

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting of the Finance and Resources Committee held at 9.30 on Wednesday 21 April 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; Ms N. McKenzie, Non Executive Board Member; Mr B. McQueen, Non Executive Board Member.

In Attendance: Ms J. Campbell, Chief Officer, Acute Services; Mr I. Graham, Director of Capital Planning and Projects; Mr H. Hamilton, Finance Manager, Acute Services; Dr J. Hopton, Programme Director, Facilities; Mr C. Kerr, Senior Project Manager, Capital Planning; Mr C. Marriott, Deputy Director of Finance; Mr A. Payne, Head of Corporate Governance; Ms B. Pillath, Committee Administrator (minutes); Ms F. Wilson, Head of Health, West Lothian Health and Social Care Partnership.

Apologies: Mr C. Campbell, Chief Executive; Ms T. Gillies, Medical Director.

Chair's Welcome and Introductions

The Chair welcomed members to the meeting and members introduced themselves. He welcomed new Committee members Councillor Akhtar and Ms McKenzie and thanked Councillor McGinty and Mr Murray for their contributions noting that they were no longer members of the Committee.

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.

1. Committee Business

1.1 Minutes and Actions from Previous Meeting (10 March 2021)

- 1.1.1 Members accepted the minutes from the meeting held on 10 March 2021 as a correct record.
- 1.1.2 The updated cumulative action note had been previously circulated.

1.2 Response from the Members' Survey

- 1.2.1 The paper had been previously circulated. The main area for improvement identified was on opportunity for members' personal development. National Education Scotland had developed national modules for board members but more specific work was needed to prepare members for the specific knowledge they needed for each committee.

- 1.2.2 There were also comments on the papers received by the Committee and the need for them to be focused on the information required for decisions to be made. Hyperlinks to other documents were not felt to be any improvement on including the extra detail in the paper itself. This was especially relevant to business cases which needed to be in simple language, focused and only including key points, although it was noted that it was also part of the Board members' role to pick out the relevant information in what was presented. It was agreed that development was needed here as not all staff had training and experience to write business cases in this way and they may not do them often. It was suggested that Committees that see papers prior to the Finance and Resources Committee could have a role in ensuring the key points were clear.

1.3 Committee Annual Report 2021/21

- 1.3.1 The paper had been previously circulated. Regarding point 7 of the 'statement of assurance need' on maintenance of the estate it was noted that there was assurance on what was being delivered but that there was not the resources to maintain the estate to Scottish Government standards so there was prioritisation of higher risk areas and mitigation of risk. It was agreed to change the level of assurance to 'moderate.' It was suggested that a connection should be made between estate risks and clinical risk.
- 1.3.2 Members accepted the other levels of assurance laid out in the statement of assurance need.

2. **Capital**

2.1 Property and Asset Management Investment Programme

- 2.1.1 Mr Graham presented the previously circulated paper. Ms Goldsmith noted that £20 million had been carried forward into 2021-22 and some of the programmes planned in 2020 had been fast tracked using money received as part of the funding for the covid response, allowing the 2021-22 programme to be enhanced.
- 2.1.2 It was noted that a project bank account was now mandated by the Scottish Government for projects with a cost of over £2 million. This was to allow sub contractors to access funds more timeously than through the supply chain.
- 2.1.3 Regarding the backlog maintenance proposal, there was an indication that funding would be available as part of national work and progress was expected in the next quarter of the year.
- 2.1.4 Regarding the Chalmers Crescent sale, capital receipts would go into the capital fund.
- 2.1.5 There was discussion about the need for review of the Board's prioritisation framework. It was noted that the programme up until 2025 was being presented for sign off, but that as the situation changed the priorities of both the Board and the Scottish Government may change. Ms Goldsmith agreed to bring a paper detailing the current plan and any suggestions for consideration or reprioritisation to the next meeting.

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2.1.6 Mr Graham advised that all services had now moved out of the old Children's Hospital. Remaining furniture and equipment was being disposed of to other areas of the estate or to charity. There was engagement with the purchaser regarding SEPA survey and archeology requirements. The building was secured with CCTV and physical security.

2.1.7 Members accepted the recommendations laid out in the paper but agreed to 'note' the five year programme rather than to approve, with further discussion at the next meeting.

2.2 East Calder Medical Centre – Outline Business Case

2.2.1 Ms Wilson presented the previously circulated paper. She noted that there had been discussion with community teams regarding more digital ways of working as part of the covid response and whether this would affect the needs of the premises in the future. The population in the area was expanding but the size of the existing health centre was severely limiting.

2.2.2 The workforce risk was noted and it was suggested that there could be more information on the mitigation of this in the risk mitigation section.

2.2.3 There had been a cost increase since the initial agreement was approved in 2018. This was because no costings had been done initially on the energy design as guidance had been awaited.

2.2.4 Mr Hill asked that the environmental impact assessment be included in the full business case and that a benefits analysis on sustainability should be included. The full business case would be expected in 2022.

2.2.5 Members accepted the recommendations laid out in the paper and approved the outline business case.

2.3 Royal Hospital for Children and Young People / Department for Clinical Neurosciences progress update

2.3.1 Ms Goldsmith presented the previously circulated paper. The hospital was fully open with all services moved and the PPI site was now onto the management stage. Members wished to formally recognise the amount of work done by the Finance Director and her team to get to this stage.

2.3.2 Members accepted the recommendations laid out in the paper, agreed the end of formal reporting and looked forward to being able to visit the new hospital.

3. **Revenue**

3.1 Buy back of RIE car park

3.1.1 Ms Goldsmith presented the previously circulated paper. She advised that the consultants EY had assessed the cost and found it to be within a fair range and this had been accepted by the Scottish Government.

- 3.1.2 Regarding the excusing clause mentioned at item 3.5 in the paper, Ms Goldsmith explained that this referred to compensation in the event that poor management of the car park by NHS Lothian affected the management of Consort's adjacent sites in the future.
- 3.1.3 Additional costs would be incurred for running the car park and the Scottish Government had agreed to fund this. Ms Campbell's team was working on a permit system for the use of the car park. It was noted that planning permission had been requested for the extension of the car park by 300 spaces. An update was requested for the next meeting to include an analysis of current and future demand for car parking and how this might be managed.

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- 3.1.4 Members accepted the recommendations laid out in the paper.

3.2 Financial Position 2020-21

- 3.2.1 Mr Marriott presented the previously circulated paper. Members accepted the recommendations laid out.

4. **Sustainability**

4.1 Sustainability Update

- 4.1.1 Dr Hopton gave a verbal report. It had been agreed that the delivery of the Sustainability Framework and Action Plan would be a corporate objective in the following year.
- 4.1.2 The capital investment plan for the Western General Hospital energy infrastructure was being submitted to the Scottish Government Capital Investment Group and it was expected to be presented to the Finance and Resources Committee in June 2021.

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- 4.1.3 Money had been allocated from the Scottish Government non-domestic energy efficiency fund. A proposal for application to the carbon investment fund was in development for the executive team. A paper would be submitted to the next Planning, Performance and Development Committee on sustainability metrics. The Climate Change Annual Report would be brought to the Finance and Resources Committee at the next meeting in June 2021.
- 4.1.4 The City of Edinburgh Climate Commission was keen to support city wide planning for sustainability and had recognised NHS Lothian, the City of Edinburgh Council and the University of Edinburgh as the key partners. Work was in progress and would allow a more inclusive approach to energy infrastructure.
- 4.1.5 Discussions had started regarding reduction of carbon emissions at the Little France sites as these were NHS Lothian's biggest energy users.
- 4.1.6 Members requested that future updates would be in the form of a short written paper which would help absorption of the key points and would emphasise the range and

scope of the issues being covered which would help the organisation to address sustainability issues. **JH**

- 4.1.7 It was noted that the climate change strategy could also include improving the health and wellbeing of staff and that green space was an important element in this.

5. Committee Business

5.1 Reflection on the meeting

- 5.1.1 The chair agreed to raise the following areas of discussion at the next Board meeting: backlog maintenance concerns; car park buy back; the sustainability plan and capacity; prioritisation of capital spending – this may also go to the Planning, Performance and Development Committee.

6. Date of Next Meeting

- 6.1 The next meeting of the Finance and Resources Committee would take place at **9.30** on **Wednesday 2 June 2021**.

7. Meeting Dates in 2021

- 7.1 Further meetings in 2021 would take place on the following dates:
- 14 July 2021
 - 25 August 2021
 - 13 October 2021
 - 17 November 2021.

Signed by the Chair 9th June 2021