

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting of the Finance and Resources Committee held at 9.30 on Wednesday 13 June 2025 via Microsoft Teams.

Present: Mr M. Connor, Non-Executive Board Member (chair); 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 2.2); Ms M. Campbell, Director of Estates and Facilities (2.4, 2.5 and 2.6); Mr J. Crombie, Deputy Chief Executive; Ms T. Gillies, Medical Director; Mr C. Kerr, Programme Director, Capital Planning; Mr C. Marriott, Director of Finance; Mr A. McCreddie, Deputy Director of Finance; Mr D. Mill, Senior Project Manager (item 4.1 and 4.2); Ms B. Pillath, Committee Administrator (minutes); Mr D. Thomson, Board Secretary; Ms I. Tricker, Interim Head of Property and Asset Management.

Apologies: Cllr S. Akhtar, Non-Executive Board Member; Mr P. Allenby, Non-Executive Board Member; Ms M. Carr, Chief Officer, Acute Services; Professor C. Hiscox, Chief Executive; 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.

1. Committee Business

1.1 Minutes and Actions from Previous Meeting (26 March 2025)

- 1.1.1 Members accepted the minutes from the meeting held on 26 March 2025 as a correct record.
- 1.1.2 The updated cumulative action note had been previously circulated. Updates discussed would be included in the action plan circulated before the next meeting.

1.2 2024/25 Finance and Resources Committee Annual Report

- 1.2.1 Members accepted the final version of the Committee annual report, which had been discussed in draft at the previous meeting. This would now be submitted to the Audit and Risk Committee.

2. Capital

2.1 Property and Asset Management Investment Programme

- 2.1.1 Mr Barron presented the previously circulated paper. It was noted that there had been a delay in the LIMS project was behind the given timescales. This was due to

external problems and an update had been requested at the next Lothian Capital Investment Group meeting.

- 2.1.2 The transfer of inpatient and outpatient services at Liberton Hospital to Ellen's Glen would result in a reduction of bed numbers, but this was within the wider strategic plan of increasing social care provision and reducing hospital stays. The plan was to be out of Liberton Hospital by the end of the year.
- 2.1.3 Mr Crombie advised that a rough estimate of the Eye Pavilion project timeline would be 5-5.5 years, but there were a number of uncertainties at this early stage.
- 2.1.4 Members accepted the recommendations laid out in the paper and accepted significant assurance.
- 2.2 Strategic Assessment of Land Owned by NHS Lothian
- 2.2.1 Mr Briggs presented the previously circulated paper. This information on the process used to decide which buildings would be used had been provided following a request from members at a previous meeting.
- 2.3 Finance Corporate Risk (3600) review and update
- 2.3.1 Mr Marriott presented the previously circulated paper. The Corporate Management Team had agreed to review the risk level following moderate assurance of delivery of the financial plan. In response to a question on mitigation of the financial risk of population growth, Mr Marriott advised that the NRAC funding formula was a key mitigation as this was based on population size and the Scottish Government was working to address the current disparity.
- 2.3.2 Members accepted the recommendations laid out in the paper.
- 2.4 Royal Infirmary of Edinburgh Facilities Risk (5189) update
- 2.4.1 Ms Campbell presented the previously circulated paper and members accepted the recommendations laid out, accepting limited assurance.
- 2.5 Royal Infirmary of Edinburgh Fire Safety Risk (5737) update
- 2.5.1 Ms Campbell presented the previously circulated paper and members accepted the recommendations laid out, accepting limited assurance.
- 2.6 Hospital Sterilisation and Decontamination Unit (HSDU) Risk (5388) update
- 2.6.1 Ms Campbell gave a verbal update. Problems with the steam system resulted in a loss of production time. A warrant was now in place with Equans to replace a steam pipe. A plan was being developed to limit the impact of these works on the team and on production.
- 2.6.2 Mr Crombie advised that the service was vulnerable and there would be an increase in pressure as the Scottish Government focus on improving performance would result in an increase in inpatient and day case processing required. All health boards

would be in a similar position and would be seeking use of the external resilience resource. This was a significant national risk which required Scottish Government investment to improve.

2.7 Community Empowerment Annual Report

- 2.7.1 Mr Marriot presented the previously circulated paper. It was noted that there had been discussions with Sustain in Dunbar regarding a request under the Community Empowerment Act for the Belhaven Hospital site, but that the formal application had not yet been made. NHS Lothian would work with an organisation as soon as a note of interest had been made, but this would not be included in the Annual Report until a formal application had been received.
- 2.7.2 Members accepted the recommendations laid out in the paper and accepted significant assurance. The report would be published by 30 June 2025.

3. Revenue

3.1 2024/25 End Year Financial Position

- 3.1.1 Mr McCreadie presented the previously circulated paper, which showed that the Board had achieved financial balance at the end of the 2024/25 financial year, a position not all Boards had been able to achieve.
- 3.1.2 The 2025/26 financial year was progressing as expected at this stage and the efficiency programme was ongoing.
- 3.1.3 It was noted that there were challenges in the Integration Joint Boards which may be requesting more funding for prevention work. Additional non recurrent funding may be found to meet requests, but it was recognised that the recurring funding gap remained a significant burden on the organisation.
- 3.1.4 Mr Marriot advised that the achievement of financial balance had had an impact on performance, which needed to be improved in the coming year. The financial plan was to reduce the recurrent deficit and reduce the reliance on non recurrent funding for specific work which then could not be continued. Sustainability funding had been provided by the Scottish Government for this financial year, but the funding could not be used for new projects or developments.
- 3.1.5 Members recognised that transformational change was needed and capital funding was required to invest in this.
- 3.1.6 Members accepted the recommendations laid out in the paper.

4. Sustainability

4.1 Climate Emergency and Sustainability update

- 4.1.1 The chair welcomed Mr Mill to the meeting and he presented the previously circulated paper. It was noted that sustainability aims were included in the Lothian

Strategic Development Framework and the Scottish Government were planning to begin monitoring compliance with environmental standards.

4.1.2 It was agreed that a development session for Board Members would be led by the Finance and Resources Committee to discuss and raise awareness of the position. This would be arranged with Mr Crombie, Dr Hopton and Mr Mill. **BP / JC / JH**

4.1.3 Members requested more clarity in the next paper on what had been achieved as well as what was still to be done. They accepted the recommendations laid out in the paper.

4.2 Net Zero Buildings Strategy

4.2.1 Mr Mill presented the previously circulated paper. It was noted that capital constraints meant that new buildings that would be more sustainable could not be built. The top 20 sustainable hospitals had the new Queen Elizabeth Hospital in Glasgow at the top. Moving to a more sustainable building was a significant part of the spend in the Eye Pavilion reprovision project. With a lack of capital for major projects, the aim was to make small incremental changes which would have an overall impact.

4.2.2 Mr Mill advised that at this stage the sustainability team was raising awareness of the issues so that if funding was requested the context would be understood. They were also applying for different external funding sources and previously been successful in attracting funding to the Board. The Climate and Sustainability Programme Board would be set up to oversee the action plan and any resources required. As part of the Sustainability Rolling Programme, another project manager was being recruited, which would add more capacity to the team.

4.2.3 Members accepted the recommendations laid out in the paper.

5. **Reflections on the meeting**

5.1 Mr Connor agreed to note the planned development session on sustainability, and the national risk for Hospital Decontamination and Sterilisation provision at next Board meeting.

6. **Date of Next Meeting**

6.1 The next meeting of the Finance and Resources Committee would take place at **9.30 on Wednesday 20 August 2025.**

7. **Further Meeting Dates**

7.1 Further meetings would take place on the following dates:
- 22 October 2025
- 17 December 2025
- 11 February 2026
- 25 March 2026.

Signed by Chair, 20 August 2025