

NHS Grampian
Performance Assurance, Finance & Infrastructure Committee
1st April 2026, 1400 to 1600
(Microsoft Teams Meeting)
Chair – Mr Sandy Riddell

Present

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

In Attendance

Laura Skaife-Knight	Chief Executive
Alex Stephen	Director of Finance/Executive Lead for Performance
Phil Tydeman	Interim Director of Improvement
Alan Wilson	Director of Infrastructure & Sustainability
June Brown	Executive Nurse Director
Fiona Mitchelhill	Chief Officer, Aberdeen City HSCP
Paul Bachoo	Medical Director, Acute Services
James Brodie	Performance Assurance Project Manager (Minute)

Guests

Michelle Hankin	Clinical Governance and Risk Team Leader Item 3.1, 3.2
Priti Singh	Consultant Psychiatrist, Adult Mental Health Item 3.2
Pam Milliken	Senior Responsible Officer - Acute Pathways Integration Item 3.3
Christina Cameron	Programme Lead, Urgent and Unscheduled Care Item 3.3
Sarah Irvine	Deputy Director of Finance Item 4.1
Carmen Gillies	Programme Lead Value & Sustainability Item 4.2
Garry Kidd	Assistant Director of Infrastructure & Sustainability Item 5.1
Ann Bell	Councillor (Observing)
Chris Littlejohn	Consultant in Public Health

Apologies

Colette Backwell	Non-Executive Board Member
Dennis Robertson	Non-Executive Board Member
Kathleen Robertson	Non-Executive Board Member
Hugh Bishop	Medical Director
Alison Evison	Board Chair
Steven Lindsay	Employee Director
Preston Gan	Head of Performance
Phil Tydeman	Director of Improvement
Geraldine Fraser	Chief Officer - Acute Services
Melanie Saunders	Head of People and Change
Stuart Humphreys	Director of Marketing & Corporate Communications
Shantini Paranjothy	Director of Public Health
Alex Robertson	Head of Applications, e-Health

No.	Item	Discussion	Actions
1)	<p>1) Welcome and Apologies</p> <p>2) Declarations of Interest</p> <p>3) Minutes of previous meeting (26th January 2026)</p> <p>4) Action Tracker</p> <p>5) Matters Arising</p>	<p>The Chair welcomed everyone to the first PAFIC meeting of 2026. Apologies were noted as received as listed above.</p> <p>The Chair reminded committee members and leads for items that it was assumed committee members will have read all of the reports. Introductions to items are to be short and succinct, only including any new information or key points.</p> <p>No conflicts of interest were declared by attendees.</p> <p>The Minutes were approved as an accurate record of the meeting.</p> <p>The Chair advised the Action Tracker includes only recently open or closed actions from the previous meeting, with 1 closed item. A copy of closed actions is held by admin support and is available upon request at any time.</p> <p>Derick Murray noted that, while not included in the action tracker for PAFIC, there remains a previously agreed action to provide a detailed update on the backlog maintenance programme was not included on the agenda. While priorities were outlined in item 5.1, clarity on current-year delivery and funding was not included. Officers confirmed the matter would be picked up via the Board action log and scheduled for further update, including alignment with PAFIC reporting.</p> <p>Laura Skaife-Knight noted that an Operational Performance update and Baird & Anchor update should be added as standing items for PAFIC agendas going forward due to their strategic importance. Operational Performance updates should be either through the most recent How Are We Doing (HAWD) Report when aligned to PAFIC timings, or via Programme Board updates; this was agreed by committee members.</p>	A.S
2)	Committee Matters	<p>The Chair noted the forthcoming change in Committee Chair, with arrangements in place and ongoing to ensure a smooth transition of leadership from Sandy Riddell to Derick Murray over the coming months.</p> <p>The Chair noted challenges in aligning Sub-National, PAFIC and Board reporting timetables, and limited available flexibility. The Chief Executive acknowledged</p>	

	<p>1) 2026 Forward Planner</p>	<p>these challenges, and committed to prioritising PAFIC where possible, and noting the overlap in areas covered by PAFIC and Sub-National committees. It was noted that sub-national priority areas closely align with PAFIC's remit. Members agreed that more granular sub-national updates should be incorporated into existing Committee reports, for example through appendices, to provide coherent oversight without duplication, and consistency of reporting.</p> <p>The planned items for inclusion in the next PAFIC meeting on 27th May 2026 were acknowledged and noted that these would be reviewed at the next PAFIC Agenda setting Meeting on 7th April to review and finalise.</p>	
<p>3)</p>	<p>Performance – Exec Lead Alex Stephen Topics and paper author:</p> <p>1) Strategic Risk – Cyber Security</p> <p>2) Strategic Risk – Risk Appetite</p>	<p>Michelle Hankin introduced the paper. The Committee noted that cyber security remains a high strategic risk (score 12) within the Board's risk appetite, driven by the complexity and legacy nature of the digital estate. Governance and oversight arrangements are in place, supported by external assurance activity, and staff training has been recognised as national best practice. The committee was asked to note that progress is being made against this risk and mitigating this risk, but it remains constrained by some of the infrastructure resources, resilience and future investment</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> Concerns were raised that a Board-level lead was not available to directly address questions raised on these issues by the Committee. <p>PAFIC agreed to note the recommendations:</p> <ul style="list-style-type: none"> Future reporting – Members agreed that a further, enhanced report should be brought to the next meeting on 27th May 2026, presented by the relevant Board level lead (or deputy), setting out progress against actions, key decision points, and any associated resource requirements, particularly around the digital priorities set for the year ahead. <p>PAFIC agreed no further escalation required.</p> <p>Michelle Hankin introduced the report on behalf of the Medical Director. The purpose of the revision was to refresh and align the Board's risk appetite with the new 25 point risk matrix, ensuring the statement clearly reflects the organisation's risk position and its willingness to pursue strategic objectives. The overall risk position was reported as largely unchanged, reflecting the current operating environment and ongoing scrutiny, but with improved</p>	<p>M.H.</p>

	<p>3) Integration Acute Pathway (IAP) Update</p>	<p>clarity around governance alignment and articulation of risk strength.</p> <p>Key developments included:</p> <ul style="list-style-type: none"> • Introduction of a new risk category relating to healthcare experience, separating experience related impact from clinical harm to improve clarity and transparency, particularly in relation to access delays, patient perception, and patient safety. • Strengthening of the strategic risk governance model, with clearer alignment of each strategic risk to a single lead committee, improving standardisation of risk reporting and reducing duplication. • The Committee also noted, for information, the Committee Risk Assurance Discussion Template, which will be required to be completed following committee discussions to support Board assurance. Support to assist committees in completing the template was offered and welcomed. The Chair commented that the template provides a helpful framework to focus discussion on key risk and assurance issues relevant to the Board. <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • No questions or further comments were raised. <p>PAFIC agreed to note the recommendations:</p> <p>Note – The Paper will be brought back to the next PAFIC meeting for a further discussion.</p> <p>PAFIC agreed no escalation required.</p> <p>The Senior Responsible Officer - Acute Pathways Integration introduced the report, ahead of submission to the Board in June 2026. The programme has delivered measurable progress in integrating endoscopy, cardiology and orthopaedics pathways across Grampian, reducing clinical risk and improving equity of access through single referral, vetting and waiting-list arrangements and standardised administration. Gastroenterology was added in December 2025, including integration of the Inflammatory Bowel Disease (IBD) helpline and development of a Grampian-wide electronic pre-operative assessment model. While delivery pace slowed due to winter pressures and competing priorities, strong clinical and operational engagement has been maintained. Chief Executive Team (CET) reviewed progress in March 2026 and agreed that further activity should be considered in the context of wider acute governance and culture work, with learning from the programme informing future system improvement.</p> <p>In the interim, operational leads will confirm achievable deliverables for a three month period to end May 2026, with remaining improvement activity transitioning to business as usual. An overarching programme closure</p>	
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report and independent evaluation will be produced and reported via acute governance to CET, PAFIC and the Board.

PAFIC Questions/Comments

- The Committee welcomed the progress achieved, while adding a note of caution, emphasising the importance of embedding changes sustainably and into business as usual, with continued leadership ownership. Programme Lead noted that, due to changes in referral access, for example, processes had been unified to give only one digital option going forward rather than multiple pathways, with elimination of standalone systems which would ensure continuity over time.
- Members agreed that the forthcoming Board paper should better articulate tangible impact for patients and staff, moving beyond process descriptions.

PAFIC agreed to note the recommendations:

- **Assurance** - review and scrutinise the information provided in this paper and confirm that it provides assurance that Integration of Acute Pathways are being progressed with updates provided on four pathways endoscopy, orthopaedics, cardiology, gastroenterology as well as integration and digitisation of pre-operative assessment:
 - The Chief Executive Team (CET) has via the Integrated Acute Pathways Programme Board received regular reports confirming progress, barriers for mitigation and escalations.
 - The approach taken forward by the Integrated Acute Pathways Programme of work, has been focussed on providing sustainable, integrated pathways. This was a phased approach initially focussing on pathways to reduce clinical and service risks in cardiology, orthopaedics and endoscopy with gastroenterology becoming the fourth pathway due to its interdependencies with endoscopy. The programme has also provided governance for the Integration and Digitisation of Pre-Operative Assessment services.
 - Improved sustainable pathways with revised governance systems aim to improve management process, access performance, financial stewardship, engagement and outcomes for patients and their families, and through a revised Grampian system ultimately deliver equitable clinical outcomes for the population within available resources.

		<ul style="list-style-type: none"> ○ Note the CET and Acute Governance Group has considered the progress of the Integrated Acute Pathways Programme, through this milestone report as at end of February 2026. At its meeting on 17 March 2026 the CET considered the next steps for the Integrated Acute Pathways Programme, reflecting on the broader context of strengthening governance and the culture review across Grampian's acute services. The Integrated Acute Pathways Programme to date has been prioritised for programme support, consequently further activity under this Programme will be determined as part of wider considerations. ○ In the interim the operational leads for each pathway within the Programme will confirm the areas of focus for a further three month period (to end May 2026), setting out what will be completed / part delivered in that timeframe. ○ As part of the deliverables of the Programme at its end there will be an overarching closure report as well as an evaluation of the programme. This pack can be reported via Acute Governance and CET to PAFIC and the NHS Board. 	
<p>4)</p>	<p>Finance – Exec Lead Alex Stephen Topics and paper author: 1) 2025/2026 Month 11 Finance Update</p>	<p>The Director of Finance introduced the report, noting that that NHS Grampian's financial plan has now been formally agreed by Scottish Government, marking the first agreement in three years. This was highlighted as a significant and positive step.</p> <p>The Deputy Director of Finance presented the report and provided an update on the February 2026 position, noting a forecast outturn deficit of £41.5m at the end of February, with NHS Grampian remaining on track to deliver a year end position within the agreed deficit support funding.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • Committee Chair welcomed the report and noted the exceptional level of uncertainty facing the system, including global economic pressures. Members nonetheless recognised the considerable effort undertaken across the organisation to improve grip and control, praising both the scale of delivery to date and the robustness of the financial position given system pressures. • Mr. Ritchie Johnson confirmed that the paper reflected a consistent and stable financial picture over time, which provided confidence in the underlying financial fundamentals. He noted the absence of surprises as a positive feature at this stage of the year and 	

		<p>acknowledged the collective effort across the system, with particular thanks to the finance team.</p> <ul style="list-style-type: none"> • Mr. Ritchie Johnson asked whether the previously reported reduction and stabilisation in monthly operational overspends had been maintained, and how this trajectory would be sustained into the new financial year. The Deputy Director of Finance confirmed that the reduced operational overspend had continued, with a £1.4m operational deficit reported for February, despite additional public holiday cost pressures during the month, reflecting on the impact of grip and control measures alongside system wide savings delivery. Ongoing monthly reporting would continue, with active monitoring for any deterioration and early engagement with services to ensure mitigating actions were implemented as NHS Grampian moved into 2026–27. • Mr. Ritchie Johnson queried how provision made for potential year end adverse movements would be managed, and how any capacity released might be used should those risks not materialise. Deputy Director of Finance explained provision for winter related deterioration was included and that a paper had previously been considered by the Board exploring management options. • Mr. Derick Murray highlighted an inconsistency in reported savings figures, noting that the narrative and table appeared to have numbers transposed. This was acknowledged and assurance given that this error would be amended. • Mr. Derick Murray commended NHS Grampian for delivering over £100m of savings over recent years, but expressed concern regarding the scale of future savings required, estimated at £177m over the next five years. The Director of Finance acknowledged the scale of the challenge ahead but reflected that while large scale transformation had previously been viewed as the primary solution, experience suggested that ongoing efficiency improvements would continue to yield material savings, albeit at a lower annual level. He emphasised the need to clearly define what was meant by “transformation” and to pursue a mix of local efficiency initiatives and targeted transformation strands, including collaboration at Sub National level, rather than relying solely on large scale system redesign. • Mr. Derick Murray sought clarification on whether the expectation for IJBs to deliver 3% recurring savings was a Scottish Government requirement, noting that this had not been his understanding at IJB discussions. The Director of Finance explained that the 3% saving requirement applies at system level, rather than being directly imposed as a cash reduction 	
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		<p>on IJB budgets. Savings delivered by IJBs were therefore reflected notionally within the overall 3% requirement, recognising that IJBs were managing pressures well in excess of that level. He clarified that while IJB budgets were not reduced by 3% in cash terms, the savings achieved contributed to meeting the overall requirement and avoided a higher savings burden elsewhere.</p> <ul style="list-style-type: none"> • The Chief Officer, Aberdeen City HSCP added that from an IJB perspective, the focus to date had been firmly on driving efficiency, with increasing emphasis over the coming years on whole system transformation and prevention, aligned to refreshed Local Outcome Improvement Plans. She agreed that efficiencies would remain an ongoing requirement alongside longer term transformation. The Chair welcomed these contributions and echoed the observation that collaborative working with IJBs had significantly strengthened, with a noticeable shift in tone towards shared ownership of challenges and solutions. He highlighted that addressing inefficiencies, variation in practice, and cultural issues within pathways could in itself be highly transformative by improving flow, capacity, and access for the public. <ul style="list-style-type: none"> • PAFIC agreed to note the recommendations: <ol style="list-style-type: none"> 1. Note - the update on the financial position to end February 2025–26 and the current forecast year end position. 2. Note - the update on the 2026–27 revenue budget and refreshed Medium Term Financial Framework. <p>PAFIC agreed no escalation required.</p>	
	<p>2) 2025/2026 Month 11 Value & Sustainability Plan Update</p>	<p>The Programme Lead V&S introduced the paper. It was noted that all schemes for 2026–27 have now been concluded and approved through the Clinical Quality Improvement Panel, providing a clear and robust delivery plan.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • Members commended the Programme for achieving almost £2m in savings above the agreed budget target, noting in particular that a significant proportion of the savings are recurring. This was highlighted as evidence of positive behavioural and cultural change, reducing historical reliance on non-recurring measures. The strengthened governance arrangements and the three year sign off of the savings plan, for the first time in several years, were welcomed as providing a high level of assurance. 	

		<ul style="list-style-type: none"> • Concerns were raised regarding the reduction in IJB deficit support funding from £23m to £13m, and the perceived lack of explicit contingency for IJBs, given ongoing pressures, additional responsibilities (including delayed discharge), and historic overspends. The Director of Finance explained that while there is no specific IJB-ring fenced contingency, wider NHS Grampian contingencies remain available, including some additional contingency built into this year's position. It was emphasised that IJBs are at different stages of financial recovery, with some making good progress. Aberdeen City IJB is not seeking deficit funding in 2026–27, Aberdeenshire IJB has stabilised and reduced its overspend, and Moray IJB has also improved its position. It was noted that alternative mitigations remain available should risks crystallise, although the clear preference is for IJBs to deliver within agreed budgets. Further assurance was provided that all IJBs have set balanced budgets as required by statute, underpinned by saving plans. • The Chief Officer, Aberdeen City HSCP highlighted its robust critical path approach, use of public consultation on proposed savings, delivery of fully recurring savings in the previous year, and a clear ambition to rebuild reserves to support prevention and future transformation. • Members sought assurance on the sustainability of governance and leadership arrangements supporting the Value and Sustainability Programme, particularly in light of forthcoming leadership changes. Governance arrangements for Value and Sustainability were described as strong and best in class, with leadership continuity and succession arrangements confirmed. • It was also noted that work is underway with IJBs to develop a critical path for the 2027–28 budget by December, including early engagement and scheduling of key planning milestones. <p>PAFIC agreed to note the recommendations:</p> <ul style="list-style-type: none"> • Note - the financial savings achieved through Value & Sustainability (V&S) Programme up to February 2026. • Note - progress in developing a credible, clinically approved savings plan for 2026–27. • Note - the role of the 15 box grid in supporting delivery of the savings plan. <p>PAFIC agreed no escalation required.</p>	
5.	Infrastructure – Exec Lead Alan Wilson Topics and paper author:	The Director of Infrastructure & Sustainability raised an apology around a misunderstanding concerning reporting of the Baird & Anchor project, explaining that an assumption was made that this should be reported	

	<p>1) Whole System Planning Update</p>	<p>directly to the Board only, bypassing PAFIC. It was agreed that in future Baird & Anchor would be a standing item on the PAFIC agenda until further notice, and an update would be provided at the next meeting on 27th May 2026.</p> <p>The Assistant Director of Infrastructure & Sustainability introduced the paper, noting that the infrastructure planning environment remains complex and financially constrained, requiring a balance between short- to medium term management of critical infrastructure risks affecting estate, equipment and digital systems, and long term strategic planning, reflecting new Scottish Government expectations around whole system planning and service transformation.</p> <p>The paper set out how NHS Grampian engages with the Scottish Government to maximise available capital funding, how limited capital is prioritised internally once allocations confirmed, and a newly agreed process to identify and notify Scottish Government of the Board's top three strategic infrastructure priorities, supported by strategic assessments.</p> <p>In addition, since preparation of the paper it was noted that the Fleet and Buildings Decarbonisation Plan has now been agreed by the Scottish Government; and funding of approximately £2m has been confirmed for installation of an Hydrotreated Vegetable Oil (HVO) fuel tank (with associated conversion of HGV/LGV fleet), subject to sourcing conditions, and continued rollout of the LED lighting programme.</p> <p>PAFIC Questions/Comments</p> <ul style="list-style-type: none"> • Mr Derick Murray noted it is unclear what backlog maintenance funding will be spent on this year, particularly given previous references to approximately £4.5m of backlog maintenance. The Assistant Director of Infrastructure & Sustainability responded that a full list of highest risk infrastructure issues was submitted to the Scottish Government (included in the paper), and allocation of available funding will be confirmed through proposals to the Asset Management Group at the end of April. With no additional capital funding beyond existing agreements, focus will be on allocating funding across short term backlog maintenance and equipment replacement programmes, with detailed proposals being developed with estates, equipment and digital teams. A further paper providing detail on what was completed in 2025/26, and plans for 2026/27 would be presented to the Committee at a later date. • The Director of Infrastructure & Sustainability highlighted the level of challenge maintenance backlog presented. Approximately £18m in capital 	
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		<p>funding was requested but expects to receive around £7m, leaving a material funding gap; even with additional funding, there would remain a substantial shortfall against the estimated backlog maintenance need (circa £20–30m). This requires difficult prioritisation decisions, with only a subset of risks able to be addressed; the forthcoming prioritisation process will ensure the most critical risks are selected and brought back to Committee for visibility. Committee members acknowledged the scale of the challenge and the necessity of a robust prioritisation process.</p> <ul style="list-style-type: none"> • Mr. Derick Murray asked what impact the Central Decontamination Unit replacement programme had on last year’s capital delivery, and will it affect plans for the current year. The Director of Infrastructure & Sustainability responded that the CDU programme was funded separately by the Scottish Government, so impact was primarily on capacity and resources, rather than funding. This did mean some planned works were delayed due to delivery capacity constraints, but despite this, the volume of capital schemes delivered in year was significant, reflecting strong performance by delivery teams. • Mr. Ritchie Johnson requested clarification on aspects of the Three Strategic Assessment submissions, to be identified this year. These were: <ul style="list-style-type: none"> (i) How will the process for developing and prioritising the three strategic assessments operate? (ii) Is there a financial cap on individual submissions? (iii) How can the Board balance long lead times (earliest new capital from 2031/32) with current and emerging service needs? <p>The Assistant Director of Infrastructure & Sustainability responded by noting that no Board is guaranteed future capital funding; therefore 2031/32 is the earliest possible availability. Strategic assessments must consider whole system planning, demonstrate that proposals cannot be delivered within the existing estate, align with population health, reform and partnership working, and focus on service transformation, not solely new buildings or equipment. The process will be Service led, coordinated through the Integrated Planning Group, rather than infrastructure led, and Supported by a dedicated subgroup meeting for the first time on 15th April. Initial work will focus on agreeing planning assumptions and principles, how previous modelling and business case work should inform priorities, and the role of primary care, prevention and public health. This will lead to development of a prioritisation framework against the agreed principles. Indicative timescales in the paper</p>	
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		<p>are provisional and will require formal agreement as the process begins.</p> <ul style="list-style-type: none"> • Mr. Ritchie Johnson asked how backlog maintenance and the existing estate be managed in the interim, given the absence of significant new capital funding. The Assistant Director of Infrastructure & Sustainability responded by highlighting a need to change from a reactive maintenance model. There is a need for longer term planning for the residual estate, which involves understanding which buildings will be retained for the next 20–30 years. Investment requires planned to maintain both physical condition and functional suitability of retained buildings, and this will underpin the development of an Infrastructure Master Plan. • Mr. Derick Murray raised concern that there appears to be no primary care provision in Northfield/Mastrick and queried whether this could be considered, while acknowledging this may not relate to the paper under discussion. The Chair noted this was not within the scope of the paper, but the Chief Officer, Aberdeen City HSCP agreed to follow up separately with Derick Murray, involving relevant colleagues, to explore the issue further. <p>PAFIC agreed to note the recommendations:</p> <ul style="list-style-type: none"> • Assurance - Processes are in place to ensure the effective allocation of limited capital funding to address key infrastructure risks • Assurance - Arrangements are in place to ensure the development and prioritisation of strategic infrastructure plans is service led, involving our key partners, in line with local and national policy and following the stipulated Scottish Government process with outputs to be available within the required timescales. <p>PAFIC agreed no escalation required.</p>	A.W./F.M.
6.	Matters to escalate to Board/Committee Chairs	No items formally identified for escalation.	
7.	Date of Next Meeting: 27th May 2026		