

Approved Minute

NHS Grampian

Performance Assurance, Finance & Infrastructure Committee

2nd April 2025, 1400 to 1600

(Microsoft Teams Meeting)

Chair – Mr Sandy Riddell

Board Meeting

12.06.25

Open Session

Item 13.3.2

Present

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

In Attendance

Adam Coldwells	Chief Executive
Sarah Duncan	Board Secretary
Alison Evison	Board Chair
Preston Gan	Head of Performance
Steven Lindsay	Employee Director (from 1415)
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
Tara Fairley	Associate Medical Director (Deputising for Hugh Bishop)
Carmen Gillies	Programme Lead Value & Sustainability Item 4.2
Sarah Irvine	Deputy Director of Finance Items 4.1, 4.2 & 4.3
Garry Kidd	Assistant Director of Infrastructure & Sustainability Item 5.2
Jennifer Matthews	Corporate Risk Advisor Item 4.3

Apologies

Hugh Bishop	Executive Medical Director
Colette Blackwell	Non-Executive Board Member, NHS Grampian
June Brown	Deputy Chief Executive/Executive Nurse Director
Nick Fluck	Senior Responsible Officer B&A
Dennis Robertson	Non-Executive Board Member, NHS Grampian

Item		Discussion	Action
1.	1) Welcome and Apologies	The Chair welcomed everyone to the meeting. Deputies and Apologies noted as above. The Chair reminded Committee Members and Leads for items that it was a full agenda. 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	No Declarations of interest were noted.	

	3) Minutes of previous meeting (26 th February 2025)	<p>The minute was accepted as an accurate record of the previous meeting.</p> <p>Mr Derick Murray wished to add some clarity to the minute under Item 1.3 in relation to a discharge ward, which was not favoured in addition to the discharge lounge as this could keep patients in hospital for longer. Mr Derick Murray advised as patients are already in hospital a discharge ward may provide some relief to wards. The Chief Executive confirmed this is in place in Rosewell House and has had minimum overall impact on delayed discharges. Furthermore would be dependent on the correct medical model for additional capacity more than a nurse staffing model.</p> <p>The Board Chair added the importance of being transparent about themes discussed and sharing across committees.</p>	SD
	4) Action Tracker	<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> <ul style="list-style-type: none"> • Action 8 was agreed to be taken off of the tracker. • Action 10 to be progressed. 	
	5) Matters Arising	<p>The Chair wished to thank committee members for questions raised to leads on reports prior to the meeting and asked that any answers gained are shared during PAFIC meetings so these can be noted in the minute for transparency.</p>	
2.	Committee Matters 1) 2025 Meeting Dates & Forward Planner	<p>The Chair advised PAFIC will see an update on Integration of Acute Pathways scheduled for the 28th May 2025 meeting for the committee to provide assurance on progress, further reporting will be included as necessary throughout the remainder of the year. For clarity intolerable risks relevant to PAFIC have been scheduled to come twice yearly as identified in actions from the last meeting.</p>	
3.	Performance – Exec Lead Alex Stephen Topics and paper author: 1) Overview of NHS Grampian's Performance Management and Assurance	<p>The Chair advised that the Overview of NHS Grampians Performance Management and Assurance Paper provides an overview of internal performance management and assurance arrangements to enable high quality, robust reporting and reassurance that performance is effectively managed on the Annual Delivery Plan (ADP) aligned to Strategic Plans.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • PAFIC praised the report and the level of detail contained with clarity on the complexity, demonstrating the development over the years of reporting to provide assurance of a robust internal framework to support delivery of the ADP. • Alignment with a National perspective. It was confirmed that the Head of Performance leads a National group and is well placed to understand a National perspective. 	

		<ul style="list-style-type: none"> • What can be done better. The Head of Performance confirmed that the alignment and process of plans for delivery with accurate tracking would help to ensure the desired outcomes are articulated. Streamlining and identifying priorities while being clear about objectives and building on medium and longer term plans. KPI's being measured need to have a longer trajectory to support strategic objectives. • Plans should be realistic with a balance of interactions noting capacity issues as while people are held to account there are some parts not being achieved due to the current situation. This should help inform conversations with the Scottish Government (SG). • PAFIC discussed the importance of Non-Executives interacting with Performance reports to help provide valuable feedback. Clearer objectives will help articulate reporting. <p>PAFIC agreed the recommendations:</p> <ul style="list-style-type: none"> • Endorse the internal performance management and assurance arrangements that support the oversight and reporting of the Annual Delivery Plan. • Confirm that the current processes are sufficient to support effective scrutiny, risk oversight, and alignment with NHS Grampian's strategic priorities. • Support the continued development and refinement of the Integrated Performance Assurance and Reporting Framework to strengthen the quality and effectiveness of assurance reporting. • Acknowledge the collaborative effort across the system, alongside the support of the Performance Assurance Team, in reviewing and submitting performance information. This is enabled by internal arrangements that bring the work together in a timely, structured, and coherent way, ensuring the consistency, quality, and clarity needed to support effective assurance. 	
4.	<p>Finance – Exec Lead Alex Stephen Topics and paper author:</p> <p>1) 24/25 Month 11 Finance Update</p>	<p>The Deputy Director of Finance advised that SG have not approved the 2025/2026 Financial Plan, with an ask to improve the forecast position to a maximum overspend of £45M, which would require further savings of £23M which would be a challenge. An extraordinary meeting of the Board was proposed prior to this date. It was noted that further escalation on the NHS Scotland Support and Intervention Framework could follow.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • PAFIC recognised the challenges to find further saving of £23M noting there is no brokerage intended for 2025/2026. • NHSG continue to meet with the Integration Joint Boards (IJBs) in relation to their financial plans. It was recognised that this may have impacts as further savings need to be realised and the importance of retaining performance to remain. 	

		<p>credible. NHSG have confidence in the IJBs. Non-Executives have responsibilities to help support.</p> <ul style="list-style-type: none"> • Difference in overspend forecasts between February 2025 and March 2025. The Deputy Director of Finance confirmed this was due to technical adjustments and funding released to offset spends. • Medium Term Financial Framework (MTFF) IJB Cost Shift. The Deputy Director of Finance confirmed this reflects the risk that IJBs savings against their own budgets result in shifts in activity to NHS Grampian non delegated services resulting in increased costs. • Discussed impacts on services or services stopping. The Director of Finance confirmed that as NHSG is an efficient system there are no easily identifiable areas to reduce to save. A wider scale diagnostic review would be required. • Ability to set a credible budget for June 2025 for medium term planning. The Director of Finance acknowledged the challenges. As the ADP and the Financial Plan are closely linked with the ADP due to be agreed in June 2025 if the revised budget is not agreed this would have an impact. It was noted other boards have been asked to make significant savings. • 10% savings being looked at across Operational Services. The Director of Finance confirmed there is a recommendation in the MTFF for this to come back by end of August 2025. It was noted that 10% savings across Corporate and Professional Services have been included in budget setting. <p>PAFIC agreed the recommendations:</p> <ol style="list-style-type: none"> 1. Discuss and note the Board's position at the end of February and the current forecast year end position. 2. Discuss and note the update regarding the revenue budget for 2025/26 and refresh of the Medium Term Financial Framework. 	
	2) 24/25 Month 11 Value & Sustainability Plan	<p>The Programme Lead Value & Sustainability advised new schemes added have been highlighted in the paper with initial impact assessment screening carried out. No negative impact risks have been identified. Positive change in regards to climate change with the introduction of the new green salary sacrifice scheme, later in 2025 and a reduction in printing.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • PAFIC welcomed the report and work of the Value & Sustainability team for the savings realised through the plan. • Likely impacts of working week reduction for Agenda for Change (AfC) staff and agency and locums. The Deputy Director of Finance Confirmed the next phase of AfC hours reduction is not due until 1st April 2026 so will not impact the 2025/2026 financial plan. This reduction only applies to AfC staff and not agency or locums. How NHSG recruit will be 	

		<p>important and there may be a risk that agency nursing staff may carry a higher cost to support.</p> <ul style="list-style-type: none"> • Influence on behaviour and culture and targeting resources. The Programme Lead Value & Sustainability confirmed a project management approach using data to understand and then drive influence and change. Small incremental changes help to allow a behaviour and culture change. <p>PAFIC agreed to note the paper.</p>	
	3) Strategic Risk – Finance	<p>The Corporate Risk Advisor introduced the paper.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • It was noted recovery plans not in place for all overspending areas. • Frequency of Enhanced Budget Monitoring meetings. The Deputy Director of Finance confirmed monthly meetings take place with individual executives and Portfolio Executive Leads (PELs). The Director Finance confirmed that the frequency of these meetings will be looked at and the paper updated as required. • Controls in place and influencing budget managers, noting staff and patient safety is paramount. The Director of Finance confirmed enhancements in financial control framework across vacancy management controls and non-pay spend controls at a central level. Further work to introduce panels for non-staffing spend and medical pay is being looked at. Work is also being done in relation to the budget for, and agreeing nursing staff levels, in line with the safe staffing act to encourage controls. The Deputy Director of Finance confirmed one cause of overspend relates to operational pressures and a requirement to comply with the safe staffing act. • Would a focus on deep dives of control designs on one area at a time produce better results. The Director of Finance confirmed that work such as looking into nurse staffing levels is one example of a deep dive to determine appropriate levels for accountability of budget holders. Feedback from auditors will help inform if current financial control framework is effective. <p>PAFIC agreed the recommendations:</p> <ol style="list-style-type: none"> 1. The current arrangements in place for the management of the current financial position. 2. The impact of funding constraints on the ability to support service transformation effectively and the limited assurance opinion from the Executive Lead for this reason. 	AS

<p>5.</p>	<p>Infrastructure – Exec Lead Alan Wilson Topics and paper author:</p> <p>1) Baird & Anchor Update</p> <p>2) Whole System Planning Update</p>	<p>The Programme Director B&A introduced the paper.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • Mr Derick Murray wished to thank the Programme Director B&A for the briefing provided to him directly in relation to NHS Scotland Assures decision on remedial works. • Confirmed Mr Nick Fluck has retained the role of Senior Responsible Officer (SRO) for the foreseeable future following retirement from his Medical Director post. • Mr Sandy Riddell and Mr Derick Murray will carry out a visit on the Baird & Anchor sites in April 2025 to look at remedial works. <p>PAFIC agreed the recommendations:</p> <ul style="list-style-type: none"> • Note progress with The ANCHOR Centre project comprising an update on key matters including the outcome of the feasibility study, 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 building. • Note the progress with the Baird Family Hospital and the forthcoming works associated with design revisions to the Theatres and Neonatal unit. • To note the current project cost, programme and high risk matters which could affect progress. <p>The Assistant Director of Infrastructure & Sustainability introduced the paper. Feedback on the submitted maintenance only infrastructure plan to SG in December is expected in April 2025, which will help inform funding available or 2025/2026.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • £22M required for programme works against a capital allocation from SG at £14.1M. The Director of Infrastructure & Sustainability confirmed that NHSG were asked to produce a budget with a 133% overlay, which is why the cost of works required sits at £22M. As total cost required has been outlined this helps to inform conversations with SG which may release further funding. This is due to be signed off by the Board. In addition, if further funding is not granted Board approval is required for reprioritisation or cuts. <p>PAFIC agreed the recommendations:</p> <ul style="list-style-type: none"> • Submission of the draft Business Continuity and Essential Infrastructure Investment Maintenance Plan to the Scottish Government (BCIMP). • The opportunity to further refine the content of the BCIMP for 2026/27 onwards and re-submit in November 2025. 	<p>*</p> <p>*</p>
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		<ul style="list-style-type: none"> • The actions being progressed to refine the baseline data and to inform development of the Boards strategic infrastructure plans. • That revised guidance from the Scottish Government is expected during April 2025 to clarify the whole system infrastructure planning requirements of DL (2024) 02 including revised timescales. 	
6.	Matters to escalate to Board/Committee Chairs	No matters to escalate to Board/Committee Chairs.	
7.	Date of Next Meeting: 28th May 2025		

Chair: Mr Sandy Riddell

Key: * Paper attached # Verbal ~ Paper expected

Notification of apologies/deputies to:

Mr David Creighton (gram.grampianchiefexecutive.scot.nhs)