

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting of the Finance and Resources Committee held at 9.30 on Wednesday 18 December 2024 via Microsoft Teams.

Present: Mr M. Connor, Non-Executive Board Member (chair); Cllr S. Akhtar, Non-Executive Board Member; Mr P. Allenby, Non-Executive Board Member; Mr A. Fleming, Non-Executive Board Member; Mr G. Gordon, Non-Executive Board Member.

In attendance: Mr B. Barron, Director of Capital Planning; Mr C. Briggs, Director of Strategic Planning (item 27.2); Ms M. Campbell, Director of Estates and Facilities; Mr J. Crombie, Deputy Chief Executive; Mr S. Davidson, Talent Management Programme (observing); Ms D. Ezakadan, Talent Management Programme (observing); Ms T. Gillies, Medical Director; Mr A. Hay, Procurement Planning Manager (item 27.4); Professor C. Hiscox, Chief Executive; Dr J. Hopton, Sustainability Programme Director, Facilities; Ms L. Jess, Talent Management Programme (observing); Mr C. Kerr, Programme Director, Capital Planning; Mr C. Marriott, Director of Finance; Mr A. McCreadie, Deputy Director of Finance; Ms F. MacKinnon, Talent Management Programme (observing); Mr K. McLeish, Talent Management Programme (observing); Ms G. MacNaught, Talent Management Programme (observing); Mr D. Mill, Senior Project Manager, Facilities; Ms R. Moss, Talent Management Programme (observing); Ms M. Odam, Talent Management Programme (observing); Ms B. Pillath, Committee Administrator (minutes); Mr D. Thomson, Board Secretary; Ms I. Tricker, Finance Manager; Ms S. Walter, Talent Management Programme (observing); Ms J. Webster, Talent Management Programme (observing); Ms C. Willox, Talent Management Programme (observing).

Apologies: Mr M. Cambridge, Associate Director of Procurement; Ms M. Carr, Acute Services Director; Ms A. MacDonald, Executive Nurse Director.

Chair's Welcome

The Chair welcomed members to the meeting.

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 (23 October 2024)

- 26.1.1 Members accepted the minutes from the meeting held on 23 October 2024 as a correct record.
- 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 Investment Programme

- 27.1.1 Mr Kerr and Mr Barron presented the previously circulated paper. The date for the transfer of Liberton Hospital had been agreed as 31 March 2025, but this had been extended for three months. The team was working closely with Edinburgh Integration Joint Board to decommission the site and reaccommodate patients.
- 27.1.2 Negotiations were ongoing regarding the sale of the Edenhall hospital site and this would be progressed as soon as possible. The health and safety concerns due to the empty building were noted; there had been discussions with the purchaser about the possibility of them demolishing the building before the sale was completed.
- 27.1.3 The Scottish Government had increased capital funding for leases. This included GP practices when NHS Lothian owned the building, but not for practices leased by the GP from a different owner. This had been due to a change in the technical standard for accounting which meant that all leases should be accounted for with the Scottish Government.
- 27.1.4 It was noted that the Regional Infectious Diseases Unit was not in the capital prioritisation scoring. Ms Tricker advised that the maintenance costs for the Unit had been reviewed under emerging risks and would be included in the next prioritisation scoring which would be brought to the Committee. The prioritisation would not include projects that did not yet have an initial agreement.
- 27.1.5 The initial costs of the National Treatment Centre project had been written off as the project had been closed.
- 27.1.6 The alternative office accommodation at West Port, replacing Waverley Gate, would provide a £12 million saving over a period of time.
- 27.1.7 Mr Kerr advised that there had been regular meetings with community groups regarding the disposal of the St Michael's Hospital site. Once the site had been declared surplus, it would be offered to other NHS or public sector organisations, followed by community asset transfer applicants, followed by the open market. No community asset transfer requests were currently expected for the site. The Committee agreed to recommend to the Board that the St Michael's Hospital Site should be declared surplus. A paper would go to the February 2025 Board meeting.
- 27.1.8 Members accepted the recommendations laid out in the paper and accepted significant assurance from the project tracker.

27.2 Astley Ainslie Hospital Masterplan update

- 27.2.1 The chair welcomed Mr Briggs to the meeting and he presented the previously circulated paper. Apart from the SMART Centre and the inpatient facilities, most of the services at the site could be provided elsewhere. Some of the buildings were already vacant. It was expected that disposal in sections could be completed in between two and five years. At each stage when a section was being declared surplus to requirements, this would be brought to the Committee.

- 27.2.2 Members suggested that a similar assessment of all NHS Lothian's sites could be carried out against the development framework to identify any further land which may be surplus to requirements. Mr Briggs agreed to circulate a summary of the strategic approach taken regarding land owned by NHS Lothian and how the decision was reached. **CB**
- 27.2.3 Reprovision of the inpatient services would be in the four acute sites. The primary care services would be the responsibility of the Integration Joint Boards and the team would work with them on this.
- 27.2.4 Members accepted the recommendations laid out in the paper.
- 27.3 Hospital Sterilisation and Decontamination Unit (HSDU) Capacity Risk update
- 27.3.1 Ms Campbell presented the previously circulated paper. She noted that this had previously been classified as 'very high' risk, but that data showed that the revised shift pattern had improved performance. There was also a new management team in place. Performance continued to be monitored.
- 27.3.2 The Scottish Government had made it known that national HSDU capacity was a priority for a national solution but were still gathering information about the associated risks.
- 27.3.3 Members accepted the recommendations laid out in the paper.
- 27.4 Procurement Annual Report
- 27.4.1 The chair welcomed Mr Hay to the meeting and he presented the previously circulated paper. He advised that the community benefits portal was used to invite third sector organisations to put in their needs, and NHS Lothian would try to meet these with the opportunities provided through contractors. A matrix was used which showed the number of job opportunities that should be associated with any spend, for instance in construction. 'Meet the buyer' events were also held and more could be done in this area.
- 27.4.2 It was noted that efficiency could be improved by making more decisions at a national level rather than doubling resources by having clinicians' panels in each board. Ms Gillies advised that this needed to be considered carefully as clinicians in boards which already had efficient systems in place would not see the need to engage in regional or national panels and would therefore input important information from these boards which may result in unsatisfactory procurement options choices being made.
- 27.4.3 A workshop event had taken place in the East Region with planners and chief executives regarding the appetite for further regionalisation. Another meeting was planned to explore this further with the Directors of Finance.
- 27.4.4 Members accepted the recommendations laid out in the paper.

28. Revenue

28.1 Year to date Financial Position

- 28.1.1 Mr McCreddie presented the previously circulated paper. It was noted that the £14 million being provided by the Scottish Government to address performance in the Emergency Department was for the whole year and would be received for specific investment projects to improve performance.
- 28.1.2 The importance of making recurring efficiencies was recognised, but some of the improvements made were non recurrent. Data on recurrency of efficiencies would be included in the paper for the next meeting. **AMcC**
- 28.1.3 Transformation work with the Integration Joint Boards was being lead through the Strategic Planning Team and would continue in parallel to efficiency savings. The target for 2025/26 would be a 3% efficiency saving plus a 3% cost reduction.
- 28.1.4 Mr Crombie summarised some of the work ongoing to change pathways to reduce costs. These included moving pathways to primary care, regional working, unscheduled care improvement plan which moved towards better partnership working, strategic thinking around the bed model. A major challenge was availability of funding and revenue to invest in these transformation projects.
- 28.1.5 For the 2024/25 4% savings some of the main projects included 'pause and assess', workforce changes, and achieving benefits from service level agreements.
- 28.1.6 Members would like to see more information about the efficiency and transformation projects ongoing, including a clear summary of what was going to be done differently and an assessment of any implications of this. Mr Marriott advised that workshops on the efficiency planning for 2025/26 would be held after 15 January 2025 and then a paper would be brought for discussion to the Strategic Planning and Performance Committee. Members also requested more detailed assurance papers at the Finance and Resources Committee.
- 28.1.7 Members accepted the recommendations laid out in the paper and accepted limited assurance.

28.2 Draft Financial Plan

- 28.2.1 Mr McCreddie presented the previously circulated paper. Mr Marriott advised that if Integration Joint Boards had a deficit at the end of the year then NHS Lothian normally contributed to funding this for the health component. NHS Lothian was committed to working with the Council and the Integration Joint Boards to work through financial challenges and work collectively with the total resources available, particularly where services in one organisation affected services in the others.
- 28.2.2 The budget presented was currently in draft. The team would work with the Integration Joint Board chief financial officers to sign this off around February 2025. The formal agreement would be at the Board in May 2025.
- 28.2.3 Members accepted the recommendations laid out in the paper.

29. Scottish Hospitals Inquiry

29.1 Scottish Hospitals Inquiry update

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

30. Sustainability

30.1 Climate Emergency and Sustainability update

- 30.1.1 The chair welcomed Mr Mill to the meeting and he presented the previously circulated paper. Mr Gordon noted the positive staff engagement at the recent webinar on waste.
- 30.1.2 Mr Mill advised that the implementation of the sustainability plan and the environmental management system would help to embed sustainability into the organisation through policies and procedures.
- 30.1.3 Under PIN, NHS Lothian was working as part of a region made up of NHS Lothian, NHS Fife and NHS Borders to meet sustainability goals. This was at an early stage of development gathering information on the market and available technical solutions. The responses so far provided models which could give short term gains including financial savings, but required investment and business cases would be required. This would be supported regionally through NHS Assure.
- 30.1.4 Members noted a recent IT development session which had highlighted opportunities still to be taken for improved efficiency through automation, for instance in electronic payslips, patient letters and patient notes. Improvements could be made through better use of systems already in place. Dr Hopton advised that staff networks were being developed which could work on smaller changes such as these which could have a larger cumulative impact, as well as encouraging staff engagement on sustainability.
- 30.1.5 Dr Hopton advised that the areas still in red on the risk rating were those which there have not been the resources to address as yet. Environmental sustainability was one of the parameters agreed on the Strategic Development Framework so there should be a focus on this.
- 30.1.6 It was expected that there would be opportunities for to improve sustainability in primary care, but the first stage would be to identify areas of biggest impact, and this would require engagement with primary care services.
- 30.1.7 Members accepted the recommendations laid out in the paper.

31. Reflections on the Meeting

- 31.1 No issues were raised to go to the Board at the Committee Chairs' updates section of the agenda.

32. Date of Next Meeting

- 32.1 The next meeting of the Finance and Resources Committee would take place at **9.30 on Wednesday 12 February 2025.**

25. Further Meeting Dates

- 25.1 Further meetings would take place on the following dates:
- 26 March 2025
 - 11 June 2025
 - 20 August 2025
 - 22 October 2025
 - 17 December 2025
 - 11 February 2026
 - 25 March 2026.

Signed by Chair
12 February 2025