

Meeting:	NHS Grampian Board
Meeting date:	11 June 2026
Item Number:	12
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

Purpose and recommendations

This is presented to the Board for assurance and endorsement

The Board is asked to:

- **Assurance** – note the current status of the project, including programme, commercial, technical, risk and service updates.
- **Endorsement** – acknowledge the revised programme and expected completion dates, and support the project team in progressing delivery and communications.
- **Assurance** - note the requirement to further strengthen Baird and ANCHOR programme governance arrangements, including:
 - enhanced internal oversight and reporting; and
 - additional independent external scrutiny to provide assurance on delivery, risk and safety.

Future reporting – note that further updates will be provided at all public Board meetings and at the closed Board on 9 July 2026

2.0 Report summary

2.1 Situation

The Baird Family Hospital and ANCHOR project will deliver two major healthcare facilities on the Foresterhill 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 (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.

Commercial discussions with the main contractor are ongoing and are progressing well. However, some key issues remain unresolved, including technical matters that may impact on the programme. The process of concluding a new commercial agreement has enhanced focus on some key issues which are outstanding and need resolved before or the risk accepted before a commercial agreement can be signed. Work continues between both sets of solicitors to reach a formal settlement agreement supporting project completion.

- Appropriate governance continues to be in place to provide oversight of any commercial agreement. However, recognising the complexity, risk profile and critical stage of the project, additional independent external scrutiny is being introduced to further strengthen assurance on delivery, risk and safety.

2.5 Programme and Governance

Programme timelines have moved since previously report to the Board. The dates below are subject to commissioning and KSAR review.

Facility	Current Programme (reported March 26)	Revised Programme
ANCHOR Centre	July 2026	December 2026 (with risk into Q1 2027)
Baird Family Hospital	June 2027	September 2027

Key points:

- There is ongoing risk to further delay for both facilities.
- The delay in opening to the ANCHOR is largely as a result of a Project Board decision in March to add a secondary sterilization unit to strengthen and protect the water system.
- The Board should note that the opening to the public of both buildings is contingent on successful KASR and commissioning processes and the timeliness of resolution of outstanding issues
- Work is ongoing to:
 - improve delivery timelines where possible,
 - develop a clear communications approach once dates are confirmed.

2.6 Risk

The principal risks affecting completion of the Baird Family Hospital and The ANCHOR Centre are predominantly associated with the resolution of key technical systems, including high voltage/low voltage (HV/LV) electrical infrastructure, cooling systems, fan coil units and domestic water systems, as well as outstanding construction and commissioning activities.

For the Baird Family Hospital, the most significant risks relate to:

- Finalisation of the HV/LV electrical strategy,
- Resolution of cooling coil and fan coil unit strategies,
- Completion of domestic water system design and commissioning,
- Outstanding construction issues such as air handling unit (AHU) tape plating and potential further design or scope changes.

For The ANCHOR Centre, the primary risks relate to completion of domestic water system design and commissioning.

These risks have the potential to impact programme delivery, commissioning, and readiness for safe occupation if not fully resolved.

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
- Inline cooling coils
- Fan coil units

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—are being 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.

2.9 Commissioning and Migration

- ANCHOR commissioning planning is well advanced.
- Baird 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

3.0 Recommendations

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