APPROVED

Board Meeting
13.08.26
Open Session
Item 21.2.3

NHS Grampian
Performance Assurance, Finance & Infrastructure Committee
27th May 2026, 1400 to 1700
(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
Dennis Robertson	Non-Executive Board Member, NHS Grampian
Kathleen Robertson	Non-Executive Board Member, NHS Grampian
John Tomlinson	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
Alison Evison	Board Chair
June Brown	Executive Nurse Director
Hugh Bishop	Medical Director
Steven Lindsay	Employee Director
Preston Gan	Head of Performance
James Brodie	Performance Assurance Project Manager (Minute)

Guests

Ann Bell	Non-Executive Board Member, NHS Grampian
Melanie Saunders	Head of People and Change
Shantini Paranjothy	Director of Public Health
Sarah Irvine	Deputy Director of Finance **Item 3.1,**
Carmen Gillies	Programme Lead Value & Sustainability **Item 3.2**
Geraldine Fraser	Chief Officer - Acute Services **Item 4.2**
Pam Milliken	Senior Responsible Officer - Acute Pathways Integration **Item 4.2**
Christopher Middleton	Senior Manager, Performance Improvement **Item 4.2**
Ian Matthewson	Project Director – Baird & ANCHOR **Item 5.1**
Garry Kidd	Assistant Director of Infrastructure & Sustainability **Item 5.2, 6.5**
Stuart Humphreys	Director of Marketing & Corporate Communications **Item 6.2**
Rama Wilson	Cybersecurity Consultant **Item 6.2**
Alex Robertson	Head of Applications, e-Health **Item 6.2**
Michelle Hankin	Clinical Governance and Risk Team Leader **Item 6.3**

Apologies

Colette Backwell	Non-Executive Board Member
Sarah Duncan	Board Secretary
Jug Johal	Interim Director of Infrastructure & Sustainability
Leigh Jolly	Chief Officer, Aberdeenshire HSCP
Fiona Mitchelhill	Chief Officer, Aberdeen City HSCP
Nick Fluck	Senior Responsible Officer Baird & Anchor
June Barnard	Nurse Director Secondary & Tertiary Care

No.	Item	Discussion	Actions
1)	1) Welcome and Apologies	The Chair welcomed everyone to the PAFIC meeting. Apologies were noted as received as listed above. 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. The Chair thanked Phil Tydeman, outgoing Interim Director of Improvement, on behalf of the committee for his help, support and assistance, and wished him well for the future.	
	2) Declarations of Interest	No conflicts of interest were declared by attendees.	
	3) Minutes of previous meeting (1st April 2026)	The Minutes were approved as an accurate record of the meeting, noting an amendment to apologies from Kathleen Robertson. Ritchie Johnson raised a point around the Vice Chair role, as yet to be decided; the Board Chair advised this was a matter for the Board and a paper would be put forward in the future for consideration.	
	4) Action Tracker	The Chair advised the Action Tracker includes only recently open or closed actions from the previous meeting, with 1 item being completed. A copy of closed actions is held by admin support and is available upon request at any time.	
	5) Matters Arising	No other matters arising from the previous PAFIC meeting were noted as requiring addressed.	
2)	**Committee Matters** 1) 2026 Forward Planner	The planned items for inclusion in the next PAFIC meeting on 22nd July 2026 were acknowledged, and noted that these would be reviewed at the next PAFIC Agenda setting Meeting, date to be confirmed, to review and finalise. The Director of Finance noted the approach towards Operational Performance for submission to PAFIC was evolving, and would be addressed after the meeting. Derick Murray suggested inclusion of a presentation around the Environmental Management system at a future committee meeting; the Chair agreed this may be useful and proposed inclusion at Agenda Setting to schedule.	

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	2) Annual Committee Assurance Report	**PAFIC Questions/Comments** • The Committee noting the role of this report in informing the Governance Statement within the Annual Report and Accounts. The report was commended as comprehensive and providing a detailed account of how the Committee has fulfilled its remit, with thanks extended to Preston Gan for his contribution. • A small number of refinements were proposed to strengthen completeness and accuracy: o Inclusion of reference to the Financial Recovery Board within the governance context. o Inclusion of clearer reference to the Committee's oversight role in relation to the Single Improvement Plan. o Clarification of wording relating to lessons learned from CDU disruption, noting that a formal paper on this matter has not yet been presented to the Committee. **PAFIC agreed to note the recommendations:** **Endorse -** The Committee agreed that, subject to incorporation of these amendments, the report provides a robust reflection of governance activity and is approved for endorsement. **PAFIC agreed no escalation required.**	P.G. G.F.
3)	**Finance – Exec Lead Alex Stephen** **Topics and paper author:** 1) 2025/2026 Month 12 Finance Update	The Deputy Director of Finance introduced the report. It was noted that a year-end deficit of £34.7m was delivered within the maximum level of Scottish Government support, alongside full delivery of the £108m capital programme. Members acknowledged the significant system-wide effort contributing to this positive position, and it was agreed that formal recognition of finance teams and wider staff contribution should be recorded. It was also noted that budgets for 2026/27 have been set, with reporting on the May outturn and forecast to follow. **PAFIC Questions/Comments** • The Chair raised the issue of budget re-baselining and the timelines this would be progressed in. The Deputy Finance Director responded that with progress in nursing budgets over 2025/26, with further work planned across acute services, while noting the complexities and service pressures involved. The Director of Finance advised a pragmatic phased approach and continuous improvement ambition is being taken, and	

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		recognising the importance of ensuring organisational readiness when implementing revised budgets to mitigate risk of overspend. • Derick Murray noted that targeted savings were 3% for the year, with 3.6% achieved, and 4.8% including non-recurring savings, and asked how this compared with other Boards nationally. The Deputy Director of Finance advised that the 3% saving target was the same for all health Boards across Scotland, and the Interim Director of Improvement advised that NHS Grampian ranked 2nd highest by both percentage and the second highest by recurrent savings nationally. • Derick Murray queried why the IJBs required financial support from NHS Grampian while also creating reserves. The Director of Finance advised that the monies transferred were a combination of funding for unscheduled care and that which had been requisitioned earlier in the year, while noting the IJB financial position improved materially during 2025/26. The establishment of reserves, partly enabled by the transfer, provides a degree of protection against in-year financial volatility and supports delivery of operational plans. The Chair also acknowledged and recognised the work the Finance department had done to develop the strong foundations beginning to form between NHS Grampian and the IJBs. • The Director of Finance emphasised the continued expectation to maintain momentum and avoid complacency, with an ambition to outperform the planned deficit position where possible, subject to operational pressures and risks. • The importance of ensuring organisational readiness when implementing revised budgets to mitigate risk of overspend. • The Committee confirmed confidence in the overall approach and underlying financial management, recognising a strong foundation in value and sustainability work, while acknowledging the ongoing scale of challenge. The Director of Finance responded that there is a continued expectation to maintain momentum and avoid complacency, with an ambition to outperform the planned deficit position where possible, subject to operational pressures and risks. • The Chair added the committee's congratulations to finance colleagues for the amount of work in conjunction with staff right across the organisation recognising the extraordinary progress made to trying to address the financial challenges.	

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		PAFIC agreed to note the recommendations: • **Note -** the updates on the 2025/26 outturn and 2026/27 financial plan • **Approve** - the proposed Moderate assurance rating • **Endorsed** - formal recognition of the achievement and contribution across the system **PAFIC agreed no further escalation required.**	
	2) 2025/2026 Month 12 Value & Sustainability Plan Update	The Interim Director of Improvement introduced the report noting that the organisation over-delivered on the 2025/26 programme, achieving £63.9m against a target of £61.9m. For 2026/27, a savings programme of £41.9m has been approved against a £40m target, with £1.8m of schemes still under development and expected to be finalised by the end of Quarter 1. Early planning for the 2027/28 programme is underway, with a 20-week development cycle commencing in August to meet a December deadline. Focus for future programmes will increasingly shift towards transformational savings at organisational, system-wide, and sub-national levels. A 12-week Scottish Government-funded diagnostic with KPMG has commenced, alongside development of a multi-partner PMO across seven partner organisations. **PAFIC Questions/Comments** • Derick Murray queried alignment between the North East Transformation Group and sub-national planning, noting the absence of explicit reference in the Transformation Group brief. The Interim Director of Improvement advised that executive oversight spans both areas and alignment will be ensured, and the Chief Executive confirmed KPMG had been fully briefed on the sub-national context and further alignment will be addressed through the diagnostic. • Ritchie Johnson sought assurance regarding capacity to deliver transformational programmes alongside the core financial plan. The Interim Director of Improvement confirmed work is underway to identify dedicated resource and establish a Programme Management Office to support delivery. • The Chair sought an update on Quality Impact Assessments following consideration at Clinical Governance Committee. Dennis Robertson confirmed the paper had been discussed positively at Clinical Governance. The Executive Nurse Director advised that the QIA process had been	

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		subject to appropriate challenge, including panel composition and approach, and was considered robust with ongoing development. • The Board Chair sought assurance that arrangements are in place to support successful collaborative working across partners. The Chief Executive confirmed governance arrangements, diagnostic work, and programme mobilisation are progressing, with alignment across NHS Grampian redesign, Pan-Grampian transformation, and sub-national work. • Dennis Robertson raised concerns regarding engagement with elected members and governance flows. The Chief Executive acknowledged this and confirmed that governance arrangements and communication pathways are under active development, with engagement through Chief Executives. • Cllr Ann Bell supported the need for early engagement to avoid delays. **PAFIC agreed to note the recommendations:** **Note –** the strong financial performance in 2025/26 and progress in developing a credible 2026/27 savings plan. **PAFIC agreed no escalation required.**	
	3) Single Improvement Plan	The Interim Director of Improvement introduced the report, outlining progress against the 87 recommendations arising from the October 2025 external review, noting that a formal governance, scrutiny and accountability framework had been established and approved by the Board. A standardised template has been completed for each recommendation, including narrative and supporting evidence, with documentation retained centrally to support audit assurance. All recommendations have been scrutinised through Programme Boards and endorsed prior to escalation to the Executive Team, which confirmed that the evidence base supported closure of the 44 recommendations within PAFIC's remit. **PAFIC Questions/Comments** • The Chair raised concerns regarding the absence of supporting evidence within the paper, noting the requirement for visible assurance to support governance decisions. The Interim Director of Improvement confirmed that extensive evidence exists and is held centrally but was not included due	P.T.

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		to volume. He advised that the governance approach aligns with established practice. • Derick Murray highlighted that a decision could not be made without some level of evidence visibility and suggested inclusion of concise evidence summaries. • Kathleen Robertson and Joyce Duncan emphasised the need for evidence to demonstrate outcomes and impact, not solely activity, and highlighted the importance of measurable assurance. • The Board Chair raised concerns regarding timing and the Committee's ability to undertake adequate scrutiny, suggesting provision of sample evidence and additional time for review. • In response to these points, the Director of Finance confirmed that detailed scrutiny had been undertaken at Programme Board level and that further assurance would be provided through internal audit. The Chief Executive also acknowledged the concerns and proposed a proportionate approach, including provision of a sample of evidence, supporting assurance reports, and enhanced narrative within future reports. The Interim Director of Improvement committed to providing additional summary evidence and sample documentation to support assurance, and acknowledged that as a new report to PAFIC some time to achieve the right balance of reporting may be required. **PAFIC agreed to note the recommendations:** • **Note -** note the considerable work through quarter four of 2025-26 and early quarter one, of 2026-27 to respond to the recommendations scheduled for closure within the single improvement plan to date • **Assurance -** The Committee agreed that while governance arrangements are robust and evidence exists, further visibility of evidence is required to support an informed recommendation, providing partial assurance. It was agreed that provision of summary evidence and a sample dataset would provide a proportionate basis for assurance.	L.S-K

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4)	**Performance – Exec Lead Alex Stephen** Topics and paper author: 1) a) Q4 HAWD Performance Report OIP Update Report	The Head of Performance introduced the report, noting strong delivery within Value & Sustainability, mixed but improving performance in Planned Care, and ongoing challenges within Unscheduled Care, also noting that key areas for further focus have been identified for 2026/27. **PAFIC Questions/Comments** • Committee Chair highlighted mixed performance in Planned Care and asked what short-term actions had been taken to improve outcomes. The Chief Officer - Acute Services advised that immediate actions included extension of independent sector contracts, confirmation of additional Scottish Government funding, expansion of waiting list initiatives, and ongoing service redesign, including pathway transformation and clinical workshops focused on specialties with longest waits. • Committee Chair raised concern in Unscheduled Care that while activity is extensive, improvement in outcomes remains slow and queried how impact could be accelerated. The Chief Officer - Acute Services outlined improvements in underlying metrics (reduction in long waits and ambulance queues), implementation of ambulatory care pilots, and work to refine data segmentation. It was acknowledged that overall performance against the four-hour standard remains below target. • Mr. Ritchie Johnson raised concerns regarding continued underperformance against the 62-day cancer target and requested further assurance on improvement actions. The Chief Officer - Acute Services acknowledged performance challenges, particularly in urology and dermatology, and confirmed targeted redesign work is underway. She noted diagnostic performance improvements as a positive contributory factor. • Committee members sought greater assurance on the clarity of the improvement plan and its ability to deliver outcomes. To address this, The Committee requested a dedicated deep dive on Unscheduled Care performance at the next meeting, including: Delivery structure, clear linkage between improvement actions and KPIs, and defined targets and monitoring arrangements. The Chief Officer - Acute Services confirmed that Unscheduled Care refreshed delivery structures, priorities, and KPIs would be presented at the next PAFIC cycle. • Mr. Derick Murray raised concerns regarding inconsistencies in reported delayed discharge figures and queried progress on bed rebalancing	G.F. P.G.

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		timelines. Pamela Milliken clarified that differences reflected varying definitions (acute vs board-wide) and trajectory revisions. She explained that bed rebalancing is more complex than anticipated and now aligned to Winter 2026 delivery. Christopher Middleton added that implementation requires significant service relocation, contributing to revised timelines and complex system changes (e.g., bed rebalancing) require extended timelines to ensure safe and sustainable implementation. • Ritchie Johnson and Derick Murray highlighted issues with reporting clarity, including interpretation of "maintained" performance and visual inconsistencies in the cancer pathway table. Reporting clarity was noted and will be reviewed and improved in future iterations. • Committee Chair noted that some National Waiting Time updates were still outstanding and these should be in place before the final report is submitted to the Board. • **PAFIC agreed to note the recommendations:** 1. **Endorse –** to note the quarter four and year-end organisational performance position, recognising strong delivery and outcome achievement within Value and Sustainability, partial achievement with improving performance in Planned Care and continued challenges within Unscheduled Care alongside the sustained system pressures influencing performance across 2025/26. 2. **Assurance** - Note the key areas requiring continued focus following the Q4 and year-end position to support improvement in Key Performance Indicators (KPIs): • Planned Care: Cancer treatment within 31 and 62 days, and sustaining improvements in waiting times and diagnostics alongside ongoing demand and capacity pressures. • Unscheduled Care: System-wide flow, including Emergency Department (ED) performance, ambulance turnaround times and reducing acute occupancy, to enable sustained improvement across the urgent care pathway. • Value & Sustainability: Maintaining delivery of recurrent, cash-releasing savings and continued financial discipline to sustain financial recovery. • Cross-cutting: Strengthening the consistent translation of delivery activity into sustained KPI improvement and	

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		ensuring key system enablers are fully implemented and embedded into 2026/27. 3. **Decision** - Approve the Quarter 4 and year-end How Are We Doing (HAWD) Board Performance Report, and the continued application of the Performance Model within the Performance Assurance Framework, recognising its role in strengthening alignment between delivery activity, KPI performance and outcomes, and its application to 2026/27 priorities to maintain a clear line of sight from priorities through to delivery. **PAFIC agreed no escalation required.**	
	1) b) OIP Update Report	The Head of Performance introduced the report, noting that performance across Tier 1 indicators demonstrated progress in some areas, alongside a number of delayed deliverables, reflecting workforce capacity constraints and national dependencies. He highlighted that mitigating actions are in place and are detailed within the Tier 2 view to support delivery into 2026/27. **PAFIC Questions/Comments** • Committee Chair raised concerns regarding recurring delays linked to Information Governance (IG), noting historical challenges and querying why NHS Grampian appeared disproportionately affected compared to other systems. The Director of Finance responded that IG challenges had been formally reviewed at Executive Team level and remain under active discussion, also confirming that a dynamic prioritisation process is in place to unblock delays, and additional resource has been introduced and is beginning to improve higher-level IG processes. It was also noted that IG challenges are not unique to NHS Grampian, with similar issues reported nationally. The Chief Executive further confirmed that a detailed paper had been presented to the Executive Team outlining backlog, scale, and response, a further resource paper would be presented within two weeks, and that there is clear Executive-level oversight and line of sight on IG performance. • Derick Murray queried uptake of digital dermatology solutions by GPs, particularly given dermatology long waits, and asked whether uptake could be mandated. The Chief Officer - Acute Services advised that as independent contractors, GPs could not be mandated to adopt the digital service; however, engagement is ongoing through the	

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		Clinical Interface Group and LMC, with uptake increasing gradually through education and demonstration of clinical benefits, particularly in improving referral quality and triage efficiency. • Derick Murray highlighted delay in stroke genetics progression due to lack of administrative support and queried whether this could be resolved. The Chief Officer - Acute Services confirmed that funding for administrative support has now been secured, business case has been approved via the Value and Sustainability Programme, and rollout is now progressing. • Joyce Duncan raised concerns regarding public understanding of service changes, specifically Pharmacy First expansion and GP drop-in clinics, and queried whether a coordinated communication strategy would be implemented. The Director of Finance acknowledged the risk and agreed that clear system-wide signposting is required and that this should be communicated to the responsible leads. The Chief Executive confirmed a coordinated communications approach is in development across the system, with engagement already underway across multiple forums. Learning from other Boards (e.g. NHS Lothian) is being incorporated and communications activity will increase following the post-election period, **PAFIC agreed to note the recommendations:** • **Endorse -** Quarter 4 organisational performance position, noting continued progress across the Operational Improvement Plan (OIP), alongside the Key Performance Indicators (KPI) measures included separately in the Q4 and End of Year How Are We Doing Board Performance Report. • **Assurance -** Take assurance from the strengthening visibility of contributions across the OIP through improvements in reporting. • **Assurance -** The actions underway to progress implementation across the four Critical Areas. **PAFIC agreed no escalation required.**	
	2) a - Planned Care Strategic Risk 3065	The Committee received an apology regarding item labelling, noting that item 4.2 relates to Planned Care rather than Unscheduled Care. The Committee also noted that there were no accompanying covering papers and agreed to determine the appropriate level of action (noting, endorsing or approving) during discussion.	

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	b) USC Assurance Board Briefing Slides	The Chief Officer - Acute Services introduced the paper, advising that the risk formally sits with the Clinical Governance Committee and that the report is presented for awareness Highlighting also that the risk rating remains very high, primarily due to the sustainability of improvements in waiting times, with a significant proportion of activity reliant on non-recurring funding. Discussions are ongoing with the Scottish Government regarding additional non-recurring funding, though it was noted that recurring investment would provide greater long-term impact and value. Geraldine also highlighted positive progress in reducing outpatient activity through redesign work. **PAFIC Questions/Comments** • Committee Chair noted the continued very high risk rating and sought clarification on the purpose of the report and what the Committee was being asked to do. The Chief Officer – Acute Services advised that the report is presented for noting and awareness, given the primary governance route sits with the Clinical Governance Committee, and that it provides supporting context to earlier performance discussions. • Committee noted that the risk position remains high due to reliance on non-recurring funding and ongoing sustainability challenges, and the clear links to the performance issues and actions discussed in earlier agenda items. **PAFIC agreed to note the recommendations:** **Note-** contents to provide further detail around the USC performance supporting previous agenda items. **PAFIC agreed no escalation required.** The Chief Officer - Acute Services introduced the paper noting that this forms part of the regular fortnightly reporting to the Assurance Board, covering operational performance and improvement actions across sites. The following areas were highlighted: - ARI performance remains the most challenged and requires sustained improvement. - Dr Gray's performance is generally better but more variable. - Children's Hospital performance is generally strong but subject to occasional long waits. - Recent weeks have shown some improvement, although further progress is required.	A.S.

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		- Statistical process control charts are used to demonstrate improvement trends (blue indicating improvement, orange indicating areas requiring attention). **PAFIC Questions/Comments** • Committee Chair noted that while the narrative provided helpful context, some of the charts were difficult to interpret. The Chief Officer - Acute Services acknowledged the importance of supporting narrative and agreed that further detailed review would be beneficial, potentially through a planned deep dive session. • The Committee noted that the narrative accompanying the slides provided useful insight into performance and improvement actions and there would be benefit in further detailed discussion of the data and improvement plans at a future meeting. **PAFIC agreed to note the recommendations:** **Note** - the contents of the Planned Care Assurance Board slides. **Note** - acknowledged the value of the briefing provided at the previous session. **PAFIC agreed no escalation required**.	
5.	**Infrastructure – Exec Lead Jug Johal** Topics and paper author: 1) Baird & ANCHOR Update	The Committee Chair noted the late submission of the paper in order to ensure accuracy and most recent information. The Director of Finance, supported by the Project Director, introduced the paper, advising that progress is being made in resolving key issues impacting the commercial settlement agreement, although a number of significant risks and uncertainties remain. The report included key updates on: • Baird: Key issues relate to electrical capacity and ventilation. A technical solution has been identified for fire compliance (including additional fireproofing and design adjustments), and work is ongoing to agree and implement mitigations for ventilation and cooling. • ANCHOR: Good overall progress, with buildings in a stable condition. Delays have arisen due to challenges in agreeing design for a secondary sterilisation unit; however, workable timelines have now been established following escalation with the contractor. • The commercial settlement agreement remains central to resolution, with ongoing legal and	

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		technical engagement to define responsibilities and ensure delivery. **PAFIC Questions/Comments** • The Committee Chair expressed concern regarding the continued presence of fundamental design and compliance risks at a late stage, including unknowns relating to completion, Key Stage Assurance Reviews (KSAR) acceptance, project capacity, and contractor design control. The Director of Finance acknowledged the complexity and seriousness of the position, while adding that focus is currently on resolving issues to enable completion and agreement of the commercial settlement, and that progress has been made in recent days, including engagement with the contractor and identification of potential solutions, but timescales remain uncertain until issues are fully resolved. • Derick Murray queried how significant issues such as electrical capacity had not been identified earlier, noting that while the contractor holds design control, NHS Grampian holds design approval. The Director of Finance agreed the situation is not acceptable, and the immediate priority remains resolving issues to enable project completion, a detailed review will be required to understand how these issues arose. • Joyce Duncan highlighted difficulty in maintaining assurance given the history of delays and changing information, noting reliance on assurances from current leadership. The Director of Finance acknowledged the challenge and emphasised the importance of restoring confidence through strengthened processes, transparency and delivery focus. • Kathleen Robertson raised concerns regarding safety assurance and decision-making for building opening, referencing risks seen in other Boards, and sought clarity on how final decisions will be made. The Director of Finance confirmed that buildings will not open unless fully compliant and safe, with any outstanding issues in ventilation, water or safety preventing opening. KSAR, commissioning, and technical assurance processes must be completed satisfactorily and opening would not be recommended to the Board unless full assurance is achieved. • The Committee Chair emphasised the need for greater clarity on timelines, resource capacity, contractor obligations, and the commercial	

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		settlement agreement. The Director of Finance advised that positive engagement with the contractor has been seen in recent days, the commercial settlement agreement is intended to provide certainty on delivery and risk allocation, but all options remain under consideration should an acceptable agreement not be achieved. • The Chief Executive emphasised the importance of restoring Board confidence and ensuring credible assurance arrangements. To address this, a coordinated programme of Board engagement will take place over June and July, aimed to integrate the commercial settlement, programme position, whistleblowing findings, and governance improvements, with strengthening governance and assurance arrangements an active priority. **PAFIC agreed to note the recommendations:** • **Note** - progress with The Baird Family Hospital and The ANCHOR Centre Project. The paper specifically provides an update on key matters including an update on the design, construction, commissioning and assurance processes that are under way in the lead up to completion and functional occupation of the buildings. Details are also provided on the risks to delivery of each building and the project as a whole. • **Assurance** - to review and scrutinise the information provided in this paper and confirm that it provides assurance that the policies and processes necessary are in place and are robust. • **Future reporting** – to note that completion dates and the final project forecast will feature in future reporting on the Baird and ANCHOR project when the full impact of all changes has been reported by the Contractor. **PAFIC agreed no escalation required.**	
	2) Infrastructure Programme Update	The Assistant Director of Infrastructure & Sustainability introduced the report, highlighting that the programme is comprehensive, covering over 100 estates-related projects, including primary care developments, equipment replacement, backlog maintenance and statutory compliance works. Planned investment of approximately £18m in equipment replacement and £24m in backlog maintenance and standards was noted, while highlighting that resourcing remains a key risk, particularly in relation to Electrical Authorised Person (AP) capacity and Infection Prevention and	

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		Control (IPC) doctor input, both of which are essential to programme delivery. **PAFIC Questions/Comments:** • Derick Murray welcomed the report and noted that it provided the level of detail requested, while commented that such a report would have been expected prior to the start of the financial year. The Assistant Director of Infrastructure & Sustainability advised the timing of the report reflected the need to confirm final capital allocations and reprioritise programmes once funding levels were known, following Board approval of the financial plan and subsequent Asset Management Group prioritisation. • Ritchie Johnson queried how competing priorities (e.g. service delivery, health and safety, strategic priorities) are balanced within the infrastructure programme. The Assistant Director of Infrastructure & Sustainability explained that prioritisation is undertaken through a structured approach that includes: • Assessment of likelihood of asset or equipment failure • Assessment of impact on service delivery • Alignment with national submission requirements to the Scottish Government • Prioritisation through the Asset Management Group following confirmation of available funding It was also noted that although approximately £38m of priority need had been identified, only around £8m was available for allocation, requiring further prioritisation. • Dennis Robertson queried the extent to which limited IPC doctor capacity may compromise delivery of the programme. The Assistant Director of Infrastructure & Sustainability advised that: • IPC nurse input is generally sufficient; however, IPC doctor input is significantly constrained. • Projects involving water systems are particularly impacted. • Engagement is planned with IPC leadership to explore solutions, including external support and clarification of roles between nursing and medical input. • This constraint presents a material risk to delivery of certain projects. • Kathleen Robertson queried whether decarbonisation funding impacts the ability to	.

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		address backlog maintenance and potential impacts on system resilience. The Assistant Director of Infrastructure & Sustainability advised that decarbonisation funding is a separate funding stream from backlog maintenance or reactive works funding. • Kathleen Robertson further queried how PAFIC would receive updates on in-year reallocations and reprioritisation decisions. The Assistant Director of Infrastructure & Sustainability proposed that: • A further detailed update would be brought to a future PAFIC meeting (likely the meeting following the next cycle). • Updates would include any programme reprioritisation in response to emerging risks or failures. • Continued reporting at the current level of detail could be maintained if helpful to the Committee. **PAFIC agreed to note the recommendations:** **Assurance** - review and scrutinise the information provided in this paper and confirm that it provides assurance on the delivery of the 2025/26 infrastructure programme and the agreed 2026/27 programme, including allocation of limited capital to the highest infrastructure risks **Future reporting –** to request that another report on this subject be brought back to the Committee at a future date. **PAFIC agreed no escalation required.**	G.K.
6.	**Strategic Risk – Exec Lead Hugh Farrow Bishop** Topics and paper author: 1) Strategic Risk 3006 - Change/Innovation	The Chair welcomed John Tomlinson (Chair of Population Health Committee) to the meeting and emphasised the importance of applying a population health lens in seeking assurance on behalf of the Board, noting that John had contributed helpful suggestions at draft stage, and invited him to contribute to the discussion. The Chief Executive introduced the paper, highlighting that the strategic risk score remains high at 12 with a position of limited assurance, despite demonstrable progress. Key updates included: • NHS Grampian's significant contribution to draft East and West national plans • a planned full refresh of the 'Plan for the Future' in Q3 led by the incoming Director of Strategy	

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		• refreshed organisational priorities with additional priorities added • progress on de-escalation criteria with Scottish Government • ongoing North East Transformation Group diagnostic work. Governance arrangements have strengthened with Programme Boards overseeing delivery and reporting via Chair's Assurance Reports. 11 actions are linked to this risk; 10 of these have progressed, with 6 of these completed, and the remaining 5 actions have revised timelines aligned to organisational capacity and leadership changes, noting that risk ownership will transfer to the incoming Director of Strategy, Transformation and Performance. **PAFIC Questions/Comments:** John Tomlinson welcomed the clarity of next steps outlined in the paper and drew attention to the timelines. He highlighted the breadth of activity across multiple system partners, including Integration Joint Boards (IJBs), and queried whether more regular updates could be provided to Non-Executive Directors rather than relying solely on six-monthly reporting, and emphasised the importance of aligning this work with Population Health Committee agendas and wider system governance. The Chief Executive agreed with the proposal and confirmed support for providing more regular updates, and indicated that opportunities would be explored with the Board Chair to facilitate informal briefing sessions or Board seminars to ensure improved connectivity and oversight across committees and system partners. **PAFIC agreed to note the recommendations:** Assurance - Review and scrutinise the information provided in this paper and confirm from an assurance perspective that: • The updated position on the current landscape and the opportunities and challenges this brings in relation to redesign and transformation of sustainable health and care in NHS Grampian is accurate. • Improvements continue to be made regarding the management of Strategic Risk 3006, and appropriate evidence has been provided to support this. • Any gaps in controls or mitigations have been identified and are being addressed as part of the agreed next steps endorsed by the Executive Team on 28 April 2026.	L.S-K/A.E.

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		• The assurance level assigned to the management of Risk 3006 is appropriate: Limited. **Endorse** – the proposals contained in this paper. **Future reporting** – to request that another report on this subject be brought back to the Committee and the timescale for this. **PAFIC agreed no escalation required.**	
	2) i) Strategic Risk – Cyber Security ii)Digital Priorities	The paper on Cyber Security was noted by the Chair as being carried forward from the previous PAFIC meeting on 1st April 2026, and sets out the current cybersecurity landscape, effectiveness of controls, performance indicators, and action plans to reduce risk exposure. The paper was introduced by the Medical Director and the Head of Applications, e-Health. Progress was noted as having been made in governance, security scores, and reduction of unsupported systems, a significant proportion of the estate remains legacy, while the key constraint remains the pace of mitigation, dependent on funding, specialist capacity, and enhanced controls. **PAFIC Questions/Comments:** • The Director of Marketing & Corporate Communications noted that while current reporting provides a strong headline view, future reports could include additional metrics. This was noted by the Committee and accepted by Executive leads as a constructive improvement to strengthen future assurance reporting. • The Director of Marketing & Corporate Communications confirmed factors sitting outside operational cyber controls and dependencies will continue to be reported through the Digital Board, ensuring visibility of governance arrangements and risk management. • Derick Murray advised the paper was clear and provided assurance on current activity and organisational capacity. The Head of Applications, e-Health acknowledged this feedback, noting it reflects improved clarity of reporting and strengthened ability to provide assurance. • Ritchie Johnson noted positive trajectory and accepted that risk cannot be completely eliminated. The Head of Applications, e-Health,	

No.	Item	Discussion	Actions
		acknowledged and reinforced that the focus remains on continuous improvement. • The Head of Applications, e-Health, noted that external assurance is in place providing an external assessment of organisational position. • The Head of Applications, e-Health, advised that training quality is high and nationally adopted. **PAFIC agreed to note the recommendations:** **Assurance –** review and scrutinise the Digital Delivery Plan and associated governance arrangements and confirm that they provide assurance. **Future reporting –** note that progress and exception reporting will be provided through existing Digital Board and performance assurance arrangements (including via a Chair's Assurance Report to the Executive Team, with updates to PAFIC as per workplan. **PAFIC agreed no escalation required.**	
	3) Strategic Risk – Risk Appetite	The paper was introduced by the Medical Director, who formally acknowledged the contribution of the Clinical Governance and Risk Team Leader to the development and maturation of the organisation's strategic risk management approach. The paper summarised outputs from the Board seminar and subsequent discussions through the Chief Executive and Executive Team. The Clinical Governance and Risk Team Leader highlighted that amendments had been made following Committee feedback to clarify how governance would be strengthened, including creation of a Board-level Risk Assurance Framework to support shared oversight and clearer articulation of how risks are managed operationally. **PAFIC Questions/Comments:** • The Committee Chair requested clarification if the paper would be considered across all Committees prior to Board submission. The Medical Director confirmed the paper had been taken through governance routes and was being presented to Committees for awareness and endorsement before Board consideration. The Clinical Governance and Risk Team Leader added that additional narrative has been included outlining development of a Board Risk Assurance Framework to support oversight and clarify operational risk management guided by feedback from other committees. • Derick Murray noted significant improvement in strategic risk management over recent years	

No.	Item	Discussion	Actions
		and commended the quality of the paper. This was acknowledged by the Medical Director and taken as assurance that the approach to risk management has matured and is delivering improvement. **PAFIC agreed to note the recommendations:** **Assurance –** consider and endorse the revised NHS Grampian Risk Appetite Statement **PAFIC agreed no escalation required.**	
	4) Strategic Risk 3010 – Finance	The paper was introduced by the Deputy Director of Finance presented the paper, highlighting that the risk score remains at 16, unchanged from the previous position and remaining outwith tolerance. It was noted that the assurance level has been revised from 'Limited' to 'Reasonable', reflecting progress made in strengthening the financial control environment through actions taken over recent months and years. **PAFIC Questions/Comments:** • The Chair highlighted that the movement from 'Limited' to 'Reasonable' assurance represents a significant achievement, recognising the scale of work required to strengthen the control environment. • Derick Murray queried an apparent inconsistency in the report where control areas are described as effective, yet the overall result is 'incomplete', noting this appears contradictory. The Deputy Director of Finance explained that controls are appropriately designed and effective in principle, but cannot always be consistently applied due to operational and financial constraints, which results in an incomplete overall position. • Derick Murray noted tension between improved assurance rating and the ongoing financial position, including continued overspend. The Director of Finance confirmed that strong controls are in place and continuing to improve; however, the organisation remains significantly overspent (£35m), and therefore it is appropriate to retain a balanced assurance position reflecting both progress and ongoing financial challenges. **PAFIC agreed to note the recommendations:** **Assurance –** the policies and processes to manage this risk are in place and are robust.	

No.	Item	Discussion	Actions
		Improvements continue to be made regarding the management of Strategic Risk 3130. The assurance level assigned to the management of Strategic Risk 3130 is appropriate: Reasonable. **PAFIC agreed no escalation required.**	
	5) Strategic Risk - Infrastructure	The Assistant Director of Infrastructure & Sustainability introduced the report, highlighting that the estate and equipment base continues to age and deteriorate, and that the organisation is unable to keep pace with this deterioration due to financial and workforce constraints. It was noted that maintenance teams are significantly stretched and that mitigation activity is focused on prioritising the most critical risks within available resources. The Committee acknowledged the constraints impacting the ability to reduce risk and endorsed the continued prioritised approach to managing infrastructure risks. **PAFIC Questions/Comments:** • Derick Murray noted satisfaction with the systems and processes in place but raised concern regarding the high number of fire safety and healthcare-acquired infection non-compliances, describing these as notably elevated. • Ritchie Johnson confirmed assurance regarding governance and management arrangements but highlighted that the key challenge lies in the organisation's limited ability to further mitigate risk due to constraints. The Assistant Director of Infrastructure & Sustainability confirmed that mitigation is constrained by financial and workforce limitations, with efforts focused on managing risk as effectively as possible within these constraints. **PAFIC agreed to note the recommendations:** **Assurance** - review and scrutinise the information provided in this paper and confirm that it provides assurance that the policies and processes to manage the risk are in place and robust. **PAFIC agreed no escalation required.**	
7.	Matters to escalate to Board/Committee Chairs	No items formally identified for escalation.	
8.	Date of Next Meeting: **22nd July 2026**		