

# Chief Executive's Report

11 April 2024 NHS Grampian Board Meeting  
Dr Adam Coldwells, Interim Chief Executive



## Purpose of this report

This report updates Board members on priority issues since the last Board meeting which are not covered elsewhere on the agenda.

## 1. Finance

In my update to the March Board meeting I highlighted the serious financial challenge facing the Board as we move into the 2024/25 financial year.

On 22 March the Board submitted our Finance Plan to the Scottish Government. In preparing the plan we have sought to strike a balance between operating within our budget, protecting clinical performance, safeguarding colleague wellbeing and not losing sight of the longer term aim to invest more of our resources in prevention. We have yet to receive feedback from the Government on our plan.

The Scottish Government has set the Board a target to not overspend by more than £15m for the year. Our financial plan shows that we start with a financial gap of £94m, which means we have to save £79m to get down to the target. At the moment we believe we can deliver savings of £36m through improving our efficiency. This would be in areas such as better use of supplementary staffing, using cheaper generic drugs and greater scrutiny on how we fill vacancies.

Achieving this level of savings would result in an overspend of £58m, which is still well above the Scottish Government target. How we make further reductions while minimising impact on performance is the discussion we are currently having with Scottish Government colleagues.

We continue to encourage all colleagues to play their part in using resources efficiently and I'm pleased to say that our Value & Sustainability Programme is really picking up speed and improving the engagement of colleagues with the financial challenge. That said, this scale of financial reduction can only be achieved through a mix of close control over day-to-day spending, significant focus on organisation-wide

areas of high expenditure and transformation driven by clinical services. How we deal with the ongoing financial challenge without losing sight of our other key priorities will be a major feature of the Board's business during 2024/25.

## **2. The Annual Delivery Plan**

In parallel to the financial plan, the annual delivery plan is being considered by Scottish Government. As soon as this is finalised it will be shared with the Board.

## **3. Baird and Anchor Project Update**

Work continues to progress on the Baird Family Hospital and ANCHOR Centre. The feasibility study is nearing completion with physical design changes agreed in principle. The project team and technical experts continue to work closely with the contractor, NHS Scotland Assure and Scottish Government.

Based on the initial findings from the first 2 stages of the feasibility work, it is anticipated that the provisional timescales for us to initiate commissioning will be winter 2024 for the ANCHOR centre and summer 2025 for The Baird Family Hospital. Specific dates will be provided following the full completion of the feasibility work in May with a formal update at the next Board meeting.

Dr Adam Coldwells, Interim Chief Executive 4 April 2024