

Approved Minute

NHS Grampian

Performance Assurance, Finance & Infrastructure Committee

3rd September 2025, 1400 to 1600

(Microsoft Teams Meeting)

Chair – Mr Sandy Riddell

Board Meeting

11.12.25

Open Session

Item 11.3

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
Derick Murray	Non-Executive Board Member, NHS Grampian
Dennis Robertson	Non-Executive Board Member, NHS Grampian (deputising for Alison Evison)
Kathleen Robertson	Non-Executive Board Member, NHS Grampian

In Attendance

Adam Coldwells	Chief Executive (from 1430)
June Brown	Deputy Chief Executive/Executive Nurse Director
Preston Gan	Head of Performance
Alex Stephen	Director of Finance/Executive Lead for Performance
Phil Tydeman	Interim Director of Improvement
Alan Wilson	Director of Infrastructure & Sustainability
David Creighton	Senior Administrator/PA (Minute)

Guests

Colin Adam	Programme Director B&A Item 4.1
Jillian Evans	Head of Health Intelligence Item 5.2
Nick Fluck	Senior Responsible Officer B&A Item 5.1
Geraldine Fraser	Chief Officer Acute
Carmen Gillies	Programme Lead Value & Sustainability Item 4.2
Robert Hobkirk	Head of Sustainability Compliance & Risk Item 5.2
Stuart Humphreys	Director of Communications Item 5.3
Martin Innes	Chief Digital Officer Item 5.3
Sarah Irvine	Deputy Director of Finance Items 4.1, 4.2 & 4.3
Phil Tydeman	Interim Director of Improvement

Apologies

Colette Blackwell	Non-Executive Board Member, NHS Grampian
Hugh Bishop	Executive Medical Director
Sarah Duncan	Board Secretary
Alison Evison	Board Chair
Steven Lindsay	Employee Director
Garry Kidd	Assistant Director of Infrastructure & Sustainability

Item		Discussion	Actions
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1.	<p>1) Welcome and Apologies</p> <p>2) Declarations of Interest</p> <p>3) Minutes of previous meeting (30th July 2025)</p> <p>4) Action Tracker</p> <p>5) Matters Arising</p>	<p>The Chair welcomed everyone to the meeting and introduced the new Interim Director of Improvement to his first PAFIC Meeting. Apologies noted as above.</p> <p>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, only including any new information or key points.</p> <p>Mr Ritchie Johnston advised for transparency he is Chair of the Financial Recovery Board which is a new layer for financial assurance. There should be no conflict of interest.</p> <p>It was noted that under Item 3.2 that the Programme Lead for Value & Sustainability was incorrectly noted as Programme Director which had been corrected prior to the meeting. With this correction the Minutes were approved as an accurate record of the meeting.</p> <p>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.</p> <p>No matters arising noted.</p>	
2.	<p>Committee Matters</p> <p>1) 2025 Meeting Dates & Forward Planner</p> <p>2) Level 4 KPMG Update/Plan for Sustainability and improvement</p>	<p>The Chair advised that 2026 meeting dates will be advised at the next PAFIC meeting on 26th November 2025.</p> <p>Recent Agenda Setting meetings have proved useful for scheduling and housekeeping. It was noted that sequencing for 2026 would be looked at to avoid a cluster of meetings and aligned with 2026 Board Meetings.</p> <p>The Head of Performance was commended for preparation of performance information for multiple committees. It was noted improved planning is required for 2026 to avoid duplication.</p> <p>The Director of Finance advised the Assurance Board met on 2nd September 2025 and discussed:</p> <ul style="list-style-type: none"> Financial monitoring report was reviewed, which will now be standardised for the Board, PAFIC, the Assurance Board, and the Financial Recovery Board. Updates were provided on Aberdeenshire IJB's financial position. Value and sustainability progress, and financial governance/reporting structures. 	

		<ul style="list-style-type: none"> • Unscheduled Care Plan; ongoing discussions with the Scottish Government (SG) are expected, with urgency to see improvement actions. • The communication strategy and KPMG report publication are pending; the report is expected to be published in the next few weeks, subject to final sign off by SG. Once available this will be circulated to the Board. 	
3.	Performance – Exec Lead Alex Stephen Topics and paper author: 1) Integrated Performance Assurance and Reporting Framework (IPARF)	<p>The Head of Performance presented the updated IPARF, which builds on previous frameworks and incorporates lessons learned to focus on outcomes-based, measurable changes rather than just activity reporting.</p> <p>The new framework features an enhanced performance model, sharper alignment with strategic intent, and a reduction in KPIs and deliverables for greater clarity and focus. Reporting will now emphasise three key change programmes.</p> <p>The framework introduces tiered reporting; Tier 1 for high-level summary, Tier 2 for programme detail, Tier 3 for risk and mitigation spotlights to support governance and assurance.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • The updated Framework was commended as clearer, sharper, and more focused, reflecting previous discussions. The significant work involved was recognised, with the focused Performance report expected to increase discussion and assurance. It was recognised that NHS Grampian's focus on Performance Framework sets a benchmark for excellence in comparison to other Boards. • Evolving Framework and supporting active governance. The Head of Performance confirmed board members would work on assurance prompts to ensure the right questions are being asked. • Absence of risk in the guiding principles linking actions to risk mitigation. The Head of Performance agreed to note this for future iterations. • Improved board oversight to ensure prompt escalation of issues. The Head of Performance described the "so what" test for KPIs and deliverables. The Director of Finance added that quarter one reporting would be reviewed to ensure the Framework is effective, with escalation supported by clearer links between actions and outcomes. <p>PAFIC agreed to note the recommendations: Endorsement</p>	

		<ol style="list-style-type: none"> 1. Endorse, as drafts to be finalised by the relevant Committee at its next meeting, the Good Governance Indicators to be reported to Board Committees. 2. Endorse the 2025/26 Integrated Performance Assurance and Reporting Framework (IPARF), including the enhanced performance model and the repurposed How Are We Doing (HAWD) report structure, as the basis for a more aligned and outcome-focused approach to delivery and performance. <p>Assurance</p> <ol style="list-style-type: none"> 3. Assured that the proposed Framework and model are fit for purpose, enhancing performance reporting. 4. Assured that the supporting appendices enable operationalisation and provide the necessary structure to deliver the intended improvements. <p>Decision</p> <ol style="list-style-type: none"> 5. Agree to adopt the Framework and model for use throughout 2025/26, and approve the repurposed HAWD report structure to enable formal reporting of Quarter 1 performance at the October 2025 Board meeting. <p>PAFIC agreed no escalation required.</p>	
4.	<p>Finance – Exec Lead Alex Stephen Topics and paper author:</p> <p>1) 2025/2026 Month 4 Finance Update</p>	<p>The Deputy Director of Finance introduced the revised format of the monthly finance monitoring report, highlighting its increased focus on key changes, deteriorations, and improvements in the financial position to strengthen governance and oversight.</p> <p>Year-to-date overspend was £23.4M as of July 2025, noting a £1.7M improvement from June 2025. Current forecasted year-end overspend was £53.9M. Focus on increasing savings delivery to manage the financial position.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • Reserves deficit. The Deputy Director of Finance explained it reflects the cumulative impact of not setting balanced budgets over recent years, with pressures exceeding new funding and savings. • Movement in SG allocations. The Deputy Director of Finance confirmed it referred to small changes in allocations, such as adjustments for National Insurance contributions, not a reduction in overall funding. • IJB overspends, in particular for Moray. The Director of Finance Alex confirmed that the figure was a worst-case scenario and ongoing work with the Moray 	

		<p>Integrated Joint Board (IJB) could improve the position.</p> <ul style="list-style-type: none"> • IJB Chief Financial Officer recruitment challenges. The Director of Finance acknowledged the issue, noting interim arrangements were in place, but recruitment remained a challenge in the region. • Capital investment and revenue impact. The Director or Infrastructure & sustainability confirmed that business cases required sign-off on revenue aspects with prioritisation aimed to reduce future revenue spend. • Likelihood of savings from rota improvements and concerns about mental health staffing levels. The Chief Officer Acute explained that improvements were ongoing but savings would depend on reducing hospital occupancy through Unscheduled Care plans. The Nurse Director also confirmed that common staffing method outputs were being aligned with budgets and reviewed annually with external validation. <p>PAFIC agreed to note the recommendations:</p> <ol style="list-style-type: none"> 1. Discuss and note the update on the Board's financial position for the period to July 2025/26 and the current forecast year end position. 2. Consider the revised budget monitoring report and make recommendations of any modifications required which would support the oversight of the financial management of the Board. 3. Escalation - confirm if any escalation is required to another Board committee or the Board and specify the details of that escalation. <p>PAFIC agreed no escalation required.</p>	
	2) 2025/2026 Month 4 Value & Sustainability Plan Update	<p>The Chair confirmed that the Value and Sustainability Delivery Group now reports to the Financial Recovery Board, and that three separate savings plans have been consolidated into one for better governance and tracking. The Programme Lead Value & Sustainability explained that the group actively manages all savings projects, supporting operational teams, and providing updates through the How Are We Doing (HAWD) report. A tracker is held showing KPIs and risks. The Value & Sustainability group has identified £3.7M of identified savings with efforts ongoing close a £7 million gap.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • Risks with reduced training budgets. The Programme Lead Value & Sustainability confirmed only non-essential training is being delayed. Statutory and mandatory training continues, and each training 	

		<p>request is reviewed to see if it can be postponed to next year, not cut entirely.</p> <ul style="list-style-type: none"> • SG support for VAT savings identified by KPMG. The Interim Director of Improvement advised KPMG found a potential £25.4 million VAT opportunity. A proposal is being developed with SG to assess viability, but any decision will depend on government approval. <p>PAFIC agreed to note the recommendation:</p> <p>Assurance</p> <ol style="list-style-type: none"> 1. The Committee is asked to note the financial savings achieved through Value & Sustainability (V&S) Programme, Operational Savings and Finance Recovery Plan up to July 2025 and note V&S Delivery Group will report into the Finance Recovery Board with responsibility to deliver the £61.8million in year savings target. <p>PAFIC agreed no escalation required.</p> <p>The Deputy Director of Finance introduced the paper on the Strategic Finance Risk (risk 3130), noting it is presented in line with governance arrangements to keep the committee informed. The risk score increased from 15 to 16, remaining in the high category. Highlighted current controls and actions to strengthen programme governance.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • Recovery plans and controls. The Deputy Director of Finance confirmed that while recovery plans and actions are being brought to the Chief Executive Team monthly, not all portfolios have a full recovery plan to reach a balanced position. The process is ongoing due to the scale of the overspend. • Consistency and effectiveness of controls. The Director of Finance confirmed that the control environment is regularly reviewed, with internal audit input and ongoing improvements. The interim Director of Improvement is working on further enhancements. Control Framework is strong but acknowledged areas for improvement. • Skills and leadership in budget management. The Director of Finance advised there is ongoing work to train and engage budget holders, including formalising training for nursing and regular meetings between finance and operational leads. • Risk assessment and grading. The Director of Finance advised caution about grading all strategic risks as very high to preserve meaningful differentiation. Control framework remains robust, 	
	3) Strategic Risk - Finance		

		<p>noting risks are being managed in a changed environment with ongoing engagement with SG.</p> <ul style="list-style-type: none"> PAFIC agreed on the need for continued assurance of training on controls and corrective actions. <p>PAFIC agreed to note the recommendation:</p> <p>Assurance</p> <ol style="list-style-type: none"> Review and scrutinise the information provided in this paper and confirm that it provides assurance on the policies and processes to manage this risk are in place and are robust. <p>PAFIC agreed no escalation required.</p>	
5.	<p>Infrastructure – Exec Lead Alan Wilson Topics and paper author:</p> <p>1) Baird & Anchor Update</p>	<p>The Programme Director B&A introduced the paper. Progress on the Baird and Anchor projects was largely on track with objectives for the coming months. Good progress on site and contractor's response to instructions.</p> <p>Remedial works at the Anchor Centre had started, aiming for completion by November 2025, followed by technical commissioning over winter and functional commissioning in spring.</p> <p>The Baird, design work was advancing with SG funding approval for instructions secured. Final completion dates remained uncertain pending design completion.</p> <p>Noted ongoing assurance processes with NHS Scotland Assure (NHSSA).</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> Contractor's ability to provide cost/programme assessments and accelerated programme status. The Programme Director B&A confirmed that the contractor was constructively engaged in exploring an accelerated programme, which could benefit both parties. Detailed cost and programme assessment not yet available and will be advised when available. The Programme Director B&A advised that the issue with the subcontractor had not been resolved and remained a concern. Efforts ongoing to ensure continued cash flow and protection for the subcontractor. Implications of project delays for current service delivery and safety. The Programme Director B&A acknowledged that the current Aberdeen Maternity Hospital was facing significant environmental problems. While it can still operate safely, ongoing 	

		<p>maintenance is costly but inefficient, as the building is near end of life.</p> <p>PAFIC agreed to note the recommendations:</p> <p>Assurance</p> <ol style="list-style-type: none"> 1. To review and scrutinise the information provided in this paper and confirm that it provides assurance that the policies and processes necessary remain in place and are robust, following the previous update in July 2025. 2. PAFIC is invited to 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, and the revised scope of work through to completion. <p>Future reporting</p> <ol style="list-style-type: none"> 3. To 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 and the Project Team have concluded an investigation of accelerating elements of work. <p>PAFIC agreed no escalation required.</p>	
	2) Sustainability Delivery Plan including Greening Health Systems	<p>The Head of Health Intelligence introduced the Sustainability Delivery Plan annual report, noting it is statutory, requiring Chief Executive approval, and is still in final draft pending some SG data. Highlighted the focus on energy, emissions, waste, and progress in communities.</p> <p>The Director of Infrastructure & Sustainability confirmed NHS Grampian is leading in some areas such as anaesthetic gas and recycling – leading on clinical waste, but behind in others such as the green fleet. Mainly due to capital constraints and infrastructure challenges in remote areas. There is ongoing work to move fleet vehicles to hydro treated vegetable oil (HVO) for emissions reduction.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • System-wide alignment and collaboration with councils and community planning boards. The Director of Infrastructure & Sustainability confirmed efforts to work more closely with councils and ongoing partnership work. The Head of Health Intelligence confirmed community-focused work has had positive impacts. Suggested RAF Lossiemouth for their expertise in greening systems, which was acknowledged. 	

		<ul style="list-style-type: none"> • Resource and finance implications to balance long-term sustainability with short-term costs. The Director of Infrastructure & Sustainability confirmed a ring-fenced £10M for environmental sustainability, with projects required to show carbon savings and payback period. • Fines for not meeting emissions targets, given infrastructure age and financial constraints. The Director of Infrastructure & Sustainability confirmed the issue has been escalated to SG, but fines are set at UK level and cannot be avoided. • Acknowledged the breadth of sustainability work and NHS Grampian's good performance in new builds and backlog maintenance. <p>PAFIC agreed to note the recommendations:</p> <ol style="list-style-type: none"> 1. Approve the draft Annual Climate Emergency & Sustainability Report at appendix 1 for publication (with the caveat that some data is to be added once figures are published from Scottish Government – highlighted in blue). 2. Confirm that the report be uploaded to NHS Grampian's public website as required by DL (2021) 38. 3. Note the specific priorities for 2025/26. 4. Confirm if any escalation is required to another Board committee or the Board and specify the details of that escalation (what is the issue, where is it being escalated to and who is responsible for actioning the escalation). 5. To request that another report on this subject be brought back to the Committee at a future date. <p>PAFIC agreed no escalation required.</p>	
	3) Digital Update	<p>The Director of Communications introduced the digital strategy work, emphasising it will not just be for NHS Grampian but will reflect the needs and interdependencies of partners across the system. The strategy required agility to balance ambition with financial realism, which will be a significant focus in coming months. The Digital Front Door initiative is currently a pilot in Lanarkshire, with NHS Grampian volunteering to be part of the next phase. Dependencies on national contracts such as TrackCare and HEPMA.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • Recent national request for a non-executive digital front door champion. The Director of Communications suggested this role could be broader, covering the digital strategy as a whole, and that it should be discussed with the wider non-executive group. 	

		<ul style="list-style-type: none"> Chief Digital Officer confirmed collaboration with Aberdeenshire Council, including a pilot to reduce double device use and regular meetings to align digital solutions. Digital equity, inclusion, and how to reach vulnerable populations. Chief Digital Officer confirmed that digital equality is embedded in the strategy, with ongoing engagement with staff groups and communities. New digital solutions are assessed for inequality impacts to ensure the right tool for the right person. <p>PAFIC agreed to note the recommendations:</p> <ol style="list-style-type: none"> Accept the scope of the intended digital strategy at its next meeting The Committee is asked to note the contents of the attached appendices. <p>Assurance</p> <ol style="list-style-type: none"> Review and scrutinise the information provided in this paper and confirm that it provides assurance that the policies and processes are working effectively. Any gaps have been identified and assessed and risks are being mitigated effectively and improvements to policies and processes are being made and appropriate evidence of these has been provided to the Board's satisfaction To request that another report on this subject be brought back to the Committee at a future date. <p>PAFIC agreed no escalation required.</p>	
6.	Matters to escalate to Board/Committee Chairs	No escalations noted.	
7.	Date of Next Meeting: 3rd September 2025		