

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting of the Finance and Resources Committee held at 9.30 on Wednesday 25 August 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: Ms J. Campbell, Chief Officer, Acute Services; Mr J. Crombie, Deputy Chief Executive; Mr B. Currie, Project Director (item 27.2 and 27.4); Mr M. Gallaher, Business Consultant (item 27.5); Ms T. Gillies, Medical Director; Mr I. Graham, Director of Capital Planning and Projects; Dr J. Hopton, Programme Director, Facilities; Mr C. Marriott, Deputy Director of Finance; Ms A. Milburn, Service Manager (item 27.3); Mr A. Payne, Head of Corporate Governance; Ms B. Pillath, Committee Administrator (minutes).

Apologies: Professor J. Connaghan, Board Chair; Professor A. McMahon, Executive Nurse Director.

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.

26. Committee Business

26.1 Minutes and Actions from Previous Meeting (14 July 2021)

- 26.1.1 Members accepted the minutes from the meeting held on 14 July 2021 as a correct record, subject to a correction to the attendance list.
- 26.1.2 The updated cumulative action note had been previously circulated. Updates discussed would be included in the action plan circulated before the next meeting.

27. Capital

27.1 Property and Asset Management Improvement Plan Update

- 27.1.1 Mr Graham presented the previously circulated paper. Regarding the two primary care proposals due to increase in population noted at item 3.3.2 in the paper, Mr Graham advised that these were with the Scottish Government for funding agreement. If funding was identified there would be notification in the next six to eight weeks, but if no funding was identified these would be likely to be put on hold rather than rejected. In this case the Board would make a decision as to whether to identify funding in the interim to go ahead with the works. Ms Goldsmith advised that the

Scottish Government were working on a longer term national plan based on a broader assessment of Scottish infrastructure rather than waiting for Boards to come forward with proposals.

- 27.1.2 Mr McQueen and Mr McCann had met with Mr Graham and capital planning colleagues regarding the review of the business case documentation and were supportive of the proposal not to focus on costs at the initial agreement stage due to the likelihood of subsequent changes.
- 27.1.3 The proposed strategic framework would set out the requirements and the priorities for the next five or more years, using a set of criteria. Ms Goldsmith advised that engagement with the Integration Joint Boards on priorities and primary care population pressures was proving effective. Chief Officers of the Health and Social Care Partnerships were part of the strategic framework process.
- 27.1.4 More information about public sector collaboration initiatives for primary care facilities as at paragraph 3.3.2 in the paper was requested with some examples in the next update. IG
- 27.1.5 Members accepted the business case for the Lauriston Building Combined Pharmacy. The wording in the recommendations in the paper would be revised to reflect this as Mr Payne had advised that the Committee was not able to delegate approval for this business case. Members accepted the other recommendations laid out in the paper and accepted moderate assurance on the delivery of the PAMIP programme.

27.2 National Treatment Centre Next Steps

- 27.2.1 Ms Goldsmith, Mr Currie and Mr Crombie presented the previously circulated paper. The development of a project team and director for this project was being progressed. Mr Graham was working on a structure for capital plans which would identify which delivery and assurance resources would be made available for projects. Mr Currie would remain in the role of senior project director working with new project managers for each capital project, including the Eye Pavilion and the National Treatment Centre. In the meantime Mr Currie was acting as project director of the National Treatment Centre.
- 27.2.2 Mr Crombie noted that engagement with clinical teams who would be using the building was key, but that external advisory roles were also required for building planning and technical requirements. The focus would be on the overall service need, informed by patient and professional needs.

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

27.3 Gynaecology Ambulatory Care Suite, St John's Hospital

- 27.3.1 The chair welcomed Ms Milburn to the meeting and she presented the previously circulated paper. The proposal was to reduce inpatient beds at St John's Hospital from 10 to 6 to support more outpatient work. The procedures identified were less likely to require inpatient recovery and therefore could take place in outpatient

theatres. This would free up space for less complex inpatient cases to move from the Royal Infirmary which would in turn allow them to focus on more complex cases.

27.3.2 It was noted in the paper that some stakeholders did not take part in the engagement over the proposal but Ms Milburn advised that those who had not attended the engagement sessions had been contacted separately for comments and no concerns were raised.

27.3.3 Members accepted the recommendations laid out in the paper and approved the standard business case.

27.4 Scottish Hospitals Inquiry Update

27.4.1 Ms Goldsmith presented the previously circulated paper. It was agreed that the response to the second Request for Information to the Inquiry should be approved by members of the Committee prior to the next scheduled meeting. **AP**

27.4.2 It was noted that there were two strands of information being provided to the Inquiry, the documents requested as evidence, and narratives with NHS Lothian's interpretation of the events as witnesses, which also refer to original documents as evidence for the interpretation. It was agreed that for assurance purposes the Committee only required to review those documents that were part of the narrative of NHS Lothian's interpretation of events.

27.4.3 The review of the documents for identification of those needed to respond to the Inquiry was being carried out using search software which reduced the number of documents to be reviewed. Mr Currie and Mr Graham and former members of the project team then reviewed these documents for inclusion.

27.4.4 Members accepted the recommendations laid out in the paper.

27.5 Royal Infirmary of Edinburgh – Commercial Business Case

27.5.1 Ms Goldsmith presented the previously circulated paper which was commercially confidential. She advised that a member of the Scottish Government finance team had been engaged on NHS Lothian's process and had been briefing the head of finance at the Scottish Government.

27.5.2 A paper had previously been shared with the Scottish Government explaining why management issues had not been previously identified, and this paper would also be shared with the Committee. **SG**

27.5.3 Ms Goldsmith advised that as well as increasing contract management resource, additional resource was also being put into estates services with a working group to investigate any concerns raised and monitor any rectification required. This allowed oversight on what work needed to be done and enabled the team to work with Consort to deliver this. Regular reporting on the implementation of this model would be through this Committee, with reporting on wider strategy to the Board.

27.5.4 Members accepted the recommendations laid out in the paper and supported the proposed approach.

27.6 Assurance, Quality and Business Case Framework

- 27.6.1 Ms Goldsmith and Mr Graham presented the previously circulated paper. Members were supportive of the work being done and accepted the recommendations laid out in the paper, accepting moderate assurance at this stage.

28. **Revenue**

28.1 Financial Position – July 2021

- 28.1.1 Mr Marriott presented the previously circulated paper. He noted that £8.9 million of efficiency savings had been identified but not yet delivered due to Covid mitigations. It was acknowledged that there were ongoing pressures on delivering efficiency savings.

- 28.1.2 Members accepted the recommendations laid out in the paper and accepted limited assurance on the ability to reach a breakeven position at year end.

28.2 Finance Risk 3600

- 28.2.1 Mr Marriott presented the previously circulated paper. A submission would be made to the Finance Oversight Board in November regarding the status of this risk, and this would include the costs of recovery and remobilisation. Mr Payne advised that the risk would be focused on areas that could be mitigated regarding financial sustainability. There would also be reference to other risks such as clinical care and recovery, but these would be updated separately.

- 28.2.2 It was suggested that the wording of the risk be revised to ensure it referred to wider implications of financial and service sustainability and not only the risks associated with population growth.

- 28.2.3 Members accepted the recommendations laid out in the paper. A further paper would be brought back to the meeting in November following discussion at the Finance Oversight Board.

SG

29. **Sustainability**

29.1 Sustainability Update

- 29.1.1 Ms Hopton presented the previously circulated paper. Ms Hopton noted the need for the relationship between PFI projects and the sustainability programme to be considered, and the need to ensure that sustainability needs were considered as part of building design.

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

30. **Committee Business**

30.1 Reflection on the Meeting

- 30.1.1 It was agreed that the following items would be raised at the next Board meeting: update on the Scottish Hospitals Inquiry; progress on the National Treatment Centre; and the Royal Infirmary Commercial Business Case.

31. Date of Next Meeting

- 31.1 The next scheduled meeting of the Finance and Resources Committee would take place at **9.30** on **Wednesday 13 October 2021**. An extraordinary meeting would also be held at **9.30** on **Wednesday 29 September 2021**.

32. Meeting Dates in 2021

- 32.1 Further meetings in 2021 would take place on the following dates:
- 17 November 2021.

Signed by the Chair