

LOTHIAN NHS BOARD

Minutes of the meeting of Lothian NHS Board held at 10.30am on Wednesday 07 February 2024 in the Carrington Room, Inverleith Building, Western General Hospital, Edinburgh EH4 2LF.

Present:

Non-Executive Board Members: Prof. J. Connaghan (Chair); Mr A. Fleming (Vice Chair); Cllr S. Akhtar; Ms N. Akta; Mr P. Allenby; Mr J. Blazeby; Dr P. Cantley; Cllr H. Cartmill; Mr A. Cogan; Mr M. Connor; Ms E. Gordon; Mr G. Gordon; Prof J. Innes (until 12:25pm); Miss F. Ireland; Cllr S. Jenkinson; Ms K. Kasper; Prof A. Khan; Mr A. McCann; Ms T. A. Miller; Cllr D. Milligan and Ms V. de Souza.

Executive Board Members: Mr C. Campbell (Chief Executive); Miss T. Gillies (Executive Medical Director); Ms A. MacDonald (Executive Nurse Director); Ms D. Milne (Director of Public Health and Health Policy) and Mr C. Marriott (Director of Finance).

In Attendance: Mr J. Crombie (Deputy Chief Executive); Mr C. Briggs (Director of Strategic Planning); Ms J. Butler (Director of Human Resources & Organisational Development); Ms M. Campbell (Director of Estates & Facilities); Ms M. Carr (Chief Officer, Acute Services); Dr J. Long (Director of Primary Care); Ms J. Mackay (Director of Communications & Public Engagement); Ms F. Wilson (Chief Officer, East Lothian IJB); Mr D. Thompson (Board Secretary) and Mr C. Graham (Secretariat Manager, minutes).

Apologies for absence: Mr S. Chandran (Non-Executive Board Member); Mr P. Knight (Non-Executive Board Member); Ms T. McKigen (Services Director, Royal Edinburgh Hospital & Associated Services); Ms M. Barrow (Chief Officer, Midlothian IJB); Ms A. White (Chief Officer, West Lothian IJB); Mr P. Togher (Chief Officer, Edinburgh IJB).

72. Welcome & Declaration of Interests

- 72.1 The Chair welcomed members, colleagues, and observers to the Board meeting. The Board welcomed three new Non-Executive colleagues – Dr Patricia Cantley, Professor Amjad Khan and Mr Jonathan Blazeby. The Chair asked colleagues to introduce themselves.
- 72.2 The Chair asked members to declare any financial and non-financial interests they had in the items of business for consideration, identifying the relevant agenda item and the nature of their interest. No declarations of interest were made.
- 72.3 Miss Fiona Ireland - The Chair noted that this would be Miss Ireland's final Board Meeting before stepping down from the Board at the end of April. Miss Ireland was appointed to the Board as Area Clinical Forum Chair in September 2016 and had chaired the Board's Healthcare Governance Committee since April 2021. Miss Ireland also chaired the Board's Dental Appeals Panel since August 2018, was chair of the Organ Donation Subgroup between June 2018 and April 2021 and was into her third term on the East Lothian IJB.
- 73.1 The Chair thanked Miss Ireland for her professionalism and contribution to the Board throughout her term and wished her well for future endeavours.
- 72.4 Annual Accountability Review 2022/23 - The Board also noted that there had been a revised date received for the Board's Annual Accountability Review 2022/23 with Scottish Government, this was Monday 11 March 2024. Further details would be issued to board members in due course.

ITEMS FOR APPROVAL OR NOTING

73. Items proposed for Approval or Noting without further discussion

- 73.1 The Chair reminded those present that the Board agenda was made up of two separate sections. The first was the section for approval commonly referred to as “the consent agenda.” The Chair reminded members that they had the opportunity to advise in advance if they wished any matter to be moved out of this section, for discussion. The Board noted that no such requests had been made.
- 73.2 Minutes of Previous Board Meeting held on 06 December 2023 – Minutes were approved.
- 73.3 Staff Governance Committee Minutes – 11 October 2023 – Minutes were noted.
- 73.3 Healthcare Governance Committee Minutes – 28 November 2023 – Minutes were noted.
- 73.4 West Lothian Integration Joint Board Minutes – 09 November 2023 – Minutes were noted.
- 73.5 East Lothian Integration Joint Board Minutes – 26 October 2023 – Minutes were noted.
- 73.6 Edinburgh Integration Joint Board Minutes – 16 November 2023 – Minutes were noted.
- 73.7 Midlothian Integration Joint Board Minutes – 21 September 2023 – Minutes were noted.
- 73.8 National Whistleblowing Standards - Performance Report Quarter 2, 2023/24 – Report was noted.
- 73.9 Pharmacy Practices Committee Outcomes Quarter 3 2023/24 – The Report was noted.
- 73.10 Appointment of Members to Committees and Integration Joint Boards – The Board agreed the recommendations in the paper, as follows:
- **Noted** the appointment by the Cabinet Secretary of Prof Amjad Khan, Dr Patrica Cantley and Mr Jonathan Blazeby as non-executive board members, each for a four-year period from 1 February 2024 to 31 January 2028.
 - **Approved** the appointment of Andrew Cogan as Chair of the Healthcare Governance Committee, with effect from 1 May 2024.
 - **Approved** the removal of Philip Allenby as a member of the Audit and Risk Committee and the appointment of Jonathan Blazeby as a member of the Audit and Risk Committee, with effect from 7 February 2024.
 - **Approved** the removal of Siddharthan Chandran as a member of the Staff Governance Committee and the appointment of Elizabeth Gordon as a member of the Staff Governance Committee, with effect from 7 February 2024.
 - **Approved** the appointment of Dr Patricia Cantley as a voting member of the East Lothian Integration Joint Board, with effect from 7 February 2024.
 - **Approved** the appointment of Prof Amjad Khan as a voting member of the West Lothian Integration Joint Board, with effect from 7 February 2024.
 - **Approved** the removal of Elizabeth Gordon and Shamin Akhtar as co-Chairs of the Pharmacy Practices Committee and the appointment of Prof John Innes as a co-Chair of the Pharmacy Practices Committee, with effect from 7 February 2024.
 - **Approved** the reappointment of Gordon Stuart, Vinny Billon, and David Massie as Contractor Pharmacists, to the Pharmacy Practices Committee, each for a further three-year term, retrospectively from 3 February 2024 to 2 February 2027.

ITEMS FOR DISCUSSION

74. Board Chair's Report – February 2024

74.1 The Chair updated the Board on the following:

- Chief Executive Recruitment – The process was ongoing, and members would be updated as appropriate.
- Area Clinical Forum Chair – Mr Eddie Balfour had been elected as the next Chair of the Area Clinical Forum (ACF), from 1 May 2024. Mr Balfour was expected to become a non-executive board member, pending formal approval by the Cabinet Secretary.
- Digital Awareness – a Board Development Session was being planned for Board Members to be held later in 2024.
- Aspiring Chair's Programme – Mr Innes would participate in the NHS Scotland Aspiring Chair's Programme, hosted by NHS Education for Scotland.
- Territorial Board Sponsorship Guidance – a Framework document was currently being prepared by Scottish Government to provide clarity on Sponsorship arrangements.

75. Board Executive Team (BET) Report – February 2024

75.1 The Chief Executive presented the report. Questions from Board members prompted more detailed discussion in some areas and highlighted the following points:

- Measles – The Board noted the significant rise in the number of cases reported in England and acknowledged the need for a proportionate approach in Scotland. Public Health Scotland was seeking to improve vaccination uptake in Scotland by writing to all school head teachers and to all families where children had not yet had two vaccination doses. Vaccination clinic opening hours would be extended and all staff were reminded of how to identify measles and of the correct actions to take if and when cases presented. It was noted that the recommended uptake for herd immunity is 95% and that the figure across Lothian was currently between 92-94%, with Edinburgh City slightly lower. As a result, efforts were focused here, as well as in areas of known deprivation.
- Fire Safety RIE - The Board noted that this item had been on the agenda for the recent MPs/MSPs meeting. It was noted that no particular issues had been raised in discussion. The Board still awaited receipt of a Scottish Fire and Rescue Service (SFRS) Enforcement Notice following recent discussions.
- Capital Projects – There was discussion on whether it was likely that any of the National Treatment Centre projects may be amalgamated once funding becomes available again. The Director of Finance commented that at this stage focus was on the impact of the Scottish Government Budget announcement and on winding down of projects. Moving forward a whole system review of the totality of investment would be needed but the two-year stopping of projects was a concern. The curation of business cases was also discussed. There was work being undertaken around the best place to stop/pause projects to ensure the most benefit when these restarted.

There was also discussion about impact of any write offs in relation to capital projects. The Director of Finance explained ongoing discussion with Scottish Government around this and could discuss this further with Mr Blazeby outside the meeting. There was also discussion on the communications strategy for staff and public on the reality of the

current financial position and the need to have an open and transparent plan linking with the clear principles and framework as outlined in the Lothian Strategic Development Framework and Annual Delivery Plan. The Board recognised that it was also important to share information with IJBs and HSCPs as this challenge was not just an NHS one.

- Bed Occupancy REH - The Board noted that this issue was challenge but was being managed well and was being discussed explicitly thorough Healthcare Governance Committee and the Corporate Risk Register.
- Innovation - There was discussion on the use of innovation to help address the financial challenge. The Board noted the huge opportunities that the BioQuarter and Data Loch could provide, whilst acknowledging that development of innovative and novel products was resource intensive and there was a balance to be found. It was important that an appropriate innovation infrastructure was in place to fully respond to the challenges and opportunities ahead.
- Population Growth – There was discussion on the expected population growth in the Lothians over the next and previous ten years. The Board noted that there had been awareness raised with Scottish Government around the capital and revenue perspective and this would continue as opportunities arise.
- Nursing Workforce – The Board noted the 588 resignations since August. The Executive Nurse Director highlighted the reduction in numbers of registered nurses retiring, the improvement in retire and return numbers, staff coming back on lesser hours and the importance of having career conversations with staff.
- Centre for Sustainable Delivery (CfSD) – The Board received an update on the current position of the CfSD work with NHS Lothian. Work continues to drive improvements through high impact changes and specialty pathways developed by the Specialty Delivery Groups. The newest group is the Perioperative Delivery Group and NHS Lothian is fully engaged with this work.

76. Opportunity for committee chairs or IJB leads to highlight material items for awareness

76.1 No items were highlighted.

77. Finance

77.1 Financial and Capital Resourcing Challenge

77.1.1 The Director of Finance introduced the report updating the Board on the impact of the Scottish Government's recent Budget announcement for NHS Lothian Revenue & Capital financial positions.

77.1.2 Members noted the Board's proud history of achieving financial balance and delivering a breakeven position but recognised that the current financial challenge was one of the tightest financial situations the Board had faced. The Director of Finance confirmed that as a result of the Scottish Government's Budget, announced on 19 December 2023, there had been a reset of the Board's financial plan, moving from 3% savings of the overall budget to 7%, which equated to £133M. However, this position could continue to move up.

77.1.3 The Director of Finance added that, in effect, there was a zero percent uplift in funding for the Board which would mean no new money in areas such as new drugs, demographic growth, and additional procedures.

- 77.1.4 The Board noted the key points of the budget impacting on the 2024/25 Financial Plan as outlined in the paper and in particular points around NRAC funding and 2024/25 Pay Awards. In relation to NRAC funding (the distribution formula for funding across Scotland driven by population) it was noted that there would be a slight increase and benefit to the Board, but the Board remained relatively disadvantaged and outwith NRAC parity which meant missing out on around £16M. For the 2024/25 Pay Awards, the assumption was that these would be fully funded by Scottish Government.
- 77.1.5 The Board also noted the key points of the budget impacting on the Capital position within the report, noting that the formula capital allocation of £25M, used for areas such as maintaining estate and keeping services going, would now remain a flat allocation rather than doubling by 2025/26 as previously expected. This would mean spreading this allocation much further across the organisation.
- 77.1.6 The Director of Finance made the point that the required £133M saving could not be delivered through recurring efficiencies or small-scale projects alone. Instead, choices would be to be taken about the scale and extent of service provision that would have an inevitable, impact on performance.
- 77.1.7 There would be no new capital projects, this included the National Treatment Centre, Edinburgh Cancer Centre, and Eye Pavilion projects. These projects had now been stopped for at least the next two years. There would be no new business cases over the next two years, and it was not clear yet what would happen after this time or when spending may resume. However, by making efforts to maintain and achieve financial balance now, it was hoped that the Board would be in the best position to progress these projects when funding next became available.
- 77.1.8 The Director of Finance then outlined the proposed route to achieving financial balance in 2024/25. The Board noted the development of a programme of work with clear workstreams around bridging actions, corporate controls, stopping & assessing service capacity and treatment options, permanent choices, and the extension of current efficiency programmes. Engagement with national workstreams and the ongoing delivery of the Lothian Strategic Development Framework were also part of this approach.
- 77.1.9 The Board recognised this was a position never experienced before, noting that on average with a 3% efficiency target, 2-2.5% would be achieved and the requirement is now for 7%. The road to balance would be very difficult and complex and there was a high probability of detrimental impact on patient care and services, though the Board would wish to ensure that patients safety was prioritised. The timeline for development of an approach was critical, with only ten weeks in which to develop a financial recovery plan.
- 77.1.10 The approach to financial recovery would be reflected within the 2024/25 Board's Annual Delivery Plan and both would be discussed further by the Strategy, Planning & Performance Committee in March and presented to the Board for formal approval in April.
- 77.1.11 Board members wished to understand what potential responses were being discussed at a national level, with other NHS boards and with Scottish Government, to ensure best value, collaboration, and consistency in approach. The Chief Executive explained that he and other members of the Executive Leadership Team were engaged closely with their counterparts at other Boards and with Scottish Government officials. However, he noted that both appetite and pace of delivery might vary across boards. NHS Lothian had a statutory duty to deliver financial balance and could not afford to wait for others in developing the proposals required to achieve this. He reiterated that these proposals would include unpalatable choices for the Board and therefore ensuring adequate time for their consideration was critical.

77.1.12 Board members raised and discussed a range of factors relevant to the anticipated 2024/25 financial position, including:

- The need to apply robust clinical risk assessment processes in all decisions related to service delivery. In response, the Executive Medical Director provided the example of work underway to understand and assess the use of medicines of low clinical value.
- The ongoing work to identify and maximise opportunities for seeking and receiving developer contributions for healthcare, particularly for Primary Care. A Working Group had been established within NHS Lothian to support this aim.
- The need to ensure that any options for the use of land related to the now paused capital developments were protected and retained, in anticipation of future capital funding becoming available.
- The need to maximise the savings available from non-clinical areas, including those which were considered to be ringfenced.
- The acknowledgement that a reduction in the size of the workforce, which had grown since Covid, was inevitable in helping to meet cost savings. Reductions would be achieved through tighter vacancy and recruitment controls and natural turnover.

77.1.13 The Board accepted the recommendations within the paper and:

- Acknowledged that, based on the latest information following the Scottish Government budget, the significance of NHS Lothian's current financial gap, estimated at £133m now required a level of financial recovery savings beyond 3% (7%).
- Endorsed the approach being proposed to achieve the additional level of financial recovery savings required in order to support delivery of a balanced position for 2024/25.
- Acknowledged that following the budget announcement, key capital projects would now move to an immediate pause for a minimum of two years.

77.1.14 Out with the meeting, the Director of Finance would take new non-executive colleagues through the overview presentation given at the last SPCC session.

77.2 November 2023 (Month 8) Financial Position and Year End Forecast Update

77.2.1 The Director of Finance introduced the report updating the Board on the financial position for NHS Lothian as at the end of November 2023 (Month 8). The Month 9 position would be received by the Finance and Resources Committee next week. The current position was a £15.4M overspend, down from the forecast deficit of £52M at the start of the year. There remained key pressure areas around GP prescribing, acute drugs, medical and dental costs, inflation and PFI costs. The year end forecast was reviewed on a quarterly basis and quarter three would also go to the next Finance and Resources Committee.

77.2.2 The Board noted that for 2023/24, the targeted savings had been for £48M with £44M planned. However, for next year the target would be £133M. In line with the paper's recommendations, the Board:

- Accepted the current year end forecast of a projected £22m overspend.
- Accepted that, based on information available at this stage, NHS Lothian is only able to provide limited assurance on its ability to deliver a breakeven position in 2023/24.

78. NHS Lothian Board Performance Report

- 78.1 The Deputy Chief Executive presented the Board Performance Report, giving some background context to the report for new non-executive colleagues, noting that this was a whole system performance paper, the format of which was agreed ahead of the next financial year to allow for consistency of reporting and comparison of the current and previous year's performance. There were prompts taken for the format, from the Blueprint for Good Governance. The Chief Executive suggested that the format for next year's reporting had to be smarter around national targets, the Board position, the target and where the Board thinks it is going to be. National targets were not always something the Board could commit to delivering.
- 78.2 The Deputy Chief Executive highlighted some key messages, around NRAC, population growth, and the Board's Annual Delivery Plan (current and 2024/25 development).
- 78.3 Board Members noted the current performance position and acknowledged that the performance report indicated a system remaining under pressure during this financial year. Emergency Department front door performance against the 4hr Standard and Scottish Performance was noted as were the improved admission rates at St John's Hospital that continued through fruitful discussions between Acute Services, community and social care partners.
- 78.4 Occupancy in Acute and Mental Health Services continued to be a focus of oversight, with a corporate risk for bed occupancy being in place. There was a significant upgrading programme taking place at the Royal Edinburgh Hospital cutting capacity by around thirty beds. These upgrades take an average ten weeks per ward and should be complete in four years however there would be challenges around decant for specialty wards (Renal, Critical Care).
- 78.5 The Board noted the Scheduled Care performance position and trend performance for outpatients and the Treatment Time Guarantee (TTG). There was an inherent pressure with the outpatient position with a deterioration in time bands. Outpatient activity had however, increased beyond baseline (the year prior to Covid) and the issues around demand continued to be investigated. There had been prior discussion at SPPC about the Outpatient Modernisation Programme and how an increase in activity translated across to In Patient waiting lists.
- 78.6 The Board noted that the Scottish Government 104-week TTG Target had not been met, however the ringfencing of scheduled elective orthopaedic beds had provided protected access to routine operations. This had been a hugely complex achievement to manage and sustain and further detail around increased access and throughput would be brought to the next SPPC meeting.
- 78.7 The Deputy Chief Executive emphasised this was a system under pressure with a number of additional challenges. Engagement continued with Finance Directorate colleagues and others on what 2024/25 would look like and what the format of the next Board Performance Report would be. The default approach would be to maintain consistency and to structure the report in order to ensure Board members' awareness of the current position, expected issues and responses.
- 78.8 In relation to cancer performance, this was below the 62-day target, but 31-day was performing relatively well, at above 90%. The Board noted that there was ongoing work to recognise opportunities that would make an impact on TTG and waiting performance. A number of scenarios around deployment of resources were being developed and the Board would receive a briefing on these in March or April. Emerging financial restrictions were expected to impact negatively on 2024/25 performance and work would continue to mitigate

this impact as much as possible. The Chair suggested that it would be useful to look in more detail at the cancer diagnosis pathways and waiting times at the next SPPC meeting.

- 78.9 The Board noted that the performance report included reference to the RIE ED Improvement Programme and the improvement actions underway. There was the expectation that when the Annual Delivery Plan was presented to the Board in April this would stitch together improvement plans against the financial position backdrop. The Chair made the point that the Annual Delivery Plan document had to serve several audiences, internal (staff) and external (Scottish Government and members of the public/patients).
- 78.10 Board members reflected upon a system under significant ongoing pressure which was facing the additional challenge of securing unprecedented levels of financial savings in 2024/25, as well as the reality of no investment in capital infrastructure for at least two years. It was acknowledged that the Lothian Strategic Development Framework (LSDF) continued to describe and communicate the Board's ambitions whilst providing the necessary structures and principles to achieve them. However, it was becoming increasingly clear that the original five-year delivery timeline for the LSDF would have to be reconsidered and that, due to resource and capital restrictions and severe service pressures, a ten-year delivery timeline may be more realistic. Work was already underway within Strategic Planning and the Communication Teams to replot trajectories and to ensure that messages were communicated openly with staff and the public.
- 78.11 Based on the recommendations in the paper, the Board:
- Acknowledged the performance across NHS Lothian in relation to the metrics provided.
 - Noted the assurance levels for expected delivery against key national standards or local trajectories by the end of 2023/24.
 - Acknowledged that deeper analysis regarding the mitigation plans or assurance provided for the corporate risks would be addressed via existing governance channels and designated board sub-committees.

79. RIE Emergency Access Programme Board Update

- 79.1 The Chief Officer for Acute Services updated the Board on the work of the RIE Emergency Access Standard Programme Board.
- 79.2 The Board acknowledged the twenty-nine recommendations made by the external review team, all of which were accepted in full by NHS Lothian; and the moving of three outstanding actions from the Health Improvement Scotland report over to the management of acute as well as oversight from the Healthcare Governance Committee.
- 79.3 The Board discussed the recommendation from the external review team relating to the provision of 24/7 consultant cover in RIE's ED. The Chief Officer for Acute Services explained that this was not currently deliverable as it was not supported by the ED Consultant team, under both the current definition of how that might be achieved and current national Terms and Conditions.
- 79.4 The Board noted that 4-hour EAS performance remains low at a 59% average across all NHS Lothian emergency departments in December 2023. However, the challenges in meeting the standard are not unique to NHS Lothian. For the week ending 7 January 2024, the proportion of ED attendance across Scotland meeting the standard was 59.4%, with NHS Lothian performance ninth out of 14 Health Boards in Scotland with 61.1%.
- 79.5 The Chair asked about ensuring adequate delivery against the actions. The Chief Officer for Acute Services outlined ongoing work to deliver and secure support for the required level of organisational change by ensuring effective staff engagement at all levels and providing supportive leadership. There was also involvement from the Organisational Development

Team with further staff sessions scheduled. Teams were being engaged to help develop pathways and sign up for different ways of working and interacting with each other, but it was recognised that this would take time.

- 79.6 The fire safety arrangements for the RIE ED were also discussed and it was acknowledged that the HIS RIE Action Plan had identified key areas of concern on the entire campus, not just ED and these issues were being addressed through a range of actions. In the meantime, the issue had been escalated on to the Corporate Risk Register, to ensure oversight and awareness at the highest level of governance.
- 79.7 The Board Noted the progress to date in implementing the recommendations of the External Review Team and accept that the recommendation to provide 24/7 consultant cover in the RIE ED cannot be delivered in the current circumstances. *

** The Board agreed in December to accept the External Review Team's recommendations in full and that any deviation from those would require approval from the Board.*

80. Corporate Risk Register

- 80.1 The Board received the circulated paper, noting that there were several risks current graded at "Very High" with nowhere to progress to in the case of any further deterioration. The Executive Medical Director referred to Risk #3829 Sustainability of Model of General Practice, confirming this referred to the model of delivery and not number of practices. The Board noted there would be further review of this risk by the Healthcare Governance Committee in May.

81. Any Other Business

- 81.1 No other items of competent business were identified.

82. Reflections on the Meeting

- 82.1 Board members were invited to contact the Chair or the relevant Executive Director if they had further questions on any of the areas presented to the Board.

83. Date of Next Board Meeting

- 24 April 2024

SIGNED BY CHAIR 24/04/2024

Prof. John Connaghan CBE
Chair – Lothian NHS Board