

## **Financial Recovery Board Report to NHS Grampian Board meeting on 9th October 2025**

Board Meeting 09.10.25 Open Session Item 7.4
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### **Purpose of Report**

This paper provides an update on the issues considered at the first Finance Recovery Board (FRB) meeting on 4 September 2025. The purpose of the Board is to review financial monitoring, savings progress, and specific cost areas, aiming to address budget challenges through a coordinated system-wide approach.

Discussions emphasized detailed savings plans, enhanced scrutiny, and collaborative efforts to ensure financial sustainability.

### **Terms of reference and meeting schedule**

The meeting confirmed the terms of reference and meeting schedule. The FRB's Terms of Reference align with those of other NHS Scotland Boards that have been escalated to Level 4 of the NHS Scotland Support and Intervention Framework. The FRB has representation from operational leads and IJB COs, with meetings set monthly on the first Thursday. There will be a review of the role of the FRB in January 2026.

### **Revised Financial Monitoring Report**

As PAFIC had considered this report in detail the day before, there was a more limited discussion at FRB. The revised format was welcomed, appreciating that there is some development still to come. It was recognised that there will be in-year movement in budgets. FRB anticipate there will be strengthened scrutiny as a result of the new format, with greater input from executive leads.

### **Savings Gap and Financial Monitoring**

Currently there are over 100 savings schemes and a robust tracking system, with ongoing development of 2026/27 savings and strengthened executive scrutiny. Detailed progress updates on the savings plans, including proposals to close the remaining gap to achieve the agreed deficit level of £45 million for 2025/26, are expected to be considered at the FRB on 2 October and will be reported to the Board and appropriate committees after that.

### **Deep Dive on Taxi Spend**

A focused review on taxi expenditure highlighted challenges and mitigation efforts, including alignment with emerging national policy. There will be patient engagement activity and a whole system approach involving finance and operational teams to address financial pressures comprehensively. The FRB were assured that a good approach was set out, securing short term financial improvement (eg tighter contract management), alongside a medium term approach to a more sustainable model.

More broadly and beyond this contract area, it was noted that if capacity is an issue in terms of tighter contract management then this may be a spend to save opportunity.

Overall, assurance was provided this area is receiving significant attention with progress expected to be evidenced in the coming weeks. There will be continued oversight through the savings tracker, which will be reported to the appropriate operational boards and PAFIC.

There will be other risk-based deep dives at future meetings, for example on significant new pressures, non-achievement of planned savings or on ways of working.

### **Whole system approach**

The FRB noted good input from executives demonstrating a whole system and layered approach to addressing the financial challenge. The breadth and depth of savings schemes is further evidence of this. Cross team / service activity is evident, for example finance staff supporting operational staff and on savings schemes that run across operational teams. It is vital that this whole system approach continues.

Further consideration will be given to how the FRB can secure assurance on how IJB budget challenges are being addressed, while respecting governance structures.

Ritchie Johnson

Non executive Board member

Chair of Financial Recovery Board

30 September 2025