

Director-General for Health & Social
Care and
Chief Executive of NHS Scotland
Caroline Lamb



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Adam Coldwells
Interim Chief Executive
NHS Grampian
Summerfield House
2 Eday Road
Aberdeen
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9th January 2025

Dear Adam,

NHS GRAMPIAN: ESCALATION TO STAGE THREE OF THE NHS SCOTLAND SUPPORT & INTERVENTION FRAMEWORK FOR FINANCE

I am writing to inform you that I have taken the decision to formally escalate NHS Grampian to Stage Three of the NHS Scotland Support and Intervention Framework for finance, based on the deterioration in the financial position of the Board during 2024-25 and the recommendation of the National Planning and Performance Oversight Group.

Whilst I appreciate the measures set out in your letter dated 19 December 2024, we have significant concerns in relation to the financial performance of NHS Grampian during 2024-25.

The Board has deteriorated from a break even financial position pre-pandemic to forecasting the highest overall deficit in NHS Scotland at month 8 (£77.4 million). This far exceeds the brokerage cap of £15.3 million.

Support has been provided by Scottish Government since NHS Grampian were escalated to Stage Two in November 2023. However, there has been insufficient improvement in the financial position, therefore further escalation has been deemed necessary.

Stage Three escalation comes into effect from January 2025 and involves *enhanced monitoring and support* including increased oversight and coordinated engagement from Scottish Government. Initially, this will involve additional monitoring and oversight from colleagues in the Finance Delivery Unit (principally Jack Gillespie as your Board Support Lead), but further measures may be put in place.



Furthermore, regular meetings with the NHS Scotland Director of Health and Social Care Finance to discuss NHS Grampian's improvement plans and progress being made will be scheduled.

I expect the Board to commit to realistic financial recovery milestones and these should be reflected in the three year financial plan which is to be submitted at the end of this month in draft form. I also expect an increased scope to the ongoing cost recovery programme, and wider work with the NHS Grampian Executive Team to develop the three-to-five-year path to sustainability.

Colleagues in the Finance Delivery Unit will be in touch shortly to discuss these arrangements and to schedule the regular monitoring meetings.

Please note that NHS Grampian's escalation to Stage Three will be continuously monitored. Further escalation to Stage Four or beyond may be required without tangible improvements in the underlying financial position.

Kind regards,

Caroline Lamb

Chief Executive NHS Scotland and Director-General for Health and Social Care