



# NHS Grampian Finance Report

March 2025 – Final 2025/26 Outturn

# Update from the Director of Finance



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We have now finalised the year-end financial position for NHS Grampian, with a reported overspend of £34.7 million subject to final audit. As this overspend is within the maximum level of deficit support funding provided by the Scottish Government, NHS Grampian will meet its statutory requirement to operate within its Revenue Resource Limit. The Board has also operated within its Capital Resource Limit and cash requirement statutory targets for the year.

The financial position improved during the final months of 2025/26, with expenditure remaining lower than forecast in the final quarter as system pressures and increased planned care activity did not result in the level of additional cost anticipated. In addition, the Value and Sustainability Programme continued to outperform against plan, delivering £2 million of savings above the in-year target. All three Integration Joint Boards (IJBs) reported improved financial positions as the year progressed, which has further supported the overall improvement in the NHS Grampian position.

Our reported overspend includes an overspend on non-delegated services totalling £14.3 million, with the position reflecting the £24.3 million of sustainability funding provided to NHS Grampian, in line with Boards across NHS Scotland, during 2025/26. Additional contributions to Integration Joint Boards totalled £20.4 million. As a result of financial improvements against original plans in two IJBs, it is anticipated that these IJBs will hold general reserves at the end of the financial year, providing some protection against future financial risk.

Significant effort has been undertaken across the system throughout 2025/26 to deliver financial improvement, both in addressing the underlying operational overspend and through delivery of the Value and Sustainability Programme. Savings of £63.8 million were delivered against a target of £61.8 million, with 3.6% of savings delivered on a recurring basis,

exceeding the Scottish Government target of 3%. This strengthens NHS Grampian's position as we continue our financial recovery into 2026/27.

Whilst it is important to recognise the progress achieved in 2025/26, we must not lose sight of the scale of our financial challenge. Even with the in-year improvement, we are reporting an overspend of £34.7 million, which is expected to be amongst the highest deficits in NHS Scotland. Moving into 2026/27, deficit support funding and sustainability funding will collectively reduce by £19 million, with further reductions anticipated in 2027/28 and 2028/29. It is therefore vital that the Board continue to build on the progress achieved to date, supported by the Value and Sustainability programme, to reduce costs across the system and sustain an improving financial trajectory.

NHS Grampian's Financial Plan for 2026/27 has been approved by the Scottish Government representing a significant achievement for the Board which reflects the level of assurance we have been able to provide on the robustness and deliverability of the financial plan. Work is now underway to ensure delivery of the 2026/27 Programme.

As I conclude my final update for 2025/26, I would like to thank colleagues across the system involved in the effective management of our financial resources. Your collective efforts have enabled us to deliver against the targets set by the Scottish Government and to take important first steps in our financial recovery. Your continued commitment and support are greatly appreciated.

Alex Stephen

Director of Finance

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# Executive Summary



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## Background

NHS Grampian continues to face a significant financial challenge and was escalated to Stage 4 of the NHS Scotland Support and Intervention Framework due to concerns regarding its financial sustainability. Over the past two years, the Board has received £90 million in brokerage support from the Scottish Government, which is repayable upon return to financial balance. This support has enabled the Board to meet its statutory duty to remain within its revenue resource limit.

For 2025/26, the Scottish Government has confirmed non-recurring deficit support funding of up to a maximum level of £45 million. Combined with non-recurring sustainability funding, the maximum additional financial support that would be provided to NHS Grampian from the Scottish Government in 2025/26 is £69.3 million. This underlines the scale of financial gap within NHS Grampian. It is essential that NHS Grampian delivers on its Financial Recovery Plan and continues to identify and implement recurring savings across the system to support long-term financial sustainability.

The Grampian region continues to face challenging economic conditions, driven by a contraction in the energy sector and growing pressure on public sector funding. Economic growth is expected to remain subdued in the coming years. Additionally, the region is facing population stagnation and an ageing demographic, with a growing proportion of residents aged over 65. These factors are placing increasing demand on public services delivered by NHS Grampian and the three Integration Joint Boards.

The Board also continues to manage ongoing recruitment challenges leading to the use of higher cost supplementary staffing and inflationary pressures impacting on non pay costs such as energy and medical supplies.

## Context of this report

This report provides an update on NHS Grampian's financial position for the 2025/26 financial year. The report includes details of:

- The revenue position at March 2026 including an update on the Integrated Joint Board financial positions.
- The Board's staffing numbers throughout the financial year.
- Further information on the financial position in key Divisions.
- An update on NHS Grampian's savings programme for 2025/26.
- An update on the infrastructure and backlog maintenance programme for 2025/26.

The report also provides a forward look to 2026/27 with work underway to ensure delivery of savings to support the Boards continued financial improvement.

# Executive Summary



## Summary of Findings

Work has now completed on finalising the year end position for NHS Grampian. The revenue results for the 2025/26 financial year show an overspend of £34.7 million. This is within the agreed level of deficit support funding and as such NHS Grampian will be able to achieve its statutory duty of delivering within our revenue resource limit.

The financial position has improved over the final quarter of the year, with a number of factors resulting in an improved financial position. The table below outlines the anticipated outturn as we have moved through the financial year with the final outturn shown in the final column:

2025/26 Outturn	Forecast Q1 (June)	Forecast Q2 (Sept)	Forecast Q3 (Dec)	Actual Q4 (Mar)
Non delegated services	£56.9m	£48.4m	£46.1m	£38.6m
Sustainability Funding	(£24.3m)	(£24.3m)	(£24.3m)	(£24.3m)
IJB deficit support funding	£23.0m	£23.0m	£23.0m	£20.4m
<b>NHS Grampian Outturn</b>	<b>£55.6m</b>	<b>£47.1m</b>	<b>£44.8m</b>	<b>£34.7m</b>

The key drivers of the financial improvement in March are as follows:

1. The forecast outturn provided for increased costs in the final quarter linked to system pressures and increased planned care activity which did not materialise.
2. Savings delivery through the Value and Sustainability programme increased in the final quarter.

3. The level of support funding provided to the Integration Joint Boards reduced from the level included in previous forecasts with improved financial positions reported in all three IJBs.

During March, the operational overspend continued at a lower level supported by the delivery of savings and continuation of close focus on minimising spend through grip and control measures. We have also seen a £3 million improvement during March resulting from the reduced support funding compared to forecast. The table below shows the breakdown of the financial position for February and March along with the year end position.

2025/26 Outturn	February	March	2025/26
Operational Deficit	£1.4m	£1.2m	£30.0m
Reserves position including year end adjustments	£1.3m	(£5.3m)	£8.6m
Sustainability Funding	(£2.0m)	(£2.0m)	(£24.3m)
<b>Outturn (non delegated services)</b>	<b>£0.7m</b>	<b>(£6.1m)</b>	<b>£14.3m</b>
IJB deficit support funding	£1.9m	(£0.7m)	£20.4m
<b>NHS Grampian Outturn</b>	<b>£2.6m</b>	<b>(£6.8m)</b>	<b>£34.7m</b>

NHS Grampian's 2025/26 Infrastructure and Backlog Maintenance Programme has total funding of £108.4 million with full spend reported against the programme. Further detail on NHS Grampian's financial performance can be found in the remainder of this report.



# 2025/26 Outturn



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<b>2025/26 Financial Plan</b>	<b>Original Financial Plan</b>	<b>Financial Recovery Plan</b>	<b>Final outturn 2025/26</b>
Projected overspend before savings	£93.7m	£89.3m	£89.3m
Savings, other cost reductions and technical adjustments	(£39.0m)	(£46.0m)	(£56.7m)
New pressures			£6.0m
<b>Forecast overspend as per 2025/26 Financial Plan</b>	<b>£54.7m</b>	<b>£43.3m</b>	<b>£38.6m</b>
Sustainability Funding	(£24.3m)	(£24.3m)	(£24.3m)
<b>Outturn (non delegated services)</b>	<b>£30.4m</b>	<b>£19.0m</b>	<b>£14.3m</b>
Anticipated funding provided to Integration Joint Boards	£38.0m	£26.0m	£20.4m
<b>NHS Grampian 2025/26 Outturn</b>	<b>£68.4m</b>	<b>£45.0m</b>	<b>£34.7m</b>
<b>Maximum Level of Deficit Support Funding</b>			<b>£45.0m</b>

# Staff

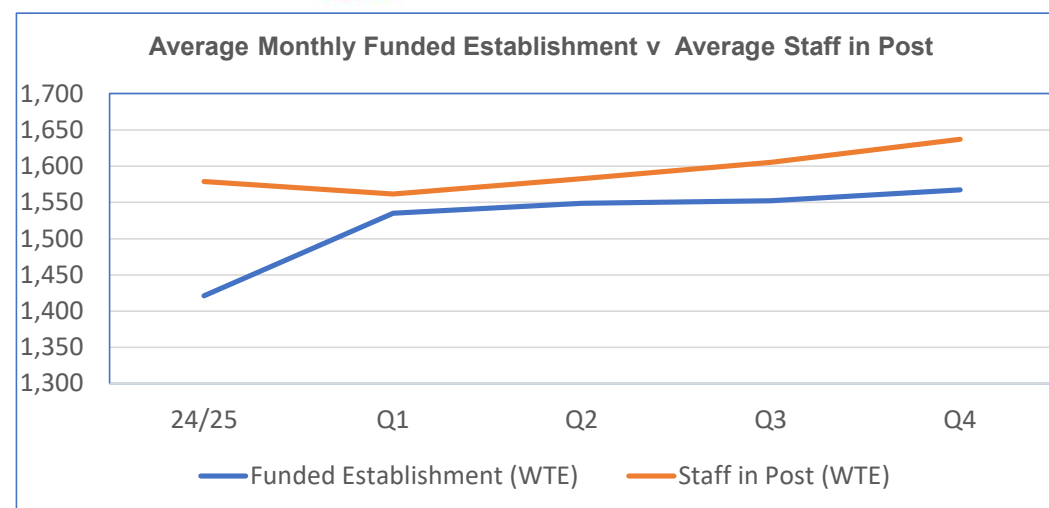
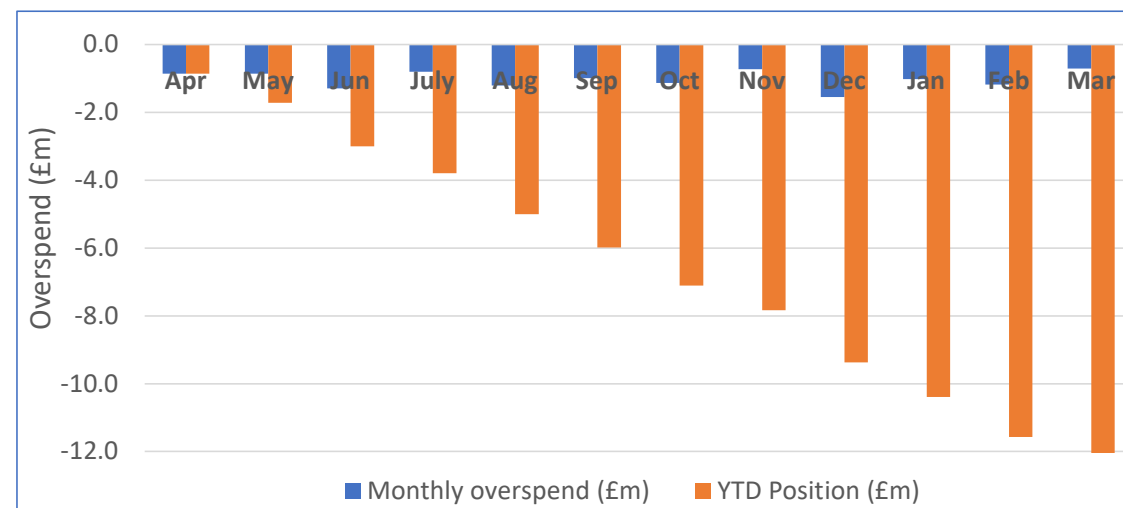


	Quarter 1			Quarter 2			Quarter 3			Quarter 4		
	Funded Est (WTE)	Staff in Post (WTE)	Variance (WTE)	Funded Est (WTE)	Staff in Post (WTE)	Variance (WTE)	Funded Est (WTE)	Staff in Post (WTE)	Variance (WTE)	Funded Est (WTE)	Staff in Post (WTE)	Variance (WTE)
Medical	1,719	1,687	32	1,779	1,730	49	1,804	1,736	68	1,807	1,721	86
Nursing	6,507	6,747	(240)	6,535	6,708	(173)	6,569	6,775	(206)	6,631	6,832	(201)
Administrative Services	2,260	2,176	84	2,277	2,163	114	2,265	2,147	118	2,295	2,137	158
AHPs	1,199	1,125	74	1,204	1,127	77	1,221	1,120	101	1,222	1,098	124
Health Scientists	498	484	14	504	496	8	509	504	5	510	504	6
Management	34	36	(2)	34	33	1	35	35	-	36	34	2
Support Services	1,736	1,656	80	1,733	1,663	70	1,740	1,672	68	1,731	1,676	55
Medical & Dental Support	276	277	(1)	271	270	1	274	268	6	273	270	3
Other Therapeutic	555	570	(15)	567	571	(4)	582	575	7	592	583	9
Personal & Social Care	62	59	3	63	60	3	64	57	7	64	58	6
<b>Total</b>	<b>14,846</b>	<b>14,817</b>	<b>29</b>	<b>14,967</b>	<b>14,821</b>	<b>146</b>	<b>15,063</b>	<b>14,889</b>	<b>174</b>	<b>15,161</b>	<b>14,913</b>	<b>248</b>

Overall NHS Grampian remain under budgeted levels with vacancies in non-clinical services offsetting nursing staffing use beyond funded levels. Staffing budgets have increased through the year with new funding to support improvement in both Planned and Unscheduled Care, along with the rebasing of nursing budgets which has been actioned throughout the year. This rebasing has improved grip and control and supported a reduction in unregistered nursing use, whilst ensuring clinical safety is not compromised.

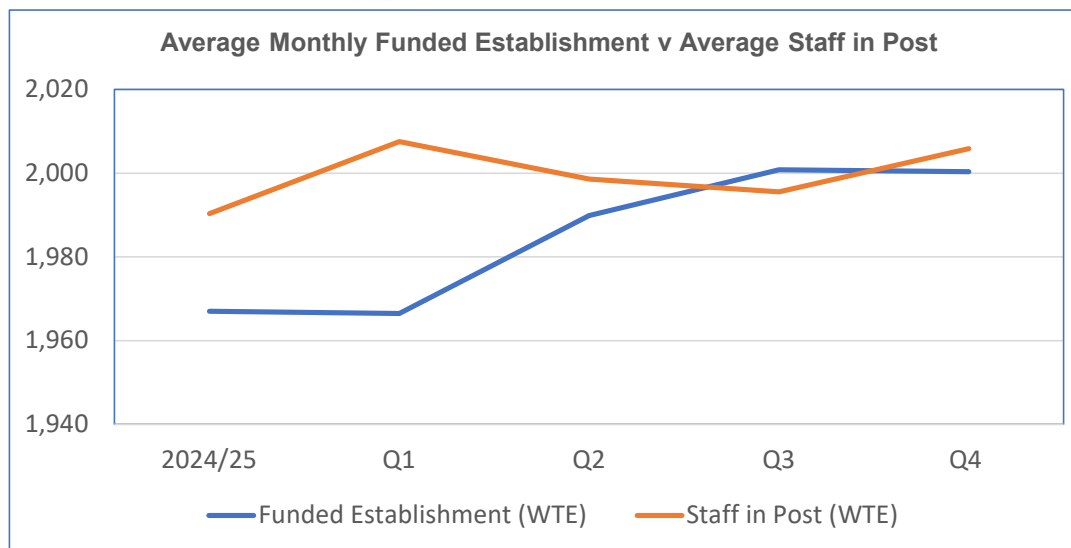
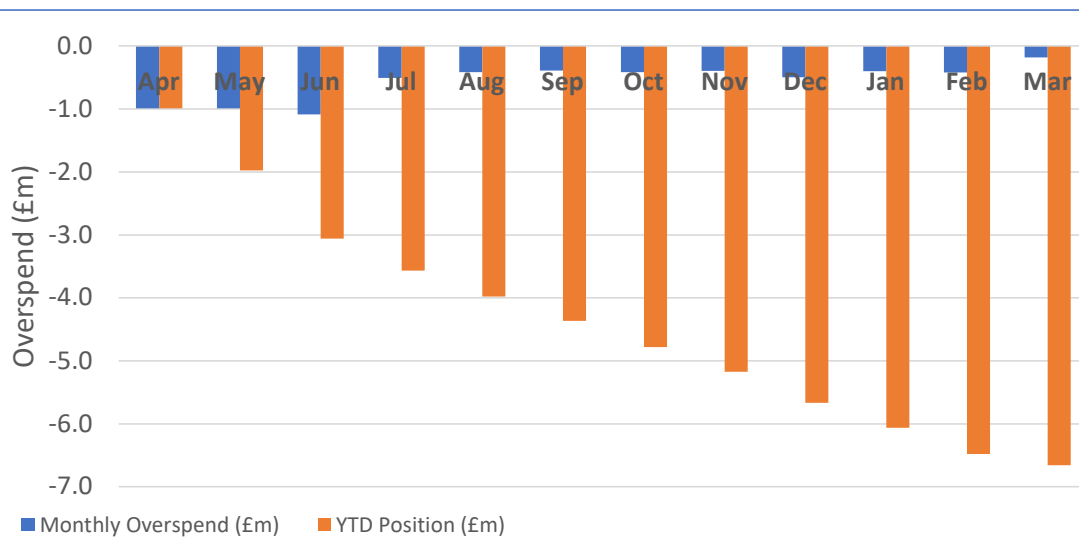
The Board have recruited newly graduated nurses beyond funded establishment levels to ensure the Board is best placed to manage the further 1-hour reduction in the working week in April 2026. The Board have 4,420 WTE substantive registered nurses in March, compared to an average of 4,290 in 2024/25. These nurses will feature in reported staffing numbers, resulting in the nursing position reporting an increasing variance until backfill funding is allocated from April 2026. There is a risk that implementation of the 36 hour working week for AFC staff from April 2026 will result in additional costs. This risk will be closely monitored as move into the 2026/27 financial year.

# Division of Medicine and Unscheduled Care – Acute Triumvirate



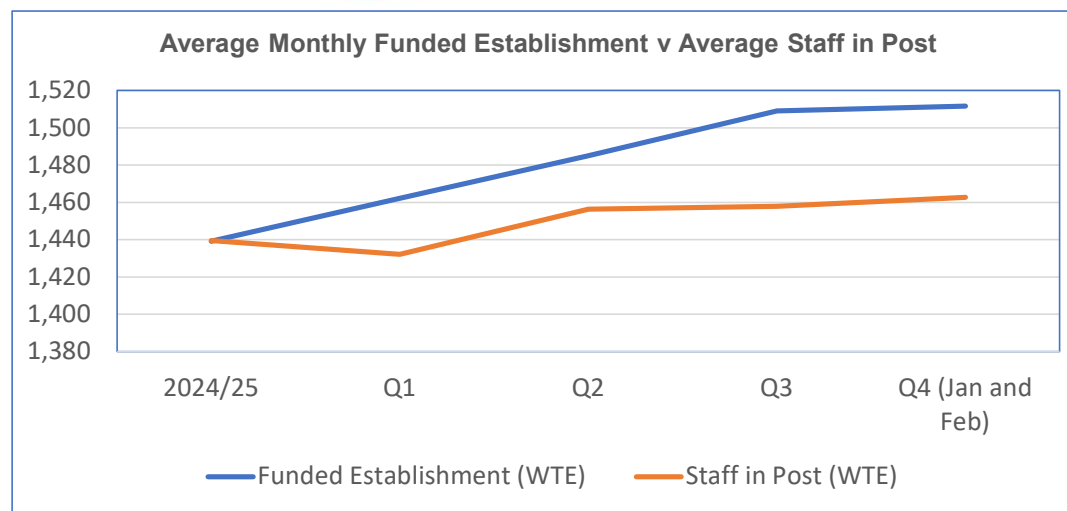
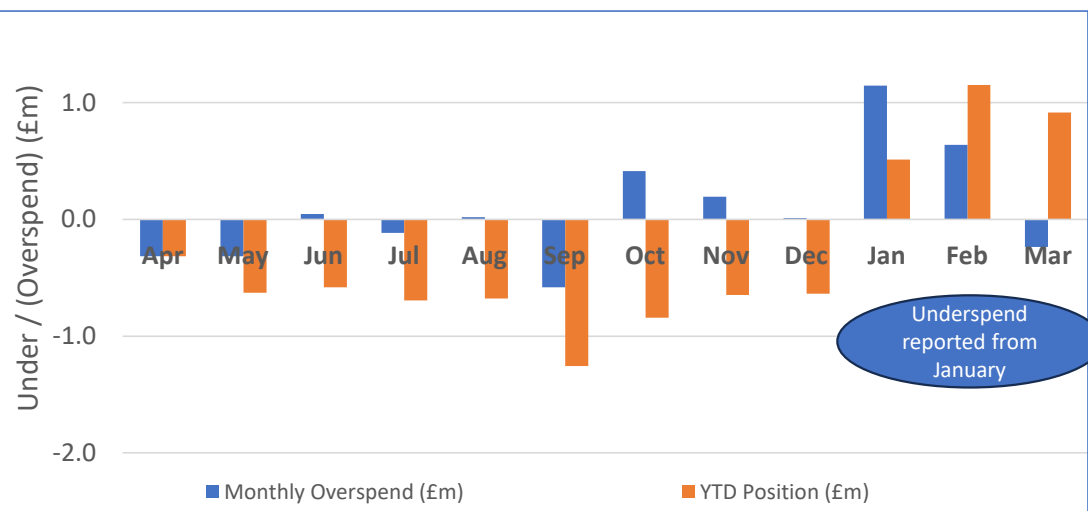
- The Division of Medicine and Unscheduled Care is reporting a year to date overspend of £12.22 million with a £0.7 million overspend reported in March.
- The Division of Medicine and Unscheduled Care continue to report significant overspends on medical and nursing pay:
  - Medical pay continues to report a significant overspend (£3.61 million) largely due to costs for the unfunded Boarder Locums and rota non-compliance costs.
  - Nursing pay is reporting a £2.6 million overspend after the allocation of £4.8 million of funding to rebase budgets. This overspend is driven by staffing associated with the impact of non-standard bed use and over-recruitment of newly graduated nurses to support the further reduction in the working week. Continued focus is required to ensure robust control of supplementary staffing, with additional staff beyond funded establishment used only where necessary to address escalated clinical risk. Work is ongoing via the Unscheduled Care Improvement Plan to support reductions in the use of non-standard beds and Boarded patients, which may reduce this financial pressure.
- Non pay budgets are also reporting pressure with a £4.7 million overspend reported in the position to March. This includes £1.6 million of pressure on medical supplies budgets. Additional funding relating to the TAVI service was allocated in March following confirmation of this funding stream from Scottish Government. Drugs budgets are reporting a £0.45m overspend and efforts continue to ensure all generic or biosimilar opportunities are maximised.

# Division of Surgery – Acute Triumvirate



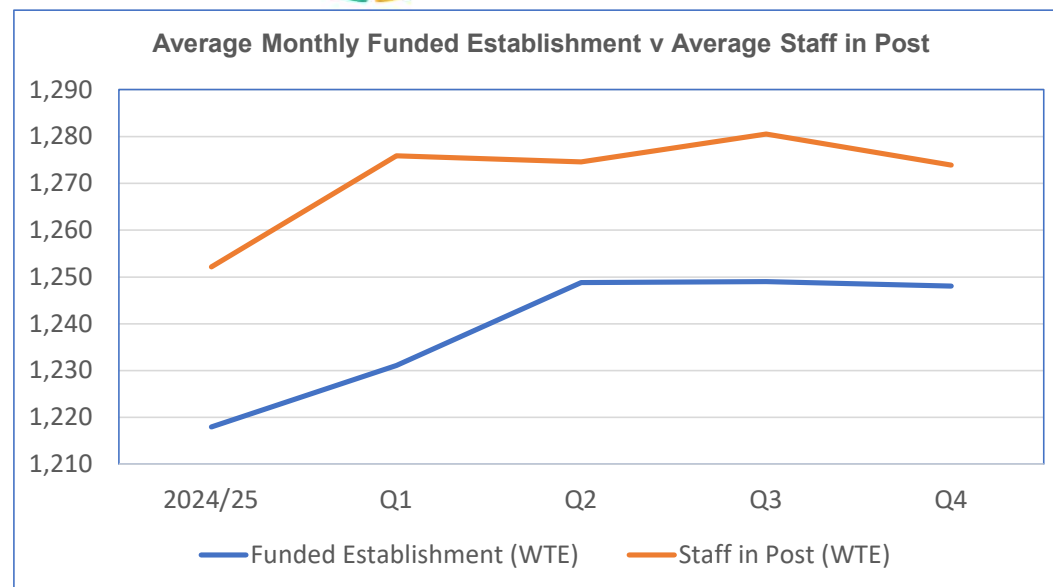
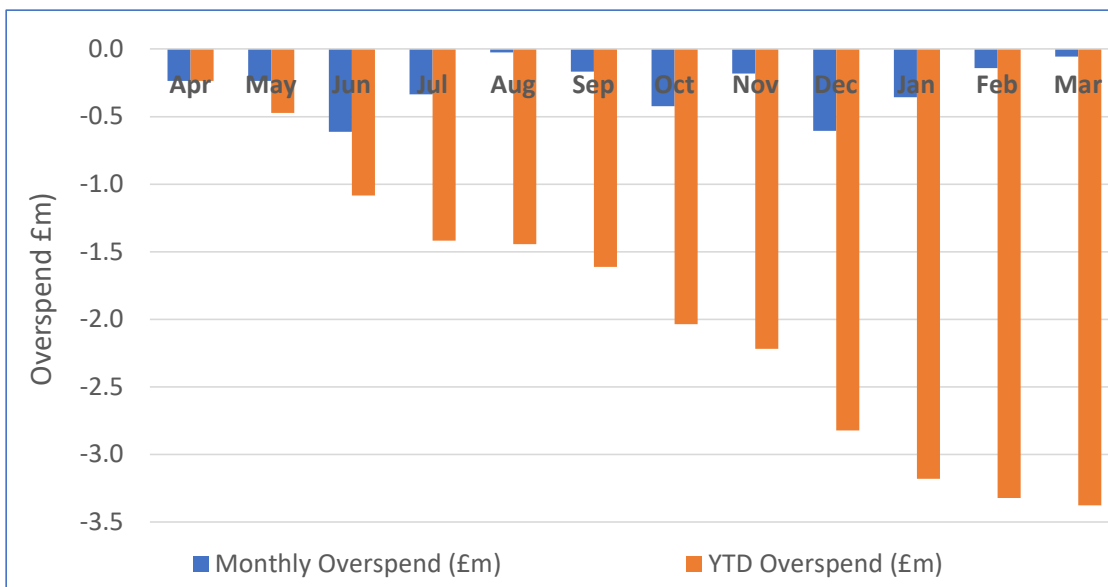
- The Division of Surgery is reporting a year-to-date overspend of £6.66 million with a £0.18 million overspend reported in March.
- Financial pressure for the division is driven by significant overspends on:
  - Medical pay lines, driven by costs associated with non-compliant rotas and supplementary staffing.
  - Nursing pay lines where staff in post exceed funded establishment by c. 35 wte. Budgets for the Division of Surgery have not yet been rebased to reflect the Common Staffing methodology. Nursing staff in post will have increased due to over-recruitment of newly graduated nurses agreed to support implementation of the 36 hour working week. Continued focus is required to ensure robust control of supplementary staffing, with additional staff beyond funded establishment used only where necessary to address escalated clinical risk.
  - Medical Supplies, with increased activity linked to the Planned Care Operational Improvement plan driving higher costs. In line with the recommendations of the Planned Care review, future funding bids to deliver planned care improvement will include both pay and non pay costs.

# Division of Clinical Support Services – Acute Triumvirate

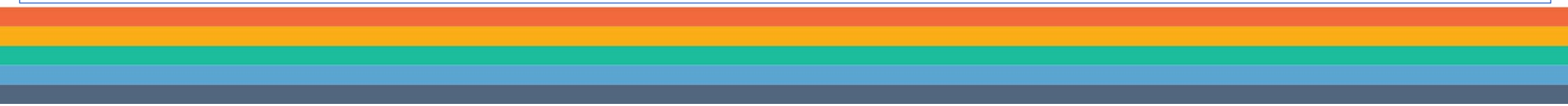


- The portfolio is reporting a year-to-date underspend of £0.92 million with an overspend of £0.24 million reported in March.
- Medical pay budgets are underspent by £1.8 million at the end of March, with a continuing high level of vacancies within the Laboratories service.
- Nursing budgets are overspent by £1.4 million at the end of March, with staff in post exceeding funded establishment. Continued focus is required to ensure robust control of supplementary staffing, with additional staff beyond funded establishment used only where necessary to address escalated clinical risk. Budgets have yet to be rebased in line with the Common Staffing methodology
- Anticipated growth in drugs spend within Cancer Services has not materialised during the 2025/26 financial year. This has led to a £3 million underspend reported against Drugs budgets within the Division. This underspend is offsetting pressure on medical supplies, with a £2.1 million overspend reported against medical supplies year to date. Without this underspend the Division would be overspend by £2.1 million.
- Both Laboratories and Cancer Services are reporting underspends against budgets due to vacancies within Laboratories and an underspend against drug budgets within Cancer Services. These are being partially offset by overspends within in Radiology, Medical Physics and Pharmacy.

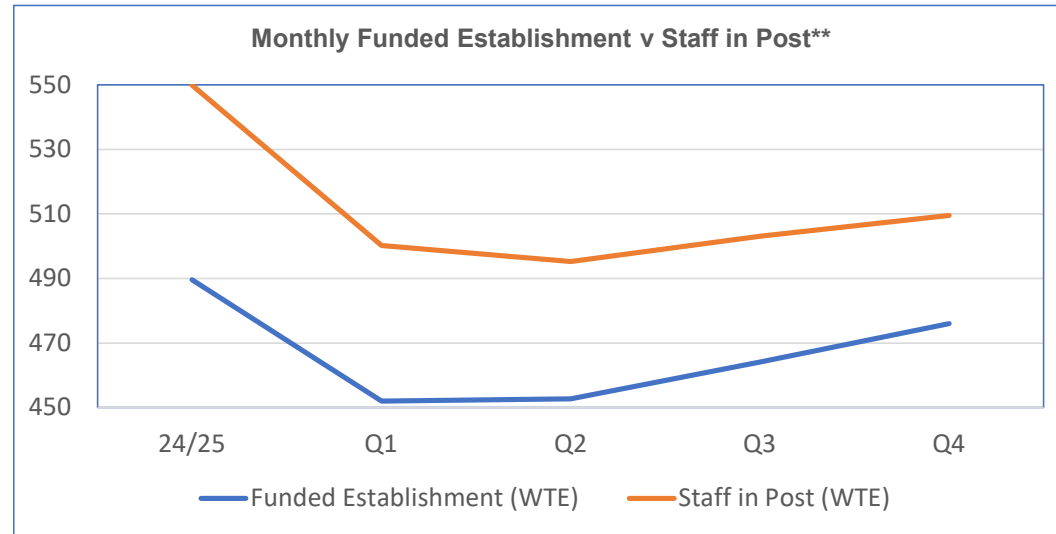
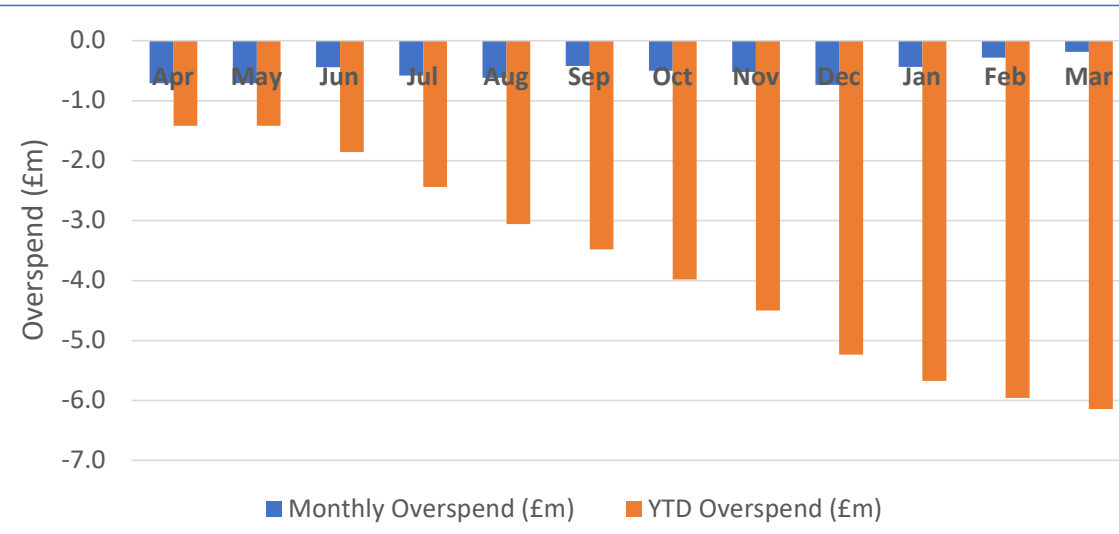
# Division of Women and Children's - Acute Triumvirate



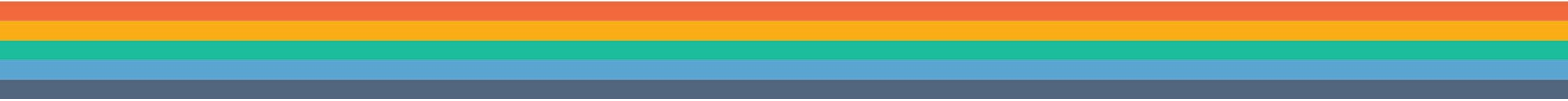
- The portfolio is reporting a year-to-date overspend of £3.38 million, with an in-month overspend of £0.06 million reported in March.
- Within the Division, the largest overspends are within Labour Theatres, the Neonatal Ward and Neonatal services. These pressures are primarily driven by increased requirements for nursing staffing to manage rising patient acuity and complexity, with consequential impacts on related non-pay budgets. Continued focus is required to ensure robust control of supplementary staffing, with additional staff beyond funded establishment used only where necessary to address escalated clinical risk. Budgets have not yet been rebased to reflect the Common Staffing methodology.
- The underlying portfolio overspend is driven by nursing and midwifery staff in post exceeding funded establishment, the non-delivery of historical savings, and overspends on medical supplies.



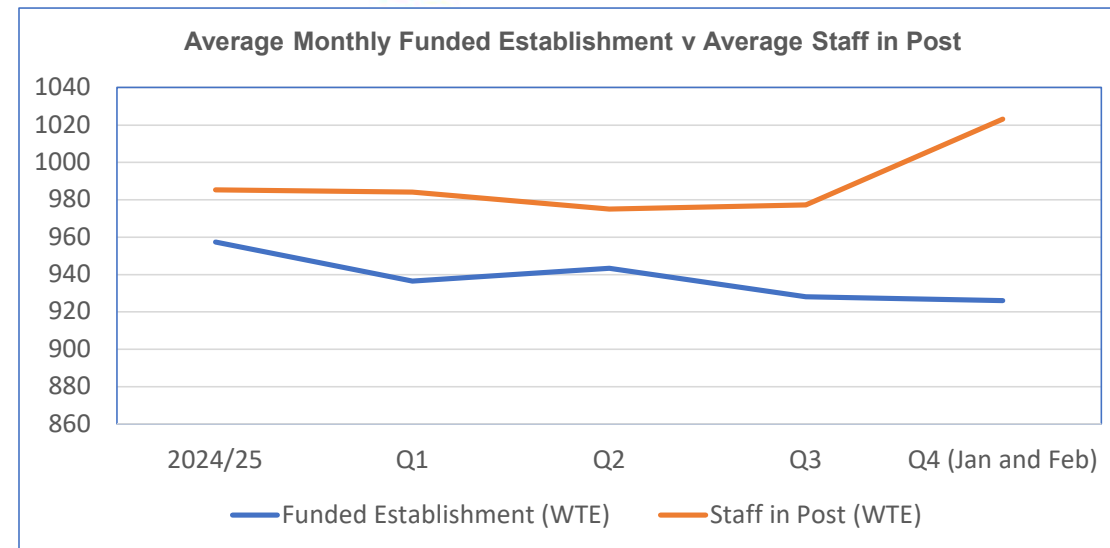
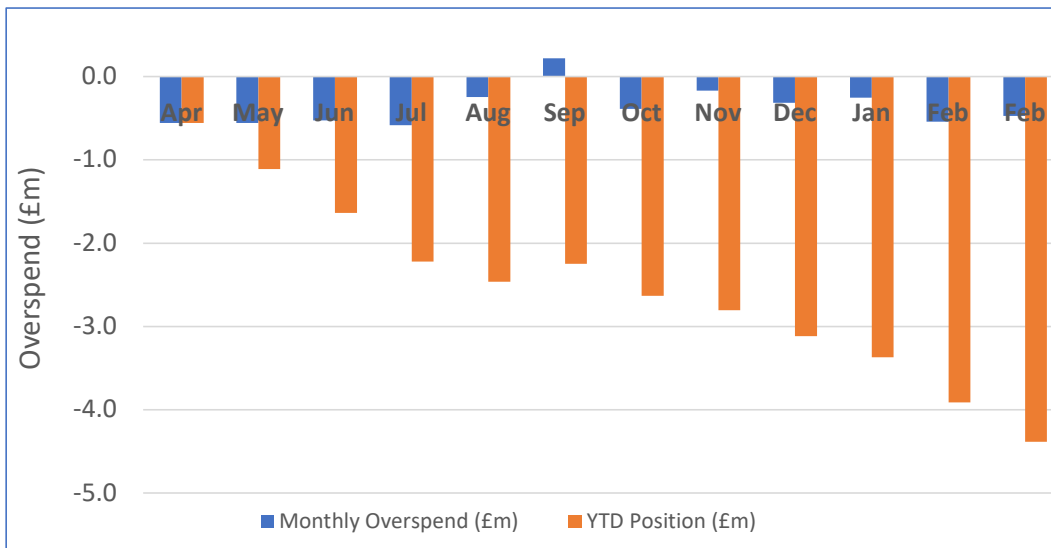
# Division of Dr Grays Hospital - Acute Triumvirate



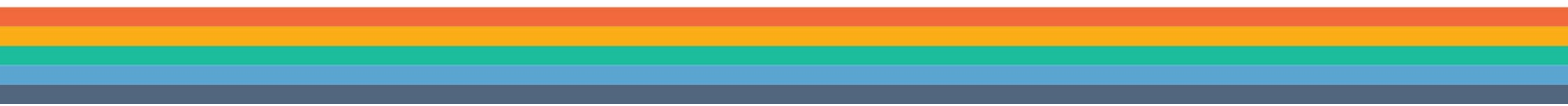
- The portfolio is reporting a year to date overspend of £6.14 million with a £0.2 million overspend reported in March.
- As highlighted throughout the year, the overspend position in 2025/26 represents a significant improvement compared to 2024/25, when the outturn overspend totalled £9.9 million. This improvement is largely attributable to reduced medical pay pressures, driven by targeted actions to lower the cost of agency medical locums through increased use of Direct Engagement, reduced on-call rates and enhanced rates challenge. A number of services remain reliant on medical agency locums for service delivery. The transition to more sustainable workforce models, particularly for Dr Gray’s Hospital, remains critical to delivering both service and financial improvement.
- Nursing staff in post during March remained above the year-to-date average, largely reflecting over-recruitment of newly qualified nurses. While staffing levels continue to exceed funded establishment, the level of unfunded staff in post has reduced following the rebasing of the Emergency Department budget. Dr Gray’s Hospital continues to experience significant operational pressures, which are expected to result in some additional expenditure associated with surge capacity. Continued focus is required to ensure robust control of supplementary staffing, with additional staff beyond funded establishment used only where necessary to address escalated clinical risk.



# Mental Health – Chief Officer, Aberdeen City IJB



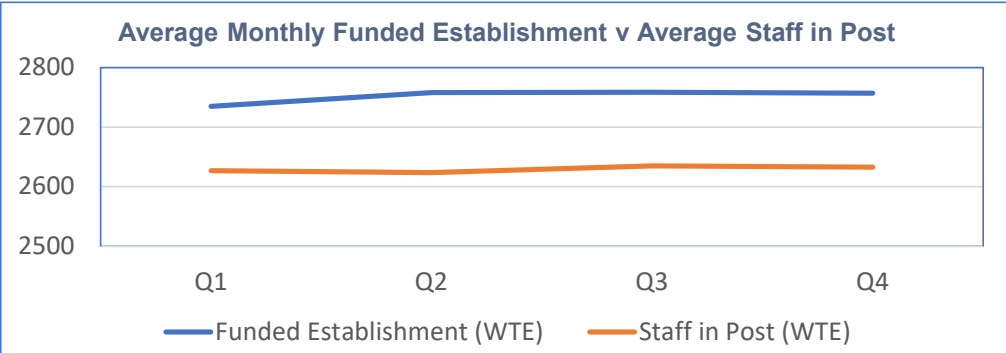
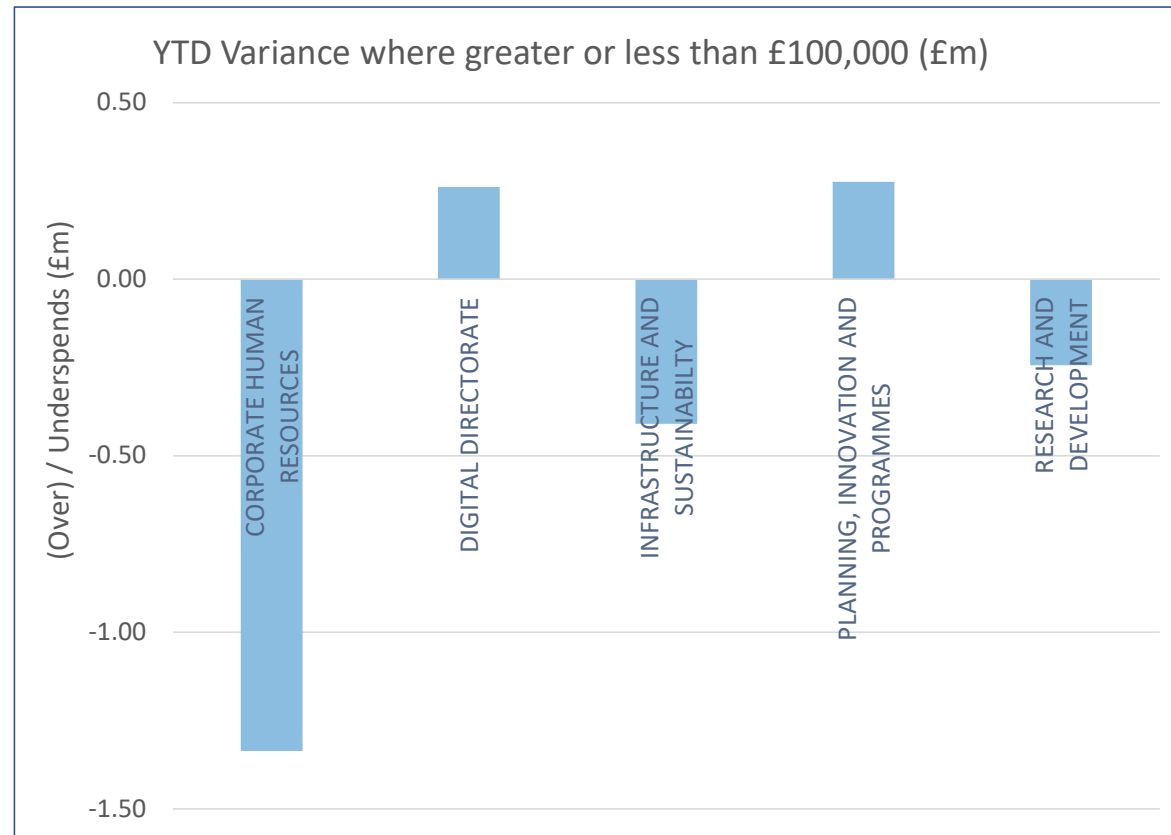
- Non delegated Mental Health services are reporting an overspend of £4.38 million at the end of March 2026 with a £0.47 million overspend reported in March.
- The service are reporting a deterioration from the 2024/25 outturn, which is largely driven by increased costs associated with the provision of the Medium Secure Unit and continued nursing use in excess of funded establishment levels.
- Nursing budgets have been rebased to match the output of the Common Staffing Methodology however nursing staff in post continue to exceed funded budgets. Whilst an element of this will be due to the over-recruitment of newly graduated nurses agreed via CET focus must continue on ensuring robust control of supplementary staffing usage to ensure additional staff beyond funded establishment are only used when required to address escalated clinical risk. Bank usage continues to be closely monitored and discussed at monthly nursing meetings. Senior management have agreed to introduce secondary approval for bank use in the areas of greatest concern.



# Non Clinical Services



- Non Clinical Services are reporting a overspend at March of £1.36 million with a breakeven position reported during the month of March.
- The largest areas of overspend within non-clinical services are:
  - Corporate HR, with an overspend of £1.34 million, due to increasing costs associated with disclosure checks, removal expenses and visa costs managed on behalf of the organisation.
  - Infrastructure and Sustainability, with an overspend of £0.41 million driven by non pay inflation and growth.
- Planning, innovation and programmes are reporting a £0.28 million underspend in part due to continued vacancies in line with current vacancy controls.
- On average staff in post are 124 wte below funded establishment levels with ongoing vacancies within the Infrastructure and Sustainability directorate, partly offsetting cost pressures on non pay budgets within the directorate.



# Planned Care Improvement Plan



Scottish Government have provided NHS Grampian with funding in 2025/26 to deliver additional treatment time guarantee (TTG), outpatient diagnostic and cancer activity. The table sets out the additional activity funded through this investment during the 2025/26 financial year, together with the associated costs.

NHS Grampian have reported spend to the end of March totalling £11.23 million.

The Board continues to work closely with the Scottish Government to deliver improvement in planned care. A number of contracts have been extended into quarter one of 2026/27 to avoid service interruption and support continued improvement in planned care performance. Discussions are ongoing with the Scottish Government to confirm funding for these costs.

There remains a risk that, in the absence of further Scottish Government funding in 2026/27 to support additional planned care activity, planned care performance could deteriorate, resulting in an increase in 52-week waits. The Board remains committed to delivering further improvement in waiting times for planned care and cancer care, with this highlighted as one of the Board's five strategic priorities for 2026/27. The Board will focus on reducing the gap between demand for planned care and capacity to ensure more time access for our patients. This will include focus on Outpatient appointments and support for teams to analyse data to inform service redesign. Through this process we will identify gaps that can't be closed through doing things differently to ensure investment is targeted to where it is needed most.

Specialty	OP Activity	TTG Activity	Diagnostic Activity	2025/26 Spend
All Specialties	1,601	12	-	£0.394m
Cancer	2,152	114	-	£2.042m
Cardiology	349	-	-	£0.076m
Dermatology	263	1,880	-	£0.371m
ENT	2,139	296	-	£0.984m
Gastroenterology	148	-	-	£0.044m
General Surgery	1,579	98	-	£0.320m
Gynaecology	2,216	9	-	£0.147m
Imaging	-	-	79,341	£4.624m
Ophthalmology	690	288	-	£0.395m
Orthopaedics	1,212	315	-	£1.117m
Pain Service	-	5	-	£0.419m
Plastics	288	13	-	£0.110m
Urology	-	19	-	£0.192m
<b>Total</b>	<b>12,637</b>	<b>3,049</b>	<b>79,341</b>	<b>£11.234m</b>

# Unscheduled Care Improvement Plan



NHS Grampian submitted an Unscheduled Care Improvement (USC) Plan to Scottish Government which aims to support delivery of high impact actions to improve system flow and patient access. In September, Scottish Government confirmed total funding of £9.18 million including £5.98 million of new funding for improving flow, discharge without delay and frailty services. Core USC Funding of £3.2 million is committed to deliver improvements in USC pathways.

Spend against the improvement plan during 2025/26 was £3.06 million including spend on short term non-recurring actions to deliver improvement in Unscheduled Care performance. Where contracts span year-end or where there is slippage in specific programmes, funding has been allocated to the relevant Integration Joint Board with £7.4 million held in IJB earmarked reserves to support continued USC improvement.

NHS Grampian's financial plan for 2026/27 assumes all recurring costs relating to the USC plan are funded by Scottish Government. Work is ongoing to review commitments against indicative funding to minimise financial risk whilst ensuring schemes taken forward deliver the greatest impact on performance.

Objective	Actions	2025/26 Funding	2025/26 Spend
Reduce inflow to Acute Services.	Strengthening of Flow Navigation Centre and Frailty at the Front Door.	£0.97m	£0.49m
Redesign Services to optimise length of stay.	Expansion of rapid access assessment clinic and same day emergency care to support zero day length of stay.	£0.84m	£0.18m
Increase pace of flow through Acute settings and increase weekend discharges.	Flow enabler support, increased AHP provision, enhanced pharmacy coverage, increased discharge lounge hours and integrated discharge hub.	£0.82m	£0.52m
Expedite flow from Acute into community settings.	Enhanced step down pathways to community hospitals, home assessment service, discharge to assess service and rapid transfer of patients to appropriate care location.	£0.83m	£0.39m
Rebalance Care - increase downstream capacity to sustain system flow	Hospital at home, enhanced home assessment and interim care home beds.	£1.54m	£0.67m
Contingency and Slippage Bids	A number of short term actions agreed with SG to provide improvement funded from slippage in the programme.	£0.98m	£0.81m
<b>Total</b>		<b>£5.98m</b>	<b>£3.06m</b>

# Comparison to 2024/25



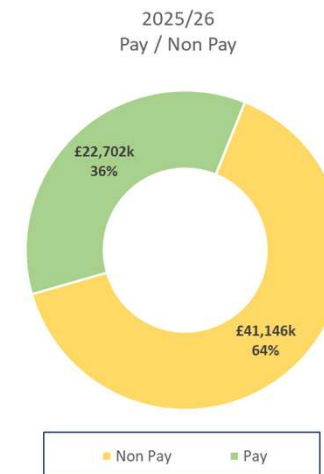
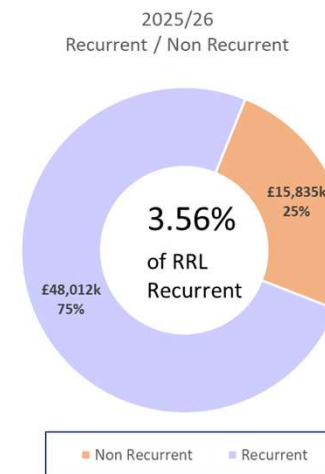
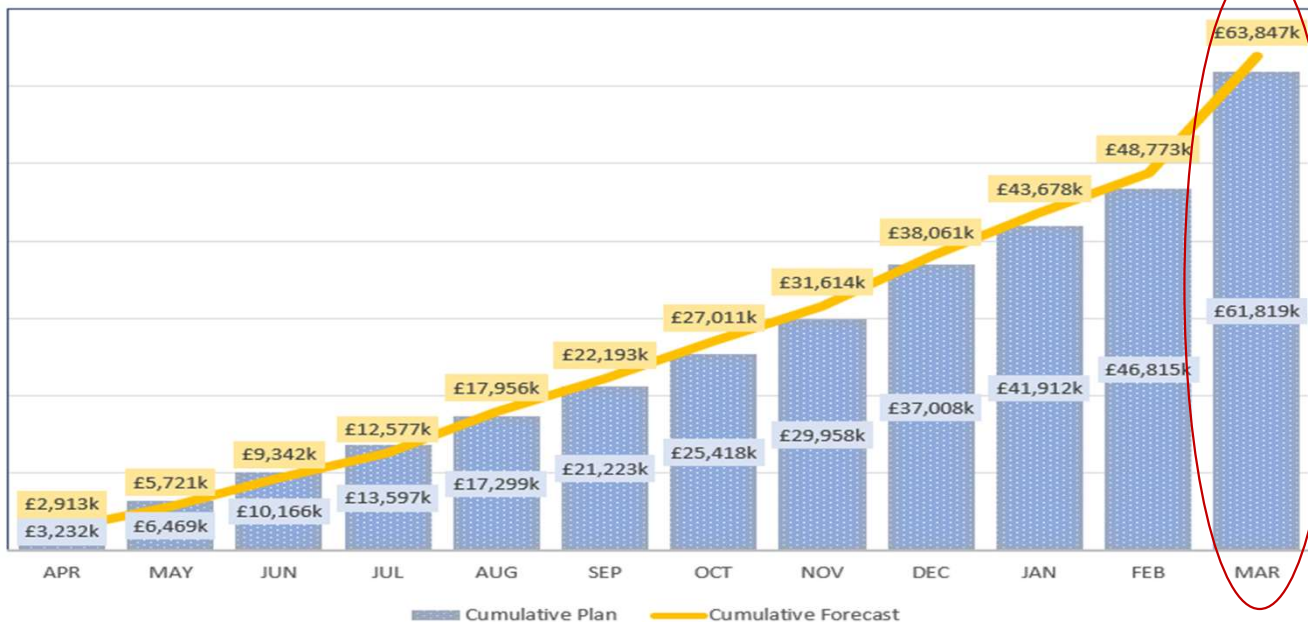
	2024/25 Position* *adjusted for new funding	2025/26 reported position (March)	Underspend / (Overspend) as % of 2025/26 Budget	Improvement or Deterioration from 2024/25
Division of Medicine and Unscheduled Care	£10.9m overspend	£12.2m overspend	(7.5%)	£1.3 million deterioration <sup>1</sup>
Division of Surgery	£8.0m overspend	£6.7m overspend	(3.4%)	£1.3 million improvement
Division of Clinical Support Services	£4.8m overspend	£0.9m underspend	0.5%	£5.7 million improvement <sup>2</sup>
Division of Women and Childrens	£4.1m overspend	£3.4m overspend	(3.3%)	£0.7 million improvement
Dr Grays	£9.9m overspend	£6.1m overspend	(14.6%)	£3.8 million improvement
Mental Health	£2.2m overspend	£4.4m overspend	(7.4%)	£2.2 million deterioration
Non Clinical Services	£1.7m overspend	£1.4m overspend	(0.9%)	£0.3 million improvement

1. The Division of Medicine and Unscheduled Care has reported a £1.3 million deterioration, however this includes £2 million of a deterioration on the drugs budget line. Drugs budgets are rebased on an annual basis to reflect anticipated activity. In 2024/25 the Division reported a £1.6 million underspend compared to a £0.4m million overspend in 2025/26. Adjusting for this movement relating to the drugs budgets, the portfolio have delivered a £0.7 million improvement in their position.
2. The Division of Clinical Support Services are reporting a £3 million underspend against drugs budgets in 2025/26, compared to a breakeven position in 2024/25. The portfolio have delivered an improvement of £2.7 million, when adjusting for the impact of the underspend on drugs budgets.
3. Mental Health are reporting a £2.2 million deterioration from the previous financial year, largely driven by increased costs associated with the provision of the Medium Secure Unit and continued nursing use in excess of funded establishment levels.

# Value and Sustainability Programme



March



- £64.847 million of savings have been delivered during 2025/26 against planned savings of £61.82m, with a £2 million increase in savings against plan reported.
- £48.0m of savings are expected to be delivered on a recurring basis, representing total recurring savings of 3.6%. This exceeds the Scottish Government target of 3% recurring savings.

# Infrastructure and Backlog Maintenance Programme



NHS Grampian has a total programme of £108.3 million.

- £8.4 million relating to medical equipment, £2.4 million relating to IT hardware and networks and £2.3 million regarding facilities and estates equipment.
- £11.6 million relating to backlog maintenance and ensuring compliance with statutory and environmental standards.
- £1.1 million on sustainability projects aimed to reduce energy use.
- £46.5 million on major hospital schemes related to the construction of the Baird Family Hospital and Anchor Centre.
- £34.7 million relating to the transfer of the new mortuary from Aberdeen City Council.
- £0.2 million relating to primary care premises grants
- £1.1 million of capital contingency funding and other minor items.

The majority of this funding comes from Scottish Government including £14.1 million of core capital resource limit in addition to additional targeted funding and charitable funding.

Spend on the programme totalled £108.3 million.

	Funding £m	2025/26 Final Spend £m
Medical equipment	8.4	8.4
IT equipment	2.4	2.4
Other equipment	2.3	2.3
Backlog maintenance and statutory standards	11.6	11.6
Sustainability	1.1	1.1
Major hospital schemes	46.5	46.5
New Mortuary (Asset Transfer)	34.7	34.7
Primary and community care	0.2	0.2
Other	1.1	1.1
<b>Total Programme</b>	<b>108.3</b>	<b>108.3</b>

# 2026/27 Forward Look



The NHS Grampian Financial Plan for 2026/27 is the first year of a three-year financial plan, designed to support continued delivery of the Board's priorities whilst addressing a significant underlying financial challenge. NHS Grampian continues to face significant financial and operational pressures and remains escalated at Level 4 within the NHS Scotland support and intervention framework.

The financial plan assumes an underlying forecast deficit of £76 million before savings delivery in 2026/27. Delivery of £40 million of savings is required to reduce the deficit to £36 million, the maximum deficit support funding which will be provided to NHS Grampian. NHS Grampian expect to deliver a deficit within this levels, with the funding enabling NHS Grampian to delivery its statutory requirement to deliver within its revenue resource limit. If the Board delivers a deficit above £36 million, it will be reported as overspend in the annual accounts, which may result in a Section 22 report and lead to further escalation on the NHS Scotland Support and Intervention Framework.

## **Savings Requirements**

The plan sets out a requirement to deliver £40m of savings in 2026/27 to achieve the planned deficit position. This includes a commitment to deliver 3% recurring savings on baseline budgets, consistent with national planning guidance. Savings will require to be delivered across both Board-controlled (non-delegated) services, and within the three IJBs, with aggregate savings across the system used to demonstrate achievement of the 3% requirement.

## **Assurance Level**

Based on the scale of the financial challenge and level of savings required, NHS Grampian is able to provide moderate assurance on its ability to deliver a deficit within the £36 million deficit support funding. The Board remains fully committed to delivering an outturn within the maximum level of deficit support funding. Progress against the financial plan will be closely monitored through Value and Sustainability governance routes and prompt action taken to address any adverse movement from the plan. The Board will continue to receive a financial update at each Board meeting, which will include an assessment of the risk relating to delivery of the financial plan.

## **2027/28 – 2028/29 Value and Sustainability Plans**

There is less detail available on savings for 2027/28 and 2028/29 and work will focus on developing saving opportunities for these years as we move into the 2026/27 financial year. A robust timetable will be agreed to ensure delivery of a value and sustainability programme for 2027/28, which will include robust delivery plans, by December 2026.