be closed and/or added.

The Medical Director spoke to the circulated report and confirmed that the target risk level and an associated numerical score had been added to allow oversight of risk exposure. He explained that a new risk had been added to the register (Risk 1254 – 24-25 Financial Position) to reflect the ongoing financial challenges facing NHS Highland.

During discussion the following points were raised:

- The Director of Finance added that Risk 1181 (23-24 Financial Risk) remained open and confirmed it would close subject to audit approval.
- Board Members welcomed the revised format and suggested appropriate scrutiny was applied to the risk ratings to ensure they correctly represent the actual risk level without inadvertently inflating its appearance due to the numbering used. The Medical Director assured Board Members that the scoring mechanism was in place to appropriately represent the level of effort required to mitigate each risk.
- The Vice Chair sought clarity around the correlation between the Board's Risk Appetite and the scoring mechanism used in the Risk Register and asked whether Risk 1254 should have its rating increased to 'Very High'. The Medical Director advised work was still underway to embed the Risk Appetite Statement. The senior leadership team and Governance Committee Chairs were involved in identifying the risks noted and work was still required to determine how the risks were measured against the risk appetite.
- The Director of Finance added the scoring for Risk 1254 was subjective, however the impact of not delivering the financial position wouldn't cause physical harm, but should the position worsen the rating could be increased.

The Board:

- Took **substantial assurance** from the report.
- **Noted** the content of the report and that it provides confidence of compliance with legislation, policy and Board objectives noting further work to improve processes.
- **Examined** and **considered** the evidence provided and provide final decisions on the risk that are recommended to be closed and/or added.

## 12 Governance Committees Annual Reports

The Board received a report from the Chief Executive which outlined the Annual Governance Committee Reports for the period 1 April 2023 to 31 March 2024 which had been endorsed by the Audit Committee on 21 May 2024, to demonstrate how Committees functioned in the role defined by their Terms of Reference. The Board was invited to take substantial assurance and approve the Annual Reports.

The Board Secretary spoke to the circulated report and added the Committees had reviewed their Terms of Reference alongside their memberships and that Remuneration Committee Annual Report had been agreed by the Remuneration Committee on the previous day.

The Board:

- Took **substantial assurance** from the report.
- **Noted** that the Annual Reports were approved by the Audit Committee on 21 May 2024.
- **Approved** the Annual Reports which form a key part of the evidence in support of the Board's Annual Accounts Governance Statement.

## 13 Community Empowerment Act – Annual Reports

The Board received a report from the Chief Executive which detailed NHS Highland Annual Reports dealing with Asset Transfers and Public Participation Requests for the period 2023/24 for the Board's approval.

The Board Secretary spoke to the circulated report and confirmed no Asset Transfer requests had been made during 2023/24 but an existing application from a previous year was still being progressed. She added there were no Public Participation Requests during 2023/24 and that work had taken place to improve accessibility for both asset transfers and public participation requests on our website.

The Board took **substantial assurance** and **approved** the Annual Reports.

## 14 Register of Members Interests

The Board **noted** the 2024-25 Register of Board Member Interests.

## 15 Any Other Competent Business

No items were brought forward for discussion.

**Date of next meeting – 25 June 2024**

The meeting closed at 2.46pm