

**Approved Minute**  
**NHS Grampian**  
**Performance Assurance, Finance & Infrastructure Committee**  
**30<sup>th</sup> July 2025, 1400 to 1600**  
**(Microsoft Teams Meeting)**

Board Meeting  
09.10.25  
Open Session  
Item 12.3

**Chair – Mr Sandy Riddell**

**Present**

Sandy Riddell (Chair)	Non-Executive Board Member, NHS Grampian
Joyce Duncan	Non-Executive Board Member, NHS Grampian
Ritchie Johnson	Non-Executive Board Member, NHS Grampian

**In Attendance**

Adam Coldwells	Chief Executive
June Brown	Deputy Chief Executive/Executive Nurse Director (from 1520)
Sarah Duncan	Board Secretary
Preston Gan	Head of Performance
Steven Lindsay	Employee Director
Alex Stephen	Director of Finance/Executive Lead for Performance
Alan Wilson	Director of Infrastructure & Sustainability
David Creighton	Senior Administrator/PA (Minute)

**Guests**

Colin Adam	Programme Director B&A <b>Item 4.1</b>
Julie Anderson	Assistant Director of Finance <b>Item 4.2</b>
Carmen Gillies	Programme Lead Value & Sustainability <b>Item 3.2</b>
Nick Fluck	Senior Responsible Officer B&A <b>Item 4.1</b>
Sarah Irvine	Deputy Director of Finance <b>Items 3.1, 3.2</b>
Garry Kidd	Assistant Director of Infrastructure & Sustainability <b>Items 4.2 &amp; 4.3</b>
Fiona Mitchelhill	Chief Officer, Aberdeen City IJB <b>Item 4.3 but attended whole meeting</b>
Shanitini Paranjothy	Interim Director of Public Health <b>Item 5.1</b>
Kerry Ross	Business Manager, Royal Cornhill Hospital <b>Item 4.3</b>
Philip Shipman	Interim Director of People & Culture <b>Item 1.5</b>

**Apologies**

Colette Blackwell	Non-Executive Board Member, NHS Grampian
Hugh Bishop	Executive Medical Director
Alison Evison	Board Chair
Derick Murray	Non-Executive Board Member, NHS Grampian
Dennis Robertson	Non-Executive Board Member, NHS Grampian
Alan Wilson	Director of Infrastructure & Sustainability

Item		Discussion	Actions
1.	1) Welcome and Apologies	The Chair welcomed everyone to the meeting. Apologies noted as above. The Chair reminded Committee Members and Leads for items that it was assumed committee members will have read all of the reports, with introductions to items to be short and succinct.	

2) Declarations of Interest	The Chair advised that in relation to Item 4.3 that he is Chair of the Mental Welfare Commission.	
3) Minutes of previous meeting (28 <sup>th</sup> May 2025 Open and Closed Sessions)	The Minutes were approved as accurate record of the meetings.	
4) Action Tracker	The Chair advised the Action Tracker includes only recently open or closed actions from the previous meeting. A copy of closed actions is held by admin support and is available upon request at any time.	
5) Matters Arising  Staff Absence, Training & Support	<p>The Interim Director of People &amp; Culture presented a positive update on sickness absence, highlighting Grampian's strong performance (4.81% vs 5.87% national average) and the role of Power BI dashboards and Staff Governance Committee reviews.</p> <p><b>PAFIC Questions/Comments</b></p> <ul style="list-style-type: none"> <li>Concerns about persistent hotspots, particularly in integrated teams with differing organisational standards, and the need for targeted psychological support in mental health and nursing bands 2–3.</li> <li>Stress-related long-term absence was identified as a key issue, with the Occupational Health, Safety and Wellbeing Committee tasked to explore targeted interventions. It was noted that stress often stems from personal circumstances rather than workplace conditions.</li> <li>Highlighted demographic factors and HR processes contributing to long-term absence.</li> <li>Concerns about disparities in Terms and Conditions across sectors and their impact on team cohesion.</li> <li>Mandatory training compliance was discussed, with the Interim Director of People &amp; Culture confirming that future Staff Governance Committee reports will include explicit updates and improvement plans.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>Prioritise stress management in Occupational Health, Safety and Wellbeing Committee.</li> <li>Include mandatory training compliance in Staff Governance Committee reports.</li> <li>Engage IJBs and councils to address integrated team support inconsistencies.</li> <li>Continue targeted support for high-absence areas.</li> </ul>	<p>PS</p> <p>PS</p> <p>PS</p> <p>PS</p>

2.	<b>Committee Matters</b>		
	1) 2025 Meeting Dates & Forward Planner	3 <sup>rd</sup> September 2025 PAFIC meeting to be extended by 30 minutes (1400-1630 PM) due to a full agenda. Notify committee members/attendees of extended September meeting.	DC
	2) Level 4 KPMG Update	The Director of Finance updated on the Level 4 external review by KPMG report, noting additional recommendations and feedback. Finalised report to be circulated when available as advised by the Scottish Government (SG).	AS
3.	<b>Finance – Exec Lead Alex Stephen</b> Topics and paper author:  1) 2025/2026 Month 3 Finance Update	<p>The Deputy Director of Finance introduced the paper. £17.2m overspend reported. Forecasted £55m deficit which exceeds the £45m target. This is due to a number of savings not yet being delivered. Forecast anticipated to change as the financial year progresses and is a high priority for the Chief Executive Team (CET) to ensure the target is reached.</p> <p>Noted risks: savings delivery, increased costs due to service pressures, potential IJB overspends.</p> <p><b>PAFIC Questions/Comments</b></p> <ul style="list-style-type: none"> <li>• The Chief Executive confirmed a number of project management options being led by the Programme Lead Value &amp; Sustainability and the Interim Director of Improvement to transfer into actions for improvement.</li> <li>• Ensure all options for savings are considered.</li> <li>• Noted sustained agency spends at DGH despite direct engagement for locums.</li> <li>• Patient flow pressures and impacts on finance and the system. The Deputy Director of Finance confirmed pressures require additional wards to create capacity and non-standard bed spacing both which requires nursing staff. The Director of Finance confirmed that mitigations are part of the Planned Care and Unscheduled Care (USC) plans to improve flow.</li> <li>• Rebasing nursing budgets and balance of contracts to ensure the right support. The Executive Nurse Director confirmed under the Health and Care Staffing Legislation. NHS Grampian (NHSG) applies the common staffing method based on data and professional judgement to determine what the workforce should look like. A piece of work has been done to look to recruit substantively to reduce supplementary staffing.</li> <li>• Medical staffing overspends. The Deputy Director of Finance confirmed costs attributed to non-complaint rotas, locum spends and additional beds. The Medical Pay Board will be able to look at enhancing controls and reducing overspends.</li> </ul>	

		<p><b>PAFIC agreed to note the recommendations:</b></p> <ol style="list-style-type: none"> <li>1. Discuss and note the update on the external diagnostic review commissioned by Scottish Government as part the Board's escalation to stage 4 on the NHS Scotland Support and Intervention Framework.</li> <li>2. Discuss and note the update on the Board's financial position for the period to June 2025/26 and the current forecast year end position.</li> <li>3. Note a formal update on the strategic risk 3130 - "inability to achieve the aspirations set out in Plan for the Future due to financial resource constraints and inefficiencies" will be provided to the Committee in September.</li> </ol> <p><b>PAFIC agreed no escalation required.</b></p>	
	2) 2025/2026 Month 3 Value & Sustainability Plan Update	<p>The Programme Lead Value &amp; Sustainability introduced the paper. Value &amp; Sustainability (V&amp;S) has saved £5.6m so far. A slight change in reporting structure as identified by KMPG to provide more detail on amber projects in addition to red projects and contract leakage savings.</p> <p><b>PAFIC Questions/Comments</b></p> <ul style="list-style-type: none"> <li>• Suggested that clearer updates on plan submission, implementation and impacts is provided in future iterations in particular for stubborn issues to provide assurance. The Director of Finance confirmed that Junior Doctor Rotas and Locums were areas of concern that were being worked on.</li> <li>• In relation to projections and potential deficits the Deputy Director of Finance confirmed that due to the timing of the PAFIC meeting the potential forecast was unable to be advised but this would be reported in full to the Board.</li> <li>• The Programme Director Value &amp; Sustainability reflected that following success of V&amp;S in 2024. 2025 required further governance enhanced forensic monitoring for accurate forecasting for projects to provide assurance.</li> </ul> <p><b>PAFIC agreed to note the recommendation:</b></p> <ol style="list-style-type: none"> <li>1. <b>Assurance</b> – note the financial savings achieved through Value &amp; Sustainability (V&amp;S) Programme up to June 2025.</li> </ol> <p><b>PAFIC agreed no escalation required.</b></p>	
4.	<b>Infrastructure – Exec Lead Alan Wilson</b>	<p>The Programme Director B&amp;A introduced the paper. Following a meeting with stakeholders a sign off has been established for the Anchor building construction</p>	

	<p>Topics and paper author:</p> <p>1) Baird &amp; Anchor Update</p>	<p>phase planned for end of August 2025 carrying through to October 2025. KSAR review findings submitted with a response expected by NHS Scotland Assure (NHSS Assure) by end August 2025. The Baird building final instructions have been decided with stakeholders, with some risk of delay to KSAR sign off due to NHSS Assure resource.</p> <p><b>PAFIC Questions/Comments</b></p> <ul style="list-style-type: none"> <li>• The Chair wished to reiterate thanks for the recent helpful and informative tour of both Baird &amp; Anchor sites for Non-Executives and himself and praised the level of stakeholder engagement.</li> <li>• Anchor 47 derogations to be closed off close off by end of July 2025. The Programme Director B&amp;A confirmed these are being worked through and due to go to the Project Board for approval by end of July 2025. Noted two delegations that relate to open treatment space in Anchor with no applicable standard to be derogated against.</li> <li>• Welcomed escalation from the Project Board for executive decision which has now been resolved. Further matters were escalated to an executive panel who have met and awaiting the outcome of the decision.</li> <li>• Go live operational dates are unable to be advised at present as needs to be agreed with NHSS Assure.</li> </ul> <p><b>PAFIC agreed to note the recommendations:</b></p> <ol style="list-style-type: none"> <li>1. <b>Assurance</b> - review and scrutinise the information provided in this paper and confirm that it provides assurance that the policies and processes necessary are in place and are robust.</li> <li>2. Note progress with The Baird Family Hospital and The ANCHOR Centre project, specifically an update on key matters; including the outcome of stakeholder decisions, decisions on the building completion strategy, the revised scope of work, and the design, construction, commissioning, and assurance processes that are under way in the lead up to completion and functional occupation of the buildings.</li> <li>3. <b>Future reporting</b> – note that completion dates and the final project forecast will feature in future reporting on the Baird and ANCHOR project when the full impact of all changes has been reported by the Contractor.</li> </ol> <p><b>PAFIC agreed no escalation required.</b></p>	
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2) Infrastructure Planning and Programme Update	<p>The Assistant Director of Infrastructure &amp; Sustainability advised DL#14 referenced in the paper will be renumbered as DL#15.</p> <p><b>PAFIC Questions/Comments</b></p> <ul style="list-style-type: none"> <li>• Structure of leadership, oversight, direction, governance processes and wider leadership across the system. The Director of Infrastructure &amp; Sustainability confirmed the Whole System Planning Group looks at maintaining facilities for use over the next 7-10 years. There is engagement with services for priorities and clear direction in conjunction with Integrated Joint Boards (IJBs), which is prioritised against what NHSG know is coming. The Deputy Director of Infrastructure &amp; Sustainability confirmed governance is operated within the governance and accountability framework through the Asset Management Group and appropriate sub groups. This helps inform any bids for business continuity.</li> <li>• Estate rationalisation shared objectives and priorities to agree concrete decisions for clear direction. The Director of Infrastructure &amp; Sustainability confirmed priorities are looked at one year in advance. Looking at how to transform services with limited capital funding. Work is in progress with IJBs and teams to look at sharing facilities against one single plan which should provide opportunities.</li> </ul> <p><b>PAFIC agreed to note the recommendations:</b></p> <p><b>Assurance</b> – The Committee is asked to review and scrutinise the information provided in this paper and confirm that it provides assurance of the following:</p> <ol style="list-style-type: none"> <li>1. The effective allocation of limited available capital funding to address key risks across the infrastructure base.</li> <li>2. Robust arrangements exist for the monitoring of progress against the agreed infrastructure investment programme.</li> <li>3. Current status of the various infrastructure projects and programmes under delivery.</li> <li>4. Effective arrangements exist for the management and prioritisation of future infrastructure investment (and disinvestment) plans.</li> </ol> <p><b>PAFIC agreed no escalation required.</b></p> <p>The Business Manager Royal Cornhill Hospital confirmed the importance of patient and staff engagement and operational impacts. Mitigations in place for staff to manage patients and the risk profile is being managed</p>	
3) Blair Forensic Unit Update	<p>operational impacts. Mitigations in place for staff to manage patients and the risk profile is being managed</p>	

		<p>working to improve facilities for both staff and patients. Phased improvement works responding to Mental Welfare Commission (MWC) concerns. Phase 1 is underway, with patients temporarily housed in smaller environments. Phase 2 starts in October 2025, Phase 3 is being scoped and will require further approval.</p> <p><b>PAFIC Questions/Comments</b></p> <ul style="list-style-type: none"> <li>• The Deputy Director of Infrastructure &amp; Sustainability confirmed a timeline for delivery of two years due to impacts and difficult issues of decanting patients.</li> <li>• Engagement with supply chains to ensure work can progress as planned or brought forward if required. Noted a need to engage with external colleagues if any deviation from timeframes.</li> <li>• Concerns re prices from contractors if any deviation from timeframes. The Deputy Director of Infrastructure &amp; Sustainability confirmed there is a framework in place with local contractors whereby inflation is part of contractual terms.</li> <li>• Governance in relation to the Project Board reporting to the Forensic Steering Group. The Chief Officer Aberdeen City confirmed good links across all IJB with the Forensic Steering Group attended by IJBs and reported to the Mental Health Strategic Board. Noted the Cross System Service Delivery (CSSD) meet fortnightly which is attended by colleagues across Grampian. The Director for Infrastructure &amp; Sustainability confirmed SG and the MWC have had sight of the programming.</li> <li>• Noted the recent visit from Maree Todd Minister for Social Care and Mental Wellbeing who was pleased to hear of progress.</li> </ul> <p><b>PAFIC agreed to note the recommendation:</b></p> <p>1. <b>Assurance</b> – The Committee is asked to review and scrutinise the information provided in this paper and confirm that it provides assurance on the implementation of the project to address the most significant risks associated with the physical environment within the Blair Unit at Royal Cornhill Hospital.</p> <p><b>PAFIC agreed no escalation required.</b></p>	
5.	<p><b>Performance – Exec Lead Alex Stephen</b></p> <p>Topics and paper author:</p>	<p>The Director of Finance offered thanks to the Head of Performance for all of the hard work on the paper. It was noted that the next iteration of the OIP will be reported through the repurposed How Are We Doing (HAWD) Report.</p>	

	1) Operational Improvement Plan Update	<p><b>PAFIC Questions/Comments</b></p> <ul style="list-style-type: none"> <li>• PAFIC praised the work to get reporting to the current iteration.</li> <li>• Suggested that the status column has more information on deliverables, their due date, who is responsible for each element and if they are on track, and if not what actions have been taken and any mitigations implemented.</li> <li>• Emphasised the need for realistic transformation options given resource constraints, and for national policy changes where local delivery is limited.</li> <li>• Noted the importance of prioritisation and focusing on a small number of board-level priorities such as 52 week waits.</li> </ul> <p><b>PAFIC agreed to note the recommendations:</b></p> <ol style="list-style-type: none"> <li><b>1. Endorsement</b> - Endorse this update as an initial position report on NHS Grampian's progress against the Operational Improvement Plan (OIP) topic areas.</li> <li><b>2. Assurance</b> - This report offers a starting point for alignment and visibility of progress, with future iterations expected to strengthen assurance through the development of a revised reporting format for the OIP.</li> <li><b>3. Decision</b> - The Committee agrees to use this report as a baseline for ongoing monitoring of progress against the OIP and supports the development of a strengthened reporting framework to enhance future assurance.</li> </ol> <p><b>PAFIC agreed no escalation required.</b></p>	
6.	Matters to escalate to Board/Committee Chairs	No escalations noted.	
7.	Date of Next Meeting: <b>3rd September 2025</b>		