

FINANCE AND RESOURCES COMMITTEE

Minutes of the meeting of the Finance and Resources Committee held at 9.30 on Wednesday 20 August 2025 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; Mr R. Roberts, Non-Executive Board Member.

In attendance: Mr B. Barron, Director of Capital Planning; Ms M. Campbell, Director of Estates and Facilities; Mr J. Crombie, Deputy Chief Executive; Ms T. Gillies, Medical Director; Dr J. Hopton, Programme Director, Facilities; Mr C. Marriott, Director of Finance; Mr A. McCreadie, Deputy Director of Finance; Ms B. Pillath, Committee Administrator (minutes); Mr D. Thomson, Board Secretary; Ms I. Tricker, Interim Head of Property and Asset Management.

Apologies: Professor C. Hiscox, Chief Executive; Ms A. MacDonald, Executive Nurse Director

Chair's Welcome

The Chair welcomed members to the meeting. He welcomed Mr Roberts to his first meeting as member 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.

8. Committee Business

8.1 Minutes and Actions from Previous Meeting (11 June 2025)

- 8.1.1 Members accepted the minutes from the meeting held on 11 June 2025 as a correct record.
- 8.1.2 The updated cumulative action note had been previously circulated. Updates discussed would be included in the action plan circulated before the next meeting.

9. Capital

9.1 Property and Asset Management Investment Programme

- 9.1.1 Mr Barron presented the previously circulated paper. It was noted that a number of submissions to the Scottish Government on bids for prioritisation of capital funding were required as part of the Business Continuity Plan, and capital planning teams were being recruited to for business cases to be produced. Mr Marriott noted that it was not efficient for prioritisation to be done at national level as this was done at Board level.

- 9.1.2 Ms Campbell advised that a number of actions had been taken to mitigate the risks of the condition of the Clock Tower building at the Western General Hospital, including interim repairs to the roof, and decant of staff from the first floor. Staff remained on the ground floor with fire safety plans and a monitoring programme to ensure safety. This was being overseen by the Corporate Management Team. Mr Crombie agreed to raise at the Board whether there was a need for the situation to be recorded as a risk on the corporate risk register. The full decant of staff from the building was expected to take approximately 6 months, as the areas staff were moving to needed to be prepared for services to continue.
- 9.1.3 Mr Marriott advised that there was no specific Scottish Government funding available for emergencies such as the Clock Tower building and repair work and moving of services was being funded internally. There was a loss of 13 beds and an unstaffed winter / contingency ward.
- 9.1.4 In response to a question about monitoring to ensure there were no further unknown risks in the estate, it was noted that the problems with the roof in the Clock Tower were known. It was when works were being considered to decant another ward into the Clocktower that preparatory site investigations revealed building shortfalls that were more advanced than previously thought. Ms Campbell advised that there was a good backlog maintenance programme, and all works were prioritised. Mr Connor noted that regular internal audits were carried out, which allowed improvements to be made where needed.
- 9.1.5 It was reported that the issues causing the delay in the LIMS national project were not within NHS Lothian's control. It was noted that national projects needed to get more efficient so that Boards were not paying for delays outwith their control, and that a formal review would be helpful so that lessons learned could be applied in future.
- 9.1.6 A proposal for the spending of the current £5 million projected underspend would be brought to the Committee as part of the financial position paper at the next meeting.
- 9.1.7 There was no further clarity from the Scottish Government on the possibility of sustainability funding for steam power.
- 9.1.8 Mr Gordon noted that there was no mention of environmental sustainability on the remit of the new Property Oversight Board. He agreed to send further thoughts on this to Mr Crombie to take to the Property Oversight Board for consideration. **GG / JC**
- 9.1.9 Members accepted the recommendations laid out in the paper and accepted significant assurance on the project tracker.
- 9.2 Hospital Sterilisation and Decontamination Unit (HSDU) Capacity Risk (5388)
- 9.2.1 Ms Campbell presented the previously circulated paper. It was noted that there was only one private company in Scotland which was able to carry out the decontamination work, but their capacity was limited because it was also being used by other Boards. On a previously occasion this company had been used in Liverpool, but they no longer had capacity there either.

- 9.2.2 There would be a further update on the national plans for HSDU resilience at the next meeting after discussion at the Corporate Management Team meeting. **JCr**
- 9.2.3 Members accepted the recommendations laid out in the paper and accepted limited assurance.

10. Revenue

10.1 Financial Position and Year End Forecast

- 10.1.1 Mr McCreadie presented the previously circulated paper. He noted that when savings were falling short of the efficiency programmes identified, then more schemes were requested from the relevant area. This was managed by a quarterly review of individual savings plans. Where efficiency savings could not be identified to the 3% value, there may be a requirement to identify cost reduction programmes that would reduce service delivery. All such proposals would then be discussed by the Corporate Management Team. It was noted that identified projects with a shortfall currently may catch up by the end of the year.
- 10.1.2 The current overspend in Royal Edinburgh Hospital and Associated Services was due to a programme of work in place to review current service pressures and address a number of immediate challenges, including some short term actions.
- 10.1.3 The further £20 million identified in the system had been set aside to improve operational performance and would be invested here unless it was needed to reach financial balance. It was expected that the overspend would reduce towards the end of the year, so that this funding could be used for its planned purpose. This was regularly discussed by the Corporate Management Team, and any decision would be brought to the Finance and Resources Committee.
- 10.1.4 Mr McCreadie advised that there were routine discussions with the Scottish Government about NRAC funding. They were committed to ensuring that each Board was funded within 0.6% of parity, and NHS Lothian was now at 0.5% so would not get additional funding as in previous years.
- 10.1.5 £28 million had been provided from the Scottish Government for scheduled care service improvement. The bulk of this would be spend in acute scheduled care services. £14.5 million had previously been received for unscheduled care, £12 million of which was invested in Integration Joint Boards and Health and Social Care Partnerships, and part of the £20 million set aside from the system would also be invested there.
- 10.1.6 Members accepted the recommendations laid out in the paper.

11. Sustainability

11.1 Climate Emergency and Sustainability Update

- 11.1.1 Dr Hopton gave a verbal update. The status of delivery of the action plan had been adjusted from amber to red due to the risk that sustainability was not sufficiently embedded in the risk management process.

- 11.1.2 Areas which were still marked as red on the action plan included primary care, and the built environment, however this may move to amber once the net zero groups had been put in place at each site. Circular economy and sustainable use of resources remained at red as there was currently no circular economy strategy.
- 11.1.3 There had been a reduction in reported carbon emissions in 2024/25 compared to the previous year.
- 11.1.4 A webinar would be held on Thursday 28 August 2025 to present a preview of the Annual Report.
- 11.1.5 £3.4 million funding for decarbonisation had been announced by the Scottish Government. Considerably more funding was being sought for the required changes to NHS Lothian's infrastructure.
- 11.1.6 A development session had been held with the non executive directors on 5 August 2025 and there was enthusiasm to get this work progressed through Board and Corporate Management Team agendas in order to ensure that sustainability was part of the work of the organisation, and that the enthusiasm in front line workers was utilised. A short life working group would be held to bring back further ideas on how to do this. **MCo**
- 11.1.7 The Royal Infirmary Project Board had been set up, with a draft Terms of Reference and membership list in place, chaired by Bruce Barron, Director of Capital Planning. The next stage was consultation with Board members. The aim was to hold the first meeting at the end of September 2025. The Western General Hospital Project Board would be worked on once the Royal Infirmary Board was established. This was less urgent as the initial agreement was in place.
- 11.1.8 Some projects were underway regarding a circular economy strategy and some discussions were being generated. An outline of what could be possible would be included in the report to the next Committee regarding reuse, refurbishment and recycling. It was noted that small projects were very time consuming to set up, resulting in loss of months of carbon, environmental and cost savings. **JH**
- 11.1.9 Dynamic purchasing systems were systems for purchasing power jointly with other bodies. NHS Lothian could save money if it had a power purchasing agreement which would also allow leverage opportunities and more sustainable investments. This was a complicated area, and work was being done to review all the systems available.

12. Reflections on the meeting

- 12.1 It was agreed that the chair would report the outcomes of the short life working group on sustainability at the next Board meeting.
- 12.2 The issues with the HSDU had already been escalated to the Board and would be discussed at the Audit and Risk Committee. There would be a further update at the next Finance and Resources Committee.

13. Date of Next Meeting

- 13.1 The next meeting of the Finance and Resources Committee would take place at **9.30 on Wednesday 22 October 2025.**

14. Further Meeting Dates

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

***Approved by Chair
22 October 2025***