

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting of the Finance and Resources Committee held at 9.30 on Wednesday 13 October 2021 by videoconference.

Present: Mr M. Hill, Non Executive Board Member (chair); Councillor S. Akhtar, Non Executive Board Member; Ms S. Goldsmith, Director of Finance; Mr A. McCann, Non Executive Board Member; Mr B. McQueen, Non Executive Board Member; Councillor G. Gordon, Non Executive Board Member.

In Attendance: Mr M. Cambridge, Head of Procurement (item 36.2); Ms J. Campbell, Chief Officer, Acute Services; Mr J. Crombie, Deputy Chief Executive; Mr I. Graham, Director of Capital Planning and Projects; Ms K. James, National Management Trainee (observing); Mr A. McCreddie, Head of Management Accounts; Mr D. Mill, Senior Project Manager, Facilities (item 37.1); Mr A. Payne, Head of Corporate Governance; Ms B. Pillath, Committee Administrator (minutes).

Apologies: Mr C. Campbell, Chief Executive; Ms T. Gillies, Medical Director; Ms F. Ireland, Interim Executive Nurse Director; Mr C. Marriott, Deputy Director of Finance.

Chair's Welcome and Introductions

The Chair welcomed members to the meeting and members introduced themselves.

Members were reminded that they should declare any financial or non-financial interests they had in the items of business for consideration, identifying the relevant agenda item and the nature of their interest. No interests were declared.

33. Committee Business

33.1 Minutes and Actions from Previous Meetings (25 August and 29 September 2021)

33.1.1 Members accepted the minutes from the meeting held on 25 August 2021 and the extraordinary meeting held on 29 September 2021 as correct records of these meetings.

33.1.2 The updated cumulative action note had been previously circulated. Updates discussed would be included in the action plan circulated before the next meeting.

34. Matters Arising

34.1 Royal Infirmary PFI contract

34.1.1 Ms Goldsmith gave a verbal update. Further Consort performance issues at the Royal Infirmary were identified for the period January to May 2021 which Consort disputed. Preparations were being made to enter the dispute resolution process. The Scottish Government was aware of the situation.

- 34.1.2 A draft strategy for PFI engagement was in progress with consultation with commercial and legal advisors and a paper would be brought to the Committee at the next meeting in November and then to the Board. **SG**

35. Capital

35.1 Property and Asset Management and Investment Programme Update

- 35.1.1 Mr Graham presented the previously circulated paper. There was discussion about the proposed process for the consideration of the strategic element of initial agreements for capital projects and the role of the Planning, Performance and Development Committee. This was still under consideration by the group reviewing business cases, but it was agreed that the initial agreements needed the in depth discussion at the Finance and Resources Committee and that unnecessary steps which would delay the approval process should be avoided.
- 35.1.2 The process under consideration for regular updates to the Committee on the status of capital projects in progress would be based on a regular update including the key status of all projects. There may also be separate more in depth updates for larger higher profile higher risk projects.
- 35.1.3 It was noted that clinical engagement for operational requirements in projects were required. Lessons learned from review of the oncology enablement works included the need to improve engagement in this area including doing mock up rooms rather than relying on plans to ensure clinicians were happy with layout and equipment.
- 35.1.4 Ms Campbell advised that the possibility of increasing the number of beds in the Western General Hospital reprovision of critical care would be considered as part of planning.
- 35.1.5 Ms Goldsmith advised that all the Health and Social Care Partnerships were clear on their key priorities based on demand from new housing or on areas of social deprivation. The further work required would be to consider engagement with other models.
- 35.1.6 Members accepted the recommendations laid out in the paper and accepted moderate assurance.

35.2 NHS Lothian Strategic Capital Investment Programme

- 35.2.1 Mr Graham gave a presentation. The slides would be circulated following the meeting. This item aimed to provide assurance that the response to the Board strategic framework would address the strategic plan for capital investment.
- 35.2.2 Mr Graham advised that the expected growth in funding from the Scottish Government to £400 million in the year 2025/26 was based on projects already included in the plan with funding approved, including the Cancer Centre.
- 35.2.3 In response to a question as to whether there was an accepted methodology for carrying out comparison cost and benefit valuation between schemes with very different attributes such as digital investment and property investment, Mr Graham

advised that this sort of comparison had been part of the prioritisation of projects and that both were needed. Members requested a copy of the prioritisation process and criteria for their understanding. **IG**

35.2.4 Mr Graham highlighted that the Lauriston building would require investment due to its age. The Eye Pavilion part of this campus would be vacated following reprovision at the Bioquarter and there may be Council or University interest in this part of the building. Mr Crombie made it clear that the main Lauriston building would be retained for healthcare services.

35.2.5 Developer contributions to health premises was encouraged in both East Lothian and Edinburgh Councils. This had not yet been considered in West Lothian.

35.2 Scottish Hospitals Inquiry

35.2.1 Ms Goldsmith presented the previously circulated paper and members accepted the recommendations laid out.

36. Revenue

36.1 August 2021 Financial Position and Year End Forecast

36.1.1 Mr McCreadie presented the previously circulated paper. Following discussion at the Board about acute medicines overspend, a paper was requested which would include an analysis of data and how this was being used to manage the position. Mr McCreadie advised that there had been significant growth in this area for a number of years and there had been use of non recurring funds to pay for this. Engagement with clinicians had started which would benchmark performance and gather data to inform actions. **SG**

36.1.2 It was noted that although dental practitioner activity had not yet risen to pre lockdown levels the spend in this area had not reduced; salaries for dental practitioners remained the same as before and working through the backlog of cases would be part of the additional cost for recovery.

36.1.3 Mr McCreadie advised that during the last two financial years additional covid funding had been available from the Scottish Government, but that this would not be provided in the following year, despite the ongoing costs of recovery. Additional funding had been pledged to Healthcare both by the UK and the Scottish Governments but this was associated with expansion of services. The team was keen for discussion with the Scottish Government on ensuring the funds available went to the right place, including covering the costs of recovery.

36.1.4 Members accepted the recommendations laid out in the paper and accepted moderate assurance.

36.2 Procurement Annual Report

36.2.1 The chair welcomed Mr Cambridge to the meeting and he presented the previously circulated paper. Members recognised the positive report in the context of a turbulent trading environment.

- 36.2.2 Following reported complaints on the availability of healthy food choices at the Royal Hospital for Children and Young People, Mr Cambridge agreed to take this forward with colleagues at the children's hospital.
- 36.2.3 Members asked that the procurement strategic objectives gave more emphasis on environmental and social sustainability in procurement. Mr Cambridge advised that a sustainability plan with environmental and social ambitions was in place and agreed to make this more visible on the annual report.
- 36.2.4 The key position of procurement in influencing environmental and social sustainability in its contractors was noted. Lothian had high measurable improvements in community benefits; more could be done if a community benefits engagement officer were employed to work with contractors. A representative from the team was part of the 'anchor' work being carried out by Public Health.
- 36.2.5 In response to a question about implementation of new technologies, Mr Cambridge advised that NHS Lothian was part of a trial for tracking products through the system using scanning codes at key points, known as 'genesis' in Scotland and 'scan for safety' in England. This was expected to both improve patient safety and save money. The trial was at an early stage.
- 36.2.6 Members accepted the recommendations laid out in the paper, subject to a revision of the strategic objectives in the annual report to give more priority to improvements in environmental sustainability. Significant assurance was accepted.

36.3 Public Service Reform (Scotland) Act 2010 Annual Report

- 36.3.1 Ms Goldsmith presented the previously circulated paper which was a report required by the Scottish Government. Members approved the report for publication with the following two amendments for clarification: a sentence be added to explain that 'public relations' referred to NHS Lothian's communications function; and the inclusion of the total number of clinical staff employed as context for the number with salaries of over £150,000.

SG

37. Sustainability

37.1 Sustainable Development Framework

- 37.1.1 The chair welcomed Mr Mill to the meeting and he presented the previously circulated paper. Members commended the progress made and noted that as the two biggest employers in the region collaboration between the City of Edinburgh Council and NHS Lothian could have a significant impact.
- 37.1.2 It was noted that this programme had been driven forward by a number of committed enthusiasts, but that a more formal structure and strategic model with leadership which would have influence across the organisation was needed. Work on this infrastructure was in progress and a report with further information would be submitted to the Committee at the meeting in November 2021.

JCr / SG

- 37.1.3 Councillor Gordon agreed to circulate the results of an audit carried out in the City of Edinburgh Council on sustainability improvement which highlighted the importance of cultural change and new ways of thinking. **GG**
- 37.1.4 Mr Mill noted that better engagement with eHealth was needed both as a consumer of resource and as a key part of improvement. He planned to have an eHealth representative on the Sustainable Development Group and agreed to ensure a status update from eHealth in the next report. **DM**
- 37.1.5 Members accepted the recommendations laid out in the paper.

38. Committee Business

38.1 Reflection on the meeting

- 38.1.1 It was agreed that the update on the Sustainable Development Framework would be highlighted at the next Board meeting.

38.2 Thanks to the Chair

- 38.2.1 This was the last meeting of Mr Hill as chair of the Committee as he was retiring from the Board at the end of the month. On behalf of Members, Mr McCann thanked Mr Hill for his stewardship of the Committee over the last four years, and wished him well for the future.
- 38.2.2 From 1 November 2021 Mr McCann would take over the chair of the Committee.

39. Date of Next Meeting

- 39.1 The next meeting of the Finance and Resources Committee would take place at **9.30** on **Wednesday 17 November 2021**.

40. Meeting Dates in 2022

- 40.1 Meetings in 2022 would take place on the following dates:
- 17 January 2022 (Monday);
 - 20 April 2022;
 - 8 June 2022;
 - 17 August 2022;
 - 19 October 2022;
 - 21 December 2022.

Signed by the Chair 27-11-2021

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