

Meeting:	NHS Grampian Board Meeting
Meeting date:	11 December 2025
Item Number:	9
Title:	External Review - Improvement Plan – Developing the Governance Framework
Responsible Executive:	Phil Tydeman, Interim Director of Improvement
Report Author:	Phil Tydeman, Interim Director of Improvement

1 Purpose and recommendations

This is presented to the Committee for:

- Assurance
- Decision

Recommendations

The Board is asked to:

- (a) approve the proposed governance framework for operational accountability and Board oversight and assurance and in doing so, confirm the reporting format meets the standard for effective reporting against this plan to engender confidence of the Board.
- (b) reach a decision on whether to remove the nine recommendations from the improvement plan.
- (c) note further work by Executive Directors to define the evidence base and criteria that each recommendation must meet for 'closure,' and that this information will be reviewed in totality by CET prior to approval by each respective Committee.
- (d) note a progress report will be presented to the next Board meeting including a Chairs Assurance Report from each Committee setting out assurance against delivery plans and closure criteria for Year 1 recommendations.

This report relates to:

- Responding to the Scottish Government commissioned external review as part of NHS Grampian being escalated to Level 4 of the NHS Scotland Support and Intervention Framework on 12th May 2025.

This aligns to the following NHS Scotland quality ambitions:

- Safe
- Effective
- Person Centred

This subject matter of this report is relevant to the mitigation of the following strategic risks (further information provided in the Risk section below)

- Inability to meet population demand for Planned Care
- Significant delays in the delivery of Unscheduled Care
- Deviation from recognised service standards of practice and delivery
- Inability to achieve the aspirations set out in Plan for the Future due to financial resource constraints and inefficiencies
- Insufficient change and innovation to create a system which can meet demand and deliver on our strategic intent
- Worsening health in Grampian particularly in those who experience multiple disadvantages

2 Report summary

2.1 Situation

NHS Grampian was placed into Level 3 of the NHS Scotland Support and Intervention Framework on 09th January 2025 and was subsequently escalated to Level 4 on 13th May 2025 reflecting additional concerns from Scottish Government over financial sustainability, the deterioration of the financial position during 2024 - 2025, and leadership and governance related to rising concerns about local services and performance against national priorities and standards, including some quality concerns raised by the appropriate regulatory bodies. A letter of formal escalation to Level 4 was issued by Scottish Government to the Chief Executive Officer on 12th May 2025.

To enable NHS Grampian to better understand these concerns and to inform how the Board would be best placed to respond, Scottish Government commissioned an external review to broaden the narrative and to strengthen the evidence base across each area and to identify opportunities for further improvement in each domain in which the Board was escalated. The review commenced on 19th June 2025 and was undertaken by professional services firm KPMG, with the first draft report circulated to Scottish Government and members of the Chief Executive Team (CET) on 09th July 2025 as part of engagement and clarification of emerging themes. The final report was published on 09th October 2025 by the Cabinet Secretary for Health and Social Care.

Informed by discussions with KPMG and the Scottish Government-chaired Assurance Board, the draft report was considered at the CET meetings on 09th September and 23rd September 2025 to develop the operational approach to be taken to monitor and report against the totality of recommendations within the review.

Much of the information contained within the draft and final report were known to NHS Grampian, with work already underway across many of the themes that featured within the report. Alongside this were some new opportunities to explore which could lead to further improvement, which NHS Grampian welcomed.

The culmination of these efforts led to dedicated time at the Board Seminar on 13th November 2025 where the full Board:

- (a) were updated on progress to date; including how the recommendations fit into the three operational priorities of Value & Sustainability, Unscheduled Care and Planned Care
- (b) considered the intended governance arrangements and advised on steps to further strengthen the role of the Board and its Committees in receiving sufficient assurance on progress.
- (c) commenced discussions on the criteria and evidence base that would be needed to satisfy recommendations being 'closed' - recognising that all elements of the plan would be subject to both internal (internal audit) and external (Assurance Board) scrutiny.

Feedback from this session has informed the principles and approach of the final governance framework for this programme detailed in this paper acknowledging some on-going development is still required to fully embed this framework.

Given the weight and importance of this review in enabling delivery of our three priority programmes and in contributing to the expected criteria for de-escalation – which will be shared in draft format with NHS Grampian at the Assurance Board on 16th December 2025 for initial consideration to support a full Board discussion early in 2026; the NHS Grampian Board are asked to consider the four recommendations set out above.

2.2.1 Summary of work completed to date

Since the publication of the final report, several actions have been taken to transfer responsibility and ownership of the recommendations to relevant Executive Directors. These include:

- Forensic review of the final report culminating in all recommendations written into a singular plan categorised by thematic category, prioritisation, and indicative responsible Executive Director. Scottish Government reviewed this initial effort to provide additional assurance that all details had been accurately captured.
- The initial plan was shared with Executive Directors to confirm correct ownership had been applied. Where this was not the case, recommendations were transferred with agreement of the eventual Executive.
- Recognising the need to balance pace with capacity; a prioritisation exercise was completed by each Executive in conjunction with their teams to map out the anticipated commencement date by Year for each recommendation. It should be noted, that detailed delivery plans including an expected completion date for Year 1 (2025/26) recommendations has started and will be completed through January 2026.
- Some recommendations were identified for removal from the plan due to duplication, an amalgamation of similar recommendations; or no longer being valid. The decision to remove sits solely within the remit the Board and said recommendations are set out in section 2.2.6.
- A model for operational accountability for this improvement plan was developed, shared at a CET meeting, and agreed in principle.

- Acknowledging Scottish Government commissioned the review (and therefore were owners of the content prior to publication); updates have been provided to the Assurance Board at regular intervals – and will continue until otherwise agreed with Scottish Government. The minutes from the Assurance Board are now routinely published, which is a welcome step for openness and transparency to our community, partners and staff.
- Finally, engagement with the full Board took place on 13th November 2025 to elicit feedback to further shape the oversight and assurance function held by the Board and its Committees.

2.2.2 Continuing work on the plan

Concurrent to discussions with the Board, developing this governance framework remains a work in progress and section 2.2.4 sets out the transitional arrangements to be enacted as we move to full implementation. Key actions being progressed for completion through January 2026 include:

- Executives will map out milestones with specific delivery dates, key performance indicators and establish the evidence-base of information for each recommendation and that must be met to be considered 'closed' by CET. The evidence base will include consideration and input from involved operational and clinical colleagues to strengthen the criteria.
- For recommendations ready to be assessed to 'close,' the evidence base and criteria will be prioritised with information submitted to CET as an early test of the process prior to circulation to the relevant Committee and then onward to Board for approval.
- Recommendations that sit across the three priority programmes will be assessed to determine if they sit within the existing plans – and if they do, that there is consistency in the outcomes listed; or if they need to be added into existing plans.
- For recommendations that sit within the 'Governance, Leadership and Culture' programme; the newly established Culture Programme Board will incorporate monitoring and accountability into the Terms of Reference and seek assurance both the delivery plans and evidence-base for 'closure' is sufficiently robust. This Board commences on 12th December 2025 and meets monthly. It is Chaired by the Interim Director of People and Culture.
- To develop standardised templates for reporting to the relevant Programme Boards, CET meetings, NHS Grampian Board and its Committees and that these are shared for input through December and finalised to roll-out from January 2026.

2.2.3 The recommendations

There are 96 recommendations contained within the report. Following a validation exercise, we have confirmed ownership for delivery by individual Director:

Executive Sponsor	Priority 1: 2025/26	Priority 2: 2026/27	Decision to omit
Chief Executive Officer	2		
Acute Triumvirate	4	5	
Acute Triumvirate and IJB COs	10	1	
Director of Infrastructure, Sustainability & Support Services	4	1	2
Director of Finance	26	6	2
Executive Medical Director	7		2
Medical Director Acute Sector	8	1	1
Executive Nurse Director	5		2
Director of Marketing & Corporate Communications	1		
Interim Director of People & Culture	3	3	
Total	70	17	09

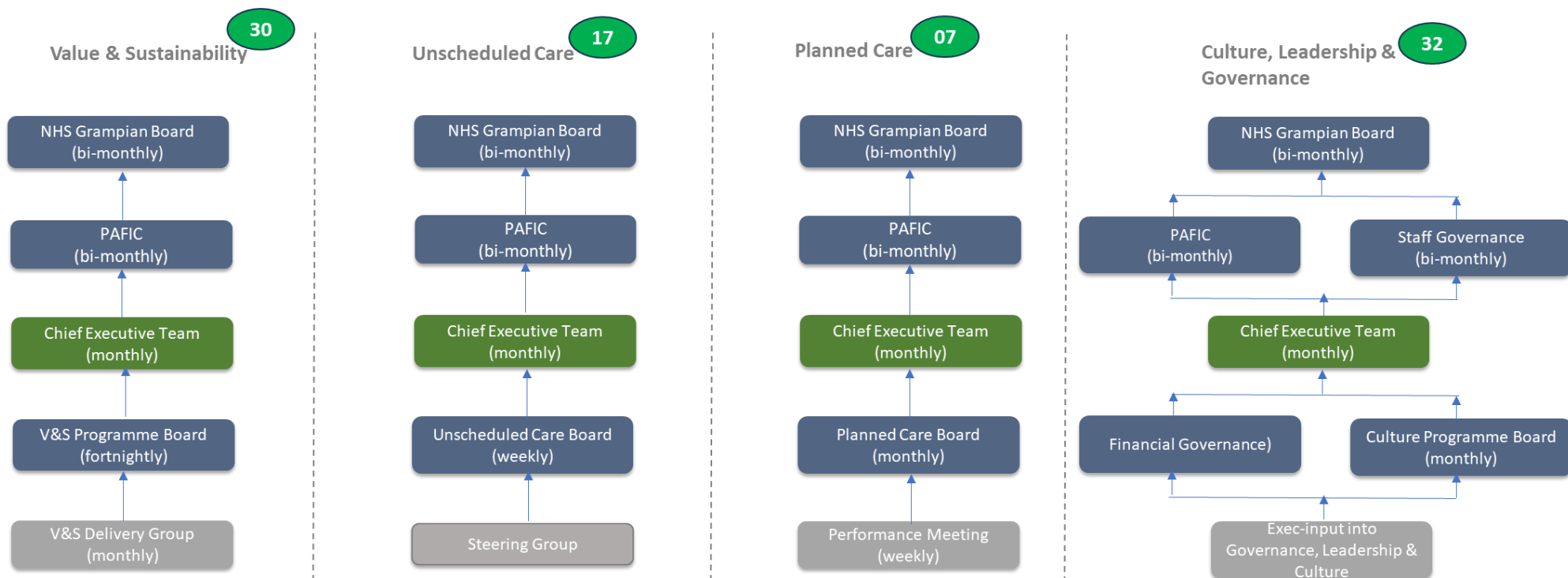
While nine recommendations are proposed to be removed, the narrative of 96 will be retained until a decision by Board has been taken. 70 (73%) will commence from this financial year, 2025 – 26, recognising the fact many are already in train within existing work portfolios and the need to implement change at pace aligned to Year 1 priorities.

2.2.4 Defining the governance framework

Recommendations have also been aligned to the three priority programmes and discussions held on the appropriate governance arrangements, including at the Board Seminar. There were two key amendments from the original proposal that have now been incorporated into the revised model.

1. The 32 recommendations under the Governance, Leadership and Culture programme will now formally report into and be held to account for delivery by the monthly Culture Programme Board; and
2. The Governance, Leadership and Culture programme will be held to account by the Culture Programme Board which itself will receive oversight from and provide assurance into the Staff Governance Committee.

The proposed governance model for this programme, at present is set out below:



The numbers in green reflect how recommendations align to each programme with Value & Sustainability (30); Unscheduled Care (17), Planned Care (7) and Governance, Leadership & Culture (32).

There are several principles that will guide oversight and assurance at Board and Committee level.

1. Standardised reporting templates will be introduced from each programme to CET and from CET to Committee and onwards to Board. The level of information provided will be reduced at each level acknowledging more detailed accountability and assurance will have been gained at the preceding forum.
2. Reporting will focus specifically on areas of underperformance and will provide appropriate information on current position, actions being taken to return the recommendation to original plan and assurances and evidence put in place to closely monitor progress.
3. The four programmes will report into CET via the four programme boards on a four-weekly rotating basis. Effort will be made to ensure alignment of reporting to CET to Committee meeting dates. Given the technical nature of the financial governance recommendations (20 in total) it is proposed these do not report via the Culture Programme Board or Staff Governance but via Performance Assurance, Finance and Infrastructure Committee (PAFIC) given the natural alignment. The financial governance recommendations will report to CET alongside Governance & Leadership.
4. CET will report progress directly into the relevant Committee at each meeting reflecting the importance of this improvement work in supporting our de-escalation efforts from Level 4 of the NHS Scotland Support & Intervention Framework.
5. Consideration will be given to agendas, in particular the PAFIC to manage the associated workload of assuring three programmes. This will be captured within Committee forward planners.
6. Sufficient focus will be retained on Horizon 2 and 3 objectives and Committees will work to maintain adequate balance against immediate priorities and actions.

2.2.5 Defining the evidence base for closure

Agreeing the evidence base to close each recommendation will be critical to withstanding internal and external scrutiny. It is right that Executive Directors with their teams set out that criteria given their more in-depth knowledge. It is therefore proposed:

1. The evidence and criteria to be met must be measurable either by written documentation, or key performance data that demonstrates improvement to a defined level to warrant closure. For changes in operational performance, a timescale for sustained improvement must be set to assure embedded practice and learning.
2. The evidence and criteria base for each recommendation will be scrutinised and challenged by operational and clinical colleagues where relevant for all programmes through November and December 2025 prior to final review by CET. This will serve several functions:
3. Consistency of approach in setting and assessing the evidence and criteria.

4. Ensure clinical and operational challenge from individuals who will be directly or indirectly impacted by the recommendation; and thus have a greater level of knowledge than CET or Board Committee members.
5. Provide an additional level of assurance to the Committee that they have been thoroughly considered when they are presented and to offer confidence when the Committee makes a recommendation to approve by the Board.
6. That there will be sufficient time (and a wider audience) to consider recommendations submitted to be closed than Committees and therefore it can be assumed more rigour applied to the closure process.
7. PAFIC and Staff Governance Committees will be presented the complete list of evidence and criteria for all recommendations within their respective programmes, once approved by CET. Committee members will then determine if the evidence and criteria meet the standard for adequate assurance.
8. PAFIC and Staff Governance Committees, once assured a recommendation has met the standard for closure, will submit the recommendation to Board for formal closure. The level of detail to be presented will be set by each Committee – recognising this is work to be completed prior to the end of December 2025. The frequency of reporting to Board is to be considered to ensure effective triangulation with appropriate data in a timely manner. It is proposed quarterly to align data sources with committee meeting dates.
9. Only the Board can approve closure of a recommendation, and only on the advice of the relevant Committee. This level of detail will be limited and will be consistent across each Committee – recognising this is work to be completed prior to the end of December 2025.
10. The Audit and Risk Committee will fulfil a role on whether:
 - the evidence and criteria to close recommendations across the entirety of the programme is sufficiently robust.
 - that the evidence by which Committees have recommended closure to the Board has met the required standards. It is proposed that each function is undertaken once within the duration of the programme.
 - whether the actions once completed are sustained and have become embedded (a process 6-12 months post-closure of actions will need to be agreed)

2.2.6 Removal of a recommendation

As stated above, only the Board can approve a recommendation being removed from the improvement plan. This decision will be based on the explanatory evidence provided. There are nine recommendations proposed for removal:

	Recommendation proposed for removal	Rationale for removal
1	Estate rationalisation and closure of sites. Further rationalisation of the estate space, including office space rationalisation and identification of areas with low or unclear usage. Currently a total area of 19,652 sqm has been identified for closure/disposal, resulting in reduction of operational maintenance, energy, water, cleaning and rates related cost. £0.3m - £0.4m	<p>Savings associated with this recommendation will be included in how Estates and Finance calculate total financial benefits across capital and revenue and therefore the suggested £0.3m - £0.4m will be subsumed by the existing recommendation within the Value & Sustainability opportunities:</p> <p>NHS Grampian should continue to expedite its review of the estate footprint to identify specific opportunities to rationalise and right-size it. There were quantified previously as a potential £3.2m to £4.8m in annual recurrent savings.</p> <p>It is therefore recommended for removal based on the confidence the savings will be captured.</p>
2	Estates: Advertising on sites. Utilising the digital screens in the main concourse at the Foresterhill site for commercial advertising may provide additional income for the estate.	<p>Analysis from KPMG shows minimal income to be garnered from this. It is proposed any use of implementing digital screens if implemented would best be served conveying health information to staff, patients and visitors.</p> <p>For these reasons, it is recommended to not progress this recommendation due to the financial impact being immaterial.</p>
3	There are an additional 16 opportunities that due to their complex nature require further exploration to assess the benefits to the Health Board.	This was captured in the original review of all recommendations (and maintained following a review by Scottish Government); however it relates to 16 'additional savings opportunities' across pay and workforce planning; non-pay expenditure; clinical productivity; procurement; estates management; and taxation. These are already captured individually within the Value & Sustainability recommendations and therefore is a duplicate statement captured in error originally. It is reported here to ensure transparency in this process and how we report going forward against the original 96 recommendations presented to Board Seminar and other forums.
4	The annual budgeting process incorporates historic unrealised savings. It would benefit from a zero-based budgeting approach and from commencing earlier in the financial year.	<p>This recommendation repeats a similar recommendation contained within the external review and therefore we are proposing its removal as the intent behind each is the same. The retained recommendation under the 'Culture and Leadership Programme' will be:</p> <p>Review the historic savings that are included within annual budgets and consider zero-based budgeting at the start of each year.</p>
5	A phased 5% reduction (via managed attrition, paused recruitment and realignment of roles where possible) in total number of Medical and Dental WTEs as at 2024-25 could unlock savings of £11.5 million.	This statement is linked to another recommendation, and it is therefore proposed for removal from the plan as it makes a statement of indicative savings without a

		<p>clear path to realisation. It is therefore proposed that this theme is picked up with another recommendation:</p> <p>Further work is recommended to undertake a targeted productivity review across key specialties (particularly Acute Surgery) to identify opportunities to improve and optimise activity levels and right-size workforce levels by reducing reliance on Agency and Locum staff. There may be opportunities to balance staffing with the highest pressures to reduce reliance on Agency staff, particularly in the FY1 and FY2 doctors.</p> <p>Through productivity reviews and right-sizing, we will develop a more evidenced-based approach to potential cost reduction. We can retain reference to the £11.5m but not as a specific recommendation.</p>
6	NHSG should consider the feasibility of annualised contracts for surgical activities.	<p>The external review makes three references to savings associated with consultant job plans. It is recommended that these are amalgamated into one recommendation that more fully encapsulates the wider opportunity rather than where reference is made to specific specialties. While the proposed recommendation to be removed relates only to surgical specialties, the following recommendation that we propose to retain within the plan will encapsulate surgical specialties:</p> <p>A review of consultant job plans across specialties is recommended given the increase in WTE and concurrent reduction in activity</p>
7	NHSG should review the job plans of all consultant surgeons to ensure alignment between capacity and demand. It is noted that the number of surgeons has increased despite a sizeable reduction in activity. The Board should consider the feasibility of annualised contracts for surgical activities.	<p>The external review makes three references to savings associated with consultant job plans. It is recommended that these are amalgamated into one recommendation that more fully encapsulates the wider opportunity rather than where reference is made to specific specialties. While the proposed recommendation to be removed references capacity and demand only for surgical specialties, the following recommendation that we propose to retain within the plan will encapsulate surgical specialties:</p> <p>A review of consultant job plans across specialties is recommended given the increase in WTE and concurrent reduction in activity</p>
8	NHS Scotland should commission an independent review of nurse WTEs to better understand why they have grown to the degree they have. This may be due to changes in case mix, occupancy, acuity and models of care, but requires further investigation given the considerable cost.	<p>This statement repeats another recommendation, and it is therefore proposed for removal from the plan. It is recommended that both are amalgamated into one recommendation already contained within the Value & Sustainability programme.</p> <p>Work is also recommended to independently validate if the staffing levels within wards are aligned to the requirements of Health and Social Care staffing legislation</p>

		<p>and if there is potential for improvement in terms of standardising patient acuity assessments across different wards (if they aren't standardised already) to identify opportunities to right-size the size of Nursing staff, while also ensuring continued legislative compliance.</p> <p>Similarly, through productivity reviews and right-sizing, we will develop a more evidenced-based approach to potential cost reduction. We do note the workforce commission, supported by Scottish Government will help facilitate this work.</p>
9	Reduction in substantive nursing levels: Right-size nursing staff through independent validation of staffing levels within wards and alignment to Health and Social Care staffing legislation and potential for standardising patient acuity assessments. £1.6m - £3.3m	<p>This statement repeats another recommendation, and it is therefore proposed for removal from the plan. It is recommended that both are amalgamated into one recommendation already contained within the Value & Sustainability programme:</p> <p>Work is also recommended to independently validate if the staffing levels within wards are aligned to the requirements of Health and Social Care staffing legislation and if there is potential for improvement in terms of standardising patient acuity assessments across different wards (if they aren't standardised already) to identify opportunities to right-size the size of Nursing staff, while also ensuring continued legislative compliance.</p> <p>Similarly, through productivity reviews and right-sizing, we will develop a more evidenced-based approach to potential cost reduction. We can retain reference to the £1.6m - £3.3m but not as a specific recommendation.</p>

2.2.7 Next steps

- (a) Ensure recommendations that do not currently sit within existing plans are incorporated and have delivery timescales and outcomes aligned.
- (b) Continue to develop milestones, key performance indicators, and the evidence base and criteria for all Year 1 (2025/26) recommendations before the end of December 2025 – and for consideration by CET and Committees in Quarter 4 2025/26.
- (c) Support Executive Directors to progress the recommendations, including incorporation into relevant agendas and meetings.
- (d) Compile the evidence base and criteria for those recommendations deemed ready to be closed as a preliminary indicator of the effectiveness of the proposed process.

2.3.1 Quality / Patient Care

This Improvement Plan supports improvements in patient care, patient experience and patient outcomes by establishing clear and measurable improvements across the Unscheduled Care (USC), Planned Care (PC), and Value & Sustainability (V&S) programmes in how services are delivered and how service delivery is improved. This includes but is not limited to patient flow, discharge without delay, improved performance against the national 4-hour emergency standard for USC; a reduced number of patients waiting longer than 52-weeks for a new outpatient appointment or for elective in-patient or day case treatment (PC) and improved utilisation across theatres and outpatients. Reporting against each will be via the three respective programme boards that have been established.

2.3.2 Workforce

A Culture Programme Board is being established with its inaugural meeting on 12th December that will be responsible for approving the evidence base and criteria for the twenty recommendations within its purview. These will be monitored weekly.

2.3.3 Financial

This improvement plan sets out efficiency opportunities contained within the external review and feature within the long list of opportunities that comprise the Value & Sustainability programme. The V&S Programme Board will be responsible for monitoring delivery of approved savings through-out the financial year.

2.3.4 Risk Assessment / Management

Each programme of work has a defined list of risks that are monitored through their respective Boards. These are discussed frequently, including in relation to strategic risks at CET. Escalation of risks through the delivery meetings to the Programme Board support executive oversight and facilitate action where deemed necessary.

2.3.5 Equality and Diversity, including health inequalities

Reporting of the three plans of Unscheduled Care, Planned Care and Value & Sustainability via the Quarterly HAWD report enable highlights on health inequalities. For the Value & Sustainability programme, a Quality Impact Assessment (QIA) is conducted for all schemes and evaluated by the

Clinical Executive prior to implementation to assure that any inequalities are being sufficiently mitigated.

2.3.6 Other impacts

This new revised governance framework will increase oversight, provide an enhanced level of assurance and oversight by the Board and its Committees.

2.3.7 Communication, involvement, engagement and consultation

- All Executive Directors and their respective teams were involved in reviewing the final external review; and in assessing and allocating ownership to each of the recommendations.
- All Board members were involved in the design of the governance framework and in articulating the level of assurance that will be expected to sufficiently demonstrate each recommendation has met the evidence base and criteria to be closed.

2.3.8 Route to the Meeting

- Board Seminar on 13th November 2025.

The Board is asked to:

- (a) approve the proposed governance framework for operational accountability and Board oversight and assurance and in doing so, confirm the reporting format meets the standard for effective reporting against this plan to engender confidence of the Board.
- (b) reach a decision on whether to remove the nine recommendations from the improvement plan.
- (c) note further work by Executive Directors to define the evidence base and criteria that each recommendation must meet for 'closure,' and that this information will be reviewed in totality by CET prior to approval by each respective Committee.
- (d) note a progress report will be presented to the next Board meeting including a Chairs Assurance Report from each Committee setting out assurance against delivery plans and closure criteria for Year 1 recommendations.

3 Appendix

List of Improvement Plan recommendations