

Financial Recovery Board Report to NHS Grampian Board meeting on 11th June 2026

Board Meeting 11/06/26 Open Session Item 7.4

Purpose of Report

This paper provides an update on the issues considered at the Financial Recovery Board (FRB) meeting on 2nd April 2026. The FRB has been established to lead a visible, outcome-focused financial recovery process, providing system-wide leadership, coordination, and assurance. Its role is to hold NHS Grampian to account for delivering recovery actions, oversee savings and transformation initiatives, and ensure targeted actions are in place to restore financial sustainability.

Discussions at this meeting focused on the Month 11 financial position; confirmation of the year-end forecast; Scottish Government correspondence relating to financial planning and system performance; the Admin and Clerical deep-dive; progress within the Value & Sustainability (V&S) Programme; whole-system transformation activity; and IJB directions. The meeting emphasised the importance of maintaining financial grip to year-end, strengthening system-wide transformation, and ensuring that workforce and digital change is progressed in a planned and sustainable way as NHS Grampian prepares for 2026/27.

Finance Monitoring – Month 11 Update

- Month 11 reported an in-month overspend of £2.6m, including £1.4m operational overspend, bringing the year-to-date forecast to a deficit of £41.5m.
- The forecast year-end position remains a £42.8m deficit, within the agreed maximum overspend of £45m.
- End-of-year adjustments are still to be applied, but no material issues are emerging for March and the final position is broadly in line with expectations.
- The FRB welcomed the continued positive progress in reducing the forecast overspend for 2025/26.

Scottish Government Correspondence

- The FRB noted confirmation that NHS Grampian's three-year financial plan has been approved by the Scottish Government, the first time this has occurred in three years.
- The 2026/27 15-Box Grid request was received; members noted the evolution of the return beyond cash-releasing savings to include efficiency and performance measures linked to financial and operational improvement.
- It was agreed governance and reporting arrangements will build on existing structures, with clear executive and workstream ownership for each element of the grid, and that returns should be routed via relevant Programme Boards where appropriate.
- The FRB welcomed the correspondence and the approval of the three-year financial plan.

Admin and Clerical – Deep Dive

- A detailed overview was provided on the Admin and Clerical workforce, including recent savings delivery, benchmarking position, and key challenges.
- Transformation within the function has progressed more slowly than other areas, with savings largely achieved through local controls rather than a strategic, system-wide approach.
- Benchmarking indicates NHS Grampian is slightly above the national average, with notably higher numbers of posts at Band 8A and above, requiring further analysis.
- Savings in 2025/26 were attributed to enhanced Vacancy Control Panel oversight and increased local financial grip.
- The FRB recognised staff concerns around automation and stressed the importance of clarity, access to systems, and consideration of staff wellbeing as change progresses.
- The FRB agreed that Admin and Clerical functions are critical to organisational performance and that a clear strategic approach is required.
- Actions were agreed to analyse regrading impacts with People and Culture colleagues, scope a future Digital deep-dive, and bring a further update on Admin and Clerical review work to a future meeting.

Value & Sustainability (V&S) Programme – 2025/26 and 2026/27

- The Programme remains confident in delivering £61.8m savings, including 3% recurrent savings, for 2025/26, with a positive variance reported at the end of February.
- A number of 2026/27 savings schemes have been approved by the QIA Panel, with four schemes rejected following risk assessment, providing assurance on the robustness of the process.
- All approved schemes will be monitored monthly, with the V&S team providing targeted support where delivery risks emerge.
- As work progresses through the North East System Transformation Group, the balance of activity is expected to shift further from transactional to transformational change.
- The FRB noted the update and welcomed continued progress.

North East System Transformation Group (NESTG)

- The unapproved note from the Group's first meeting on 20th March 2026 was received and noted.
- Nine system-wide opportunities for savings have been identified, including early progress on a joint equipment store.
- All opportunities are being assessed for scale, deliverability and implementation difficulty, with early clarity sought on which can be progressed within existing resources.

- Governance complexity was acknowledged but agreed should not act as a barrier to transformation. Improved information-sharing with IJBs and Local Authorities will be progressed.
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IJB Directions

- Directions from Aberdeen City and Moray IJBs were noted, with Aberdeenshire's direction pending.
 - It was agreed that the FRB provides an appropriate route within the governance framework for noting IJB directions and assuring that they are given appropriate consideration.
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AOCB

- The FRB agreed that a Digital update, including the national Digital Front Door programme, should be prioritised and scheduled as soon as information is available.
 - Alignment of the 15-Box Grid with Chief Executive and workstream leads across the organisation was confirmed.
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Escalation to the Board

- There were no matters requiring formal escalation to the Board from this meeting.
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Ritchie Johnson

Non-Executive Board Member
Chair of the Financial Recovery Board
2nd April 2026