Lanarkshire NHS Board

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Meeting of Lanarkshire NHS Board, Wednesday
26 September 2007, at 9.30 am in Committee Room 1,
South Lanarkshire Council Offices, Almada Street, Hamilton

CHAIRMAN:	**Mr P K Corsar, Non Executive Director**
PRESENT:	**Mr J A Anning, Non Executive Director** **Mr T Currie, Non Executive Director** **Mr T Davison, Chief Executive** **Mrs S Goldsmith, Director of Finance** **Dr A Graham, Medical Director** **Mr M F Hill Modernisation Director** **Mr A Lawrie, Director, South Lanarkshire Community Health Partnership** **Mrs R Lyness, Director, Acute Services** **Councillor E McAvoy, Non Executive Director** **Councillor J McCabe, Non Executive Director** **Mrs D McCormick, Non Executive Director** **Mrs N Mahal, Non Executive Director** **Dr D C Moir, CBE, Director of Public Health** **Mrs M Nelson, Non Executive Director** **Mr I A Ross, Director for Strategic Implementation, Planning and Performance** **Mr C Sloey, Director, North Lanarkshire Community Health Partnership** **Mrs S Smith, Non Executive Director** **Mr W Sutherland, Non Executive Director** **Mr H Sweeney, Employee Director** **Mr P Wilson OBE, Director for Allied Health Professions, Nursing and Midwifery**
IN ATTENDANCE:	**Mr N J Agnew, Corporate Affairs Manager/ Board Secretary** **Mrs K Hamilton, Head of Communications** **Mrs L Khyndria, Deputy Director of Human Resources** **Mr E J H Mallinson, Consultant in Pharmaceutical Public Health** **Mr K A Small, Director of Organisational Development** **Dr V J Sonthalia, Chairman, Area Medical Advisory Committee** **Mr C Revie, Partner, Pricewaterhouse Coopers** **Mrs S Caldwell, Pricewaterhouse Coopers**
APOLOGIES:	**Mr. D. Clark, Non Executive Director** **Mr G Walker, Director of Human Resources** **Mr P McCrossan, Chairman, Allied Health Professions Advisory Committee**

122. **MINUTES**

There was submitted, for approval and signature, the Minute of the Meeting held on 29 August 2007.

THE BOARD:

1. Approved the minute for signature.

123. **SCOTTISH CONSUMER COUNCIL – IMPROVING THE EXPERIENCE OF MEMBERS OF THE PUBLIC IN CONTACTING THEIR LOCAL NHS**

The NHS Board considered a report and action plan in response to issues raised in the Scottish Consumer Council report presented to the NHS Board on 30 May 2007.

The Head of Communications explained that the paper and the action plan were intended to provide members with an update on progress in response to the Scottish Consumer Council (SCC) report on their survey of the experience of members of the public in contacting their local NHS. She reminded members of the background and the agreement at the Board Meeting in May to the establishment of a Review Group to develop an action plan. She highlighted the principal elements of the action plan and explained that some immediate improvements in the areas identified had already been completed, with other actions requiring longer and more detailed planning and implementation. She advised that the Review Group had sought to address the issues highlighted by the survey by proposing the development of standards, policies and systems which were focussed initially on frontline responders, eg switchboard operators, main reception and secretarial staff, with the standards being rolled out across NHS Lanarkshire to all staff who dealt with telephone Email and Web enquiries. In the first instance, and to test the policy and standards, it was recommended that a pilot took place at Beckford Street and Strathclyde Hospital, focussing on frontline responders at those locations and, following implementation, wider implementation would be progressed across NHS Lanarkshire.

In summarising the key improvements proposed in the action plan, the Head of Communications highlighted:

- The development of policy and customer care standards with associated training during implementation.
- An improved "contact us" section in the NHS Lanarkshire Web site and investment in the further development of the Web site.
- Assignation of the responsibility for updating the telephone directory to the Communications Department (on-line directories had already been updated and display advertising was proposed to improve the telephone book).
- The routing of external calls to Beckford Street and Strathclyde through Monklands Switchboard.
- The establishment of a general enquiry line using existing Linkline resources.
- The introduction of a new internal telephone directory using NHS Lanarkshire Intranet Firstport.

She confirmed that the draft action plan had been submitted during August to the Scottish Government Health Department as a report on progress in responding to the SCC report. She advised that the Scottish Consumer Council was hosting a "Call for Improvement" Conference on 5 October 2007, at which delegates would explore good customer care practice and would share examples of good practice. She confirmed that NHS Lanarkshire would be represented at the event, at which the Cabinet Secretary for Health and Wellbeing was the Keynote Speaker. She advised, also, that the Review Group continued to meet further to refine and implement the draft action plan, which would be reviewed following the Scottish

Consumer Council Conference in October.

THE BOARD:

1. Accepted the report and the action plan as work in progress.

2. Endorsed the action plan.

3. Asked to receive a further progress report at a future meeting. **Head of Communications**

124. **WINTER PLAN**

The NHS Board considered a report and the Winter Plan 2007/2008.

The Director of the South Lanarkshire Community Health Partnership explained that the report provided the Board with an assessment of the level of preparedness of NHS Lanarkshire in relation to planning for the demands on the service over the Winter period. He reminded members that the Board had received an initial report in June 2007 which outlined the measures that were planned to be taken forward across a range of fronts, including: the use of intelligence; Primary and Secondary Care Services both in and out-of-hours; communications, and working with other partners. He explained that the report before the Board provided an update on the original planning work and outlined the actions that had been taken, as well as those that required future attention over the coming weeks and months. He advised that the Scottish Government had taken a keen interest in the manner in which Winter Plans were being developed and, in particular, had asked for a self-assessment to be undertaken by Boards in relation to the level of preparedness of the Primary Care Out-of-Hours Services. Accordingly, the summary planned for the Out-of-Hours Service was included in detail within the report before the Board, and would be submitted to the Scottish Government on 28 September 2007, subject to the Board's approval.

The Director highlighted the key issues from the plan, including: the establishment of a Project Team covering the whole of the Health and Social Care system in Lanarkshire; the development of a system of basic intelligence gathering; a range of initiatives underway in Primary Care; a detailed Communications Plan; well-developed planning within the Acute sector, as part of the integrated planning processes; work to ensure that staff numbers and skills were matched with demand. He advised that a final, combined Winter Plan, covering both Primary and Secondary Care, would be prepared for submission to the NHS Board in October. He confirmed that this plan would outline the range of actions to be taken, the responsible Officer, the financial implications and the current status of the actions, and would be used by the Project Team and the Corporate Management Team to monitor progress and escalate issues where necessary.

The Director of Public Health highlighted the ongoing work on the development and Review of the Pandemic Influenza Plan, previously presented to the Board, including in the area of contingency planning, for which a Contingency Team was in place, and suggested that the Winter Plan should usefully be expanded to reflect this work.

THE BOARD:

1. Accepted the report and interim Winter Plan.

2. Noted the self-assessment of preparedness in respect of Primary Care Out-of-Hours Services and authorised its onward transmission to the Scottish Government Health Department.

3. Noted that a combined, detailed and costed Winter Plan, covering Primary and Secondary Care Services, would be presented to the Board in October 2007, and asked that this reflect the issue highlighted by the Director of Public Health about Pandemic Influenza Contingency Planning. **Director SL CHP**

125. **LOCAL DELIVERY PLAN**

a) Finance

The NHS Board considered a Finance report for the month ended 31 August 2007.

The Director of Finance explained that the report provided the NHS Board with an update on the Financial Position for the period April – August 2007/2008. She reported that the Financial Position to 31 August 2007 showed an underspend of £2.625m against the Forecast Year End surplus of £3.971m, per the approved Financial Plan. She reported, also, that Capital Expenditure of £2.368m had been incurred to date, against the updated plan of £28.133m for the year. She advised that whilst the level of commitment from the Capital Plan might appear low, this had to be viewed within the context that the system was currently engaged in the planning phases of Capital Projects. She explained that the Capital Plan was always intended to be managed over a 10 year period, spanning Financial Year Ends, and confirmed that further discussions about the management of the Plan would be held with the Scottish Government Health Department, particularly to ensure that the availability of the Capital Allocations to the Board was preserved. She highlighted the need to secure agreement with the Scottish Government Health Department to carry forward the 2006/2007 underspend, and to undertake a detailed mid-year review for 2007/2008, following the September results.

She confirmed that the detailed mid-year review would take account of the in-year position across all budget areas, as well as issues raised to date in the context of discussion around the "Invest to Save" Plan. She advised that, given the financial uncertainty around the outcome of both the Spending Review Process towards the end of the calendar year, and the Cabinet Secretary's decision in February 2008 in relation to the provision of Accident and Emergency Services across Lanarkshire, it was becoming increasingly evident that non-recurring surplus should be protected for future use. Consequently, the level of resource used for the "Invest to Save" proposals needed to be considered carefully, although some priority proposals had now been agreed.

The Director of Finance confirmed that she anticipated agreement with SGHD to the carry-forward of the 2006/2007 underspend, around October/November 2007.

THE BOARD:

1. Noted the Finance Report for the month ended 31 August 2007.

2. Asked to receive a further report. **Director of Finance**

b) Waiting Times and Delayed Discharges

The NHS Board considered a report on Waiting Times and Delayed Discharges.

The Director of Acute Services explained that the paper was intended to inform the NHS Board of the position at 31 August 2007 in relation to performance for Waiting Times compared to the planned trajectory identified in the Local Delivery Plan, and to provide an overview of targets to be sustained or delivered by 31 December 2007. From the report, she highlighted In-patient/Day Case Availability Status Codes (ASCs), which were required to be eradicated by December 2007 with the implementation of the "New Ways" guidance. She explained that, at August 2007,

there were 1321 ASCs but that with the implementation of new software in November, all except 500 of that number would have admission dates for their procedures. She also highlighted outpatient waiting times performance which, at 31 August 2007, was in line with the revised trajectory. She stressed that action plans had been agreed for each specialty, and confirmed that these were monitored on a weekly basis towards achievement of the December 2007 target. In relation to the hip fracture target of admission to a specialist hip unit within 24 hours/percentage of operations performed within 48 hours, she explained that for August, the 98% target was being met within the month. She advised, also, that work was in hand to review the capacity plan, particularly with regard to theatre capacity, and that an escalation policy had been developed to ensure that Clinicians alerted managers when the demand for theatre outstripped capacity available.

In relation to Cancer Waiting Times, the Director confirmed that 19 of the 23 actions arising from the Cancer Performance Support Team diagnostic visit had now been completed. This progress was acceptable to the Cancer Performance Support Team with which weekly meetings continued to be held. She confirmed that at 14 September 2007 the 12 weekly average performance for Lanarkshire, across all 9 tumour types was 86%, against a Scottish average figure of 89%. She advised that only 3 cases amongst the backlog remain to be seen, and all had treatment dates of early October 2007. She reported good progress across all 9 tumour types, with the exception of Colorectal and Lymphoma, where further intensive work was in hand.

The Director explained that for Delayed Discharges, there were 33 patients clinically ready for discharge who were delayed more than 6 weeks, and 13 patients who occupied a bed in a short stay specialty whose discharge had been delayed for more than 3 days. She advised that the upward trend in the numbers had occurred since April 2007 and related to South Lanarkshire patients only. Consequently, a meeting was scheduled for early October with South Lanarkshire Council to further review the information available and to identify solutions to reduce the number of patients over 6 weeks and deliver a sustainable solution in line with the trajectory, with the overriding aim of agreeing a solution prior to commencement of the Winter period when Acute Hospital beds would be under increased pressure.

THE BOARD:

1. The Board noted the report on Waiting Times and Delayed Discharges.

2. Asked to receive a further report. **Director of Acute Services**

c) Primary Care Out-of-Hours Services

The NHS Board considered a report on Primary Care Out-of-Hours Services for August 2007.

The Director of the South Lanarkshire Community Health Partnership explained that the levels of activity within the Service were lower than predicted in overall terms. He advised that a lack of a detailed breakdown of information on call volumes, which identified the call volume handled by the satellite centres, was not of concern for one month, and that the detailed information should be available from October when tracking of the level of locally triaged calls would continue. He advised that the Home Visiting Service performance continued to show improvement, and would be monitored weekly by the Out-of-Hours Service Management Team over the next 3 months. He highlighted improved performance in relation to handling complaints, both with regard to the timeliness of responses and the thoroughness of investigation. He advised that the Quality and Standards Group had signed off an Asthma Protocol, which was the first in a new series of protocols for use in the Out-of-Hours period. He explained that the service was continuing to submit evidence to NHS Quality Improvement Scotland in support of attainment of Level 4 of the NHS QIS Out-of-Hours Standards. This work would help to provide assurance to the NHS Board on

the quality and safety of the service being provided. He advised that the pilot exercise with Wishaw Accident and Emergency Department to develop a reliable system for transferring appropriate patients from Accident and Emergency to the Out-of-Hours Services was now complete. The evidence from the pilot showed that it had been a success and, as such, the initiative would be rolled out across all 3 sites over the next 2 months. He explained that during August, Audit Scotland had produced a report on Out-of-Hours Services across Scotland, and confirmed that over the next 2 months Lanarkshire would undertake a self-assessment of the key areas identified by Audit Scotland, and would report on the outcome to the Audit Committee and to the NHS Board during December 2007.

THE BOARD:

1. Noted the report on the performance of the Primary Care Out-of-Hours Service during August 2007.

2. Asked to receive a further report. **Director, SL CHP**

126. **REVIEW OF ACCIDENT AND EMERGENCY SERVICES**

The NHS Board considered the Options, Evidence and Initial Analysis for submission to the Independent Scrutiny Panel.

The Chairman reminded members of the Cabinet Secretary's decision on 6 June 2007 to reverse the Board's earlier decision in relation to Accident and Emergency Services at Monklands Hospital. He also reminded members that the Cabinet Secretary's decision required NHS Lanarkshire to produce options to ensure the continued provision of Accident and Emergency Services at the 3 main Hospital sites in Lanarkshire, whilst critically at the same time trying to maintain as many as possible of the A Picture of Health planned service developments/improvements, principally in Health Improvement; strengthening Primary and Community Services; and improving Mental Health Services. He explained that the process set in train by the Cabinet Secretary's June decision, including interaction between the NHS Board and the new Independent Scrutiny Panel, was rapid, but would still take several months more to complete. He reminded members of the previous Agreement on the process to be followed, which contained several distinct stages, and advised that today's meeting represented stage 2 in the process, which would culminate in a final Board decision in January 2008 on a preferred option, which would then be submitted to the Cabinet Secretary for a final decision on behalf of the Scottish Government in February 2008.

The Chairman explained that the Board's task, today, was therefore to determine a range of options or scenarios that would allow Accident and Emergency Services to be provided on all 3 Hospital sites, with an emphasis on how that could best be done in Monklands Hospital, and to approve some initial analysis and commentary on the various scenarios, outlining potential benefits, risks, costs and affordability within the likely financial climate set to prevail over the next few years. He stressed that the Board would not take any decisions today on a preferred option, as it was too early in the process for that, and that the Board would only be in a position to take such a decision after a detailed Option Appraisal exercise and after a period of public consultation which would be arranged by the Independent Scrutiny Panel. He explained that the Board's task, at this stage, was to agree whether the scenarios presented were all deliverable at least in the short to medium term, although the knock-on effect of each scenario would vary. He stated that such an agreement would enable the Board to forward the proposals to the Independent Scrutiny Panel for the next stage of the process where the Independent Scrutiny Panel would consider whether all viable options had been considered and whether the papers were robust enough to proceed to the critical stage of Public Engagement. He stressed that in considering the issues, the Board should satisfy itself that all of the options were presented equally, fairly and honestly, and that there was no preference emerging at this stage, as this would be premature before the period of Public Engagement and the

important Option Appraisal exercise during October and November, including stakeholder and clinical and community interests across the whole of Lanarkshire.

The Chairman explained that members would receive presentations on the key elements of the work to date, from: the Director for Strategic Implementation, Planning and Performance; the Modernisation Director; the Medical Director and the Director of Finance, and would also hear from Cameron Revie of Pricewaterhouse Coopers in relation to the work undertaken by PwC on Project Assurance.

Introduction

The Director for Strategic Implementation, Planning and Performance reminded members of the context for the Review of Accident and Emergency Services, around: the announcement on 6 June by the Cabinet Secretary; the development of Clinical scenarios; engagement with Clinical staff; the appointment of the Independent Scrutiny Panel; working with NHS Ayrshire and Arran; clarification of the process; the Pricewaterhouse Coopers Project Assurance Report; the current position with regard to the Independent Scrutiny Panel submission and the approval of the NHS Board. He also reminded members of the key dates in the process, leading to the Board Meeting on 30 January 2008, when the NHS Board would require to agree a preferred option for submission to the Cabinet Secretary for her decision.

The Review Process and the Development of the Submission

The Modernisation Director explained that the main paper before the Board would be widely circulated and could stand alone. He advised that further evidence and information would be collected for the Evidence Pack for the Option Appraisal. He explained that the submission to the Independent Scrutiny Panel set out a range of options, all of which had Accident and Emergency Consultant cover, and set out the essential inter-relationships, with other supporting Acute Departments and with the wider system of healthcare. He highlighted the importance of a fundamental risk assessment to the process and stressed that, at this juncture, there was no single, preferred option.

The Modernisation Director explained that, beyond the Cabinet Secretary's decision in June, the aim of the work undertaken to date and continuing was to help to identify and describe a deliverable and sustainable model of Accident and Emergency Services. He stressed that the original objectives of A Picture of Health remained valid. He also stressed the importance to the process of Public Engagement, which would be taken forward by the Independent Scrutiny Panel.

In setting the context for the Review, the Modernisation Director reminded members that the Monklands Hospital catchment was an area of high deprivation and under-developed Primary Care Services. He explained that implementing and sustaining some options would be more challenging due, primarily, to: recruiting and retaining the medical workforce; the size of the Accident and Emergency Departments; and the annual revenue allocation to Lanarkshire which was below the Scottish average. He reminded members that enabling Accident and Emergency Services to continue on 3 sites would have implications for the organisation of other services, and explained that this was an area that would be developed over the remainder of the review. He also reminded members that the review should be seen within the context of the recently published Better Health, Better Care.

The Modernisation Director explained that the landscape had changed since the Board decided in December 2005 to consult on A Picture of Health. Whilst recruitment difficulties remained in Lanarkshire, more was known about the impact of Modernising Medical Careers, and providing there was national workforce planning and additional funding, other service options may be capable of being supported. In addition, the Scottish Government had placed a new emphasis on a presumption

against centralisation, which was restated within Better Health, Better Care.

The Modernisation Director explained that there was no universally agreed definition of what constituted an Accident and Emergency Department. He explained that a high number of minor injuries and illness and self-referrals came to Hospital by their own transport; however, a third of self-referrals who were admitted, travelled by ambulance, and half of patients admitted were discharged within 48 hours. He reminded members that NHS Lanarkshire had already concentrated a number of sub-specialties, and it was difficult, therefore, to replicate expertise across sites. He advised that the options for Accident and Emergency Services would impact on the opportunity costs.

He referred members to the description of the options and confirmed the expectation that the Emergency Referral Service and Specialist Cardiology would be in place. He stressed that under all scenarios, the model of Accident and Emergency Services at Monklands Hospital would have medical staff. He explained that the information presented about the scenarios included patient pathways to explain the differences between the scenarios, and included common patient presentations as well as those individuals requiring inpatient admission.

He explained that the financial consideration which the Board would require to undertake, would take account of the low level of funding to NHS Lanarkshire relative to Scotland; the changing financial planning assumptions as a result of the Comprehensive Spending Review; the higher than anticipated Capital and Revenue Costs of developments and overall affordability within the context of a revised Financial Plan.

The Modernisation Director explained that there were risks and implications that the Board would require to take account of. These included: an inability to invest in better health improvement, Primary and Community Care and in Mental Health; medical recruitment difficulties; difficulty in achieving shorter waiting times; meeting national policy in relation to local, anticipatory care; less quality improvements through sub-specialisation; and cost. He advised that an initial risk assessment had been undertaken and that the further elements of the process would involve more in-depth work to identify and assess the risks, by scenario. He reminded members that Lanarkshire would be unique amongst mainland Boards in Scotland as a result of maintaining 3 Acute sites. He highlighted the substantial works required at Monklands Hospital, regardless of the preferred scenario. He explained that the difference between the scenarios related mainly to the range of supporting services. He advised that Scenarios A, B and C were, at this stage, considered to be lower risk, and that whilst Scenarios E, F and G may, more readily, attract public support, they involved reduced levels of sub-specialisation.

Workforce

The Medical Director outlined for members the principal issues around workforce, not only in relation to medical staff and secretarial support staff, but also in relation to nursing and Allied Health Professionals who had key roles in the Major and Minor Injury and Illness Nurse Treatment Service (MINTS), the Hospital Emergency Care Teams (HECTs) and in providing ward, theatre and outpatient support. She also highlighted the importance of workforce and sustainable staffing levels, in relation to the delivery of waiting times targets and activity projections.

The Medical Director explained that recruitment within the NHS was a very competitive market. She advised that NHS Lanarkshire had a disadvantageous starting point, with a relatively low staffing baseline compared to other systems. She outlined, for members, the Consultant in post staffing comparisons by Accident and Emergency Units (as at March 2007), comparing Lanarkshire with Lothian, Forth Valley, Tayside, Greater Glasgow and Argyll and Clyde NHS Board areas. This

demonstrated that, based on attendances per Accident and Emergency Unit, NHS Lanarkshire had the lowest number of WTE Consultants by A&E Unit, significantly lower than the Tayside, Greater Glasgow and Argyll and Clyde areas which had lower levels of attendances per A&E unit. She also highlighted Consultant in post staffing comparisons per 100,000 population (as at March 2007). This also demonstrated that across Accident and Emergency, Anaesthetics, General Medicine, General Surgery and Orthopaedics, NHS Lanarkshire had the lowest total number of WTE Consultants per 100,000 population amongst the same NHS Board areas.

The Medical Director explained that against an all-Scotland vacancy factor of 7% NHS Lanarkshire consistently had a vacancy factor of 14% amongst Consultant Medical Staff. She stressed the requirement for jobs in NHS Lanarkshire to be attractive to applicants, in relation to: job/workload/patient profile; the right balance between Emergency and elective work; on-call commitment; environment to work in; status as a training organisation/teaching hospitals; other factors including support to undertake clinical or academic research; and the ability to sub-specialise.

She explained that a detailed piece of workforce modelling was in hand for each of the major specialties that were impacted on by the scenarios, viz: Accident and Emergency, Anaesthetics and Critical Care, General Medicine, General Surgery, Trauma and Orthopaedics. This work was clinically led, by medical and nursing staff, with Finance and Senior General Management input.

She explained the required medical staffing in Accident and Emergency under each of the scenarios. She advised that under scenarios A, B, C and D, the Consultants would be part of a Lanarkshire Team, rotating into Monklands Hospital, as would be Middle Grade Doctors. She explained that Acute Care Physicians would also rotate in Scenarios C and D, and that within Scenarios E, F and G, there would be 3 distinct Accident and Emergency Consultant Teams, working from a base Hospital, with the support of Junior and Middle Grade rotas. She also highlighted the key issues in relation to doctors in training from 2007 through to 2014 and beyond, with particular regard to the roles of Medical Schools, Deaneries, National Education Scotland and Regional Workforce Training Groups, in determining the numbers, with Quality Assurance overseen by the Postgraduate Medical Education and Training Board.

The Medical Director explained that at August 2007, against a Consultant establishment of 335, NHS Lanarkshire had 40 vacancies, 32 of which were filled with locums. She also outlined the position with regard to specialty training doctors, fixed term specialty training doctors and Staff Grades, Associate Specialists and locums at all grades. She confirmed that work was in progress to produce on-call comparison data for the key specialties in Lanarkshire against the position in Tayside, Glasgow, Lothian and Highland.

She outlined the work that had been undertaken on Scenario Workforce Planning to identify additional Whole Time Equivalent/variances across General Medicine, General Surgery, Orthopaedics, Anaesthetics, Accident and Emergency and for Nursing and Allied Health Professions staff. She also outlined the work on Scenario Workforce Planning for the same specialties, which identified the additional WTE/variances from the A Picture of Health Scenarios.

In summarising the position, the Medical Director restated the relatively poor starting point for NHS Lanarkshire, with a low baseline and a high vacancy factor. She stressed that additional medical staffing calculations excluded the conversion of FTSA posts. She advised that the outcome of the workforce modelling suggested that Lanarkshire would require from 13 – 50 additional medical staff for the Accident and Emergency options or 58 – 95 additional medical staff from the March 2007 establishment. She explained that training numbers per annum would not meet the Board's requirements for Consultant posts, and she highlighted the need for NHS Lanarkshire to exert influence over training numbers and in which specialty they were provided for future needs.

Capital and Logistics

The Director for Strategic Implementation, Planning and Performance outlined the key elements of the report from Currie & Brown on Capital and Logistics. He explained that this included an assessment of the Scenarios, with key assumptions for each. He outlined the assumptions for each of the Scenarios from A through to G.

He advised that the estimated Capital Costs for each of the Scenarios, including works equipment, fees, VAT and optimism bias, ranged from £161m for Scenario A through to £199m for each of Scenarios E, F and G. These additional costs would impact on the total capital costs for A Picture of Health, reflected in the report on Finance.

He explained that development of Monklands Hospital presented a number of significant logistical challenges, including: the extent of asbestos throughout the building; fabric issues relating to electrical fittings, drainage, water supply and imperial fittings; the crowded nature of the site; compliance with Firecode; the road infrastructure; undertaking substantial works in an operational hospital; and the need to demonstrate value for money within the Business Case. He stressed that "do nothing" in relation to Monklands Hospital was not an option, as without investment in the infrastructure, there was a significant risk in services becoming unsafe, leading to significant interruption and actual loss of service.

He also highlighted a number of logistical issues and risks in relation to the Scenarios. These, for Scenarios A, B and C, were: the completion of the Mental Health Development; the completion of Hairmyres and Wishaw Hospital changes; the requirement for only one tower at Monklands Hospital; refurbishment over a 7 year period; theatre decant; and less site congestion. For Scenarios D, E, F and G, the logistical issues and risks were: the positioning of the Mental Health development; the continued provision of operational services; the impact on current site constraints; the need for decanting arrangements; poor functionality; and the need to demonstrate value for money in the Business Case.

Finance

The Director of Finance explained that for each Scenario additional clinical staffing costs had been identified from those envisaged as being required to support the clinical modelling underpinning A Picture of Health. She advised that this staffing profile, combined with the ambulance costs provided by the Ambulance Service, gave a differential revenue cost for each Scenario. Similarly, some Scenarios required a different profile of capital investment, both in terms of Hospital site and timescale for implementation, and this had an associated revenue cost.

She stressed the importance of recognising that financial consideration of the various Scenarios under the Accident and Emergency Review, needed to be set against the backdrop of both a challenging financial landscape and NHS Lanarkshire's current funding base. This included the overall affordability of NHS Lanarkshire's existing commitments, including the other aspects of A Picture of Health; the ongoing impact of existing policy initiatives such as Modernising Medical Careers (MMC) and Agenda for Change (AfC); new policy initiatives to be put in place by the Scottish Government; and the outcome of the Arbuthnott/National Resource Allocation Committee Review.

The Director of Finance reminded members that the Financial Plan for A Picture of Health supported significant Capital Investment in Acute Services, Mental Health and Primary Care. She highlighted, in particular, the Acute profile within the A Picture of Health Financial Plan, involving capital of £172.6m and revenue of £15.5m. This, when taken with the Capital and Revenue Costs for Mental Health and Primary Care, gave total Capital and Revenue costs of £318.1m and £24.2m, respectively. She advised that, based on financial planning assumptions at the time of the original A

Picture of Health Review, this level of capital investment and the associated revenue impact broadly indicated that NHS Lanarkshire could sustain recurring financial balance until 2015, and thereafter a recurring gap of £5m would require to be managed. Specifically, for the first 2 years of the plan, it was assumed that total funding of 5.5%, including Arbuthnott, would be available, but that this would drop to 4.5% thereafter. She advised, also, that during A Picture of Health, it was assumed that the reconfiguration of Acute Services would be managed within the existing budgetary envelope, with the exception of the impact of Modernising Medical Careers, for which separate financial provision was made in the Financial Plan. She explained that, since that time, detailed clinical modelling that been undertaken, further refining the specialty and bed configurations across the 3 Acute Hospitals. As a consequence, the original costs of A Picture of Health had been updated to ensure that the proposed bed configuration was reflected in the baseline Capital Costs against which the impact of the Accident and Emergency Review must be assessed. In addition, costs had been updated for current capital inflation levels.

The Director of Finance explained that since each Scenario had a differential impact on the 3 Hospitals, the total Capital Cost, including Optimism Bias, had been calculated for each site and inflation had been applied based on the timelines required to complete the works. She stressed that this approach was necessary to ensure the revenue profile was robust. She highlighted the total Capital Cost for each Scenario, set against the 'restated' A Picture of Health Capital Cost for Acute (£210.069m), taking account of inflation and Optimism Bias, ranging from £244.879m for Scenario A to £300.915m for Scenario G.

She highlighted the principal revenue implications. She explained that the Revenue Cost of Capital had been calculated as a unitary charge for Capital Investment at Wishaw and Hairmyres. She advised that it had been assumed that all Capital Investment proposed at Monklands would be public sector funded. Capital Charges and an estimate of life cycle costs had been calculated. She explained that the details included within Appendix 9 d) of the submission assumed an 'asset life' of 60 years for all of the investment across the 3 sites, in addition to which, a sensitivity analysis had been set out, based on a life of 30 years for Monklands Hospital only. She advised that this reduced the number of years over which the revenue impact was calculated, and had the impact of increasing the costs of all scenarios; however, this increase was not uniform across all scenarios and therefore increased the differential between the scenarios. She also explained the expectation that some of the investment in Monklands would not "add value" in capital terms, and would require additional revenue funding rather than capital funding. She advised that it was not possible, at this stage, to estimate this, and for the purposes of the analysis before the Board, it had been assumed that all investment would be capital. She outlined the additional revenue costs for each scenario, compared to the restated A Picture of Health cost, ranging from an additional £5.361m for Scenario A through to an additional £6.752m for Scenario G.

The Director of Finance explained that since the Financial Plan for A Picture of Health was prepared, wider changes to the overall financial landscape for the NHS in Scotland and across the UK had resulted in a number of the financial planning assumptions being revised accordingly, with a resultant impact on the longer term plans for NHS Lanarkshire. She outlined the key factors, which were: uplift; Arbuthnott/National Resource Allocation Committee Review; capital inflation; new policy; regional/national developments; and pay issues. In relation to uplift, she explained that it had become apparent that there was now an expectation of a much lower level than anticipated last year, with indicative figures ranging from 3% - 4%. She advised that there also was uncertainty about the outcome of the Arbuthnott/NRAC Review, although it was expected that this would continue to reflect that NHS Lanarkshire was currently underfunded in relation to the rest of Scotland; however, even if that was the case, it was too early to say how this would be implemented. She advised that given the uncertainty about these factors, and the very significant impact which changes in each of these variables had on the Board's

Financial Plan, it was not possible, as this stage, to be definitive about the affordability of the Accident and Emergency Review. She explained that further work now needed to be undertaken on the opportunity costs of the Accident and Emergency Review and affordability, as the longer term financial picture became clearer. In addition, ongoing refinement of work to date would be undertaken internally, following presentation of the outcome of this work to the NHS Board and to the Independent Scrutiny Panel.

Process Assurance

Mr Revie outlined the context for the work on assurance undertaken by Pricewaterhouse Coopers. He explained that the short timescale made Green Book compliance impractical, but that in drawing together the submission to the Independent Scrutiny Panel, the Board was required to take into account the key principles of the Green Book. He acknowledged the need to recognise: the tight timescale for project delivery; the tight timescale for the availability of information; and that the process was still ongoing and would continue through October, November, December and beyond.

He explained that the Pricewaterhouse Coopers role was to provide project assurance up to the current point and throughout the process, through: challenging and providing feedback to management; reviewing selected work undertaken by management; and attending certain project meetings. Pricewaterhouse Coopers would, as part of this work, consider the Green Book principles, for example, in relation to options development and analysis. He advised that the PwC role included review and feedback on the development of the Agreement on the Process for the Review, including: project documents/arrangements; options generation; evidence gathering; options analysis; and analysis of the draft submission document before the Board.

In relation to Engagement and Consultation, Mr Revie explained that Pricewaterhouse Coopers had found clear evidence of involvement of the Corporate Management Team in the work to date. In addition, there was evidence of consultation and liaison with NHS Ayrshire and Arran, although this was not as extensive as anticipated. PwC had also found evidence of clinical and senior management input to options development and short-listing, for example, through workshops and review by the Board's Professional Advisory Committees. There also was evidence of the use of Board Seminars to allow full and frank engagement by the Board. Importantly, there also was evidence of communication with staff during the process to date.

In the area of Project Management Arrangements, Mr Revie explained that Pricewaterhouse Coopers was satisfied that relevant project management documents, such as a Project Plan, a Project Initiation Document, Action Plans and Minutes of Project Team Meetings, were now in place, although he highlighted the absence of a formal project risk log. He also confirmed Pricewaterhouse Coopers satisfaction that a Project Manager, appropriately experienced in A Picture of Health, was in place, and that there was commitment by members of the Project Team to the project. He also acknowledged periodic meetings, internally and with NHS Ayrshire and Arran.

Mr Revie acknowledged the evidence of application of Green Book principles to the options development, and confirmed that this appeared to be logical and included long and shortlisting. He also highlighted evidence of good involvement by clinicians and managers in the development of the long list, and shortlisting undertaken by focus groups, with a final list of options circulated for comment and approval to selected parties.

He highlighted a number of issues in relation to evidence gathering and options analysis. These included: the use of the Board approved A Picture of Health Strategy as a baseline for the Review of Accident and Emergency Services; the development of a Search Strategy which was subject to independent comment; the production of

written guidance for rating search results; the input from internal specialists covering Finance, General Managers, Clinical Specialties and Human Resources, and the use of external experts to fill internal knowledge gaps. He acknowledged that financial data had been subject to late change, for example, in relation to changes to capital costs. He advised that the underlying staffing information still required to be more clearly supported. He highlighted, also, apparent inconsistencies between assumptions made by NHS Lanarkshire and NHS Ayrshire and Arran, for example, in relation to construction inflation, profiling of capital spend, and inclusion of life cycle maintenance. He noted that work on opportunity costs and affordability had still to be completed.

Mr Revie stated that the core document which formed the submission to the Independent Scrutiny Panel was succinct, with extensive use made of Appendices. He highlighted the fact that underlying evidence had been replicated in full within the Appendices, and advised that certain of this analysis would need to be incorporated and drawn upon more within the body of the final document. He advised that as the submission was an initial draft, and continued to be refined, the descriptions of the options included an element of analysis which could be regarded as emotive. He acknowledged that options and differentiating aspects had been clearly documented and that the submission included an initial analysis of risk. He acknowledged, also, that feedback on the content of the document had been sought, for example, from Professional Committees, from the Corporate Management Team, and through a Board Seminar. He suggested that there may be merit in reviewing the NHS Ayrshire and Arran submission document to identify whether there were any different aspects that were worthy of adoption in the NHS Lanarkshire submission.

Mr Revie stressed that the Pricewaterhouse Coopers work was not complete, and that PwC had still to obtain various key evidence, and to undertake further review of the "developing" submission document. However, from the work undertaken to date, he was in a position to provide the Board with assurance in relation to the management commitment to transparency and an evidence-based analysis in the Review process, and in the development of the submission to the Independent Scrutiny Panel.

Discussion

In the ensuing discussion, Executive Directors clarified a range of issues.

The Director for Strategic Implementation, Planning and Performance acknowledged the need for clarity about the timeframe for implementation of the Ministerially approved option for Accident and Emergency Services. Hr advised, however, that other than the extent to which implementation had been impacted upon by the Review, the timeframe for implementation should not vary greatly from that for the implementation of the totality of A Picture of Health.

He advised that the precise content of the interim report from the Independent Scrutiny Panel was not known; however, it was to be expected that it would confirm that the Panel had examined the Scenarios, and would include comment on whether or not the Panel found them to be robust, as well as an indication from the Panel about taking the Review to the next stage in the agreed Process. He explained that the impact of the Emergency Referral Service on Emergency activity had not yet been factored in to the consideration, but that this would be informed by the further work to be undertaken on the development of the clinical models.

The Medical Director acknowledged the need to ensure that workforce modelling reflected gross and net recruitment, taking account not only of new appointments and new posts, but also departures from the service, including for resignations and retirals.

The Modernisation Director explained that the level of risk to patient outcomes from the various scenarios would be impacted on by a number of factors, including access

and time to commencement of treatment, and the quality of the service. He explained that the outcome of the work to date supported the Board's view that quality of care and outcomes could be enhanced through the delivery of increased levels of sub-specialisation.

The Director of Finance explained that NHS Lanarkshire would continue in its commitment to further improving efficiency across the service, as reflected by the efficiency target within the long-term financial plan, which already had seen the delivery of substantial efficiencies to date. She advised that the delivery of efficiencies beyond those target levels, within the restrictions of the Board's current financial baseline, would however be challenging. She undertook to ensure that these issues were explicitly stated within the submission to the Independent Scrutiny Panel.

The Chief Executive acknowledged the importance of completing a robust risk assessment to underpin the Board's final decisions on Accident and Emergency Services, including the impact of those decisions on other services across the system. He explained that the submission to the Independent Scrutiny Panel reflected the initial assessment of risk, and confirmed that this would be refined based on an additional risk assessment. He also confirmed the intention to hold a Seminar for Board Members at which the issue of risk could be explored in further detail.

The Director for Strategic Implementation, Planning and Performance confirmed that the further work to be undertaken during the remainder of the review process would include a full articulation of the opportunity costs as a consequence of the Review and the other financial challenges which the NHS Board faced, building upon the opportunity cost assessment set out in Appendix 14 of the submission to the Independent Scrutiny Panel. In an endorsement of this position, the Chief Executive stressed that the opportunity cost could not be viewed purely in terms of the impact of the Review of Accident and Emergency Services, but would require to be viewed in the context of the overall financial position, within which the additional cost of maintaining 3 Accident and Emergency Services was but one element. He explained that further work to be undertaken shortly would bring greater clarity about the explicit additionality of maintaining 3 Accident and Emergency Departments, as one of the many changes to the Board's financial planning which would impact on affordability. He confirmed that the submission to the Independent Scrutiny Panel would, immediately following the Board Meeting, be amended to expand upon the work that would be undertaken in the next stages of the Review in the area of mitigation of risks, which would be a major consideration for the NHS Board at its meeting in January 2008.

Mr Revie stressed that the project assurance work by Pricewaterhouse Coopers, on which he had reported, had not included an audit of the statistical information, either activity or financial. He advised that the work had, however, involved the consideration of some of the financial assumptions within the Board's submission to the Independent Scrutiny Panel, and he confirmed that Pricewaterhouse Coopers took comfort from the broad assumptions that had been made. He acknowledged the recognition of risk as a major factor in the Board's decision-making on a preferred option, and commended the Board to undertake further analysis around risk.

The Director for Allied Health Professions, Nursing and Midwifery, suggested that the impact of the Scenarios for Accident and Emergency Services on the non-medical clinical workforce required to be amplified within the submission, particularly since NHS Lanarkshire also started from a low workforce base for nursing staff within the Acute setting.

The Chair of the Area Clinical Forum explained that the Area Clinical Forum had been engaged in the Review process, and had given careful consideration to the Scenarios for Accident and Emergency Services. She highlighted the challenge in bringing together the contribution to the Review from the Clinical community across

Lanarkshire within the limited timescale, and confirmed the view of the Area Clinical Forum that there had been substantial clinical engagement in the process to date, including in relation to the development of the Scenarios. She advised that the Area Clinical Forum had not, at this stage, expressed a preference for any of the Scenarios, recognising that further work was to be undertaken over the coming months, including in relation to the key area of risk assessment, before informed judgements about the respective merits of the Scenarios, and a preferred option, could be made. She reminded members that there had been virtually unanimous support from the clinical community across Lanarkshire for the original direction set out in A Picture of Health, and advised that there would be unlikely to be a similar level of consensus from Clinicians for the preferred option from the Scenarios. She acknowledged, however, the requirement for the Board to have available in January 2008 a genuinely representative view of the clinical community on the Scenarios.

She explained that whilst, in the context of the Area Clinical Forum's unanimous support for the strategic direction and aspirations within A Picture of Health, all of the alternative Scenarios might be viewed as sub-optimal, it was nevertheless recognised that it may be possible to continue to deliver clinically safe and sustainable services to an acceptable standard, and to deliver the A Picture of Health aims and aspirations within some of the alternative Scenarios. She advised that although this would appear to be more immediately achievable within the Scenarios that were more akin to the original A Picture of Health model, there were, however, several factors, not least the changing workforce assumptions, which suggested that, in addition to Scenarios A, B, C and D, Scenarios E, F and G, which maintained Accident and Emergency Services on all 3 sites whilst, in the case of Scenarios E and G, affording an opportunity for enhanced levels of sub-specialisation and the separation of planned and unplanned care, also merited detailed consideration. She restated that it would be crucial, however, that the further processes leading to the Board's decision on a preferred option included thorough assessment for each Scenario of all of the key risks that, potentially, impacted on their sustainability.

She highlighted the potential for opportunity costs to make unaffordable key elements of the planned investment programme in Primary and Community Care and in Mental Health Services. She urged the Board, in considering alternative Scenarios for Accident and Emergency Services, to place a high priority on ring-fencing the Primary Care, Community Care and Mental Health Capital Investment Programmes, and minimising the revenue consequences of the Acute Hospitals Capital Programme, and to focus, in the short to medium term, on investing in an Acute Service model which would build staffing and services. She acknowledged that substantial additional work would be required in the development of the Scenarios over the coming months, and confirmed the desire of the Area Clinical Forum to continue its involvement in the processes that would lead to the decision on the preferred option.

Members acknowledged the complexity of the issues associated with developing a revised model for Accident and Emergency Services. Whilst noting the information on patient pathways under the Scenarios, contained within the draft submission, it was felt that there was a requirement to develop further clarity about the benefits to patients that would derive from each of the Scenarios. It was felt, also, that the section of the submission dealing with opportunity costs might usefully be strengthened, in terms of articulating more clearly the benefits to patients and what, in the way of services and developments, would not be deliverable as a consequence of implementing the revised model for Accident and Emergency Services. It was suggested that the issue of risk should be viewed within the totality of a wholly integrated Health system, rather than narrowly focussed on Accident and Emergency. Emphasis was placed on the need for further clarity at the earliest opportunity about the feasibility of locating additional Mental Health facilities on the Monklands Hospital site, given the imperative of implementing the Mental Health Strategy. Emphasis also was placed on the requirement for a clear articulation of the Medical Workforce issues, within the context of the key contribution of appropriately qualified and experienced doctors, with the right specialisms, and recruitment and retention,

including retirals.

The Chief Executive acknowledged the need to clearly articulate the exclusive additional opportunity costs associated with each of the Scenarios. He highlighted the extent to which medical recruitment remained a major risk factor to the system, currently, in the context of Consultant staffing in Accident and Emergency at Wishaw General Hospital, and the employment of approximately 50 locums due to Consultant vacancies. He reminded members that 2011 represented the earliest point by which the Board could deliver planned change under A Picture of Health. He acknowledged that the submission should be expanded in the area of Medical Workforce to reflect projections about future workforce supply and the extent to which this would enhance NHS Lanarkshire's ability to recruit the necessary numbers of medical staff. He advised members that current Health Board projections about Consultant staffing in the future did not take account of the additional challenges to the system as a consequence of meeting new national targets, such as the 18 week referral to treatment target, which would have major activity and resource implications. He explained that the issues around Medial Workforce required to be viewed within the context that NHS Lanarkshire would require 40 additional doctors to deliver the original A Picture of Health proposals, approximately 50 doctors to fill Consultant posts currently filled by locums, up to 50 additional doctors to deliver Scenarios E, F and G, and up to 100 doctors to convert the current fixed term training posts to permanent positions. He advised that whilst additional, these were not all new posts, and in total they represented a requirement for nearly 240 additional medical staff appointments to Lanarkshire which, with Emergency Services spread across 3 sites, would present material challenges.

He highlighted the extent to which affordability would be a key factor for the Board to consider, given the extent to which NHS Lanarkshire currently was under-funded relative to other NHS Boards in Scotland, and was not yet at its target Arbuthnott funding level. He reminded members that approximately 25% of the Board's funding was expended on the cost of services provided to Lanarkshire residents by NHS Greater Glasgow and Clyde, in effect, leaving 75% funding of an under-funded Board from which to sustain medical staffing across 3 sites, when other better funded Boards would be in a position to utilise full funding on sustaining medical staffing over 2 sites.

Mr Revie highlighted the importance to the Board of ensuring that its deliberations and the consideration of matters related to the Review of Accident and Emergency Services were set within an appropriate Governance and Assurance framework, and he commended the papers before the Board and the level of debate he had witnessed as demonstrating robust process in the progress of the Review to date. He acknowledged the discussion around medical staffing, and suggested that Paragraph 1.4 within the Introduction in the main submission document might usefully be expanded to reflect the further work that would be undertaken in relation to workforce and staffing challenges.

The Employee Director stressed that whilst Public Consultation and Engagement was the responsibility of the Independent Scrutiny Panel, Staff Consultation and Engagement remained the Board's responsibility, and he confirmed that this was being overseen by the Stakeholder Engagement Group. It was noted, also, that its meeting on 25 September 2007, the Area Partnership Forum had agreed that a major Stakeholder event for staff on the Review and the further development of the Scenarios would be held during November.

The Chief Executive confirmed that the submission would be amended accordingly to reflect the principal issues raised in discussion, especially in relation to opportunity cost, medical workforce supply and the mitigation of risk. He also stressed the requirement to ensure that the submission was neither partial nor judgemental at this stage, given the further work that would require to be undertaken before genuinely

informed judgements could be made.

THE BOARD:

i) Approved the submission of Options, Evidence and Initial Analysis to the Independent Scrutiny Panel, subject to amendment of the submission to reflect the principal issues raised in discussion.

ii) Agreed to delegate to the Chairman and the Chief Executive the authority to sign-off the submission to the Independent Scrutiny Panel. **Chairman Chief Executive**

iii) Asked to receive further reports.

127. **DATE OF NEXT MEETING**

Wednesday 31 October 2007.

128. **MOTION TO MOVE INTO PRIVATE SESSION**

The NHS Board approved a Motion to move into Private Session for the remainder of business due to the 'Commercial – In Confidence' nature of the business.

129. **KIRKLANDS HOUSE**

The NHS Board considered a report on the sale of Kirklands House, Fallside Road, Bothwell.

The Director for Strategic Implementation, Planning and Performance explained that the paper was presented to the Board to update members on the outcome of the re-marketing of Kirklands House, and to seek the Board's approval to proceed to accept the highest offer. He reminded members of the background to the issue and explained the processes undertaken to remarket the property.

THE BOARD:

i) Accepted the recommendations within the paper.

ii) Authorised commencement of negotiations with the successful bidder.

iii) Authorised acceptance of the offer from the successful bidder. **Director for Strategic Implementation, Planning and Performance**

130. **ANY OTHER COMPETENT BUSINESS**

i) Martin Hill

The Chairman reminded members that this marked Martin Hill's last NHS Board Meeting prior to his retiral at the end of the month after 36 years service to the National Health Service. He reminded members of key points in Mr Hill's career, most notably his employment with NHS Lanarkshire since his appointment as Chief Executive of the former Primary Care NHS Trust and, more recently, his tenure as Modernisation Director since 2004. He paid tribute to Mr Hill's contribution to the NHS in Lanarkshire, especially in recent years in relation to A Picture of Health, and extended to him his and Board Members' sincere best wishes for his retirement.

ii) Deirdre McCormick

The Chairman expressed congratulations to Deirdre McCormick on her successful completion of a PhD and the accompanying achievement of a Doctorate.

NJA/OD
24 October 2007