

## News release

### For immediate use

## Improvements at NHS Highland, but financial uncertainty remains

**NHS Highland has improved its governance, leadership and culture, and has managed to reduce its spending. Now the board must focus on addressing its challenging future financial position.**

In a report to the Scottish Parliament, Auditor General for Scotland Stephen Boyle finds there have been real improvements within NHS Highland since 2019. It has taken significant steps to address the cultural issues highlighted at the board, following the 2019 Sturrock review, in particular issues regarding bullying and harassment. Other improvements include establishing an office overseeing service transformation and financial recovery.

These actions, alongside having in place a more stable leadership team, additional recruitment, stronger financial management and some improvements in the way the board is governed, will be important as NHS Highland addresses the challenging environment all Scotland's health boards face due to Covid-19.

There continue to be some challenges around financial sustainability. In 2020/21 NHS Highland received £57.3 million from the Scottish Government to fund costs associated with Covid-19, alongside additional funding of £8.8 million. At the same time, efficiency savings of £20.7 million were made.

Stephen Boyle, Auditor General for Scotland said, "NHS Highland is making progress, with a more stable leadership team and stronger financial management, alongside improvements in governance and service delivery. There remain, however, real concerns about the challenging, longer-term financial position this NHS board faces. Savings of nearly £33 million need to be made in 2021/22.

"It is essential that NHS Highland works to retain new ways of working, as the board balances the demands and impacts of Covid-19, alongside re-introducing the full range of NHS services and addressing a substantial backlog of care. Achieving the financial savings needed in this environment will be challenging."

**For further information contact Joanna Mansell on 0797 0331858 or [jmansell@audit-scotland.gov.uk](mailto:jmansell@audit-scotland.gov.uk)**

### Notes to editors

1. The Auditor General has prepared these reports on the 2020/21 accounts of NHS Highland under Section 22 of the Public Finance and Accountability (Scotland) Act 2000. This allows the Auditor General to bring to the Parliament and the public's attention matters of public interest related to the financial statements of public bodies.
2. Section 22 reports are submitted to Scottish Ministers for laying in the Parliament along with the accounts of the relevant body. While there are statutory deadlines for these reports, the actual timing of publication is determined by when the report is laid in the Scottish Parliament by Scottish Ministers.

3. This is the fifth report on issues of financial sustainability in NHS Highland in eight years. Previous reports highlighted a series of concerns covering financial, performance and governance issues. This report comments on the progress that the board has made in these areas over the last two years.