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Convenors
Public Audit Committee
Health, Social Care and Sport Committee

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28 October 2022

Dear Convenors,

Copy to: Auditor General, Audit Scotland

NHS Highland De-Escalation for Governance, Leadership and Culture

I am writing to the Committee to update you on the escalated position of NHS Highland. NHS Highland was escalated to Stage 3 on the NHS Board Performance Escalation Framework for Financial Management; Mental Health Performance; and Governance, Leadership and Culture.

In November 2021, Scottish Government (SG) agreed to allow NHS Highland to manage oversight of its own escalation and de-escalation, rather than set up an Scottish Government led Oversight Group. Scottish Government officials have been engaging with the Executive Team in Highland on the work of the internal Oversight Group and to consider the de-escalation process.

In regards to governance, substantial improvements continue to be implemented. There has been a significant number of new appointments made to the Board since 2020, including executive, non-executive and stakeholder cohorts. These appointments are supported by revised national and local approaches to induction and access to development materials.

NHS Highland has also now received all five reports from the Independent Review Panel (IRP) of the Healing Process and the work of the IRP is now concluded. These final reports include recommendations and themes which have been developed based on the testimony provided to the Panel from current and former colleagues of NHS Highland.

The board has made significant progress against the majority of the actions arising from the recommendations of the Sturrock Review and IRP and they are approaching the end of the first phase of culture transformation, which was about addressing a series of actions and initiatives, as well as to ensure that systems and processes in place would allow colleagues to speak up and be heard.



NHS Highland acknowledge that despite significant delivery against many of their actions, culture change is not yet embedded at all levels of the organisation as this takes time and is a continuing journey. Plans to take this forward are an integral part of the NHS Highland five year *Together We Care* strategic plan and the People elements of this. The next phase of activity is transformation at a local level and is for NHS Highland to take forward to ensure continued ownership.

The Chair of the Board provided the SG National Planning and Performance Oversight Group (NPPOG) with a letter of assurance that NHS Highland have made sufficient and sustained progress and recommended de-escalation for Governance, Leadership and Culture. Scottish Government officials have noted that Stage 2 escalation allows for continued monitoring. On that basis, and given the evidence base, they recommended de-escalation to Stage 2.

I, supported by Health and Social Care Management Board (HSCMB), agreed to de-escalate NHS Highland on 21 September 2022.

NHS Highland will remain at Stage 3 for Financial Management and Mental Health Performance until further progress is made in the provision of mental health services, and a national review of NHS Scotland's financial position is complete. Measures in place to support NHS Highland will continue for these areas.

I have informed Pamela Dudek, Chief Executive of NHS Highland, of my decision and the Scottish Government website has been updated to reflect these changes.

Yours Sincerely



Caroline Lamb