

<b>Meeting:</b>	NHS Grampian Board
<b>Meeting date:</b>	19 February 2026
<b>Item Number:</b>	13
<b>Title:</b>	Baird and ANCHOR – Project Update
<b>Responsible Executive:</b>	Alan Wilson, Director of Infrastructure, Sustainability and Support Services
<b>Report Author:</b>	Colin Adam – Project Director

## 1 Purpose and recommendations

### This is presented to the Board for:

- Assurance
- Decision
- Endorsement

### Recommendations

The Board is asked to:

- **Assurance** – Review and scrutinise the information provided in this paper and confirm that it provides assurance that the policies and processes are working effectively, any gaps have been identified and assessed, and risks are being mitigated effectively.
- **Decision** – Acknowledge the updated project financial forecast for which funding has been approved by the Scottish Government through to completion and approve this revised budget through to completion.
- **Endorsement** – Acknowledge the updated programme and dates to completion and endorse the process for bringing the new facilities into operation.
- **Future reporting** – Note that the commercial position and programme will feature in future reporting on the Baird and ANCHOR Project to the NHS Grampian Board.

### This report relates to:

- NHS Grampian Strategy: Plan for the Future – Places – Infrastructure

### This aligns to the following NHS Scotland quality ambition(s):

- Safe
- Effective
- Person Centred

**This subject matter of this report is relevant to the mitigation of the following strategic risks (further information provided in the Risk section below):**

- Inability to meet population demand for Planned Care
- Significant delays in the delivery of Unscheduled Care
- Inability to affectively maintain and invest in NHS Grampian's infrastructure
- Deviation from recognised service standards of practice and delivery
- Insufficient change and innovation to create a system which can meet demand and deliver on our strategic intent

## **2 Report summary**

### **2.1 Situation**

The Baird and ANCHOR project (the Project) comprises of the delivery of The Baird Family Hospital and The ANCHOR Centre, funded together within a single Scottish Government capital allocation, and delivered under a single building contract.

The NHS Grampian Board (the Board) have been regularly updated on challenges facing the successful delivery of the Project. In respect of these matters, this paper seeks to provide an update on the progress and status of the Project, with both buildings nearing construction completion at the time of writing in January 2026.

### **2.2 Background**

The ANCHOR Centre (TAC) is the next significant phase in the development of services for haematology and oncology patients, creating much needed purpose-built day and out-patient treatment and support accommodation space.

The Baird Family Hospital (BFH) is a new purpose-built hospital which will provide maternity, gynaecology, breast screening and breast surgery services. It will also include a neonatal unit, centre for reproductive medicine, an operating theatre suite, community maternity unit and research and teaching facilities.

Both the new facilities and the associated service redesign are consistent with our strategic themes of NHS Grampian, delivering the following high-level benefits:

- improvements in patient experience and environment (person centred),
- improved access, quality and efficiency of service delivery (effective),
- reduction in the level of backlog risks, Improvement in healthcare facilities to prevent Healthcare Acquired Infection (HAI) (safe),

The Baird and ANCHOR Full Business Case (FBC) was approved by the Board and the Scottish Government Capital Investment Group (CIG) in September 2020 at a project budget of £233.3 million. The construction programme for the project commenced in January 2021.

The NHS Scotland Assure KSAR (Key Stage Assurance Reviews) process was implemented nationally under DL (2021) in February 2021. This came after commencement of the construction phase of the project, following the learning from the other recent major hospital developments in Scotland. KSAR exists to provide independent assurance that major NHS construction and refurbishment projects are being planned, designed, and delivered safely; they focus on infection prevention and control (IPC) and technical compliance.

### **2.3 Assessment**

Throughout the construction stage of the project, the Project Team, the Contractor and their supply chain partners have endured numerous challenges in delivery impacting on cost and programme.

Due to recent learning from other major healthcare construction projects and in response to concerns raised by stakeholders, assurance reviews of the scope and design have been undertaken and revisions to the scope of work have impacted on the programme.

Governance arrangements are in place to ensure the effective delivery of these new facilities, they have evolved to support and respond to these challenges and include the NHSSA KSAR process. The buildings will not open without a supported KSAR status.

Ongoing and comprehensive staff and stakeholder engagement are in place to address design or construction related matters and have included the development of remedial designs to address HAI matters, supported with appropriate technical advice.

This additional assurance, and the resulting instructions arising from it, has brought increases to the project costs and delay to the completion dates for both buildings.

### **2.4 Costs**

The Project is funded by a capital allocation from the Scottish Government. In April 2023, a revised project forecast of £261.1million was approved. The project forecast has now been revised to £438.6 million and funding formally confirmed by Scottish Government. This reflects a combination of factors, notably cost pressures arising from market and construction challenges, programme delays and revisions to works to be undertaken.

## 2.4.1 Contractual Arrangement

The construction challenges and elongated programme has impacted on contractual arrangements with the main contractor and its supply chain. With the support of our professional advisors revisions to the contract and contractual sums are being progressed to ensure the works completed to a standard which will enable the hospitals to open and operate effectively.

## 2.5 Programme

As previously reported to the Board, the Project team have been unable to confirm dates until all instructions had been served to the Contractor and designs had been developed through to acceptance.

Considering the above, the Project Team have been developing completion strategies for both buildings and an update on the commissioning and target dates for commencement of functional occupation of the buildings have been set as per table 1 below. These dates are subject to further amendment dependent on the outcome of the NHS Scotland Assure KSAR process and any unforeseen additional project challenges.

Bring into Operation Date	Current target date
The ANCHOR Centre	July 2026
The Baird Family Hospital	June 2027
Aberdeen Maternity Hospital demolition	December 2027

Given the revised and agreed process for the water commissioning, based on learnings from the Scottish Hospitals Inquiry (SHI), dates for bringing each building into operation will be subject to review on a weekly basis.

## 2.6 Risk

### 2.6.1 Risk Assessment / Management

Risk management procedures are an integral feature of the project with a comprehensive risk register maintained monthly by all parties, and weekly risk reduction meetings and regular reporting of key risks to the Project Board and the Performance Assurance, Finance and Infrastructure Committee (PAFIC).

## **2.6.2 Equality and Diversity, including health inequalities**

The project undertook a Health Inequalities Impact Checklist in February 2018 as part of the Outline Business Case. This piece of work was commended by the Public Health Team.

## **2.6.3 Other impacts**

No other relevant impacts to note at this stage.

## **2.6.4 Communication, involvement, engagement and consultation**

The project continues to have an active communication and engagement strategy that is reviewed yearly to reflect the stage of the project and priorities. The team continue to have dedicated resource that leads on this work. Along with regular communication being is also a significant feature for senior and other project team members (internally and externally).

Following programme delays, we have refined our communications strategy and have had a more targeted approach while ensuring we communicate and continue to meet key stakeholders on a regular basis. The key features of our current strategy are:

### **Communication Tools**

The Project Team continues to use well established communication channels - project website and social media channels to provide timely updates to stakeholders.

### **Key Stakeholders**

The Project Team maintains regular engagement with key stakeholders and remains available to meet with any interested community group. Staff continue to be a priority of our communication strategy with updates provided at project meetings and through staff communications aligned with the NHS Grampian Board.

Engagement with charity and third sector partners continues to be an important focus for the team. Early patient involvement has shaped the design of the facilities, and we continue to engage on areas that stakeholders can still influence.

### **Commissioning and Migration**

As the project moves closer to building handovers, the communication strategy now also focuses on commissioning and migration activities. This includes staff communication tools, training resources as well as proactive public communications and orientation planning.

### 2.6.5 Route to the Meeting

The matters outlined in this paper have been reported the Baird and ANCHOR Project Board and within regular updates to PAFIC.

### 2.7 Recommendations

The Board is asked to:

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