

APPROVED

NHS GRAMPIAN
Minutes of Meeting of Grampian NHS Board on
Thursday 10 April 2025 at 10:00
virtually by Microsoft Teams

Present:

Board Members

Mrs Alison Evison	Chair/Non-Executive Board Member
Dr Colette Backwell	Non-Executive Board Member
Cllr Ann Bell	Non-Executive Board Member
Mr Mark Burrell	Chair of Area Clinical Forum/Non-Executive Board Member
Dr Adam Coldwells	Interim Chief Executive
Mr Albert Donald	Non-Executive Board Member/Whistleblowing Champion
Ms Joyce Duncan	Non-Executive Board Member (Left 14:38)
Mr Ritchie Johnson	Non-Executive Board Member
Mr Steven Lindsay	Employee Director/Non-Executive Board Member (Left 13:43)
Mr Derick Murray	Non-Executive Board Member
Mr Hussein Patwa	Non-Executive Board Member
Mr Sandy Riddell	Non-Executive Board Member
Cllr Kathleen Robertson	Non-Executive Board Member
Mr Alex Stephen	Director of Finance
Dr John Tomlinson	Non-Executive Board Member
Mrs Susan Webb	Director of Public Health/Portfolio Lead Population Health

Attendees

Mr Colin Adam	Programme Director (Item 7)
Ms Julie Anderson	Assistant Finance Director (Item 15)
Mr Paul Bachoo	Portfolio Lead Integrated Specialist Care
Ms June Barnard	Nurse Director, Secondary & Tertiary Care
Mr Alan Cooper	Programme Lead (Item 12)
Ms Sarah Duncan	Board Secretary
Professor Nick Fluck	Senior Responsible Officer (Item 7)
Mr Preston Gan	System Transformation Programme Manager (Item 9)
Mrs Luan Grugeon	Strategic Development Manager, Colleagues & Citizens Engagement (Item 9)
Mr Stuart Humphreys	Director of Marketing and Communications
Mrs Jennifer Matthews	Corporate Risk Advisor (Item 14)
Mr Christopher Middleton	Operations and Performance Lead, Medicine and Senior Responsible Officer, Unscheduled Care Programme Board (Item 12)
Ms Pamela Milliken	Chief Officer, Aberdeenshire Integration Joint Board and Portfolio Lead Aberdeenshire
Ms Fiona Mitchelhill	Chief Officer, Aberdeen City Integration Joint Board and Portfolio Lead Aberdeen City
Ms Judith Proctor	Chief Officer, Moray Integration Joint Board and Portfolio Lead Moray
Mr Philip Shipman	Interim Director of People and Culture
Ms Heather Taylor	Programme Facilitator (Item 13)
Mr Alan Wilson	Director of Infrastructure, Sustainability and Support Services
Ms Elizabeth Wilson	Programme Manager (Item 13)
Mrs Alison Wood	PA/Minute Taker

Apologies

Dr Hugh Bishop

Dr June Brown

Professor David Blackburn

Ms Geraldine Fraser

Mr Dennis Robertson

Cllr Ian Yuill

Medical Director

Executive Nurse Director/Deputy Chief Executive

Non-Executive Board Member

Portfolio Lead Integrated Family Services

Vice-Chair/Non-Executive Board Member

Non-Executive Board Member

Mrs Evison, Chair, welcomed everyone to the meeting. It was noted that the meeting was being recorded for publication on the NHS Grampian website.

1 Apologies

Apologies were noted as above. The meeting was quorate.

2 Declarations of Interest

There were no declarations of interest. The following transparency declarations were made:

- Mrs Alison Evison and Cllr Ann Bell declared their elected roles as councillors with Aberdeenshire Council in relation to Item 6.3.2.
- Cllr Kathleen Robertson declared her elected role as councillor of Moray Council in relation to Item 6.3.3.
- Mr Hussein Patwa declared that he was his vice-chair and upcoming chair of Aberdeen City Integration Joint Board in relation to Item 8.

3 Chair's Welcome

The Chair welcomed everyone to the meeting. She acknowledged the recent UK-wide day of reflection which marked the 5th anniversary of the COVID-19 outbreak. Whilst the NHS continued to experience the after-effects of the pandemic, 9 March represented a significant milestone, as well as an opportunity to remember all those who have been affected. Dennis Robertson, Vice-Chair, had represented NHS Grampian at the local service of reflection, to remember those lives lost as well as the sacrifices of many.

She thanked the Director of Finance and his team for the significant work they had undertaken to prepare the revenue budget for 2025/26 and the Medium Term Financial Framework. The system will require to work collectively to find ways to bridge the significant financial gap, as the organisation transformed the way in which services were delivered in a sustainable manner.

The Chair highlighted the work of the Maternity Collaborative and the success of the 'We Wish You Worked Here' recruitment campaign, to attract health specialists to live and work in the north of Scotland as work continued towards the return of consultant-led maternity care at Dr Gray's Hospital (DGH). The children's ward at DGH had fully re-opened as a combined inpatient ward and assessment unit offering round-the-clock care. While some patients will continue to require transfer to access highly specialist care, the majority will be able to stay at DGH.

She recognised the work of the Facilities and Estates team, who had developed NHS Grampian's Biodiversity Strategy.

The Chair reflected on the Eid-al-Fitr menu at Aberdeen Royal Infirmary (ARI), developed with the community at Aberdeen Mosque and Islamic Centre (AMIC) and the Stall Equalities Network.

4 Minute of Meeting on 6 February 2025

The minute of the meeting held on 6 February 2025 was approved.

4.1 Action Tracker and Matters arising

The Director of Pharmacy had done exploratory work on behalf of the Interim Chief Executive on concerns expressed at Area Clinical Form (ACF) on the challenges of pharmacy vacancies. He confirmed that no critical vacancy issue existed. Pharmacy vacancies were prioritised under the vacancy control framework as patient facing clinical care. Cross disciplinary work would continue to expedite discharge documents to enable earlier script preparation. The Director of Pharmacy will discuss further with the Chair of the ACF if required.

The Board was informed that both the hot and formal debrief had been completed for the Critical Incident in November 2023. Lessons learned had been included in the Civil Contingencies Group's Action Tracker to ensure these were closed off. The report would be circulated to board members and that a briefing session will be undertaken by the Director of Public Health to discuss the report in detail.

5 Chief Executive's Report

The Chief Executive's report highlighted that the Strategic Change Board had commissioned the Integration of Acute Pathways Programme work on 25 February 2025. A whole system approach will enable horizontal integration at service and pathway level and supports planning the delivery of services on a population health basis, rather than through specific hospital sites. Teams to support the integration of Cardiology, Gastrointestinal (GI) and Orthopaedics have been established. This work is being prioritised with the goal of commencing implementation of single acute model from June 2025. Further updates will be provided as the work progressed.

The Scottish Government has extended the submission date for the all Health Boards for the Delivery Plan 2025/2026 pending the national funding allocations for Planned Care and Unscheduled Care. It was anticipated that the NHS Grampian Delivery Plan 2025/2026, subject to Scottish Government approval, would be brought to the public board meeting in June 2025. The financial challenges including the need for finding additional savings, will impact the Delivery Plan.

NHS Grampian is undertaking a feasibility study assessing the use of geothermal heat sources to reduce emissions, support biodiversity and increase cost efficiency. This would have the potential to support other public buildings out with health care. The cost of the feasibility study will be covered by the Scottish Government.

The Interim Chief Executive acknowledged the appointment of Mr Philip Shipman as the Interim Director of People and Culture. The Board recorded its appreciation to the outgoing Director, Mr Tom Power's significant contribution to the organisation.

The Board discussed:

The Acute Pathway integration work was welcomed and would improve the patient experience. The work would require to move at pace with an emphasis on reporting what difference the changes on processes and systems would make to patients. Detailed reporting will take place at the Performance Assurance, Finance and Infrastructure Committee (PAFIC). Work is ongoing to ensure that consistent governance is undertaken across the system. Clinical Governance Committee and Area Clinical Forum would both have roles to ensure the governance is streamlined and robust.

It was noted that the geothermal energy study would be wider than the previous study undertaken at the Hill of Banchory in 2016. The cost of the feasibility study would be met by the Scottish Government, however, the implications for long term costs to NHS Grampian was unknown at this stage. A business case may be submitted if the study is successful.

The Board noted the Chief Executive report.

6

Forum Reports

6.1 Area Clinical Forum (ACF)

The Chair of ACF provided an overview of recent ACF discussions. He highlighted the weekly ACF/Chief Executive Team (CET) meetings which are beneficial and the future implications of the further reduction in the reduced working week (RWW) for Agenda for Change (AfC) staff. The Staff Wellbeing Team presented an update and information on the support provided to staff.

Discussion followed including:

It was noted that there has been sensitivity analysis of data modelling and scenarios for the RWW impacts. There is a risk that there will be an impact on the way the reduced hours are rolled out for AfC staff. This will be reduced by synchronizing and mapping the reduction in the working time week to the natural downtime in areas such as theatre activity. The Acute Medical Director will discuss the Consultant Sub Committee concerns with the Chair of the ACF. The Interim Director of People and Culture advised that NHS Boards have been instructed to implement the further 60 minute a week reduction in the working week for Agenda for Change (AfC) staff from 1 April 2026 as part of the non-pay element of the 2023/24 AfC pay agreement. Boards are required to have an outline plan by 1 May 2025 and a final implementation plan by 1 October 2025. The plans require to be agreed with the local area partnership forum. All services/teams have been asked to consider innovatively how they might reduce the working week for AfC staff by 60 minutes. It is recognised that there are different areas which will require different solutions and NHS Grampian will work in partnership to identify a range of standard options to reduce the working week across the system. In terms of the mitigation for the 30 minute reduction already implemented, £2million was provided for backfill funding for the most significantly affected clinical services. Lessons will be learned from the previous 30 minute reduction process. ACF involvement in the discussions will be welcomed to ensure closer links to medical colleagues for the RWW and the Health and Care (Staffing) (Scotland) Act 2019. Monthly updates on the RWW will be provided to the CET and Grampian Area Partnership Forum (GAPF). Staff Governance Committee will also receive appropriate reporting.

6.2 Grampian Area Partnership Forum (GAPF)

The Chair of GAPF highlighted a number of the trade unions and professional organisations have expressed concerns on the delay to the implementation of a reduction of 30 minutes in 2025/2026 into one 60 minute reduction from April 2026. The time for reflection for the 5th anniversary of the Covid Pandemic was noted.

6.3 Integration Joint Boards (IJBs) Report

The Chief Officer of Aberdeenshire IJB presented a slide set that had been prepared by the IJB Chief Officers and the Chief Financial Officers across Scotland in conjunction with the IJB Chairs group, for presentation to the Cabinet Secretary, outlining the financial position of IJBs across Scotland. This included the critical pressures and risks for 2025/2026. There is an estimated financial gap of £562.4 million for IJBs in 2025/26 in Scotland which emphasises the scale of the challenge. The average gap is 5.35% with a range of 1.97% to 11.39%. Pressures across the system include increased prescribing costs, particularly in primary care, demand, pay pressures, contract inflation and national insurance. This is predicted to continue into 2026. Demographic growth and rising care complexity impact on both the Primary Community Services and Social Care provision. Best practice for revenue budget is to hold 2-4% for contingency reserves. The majority of IJBs (55%) have no contingency reserves as these have been used for previous overspends. There has been a growth in both Acute expenditure, Primary Care and Community Services without a shift in funding, recognising most people were cared for in the community. The national increasing costs in social care were emphasised with a rise of 17% in 2 years, with variation across client groups from 14% to 46% due to extra social care support requirement for the aging population with more complex needs.

6.3.1 Aberdeen City Integration Joint Board

The Chief Officer, Aberdeen City IJB highlighted Aberdeen City's financial position, with an overspend of £16.786 million (reduced to £10.5 million using reserves, at the end of 2024/2025. There are no remaining uncommitted reserves as at April 2025. 2025/2026 budget pressures, after new funding, are £25.236 million. An IJB Savings Plan has been put forward for 2025/2026 of £14.354 million, with a focus on workforce and commissioning to protect essential frontline services. There is a requirement to balance the risk between protecting services and ensuring that there is a balanced budget at the end of the financial year. Whilst work was ongoing to increase the savings, there will be additional funding of £4.2 million from Aberdeen City Council with £6.7 million requested from NHS Grampian. From the Medium Term Financial Forecast it was clear that substantial savings will be required in future years.

6.3.2 Aberdeenshire Integration Joint Board

The Chief Officer of Aberdeenshire IJB advised that there is a predicted overspend of £24.968 million for 2024/2025 with no reserves available. There is a savings target of 2.5% across budgets of £8 million. As part of the Medium Term Financial Strategy work is ongoing to make services more sustainable. Social care service reviews will be presented at the May 2025 IJB for decision making. A recovery plan is in place, which sets out how Aberdeenshire IJB will achieve sustainability going forward.

6.3.3 Moray Integration Joint Board

The Chief Officer of Moray IJB advised Moray are also facing significant financial pressures with an overspend of £5.6 million. 2025/26 budget pressure, after new funding, is £12.214 million and this was partly due to the pressures related to the employers' national Insurance contribution. Proposals for a balanced budget were agreed at the Moray IJB March 2025 meeting. Multi-year budgets will be required to support delivery over time as the Medium Term Financial Strategy highlighted significant gaps in future years. Increasing complexity of demand was seen in both children and adult services. Joint discussions with partners to manage shared financial challenges are vital.

Discussion included:

Although all budget decisions for delegated services are made by the IJBs, there was reflection on how interconnected the IJBs and NHS Grampian budgets are, particularly regarding hospital discharge, acute flow and prescribing. Decisions taken in one part of the health and care system could cause challenges in other areas. The importance of collaborative working for a whole system approach was stressed especially when considering the financial situation being faced across Grampian.

The absence of contingency reserves across IJBs, increasing reliance on NHS Grampian's risk provisions were noted.

There is a need for collaboration in financial recovery planning, while maintaining appropriate accountability for delegated services.

A Budget Savings Oversight Group had been set up in Moray comprising of key senior leadership to consider the progress of savings projects, with each project having a Senior Responsible Officer to ensure regular focus on the most challenging savings. The work was reported regularly to the Audit Scrutiny Committee and the IJB. The importance of collaboration and learning from others were crucial. Savings in Social Care budgets could have implications for both adults and older people for both secondary care and delayed discharges. Redesign work was ongoing for Discharge without Delay to ensure this was managed in the most efficient way.

Risk of any differential level of services across Grampian was highlighted. There has always been a degree of variation in the shape of services provided by each Health and Social Care Partnership, to meet the needs of the population in their areas.

Specific challenges faced in rural areas were considered. A national sub-group of Chief Officers for rural area IJBs met to identify the specific issues relating to rurality, with feedback to the Scottish Government and the Health and Social Care Sports Committee. This known issue had also been identified by Audit Scotland.

The Director of Finance confirmed that NHS Grampian has made provision for £38 million in IJB provision and regular updates will be provided to PAFIC and the Board.

The Board noted the reports.

7

Anchor Project Update

The Senior Responsible Officer (SRO) introduced the update on the progress of the Anchor Centre, which upon completion will be a state-of-the-art facility for patients

who are under the care of the Oncology, Radiotherapy and Haematology services for benign and malignant conditions.

The Project Director advised that there is currently a temporary pause on construction and design review to address potential design changes. In February 2025, in accordance with the project Built Environment Risk Escalation Process, the Interim Chief Executive agreed to the completion strategy for the building, based on a limited scope of works which should allow construction completion by the end of 2025 with commissioning period in quarter 1 of 2026, subject to any unforeseen events.

The forthcoming activities were explained;

- the contractor is developing revised designs for the areas where a design change has been instructed.
- There will be a series of gateway assurance points involving stakeholders and Key Stage Assurance Review submissions (KSARs) to NHSS Assure to obtain a supported status.
- Due to new national guidance and recommendations emanating from the Scottish Hospital Inquiry, the water system commissioning is paused until construction is fully complete.
- Once approved construction and handover KSARs are received, the functional service commissioning activities will commence post-handover.
- There is an preliminary date of December 2025 for contract completion, with an 8 week functional commissioning process to follow. Migration of services into the building will commence in the first quarter of 2026 after the holiday season, when service pressures are more manageable..

The Baird Family Hospital construction activity has progressed at pace with extensive works internally. The building is weather-tight with all functional spaces established. Multi stakeholder reviews of healthcare acquired infection concerns are ongoing. An updated clinical brief and output specification for theatres and the neonatal unit is under development, with continued engagement with NHSS Assure on design revisions. An update on completion and functional occupation of the Baird Family Hospital will be provided at the June 2025 board meeting.

Board discussion followed:

PAFIC has received assurance with a detailed report at the meeting on 2 April 2025. The Committee is assured that the introduction of the technical advisory team has brought skills and expertise to the project and provided confidence to NHSS Assure and that the Project Board provides robust governance with a range of experience and knowledge. There has been significant learning about large hospital infrastructure projects in Scotland, with changes in design philosophy, expert opinion, guidance and regulation since this project started. This emphasises the need to balance multiple risks. In January 2025, the Scottish Government has instructed NHS Grampian that any non-essential design changes, unless considered essential in securing a supported Key Stage Assurance Reviews (KSARs) from NHS Scotland Assure (NHSSA) will be treated as discretionary spend and must be met from NHS Grampian's formula capital budget. This clarification from the Scottish Government has allowed the Interim Chief Executive to make a decision to move the project forward. NHS Grampian has an established process now to escalate issues to the Interim Chief Executive where there is no consensus decision after discussion through the normal routes, including information from experts in the Scottish Government and NHSS Assure.

A full replacement of internal water pipe has been agreed as the most robust risk mitigation, with input from external advisors and in line with national expectations.

The clear communication of timelines and risks and the strengthened technical advisory support within the project team was noted.

The importance of stakeholder engagement, including staff and patient groups, was highlighted as the project approaches the operational commissioning phase.

Lessons learned from major national NHS infrastructure projects were acknowledged with the project's focus on proactive risk management and assurance compliance.

The equalities impact assessment had been completed in 2018 and due to the extended duration of the project this would be reviewed.

The Board:

- **Noted the progress of the ANCHOR Centre project, comprising an update on key matters including the outcome of the feasibility study, decisions on the building completion strategy, the revised scope of work, and the design, construction, commissioning and assurance processes that were under way in the lead up to completion and functional occupation of the building.**
- **Noted the ongoing construction of the Baird Family Hospital, including the recent changes in scope of work.**
- **Noted the current project cost, programme and risk management.**

8. Health Board Collaboration and Leadership

The Interim Chief Executive provided details on national approach to Health Board Collaboration and Leadership. It provides new governance arrangements for planning, with the creation of the NHS Scotland Executive Group (NSEG), which marks a shift towards a more collaborative national planning model, with shared accountability to deliver across Health Boards and the Scottish Government. The paper outlines the expectations for local implementation and describes how NHS Grampian would adapt the leadership and planning frameworks in response. This aligns with policy commitments set out by the First Minister in January 2025 and its national directives. Boards are expected to balance local accountability with an explicit contribution to national planning, performance and workforce coordination.

The Board discussed:

Regional collaboration is already active with the 5 North of Scotland Boards working in areas such as elective networks, Unscheduled Care improvements, shared data platforms and workforce planning. Collaboration across Board boundaries should produce benefits for both patients and staff. The NHS Scotland Planned Care National Framework is designed to improve and streamline planned care services, especially following pandemic-related backlogs and will provide additional capacity.

The importance of communication to staff and the public on the changing way of working, both nationally and locally was stressed. Communications teams are working across local and national groups to coordinate messaging, particularly once the national reform narrative is launched in the summer of 2025. NHS Grampian's

recent launch of its new website supports open and transparent dialogue, offering regular updates on transformational work. This will be important for service access and changing models of care.

The Board supported the principle of collaborative leadership and the direction of travel. A visibility of local performance accountability was important, even within a shared framework.

There would be a requirement to be proactive in identifying and addressing any unintended consequences such as increased health inequalities due to regional service shift or access barriers. There is evidence that the public are willing to travel to receive treatment quicker, particularly for services with longer waiting times. Work will be undertaken to understand the equalities impacts and mitigations of travel for care and treatment to avoid increasing inequalities.

The national IT and data integration remains a known barrier to effective cross-boundary working and would require to be addressed at a national level to fully realise the benefits of collaboration. Boards are starting in different places with digital systems, with work ongoing to improve implementation of national systems.

The Board:

- **Noted the commitment set out by the First Minister to progress the renewal and reform of the NHS in Scotland, and associated requirement for the Board to seek assurance on delivery of these commitments.**
- **Noted the evolution of the new governance arrangements which were intended to enable and foster stronger collective accountability whilst underpinning the strength of local accountability mechanisms.**
- **Noted that in response to these changes, it was recognised that there was requirement to refresh the traditional approach to Board performance framework and indeed Executive personal objectives, which was referenced in Caroline Lamb's letter of 7 February.**
- **Acknowledged and endorsed the duality of their role for the population/Board they served as well as their contribution to population planning that would cross traditional Board boundaries and approved local implementation of this approach, consistent with DL(2024)31 and 12 (J) of the 1978 NHS Scotland Act**
- **Acknowledged and endorsed the anticipated increased pace of change and requirement for regional and national collaboration in coming weeks and months as there was a requirement to deliver the principles set out by the First Minister in his speech on 27 January, to deliver efficiencies and savings and to put into action the commitments set out in the three reform documents.**

9. How Are We Doing Report

The Director of Finance introduced the How Are We Doing Quarter 3 Performance Report, which is a key component of the Board's assurance system and is aligned with the Annual Delivery Plan. The report was scrutinised by the Performance, Assurance, Finance and Infrastructure Committee (PAFIC) on 2 April 2025.

The following points were discussed:

The Chair of PAFIC advised the report clearly conveys the wide pressures felt across the system. The executive summary presented a fair and honest review of NHS Grampian's position. PAFIC continues to play a central assurance role, with all Board members invited to attend these meeting for in-depth scrutiny. A shift is underway to develop SMART performance indicators that reflect actual delivery capacity and resourcing constraints, improving realism and transparency.

There had been improved governance of medical agenda spend with additional staff to manage the costs in the clinical environment, through a new direct engagement process which has resulted in strengthening controls, cross functional working and weekly monitoring. The Value and Sustainability Group is overseeing a review of on-call rotas including reviewing locum involvement in 24 hour on-call rotas. Good progress had also been made in the continued reduction of agency nursing costs, with no reported negative impacts on care quality and service provision to date.

The draft Annual Delivery Plan will have reduced activities to allow resources to be prioritised. Future reporting will include how performances challenges were managed. Performance meetings are held by the Chief Executive Team to support responsive management of high risk areas.

Performance remains below national targets, with improvement constrained by system capacity rather than process inefficiency. Cancer treatment waiting times are a key focus, with regional collaboration and modelling in place to prioritise resources. The outcome of the Planned Care submission to the Scottish Government for additional funding is awaited and additional funding would significantly influence recovery planning to improve waiting times. The expectation of the additional funding for Planned Care would, together with the collaboration of other Health Boards and actions suggested by the National Centre for Sustainable Delivery (CfSD), reduce the Planned Care intolerable risk.

The Nurse Director, Secondary & Tertiary Care described the process to generated care opinion stories and provided insightful and empathetic responses with apologies when the organisation got things wrong. The citizens' voice providing feedback was positive in the report. The development of real time patient feedback loops supported by the `Putting People First` programme is currently being piloted with support from NHS Grampian Charity Committee funding. Responding in real time will increase learning and empower local teams to take action.

It was noted that performance cannot be considered in isolation from strategic risk, workforce resilience or the current level of unavoidable demand.

There is a need for transparency, compassionate public communication regarding service access and waiting times. The Director of Marketing and Communications confirmed work is ongoing to build consistency in performance narratives across digital channels and public briefings, ensuring communities receive accurate updates on what to expect.

The Board:

- **Approved the progress on Quarter 3 performance reporting (FY2024/25).**
- **Reviewed the HAWD Board Performance Report (Q3 FY2024/25) and assessed whether the performance data and insights provided sufficient clarity and assurance on performance.**
- **Endorsed that the Performance Assurance, Finance and Infrastructure Committee (PAFIC) and Chief Executive Team had reviewed Q3**

performance, and had planned interventions where possible, to address underperformance, mitigate further decline, and sustain improvements by the end of Q4 (31st March 2025).

10 Update on NHS Grampian Financial Position 2025/26 Budget and Medium Term Financial Framework

The Director of Finance provided an update on the financial position for NHS Grampian, which continues to be extremely challenging. Despite savings of £39 million being identified for 2025/26, NHS Grampian is currently projecting the highest overspend for 2025/26 in Scotland in value terms and the third highest in percentage terms.

The maximum level of overspend permitted by the Scottish Government for NHS Grampian is £45 million, which requires an additional £23 million of savings beyond those already identified in the Medium Term Financial Framework. A recovery plan has been requested from the Chief Executive Team and the Board to cover this financial gap, by 7 June 2025. The revenue budget for 2025/26 has not been approved by the Scottish Government.

The Scottish Government is commissioning an External Diagnostic Review to determine where additional savings could be achieved, which is welcomed by NHS Grampian. The £23 million savings required for the recovery plan are in addition to any savings identified in the external diagnostic review. The scale of the challenge to deliver this level of required savings cannot be underestimated and work has begun with colleagues from the operational teams to identify further opportunities to deliver savings. A three year Financial Recovery Plan to support the Board to return to financial balance was being developed and will be reported to the Board in October 2025.

The Board discussed the following:

The scale of the challenge and the urgency of implementation given the need to realise benefits early in the financial year was recognised. A dedicated Financial Recovery Board will be established, bringing together finance, operations, workforce and clinical leads to scrutinise savings plans and track delivery. The Director of Finance will meet with every operational senior budget holder to identify further savings supported by impact assessments. All directorates and portfolios have engaged positively in the discussions for financial savings.

In respect of the £39 million savings for 2025/26 previously identified, initial impact assessments have been done on each saving. Of the proposals reviewed most were deemed low risk to service users, and assessed as not having an adverse equalities or Fairer Scotland Duty impacts. However, several savings proposals will require full Equality Impact Assessments (EIAs) to ensure compliance with statutory duties and mitigate risks to vulnerable groups, which would be carried out prior to the June board meeting. Due to the size of the financial challenges faced and the additional £23 million savings required by the Scottish Government, savings proposals which have adverse impacts on performance and potentially the public will have to be delivered.

It was acknowledged that there would be some impact on performance and public access and this would require to be managed transparently considering the mitigation when making difficult decisions. Key performance indicators will help to provide data

on the potential impact on performance. The risk of creating longer term health debt if essential services are delayed, paused or reduced, particularly for vulnerable groups was highlighted.

The Board discussed the need to maintain staff morale and resilience through open engagement and timely communication, recognising the pressures faced across the system.

Following the discussions it was agreed to amend the recommendation approving savings totalling £39 million in 2025/26, to approve savings outlined with the exception of those requiring a full Equalities Impact Assessment to ensure compliance with statutory duties and mitigate risks to vulnerable groups. These would be reported again to the Board in June 2025 for approval accompanied by the information from the detailed impact assessments.

The Board:

- **Reviewed and scrutinised the detail included within the paper and confirmed that it provided assurance that the Revenue Budget for 2025/26 and refresh for the Medium Term Financial Framework had been prepared robustly, noting the scale of the financial challenge facing the Board.**
- **Endorsed the Medium Term Financial Framework, including the 2025/26 Revenue Budget noting:**
A financial recovery plan will be developed by the 7 June 2025 to reduce the forecast deficit for 2025/26 to £45 million.
A three year financial recovery plan to support the Board in returning to financial balance will be developed and reported to the Board in October 2025.
- **Approved the savings outlined totalling £39 million in 2025/26, highlighted in appendices 2 and 3, except those savings which require a full Equalities Impact Assessment, with an update on those savings to come back to the Board in June 2025.**
- **Approved the creation of a £38 million risk provision for the IJB overspends in line with risk share arrangements under the Integration schemes.**
- **Approved the principles to support financial recovery highlighted in 2.3**
- **Noted that regular financial information will continue to be provided to each meeting of the Board and that more information on the Integrated Impact Assessments will be provided to the Board in June.**

11 Infrastructure Investment Plan 2025/2030

The Director of Infrastructure, Sustainability and Support Services presented the NHS Grampian Board Capital Infrastructure Plan, which is part of its Medium Term Financial Framework. The Assistant Director of Finance highlighted the balanced plan produced with scrutiny and input from the Asset Management Group (AMG).

The capital funding position continues to be severely constrained and the plan is short term, with the programmes of backlog maintenance, essential equipment replacement and service development areas prioritised. Table 1 – Summary – Infrastructure Investment Plan 2025-30 in the paper set out the projects included in the plan.

The Scottish Government also required a longer term infrastructure plan, including business continuity, essential investment and infrastructure maintenance. The plan

has been submitted as a bid for potential supplementary projects for additional funding over the next 5 years. This could provide a £18 million additional funding to the capital allocation in the current financial year, if approved.

The plans are developed using a risk-based prioritisation approach to address high and very high risk areas across infrastructure and essential equipment replacement, sustainability and digital resilience requirements. This approach ensures the Board's limited resources are used to maximise value, reduce risk and support system transformation.

The Board discussed:

NHS Grampian is actively engaging with external funders and local partners, including the NHS Grampian Charity Committee, Friends of Anchor and Friends of Archie, to explore opportunities for blended funding models. Approximately £0.5 million capital a year, mainly for new equipment to support research and advances in clinical care and initiatives such as the reconfiguration of patient accommodation to improve patient experience is received from the NHS Grampian Charity Committee. The Donated Asset forecast is higher in 2025/26 and 2026/27 to reflect the expected receipt of charitable funds to support delivery of the SURE Unit and the Baird and ANCHOR Delivering the Difference Campaign with fund raising ongoing since 2015/2016.

The NHS Grampian Five Year Infrastructure Plan – 2025-2030 allocates confirmed funding. The re-profiled Investment Plan Five Year Period 2025/26 to 2029/20 is dependent on additional funding from the Scottish Government.

NHS Grampian's new website and intranet platform will host regular updates on projects, including environmental sustainability and accessibility enhancements. This will aid communication, both internally with colleagues and externally. This will encourage transparent conversations with the public. The need to avoid over-promising in a constrained capital environment was noted and the importance of transparent prioritisation reiterated,

Board members emphasised the importance of ensuring equity in infrastructure investment across the urban and rural settings, aligned with health inequalities data.

The Board:

- **Reviewed and scrutinised the information provided in the paper and confirmed that it provided assurance that (i) the Infrastructure Investment Plan reflected a risk-based approach to infrastructure investment within the confirmed funding constraints; and (ii) a robust process was in place to agree priorities for longer term investment plans on a whole system basis in line with DL (2024)02.**
- **Approved the NHS Grampian Five Year Infrastructure Plan – 2025-2030 attached as Appendix 1.**
- **Delegated authority to the Asset Management Group (AMG) for**
 - (i) delivery of the works listed in Annex A, Table A of NHS Grampian Five Year Infrastructure Plan – 2025-2030 attached as Appendix 1, including those projects with forecast costs exceeding £1 million, subject to individual identified items being within total budgetary limits identified within the Plan; and**
 - (ii) delivery of the programme of items associated with the submission to Scottish Government of the draft Business Continuity and Essential Investment Infrastructure Maintenance Plan (BCIMP) and**

identified in Appendix 2, subject to individual items being within total budgetary limits within the plan and confirmation of funding from Scottish Government.

12 Creating Sustainable Services Report: Update Route Map for Strategic Change

An detailed update was received on the NHS Grampian's development of the Route Map for Strategic Change, and the framework of agreed strategic change projects to ensure safe, equitable and finally sustainable services across the health and care system in Grampian.

The transformation programme is in response to rising service demand and complexity, persistent performances pressures in planned and unscheduled care, workforce sustainability concerns and the need for NHS Grampian to live within available financial resources.

The programme brings together several related workstreams under a unified strategy including:

- The Integration of Acute Pathways Programme.
- The Dr Gray's Hospital (DGH) Strategy.
- Redesign of Unscheduled Care, Outpatients Services and Women's and Children's Services.

Appendix 1 -DGH Strategy and Acute Pathways Integration describes the alignment of the integration of acute pathways work with the Dr Gray's Hospital (DGH) Strategy, which the Board approved in 2023 and reviewed in December 2024. The proposed approach will address the urgent and current clinical and service risks, and recognises that DGH is a crucial asset for NHS Grampian#. It reaffirms the need for a strategic approach to DGH services to ensure future sustainability. Work had been carried out at pace to identify and commission work to integrate the three critical pathways of Cardiology, Endoscopy and Orthopaedics, including initial modelling and clinical engagement. A further update will be provided to board members at the Board Seminar in July 2025 with formal reporting on the new pathways later in the year.

Information was provided on unscheduled care improvement in Appendix 2 and the progress on implementation of the Moray Maternity Programme and lessons learned for other improvement programmes provided in Appendix 2. The Operations and Performance Lead, Medicine and Senior Responsible Officer for Unscheduled Care Programme Board described the planning for an updated Unscheduled Care Plan following receipt of the National Centre for Sustainable Delivery (CfSD) report in December 2024. 'Discharge without Delay' collaboratives and work to reduce ambulance wait times and ambulance stacking are high priority.

The capacity for change due to current operational pressures was noted as a risk. There will be consultation across the system and with patient and public groups to produce the updated Unscheduled Care Plan.

Discussion followed including:

Governance of the strategic change programmes will be mapped and brought to the Board for awareness. A new Strategic Transformation Oversight Group (STOG) has been convened to ensure effective coordination, prioritisation and risk tracking. Each major programme is supported by a Programme Board with senior operational and clinical leadership identified. Workshops are planned for April and early May 2025 to ensure extensive engagement. Staff teams will co-produce the work including the

'Putting People First' communication and engagement strategy with key stakeholders, including those that use the services and the wider population of Grampian.

The financial context and the need to achieve service redesign within constrained budgets was recognised. This requires different approaches with work requiring to be progressed at pace to achieve required outcomes.

It was noted that since the papers had been produced, the scope of the Endoscopy project had been widened to include Gastrointestinal services(GI) and the recommendation in respect of the DGH Strategy and Acute Pathways Integration was therefore amended to reflect this.

The Board emphasised that the Delivery Plans must remain realistic given the limits on workforce, infrastructure and capital.

The Board:

- **Endorsed the transformation work streams and next steps outlined in the paper, ensuring alignment with NHS Grampian's strategic objectives.**
- **Recognised the financial context and its implications for strategic change, including the necessity of balancing service redesign with financial sustainability.**
- **Agreed that future finance updates will explicitly highlight the costs and savings associated with transformation activities, ensuring transparency in financial reporting.**
- **Supported the identified mitigations for strategic risks through the transformation programme, ensuring that key risks were proactively managed as transformation efforts progress.**
- **Endorsed the strengthening of whole-system collaboration to drive sustainable transformation and fostering a system-wide mind-set to address the growing demand for health and care services, improve outcomes and optimise resource management.**
- **Endorsed the Putting People First communication and engagement strategy to drive inclusive change, ensuring that all transformation activities were developed with meaningful stakeholder involvement.**
- **Reviewed and endorsed the model of change and the assumptions underpinning the Route Map, ensuring clarity and alignment on the transformation approach.**
- **Noted the information provided on unscheduled care improvement in Appendix 2 and the progress on implementation of the Moray Maternity Programme and lessons learned for other improvement programmes provided in Appendix 2.**

In respect of the DGH Strategy and Acute Pathways Integration detailed in Appendix 1, the Board:

- **Endorsed the approach to encompass the implementation of the ambitions within the Dr Gray's Strategy within the wider approach to the Integration of Acute Pathways of Care set out within the paper.**
- **Noted that the initial focus for the Integration of Acute Pathways of Care will focus on orthopaedics, cardiology and GI/endoscopy. This will be a phased approach initially focusing on designing an optimum service model which reduced immediate clinical and**

service risks through the implementation of a single delivery model and governance structure supported by a single workforce model by early summer 2025.

- **Agreed that an update on the description of the three service models, along with key areas of progress in relation to implementation will be provided at the Board Seminar in July 2025.**

13 Health and Care (Staffing) (Scotland) Act 2019 Annual Report

The Interim Director of People and Culture introduced NHS Grampian's first Health and Care (Staffing) (Scotland) Act 2019 Annual Report prior to submission to the Scottish Government by 30 April 2025. The legislation establishes statutory duties on NHS Boards regarding safe and appropriate staffing and use of real time workforce data in clinical and operational decision making. The scope of the report was for health care services only, as the Health and Social Care Partnerships report separately on Care Services. Due to reporting and governance timelines, the report included a compliance assessment for Quarters 1, 2, 3 and part of Quarter 4.

The Scottish Government had defined 4 levels of assurance. The first annual compliance assessment indicated a limited assurance, in 9 out of the 10 duties with reasonable assurance in 1 duty (appropriate staffing: training of staff). These assurance ratings anticipated that there may be improvement in year 2 (2025/26) as a number of duties are towards the top end of the limited assurance level. It was noted that the challenging financial position and the further reduction in the working week (RWW) had the potential to impact the Board's progression to full compliance. Further risks had been identified with steps to mitigate those in year 2.

The report had been reviewed and endorsed by the Staff Governance Committee with regular implementation oversight in place.

The team were thanked for their work and their engagement with the Board.

The Board discussed:

NHS Grampian continues to participate in national working groups with other boards, HIS and the Scottish Government, to share learning and inform further guidance and standardisation for a collective understanding of the challenges and risks.

It was noted that no health board in Scotland would likely provide full substantial assurance for the first annual report.

The mandatory statutory training figures, which are reported to Staff Governance Committee and PAFIC, were lower than the targets. Professional training to maintain competences in place was reported to Clinical Governance Committee. There was engagement with workforce planning teams on training resources.

The complexity of embedding statutory duties in a live clinical environment, particularly under sustained workforce pressures was noted.

A report for all health boards will be presented to the Scottish Parliament by the Scottish Government Health Workforce Directorate. Healthcare Improvement Scotland (HIS) will share learning through safe delivery of care inspections.

A colleagues and citizens summary of the report was produced to encourage engagement.

The Board:

- **Reviewed and endorsed NHS Grampian's first Health and Care (Staffing) (Scotland) Act 2019 Annual Report in advance of submission to Scottish Government by 30 April 2025.**

14 Strategic Risk Report: Updated Board Risk Appetite and Strategic Risk Process

The Corporate Risk Advisor presented the update on NHS Grampian's Strategic Risk Appetite Statement and the proposed enhancements to Board level risk governance. This update reflects the Board's commitment to ensuring that strategic risks are explicitly defined, understood and appropriately managed within the current environment of operational and financial challenge. The updated Risk Appetite Statement reflects the Board's current tolerance across a range of domains including quality and safety (low tolerance), innovation and transformation (moderate tolerance) and financial risk and sustainability (low to medium tolerance, reflecting increased scrutiny). This would help to ensure consistency between Board strategy and operational decision making and support clearer risk based prioritisation of resources. The strategic risk management process proposals will enhance governance arrangements for the reporting of strategic risks to the Board and Board Committees with improved visibility, ownership and effectiveness of strategic risk governance, whilst avoiding duplication with operational risk reporting.

The Board discussed the importance of embedding risk appetite into transformation planning and financial decision making. Routine committee level scrutiny should drive earlier identification of risk and ensure greater Board visibility.

The Board:

- **Considered and endorsed the revised NHS Grampian Risk Appetite Statement.**
- **Consider and endorse the following proposals in relation to the Strategic Risk Process:**
- **The reporting of Strategic Risks to aligned Board Committees (not including the Audit & Risk Committee) at least two times per year**
- **A full Strategic Risk Report for all risks to the Board once per year**
- **Strategic Risk to be a standing item at January Board Seminars**

15 Governance: Update to the Standing Financial Instructions and Schedule of Reserved Decisions

The Assistant Finance Director presented the proposed updates to NHS Grampian's Standing Financial Instructions (SFIs) and the Schedule of Reserved Decisions (SORD) which are reviewed annually. The proposals include the recognition of a role of 'Corporate Landlord' model to reflect the new governance arrangements for organisation of the Board's property assets and the allocation of lease accommodation and is aligned with national guidance on estate optimisation. This role will be delegated to Director of Infrastructure, Sustainability and Support Services, with oversight for associated arrangements by the Asset Management Group (AMG). There is also refinements to cash and near-cash handling procedures including clarification for delegated budget holders, updated escalation and authorisation thresholds and improved definitions for exception spend requests. The revised documents were reviewed by the Audit and Risk Committee in March 2025.

The importance of clear, up-to-date financial governance documentation particularly given the increased funding challenges and heightened external scrutiny was noted.

The Board:

- Reviewed and scrutinised the information provided in the paper and confirmed that it provided assurance that improvements to the processes were being made and appropriate evidence of these had been provided to the Board's satisfaction.
- Approved the revised Schedule of Reserved Decisions and Standing Financial Instructions.
- Agreed that updates on these documents were reported annually to the Board.

16

Approved Committee, Forum and IJB Minutes

The following approved minutes were noted

Committees

- 16.1 Audit and Risk Committee – 10 December 2024.
- 16.2 Clinical Governance Committee – 12 November 2024.
- 16.3 NHS Grampian Charity Committee – 6 December 2024 and 31 January 2025.
- 16.4 Performance Assurance, Finance and Infrastructure Committee – 27 November 2024.
- 16.5 Population Health Committee – 22 November 2024.
- 16.6 Staff Governance Committee – 17 December 2024.

Forums

- 16.7 Area Clinical Forum – 15 January 2025.
- 16.8 Grampian Area Partnership Forum – 16 January 2025 and 20 February 2025.

Integration Joint Boards (IJBs)

- 16.9 Aberdeen City IJB – 19 November 2024.
- 16.10 Aberdeenshire IJB – 12 November 2024 and 19 February 2025.
- 16.11. Moray IJB – 30 January 2025.

17

Any Other Business

There was no other business to discuss.

18

Date of next meeting

- Thursday 12 June 2025