

Meeting:	NHS Grampian Board
Meeting date:	8 October 2026
Item Number:	9.15
Title:	Update on The Baird and ANCHOR Project
Responsible Executive:	Jug Johal, Interim Director of Infrastructure, Sustainability and Support Services
Report Author:	Ian Matthewson, Project Director

1 Purpose and recommendations

This is presented to the Board for:

- Assurance

The Board is asked to:

- Note the status of the project, including programme, commercial, technical, risk and service updates.
- Acknowledge the programme dates and support the project team in progressing delivery and communications.
- Note that further updates will be provided at all public Board meetings.

2.0 Report summary

2.1 Situation

The Baird Family Hospital and ANCHOR project will deliver two major healthcare facilities on the Foresterhill Health Campus:

- **The ANCHOR Centre** (oncology and haematology services),
- **The Baird Family Hospital** (maternity, reproductive, neonatal, gynaecology and breast services).

The project remains important to improving patient care, experience and safety.

The Board has received regular updates. This report provides a high-level update position on:

- Programme and delivery timelines,
- Commercial position,
- Key risks and assurance activity.

The project is currently at a critical stage, with delivery dependent on resolving technical, assurance and commercial matters.

2.2 Background

There have been significant updates to the Board over the last year in relation to progress on the opening of these buildings.

The new facilities will:

- modernise and co-locate key services,
- improve patient experience and clinical outcomes,
- support safer environments and reduce infection risks.

The NHS Scotland Assure Key Stage Assurance Review (KSAR) process provides independent assurance that the buildings meet required safety and technical standards before occupation. The buildings will not open without KSAR accreditation.

2.3 Assessment

The project has experienced significant complexity and challenge, including:

- increased assurance requirements following national learning,
- technical design and compliance changes,
- wider construction market pressures.

There remain outstanding assurance findings (KSAR) across both facilities which must be addressed prior to occupation.

These requirements are essential to ensure the safe opening and operation of both buildings but have resulted in programme delays and cost pressures.

2.4 Costs and Commercial Arrangements

The approved project budget remains £438.6 million, funded by Scottish Government. The current forecast remains within this approved envelope.

The process of concluding a new commercial agreement is well advanced. This has brought increased focus to a number of outstanding issues which must either be resolved, or have the associated risk accepted, before a commercial agreement can be signed. Work continues between both sets of solicitors to reach a formal settlement agreement that supports project completion.

Appropriate governance continues to be in place to provide oversight of any commercial agreement.

2.5 Programme and Governance

Since the previous update, the ANCHOR programme has been revised to reflect the implementation of the instructed water safety solution and associated assurance requirements. The current reported position is handover in March 2027 and operational opening in May 2027. The Baird Family Hospital opening date remains

September 2027, although critical technical and assurance risks continue to require resolution.

Facility	Programme - August 2026	Programme – October 2026 (opening dates)
ANCHOR Centre	December 2026 (with risk into Q1 2027)	May 2027
Baird Family Hospital	September 2027	September 2027

Key points:

- There remain risks to the planned opening dates for both facilities. Work is focused on resolving the remaining technical, defect, commissioning and assurance matters and improving confidence in the forecast delivery dates.
- For The ANCHOR Centre, the immediate focus is on completing the agreed water safety works, and closing the remaining prerequisites to water-on, commissioning and Key Stage Assurance Review (KSAR) progression.
- For Baird, the principal programme risks remain associated with the ventilation cooling strategy, electrical resilience, the construction-phase water-management plan, derogations, and the associated testing, commissioning and assurance activities.
- Opening of both facilities remains dependent on successful completion of remedial works, commissioning, KSAR and statutory assurance processes, together with timely resolution of the remaining critical technical, contractual and operational matters.
- Work continues to strengthen programme coordination, progress defect remediation, improve KSAR submission quality, resolve commercial and contractual matters, improve delivery timelines where possible, and develop operational readiness, communications and contingency arrangements.

2.6 Risk

The principal risks affecting completion of The ANCHOR Centre and Baird Family Hospital relate to the resolution of outstanding technical, commissioning, assurance and defect-related matters, together with successful progression through the Key Stage Assurance Review (KSAR) process.

For The ANCHOR Centre, the principal risks relate to:

- Completion of the agreed water safety strategy and the associated activities required to support water-on and occupation.
- Completion of commissioning, KSAR and statutory assurance activities required to support occupation.

For The Baird Family Hospital, the principal risks relate to:

- Resolution of the ventilation strategy and associated assurance requirements.
- Resolution of electrical resilience issues and associated assurance activities.
- Completion of water management and commissioning, Completion of KSAR, commissioning and assurance activities required to support occupation.

2.6.1 Risk Assessment / Management

Risk management remains a central component of project governance. A comprehensive risk register is maintained and reviewed monthly, supported by fortnightly risk reduction meetings with the Principal Supply Chain Partner (PSCP). Risk status and mitigation actions are regularly reported to the Project Board and the Performance Assurance, Finance and Infrastructure Committee (PAFIC).

The scale and complexity of outstanding KSAR findings continue to present a programme risk, particularly where these relate to critical building systems. Timely resolution or agreement of appropriate mitigation measures is essential to enable progression through commissioning and assurance processes and to support achievement of key milestones and handover dates.

Three key escalated technical risks for the Baird Family Hospital have been identified:

- High Voltage / Low Voltage (HV/LV) electrical supply
- Ventilation Cooling Strategy
- Targeted risk management activity is underway to address these issues and minimise their impact.

In parallel, a residual risk register is being developed to capture risks that will remain following construction completion and handover. This reflects the transition from a construction risk profile to an operational one. These residual risks - covering technical and clinical considerations, including agreed derogations – will be actively managed through defined ownership, governance arrangements, and mitigation strategies. The overall approach is to reduce risks to as low as reasonably practicable while maintaining appropriate assurance, maintenance, and operational controls to support safe commissioning and occupation.

2.7 Equality and Diversity, including health inequalities

Equality and health inequalities have been considered through the project lifecycle and updated in 2025.

2.8 Communication, involvement, engagement and consultation

- Ongoing communication with staff, patients and stakeholders continues.
- Programme uncertainty has presented challenges; however, transparent communication remains a priority.
- A refreshed communications approach will be implemented as timelines are confirmed and will focus on positive communications looking forward to operational dates.

2.9 Functional Commissioning

- ANCHOR functional commissioning planning is well advanced.
- Baird functional commissioning planning is progressing.
- Safe mobilisation remains dependent on:
 - confirmed handover dates
 - completion of assurance requirements

2.10 Route to the Meeting

This report has been reviewed through:

- Baird and ANCHOR Project Board
- Executive Team
- Performance Assurance, Finance and Infrastructure Committee

3.0 Recommendations

The Board is asked to:

- Note the status of the project, including programme, commercial, technical, risk and service updates.
- Acknowledge the programme dates and support the project team in progressing delivery and communications.
- Note that further updates will be provided at all public Board meetings.