

Board Meeting
26 January 2022

Lanarkshire NHS Board
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SUBJECT: MONKLANDS REPLACEMENT PROJECT– REVISED GOVERNANCE ARRANGEMENTS

1. PURPOSE

This paper is coming to the Board:

For approval	<input checked="" type="checkbox"/>	For endorsement	<input type="checkbox"/>	To note	<input type="checkbox"/>
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This paper sets out three options to deliver an effective and proportionate internal governance structure for the Monklands Replacement Project (MRP), specifically considering the best means to achieve non-executive director (NXD) scrutiny within the overall Project governance structures.

Board Members are invited to endorse the recommended option.

2. ROUTE TO THE BOARD:

This paper has been:

Prepared	<input checked="" type="checkbox"/>	Reviewed	<input type="checkbox"/>	Endorsed	<input type="checkbox"/>
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by the Director of Planning, Property & Performance.

This was discussed at the December 2021 meeting of the MRP Leadership Group and a preferred option was identified. This was also discussed by Board Members at a briefing session on 12 January 2022.

3. SUMMARY OF KEY ISSUES

Background

The Monklands Replacement Project was established in 2016 to deliver a new district general hospital within the overall strategic context of the healthcare strategy “Achieving Excellence”. The Project was initially called the Monklands Replacement/Refurbishment Project (MRRP) to reflect that one of the options was to refurbish the current building. When this option was eliminated, the Project was renamed the Monklands Replacement Project (MRP).

The NHS Board has recognised over the subsequent steps in the Project that the governance structure would need to be flexible and adaptable. These adaptations were to ensure that the governance structure remained appropriate for the various phases of the Project.

- Preparation of Initial Agreement in 2016/17

- Site selection process and Independent Review 2018/19
- Revised site selection process 2020/21

Appendix 1 describes the evolution of the Project governance arrangements over the lifetime of this Project to date.

In the early phases of MRP, the NHS Board received reports from the Project Team through the then Director of Strategic Planning. As the Project progressed to the site selection process, a higher degree of public engagement was required and to meet this requirement the Monklands Replacement Oversight Board (MROB) was created. This was a governance committee of the Board with a high proportion of the membership representing the communities of Lanarkshire.

The site selection process was highly complex and, in addition to the meetings of MROB, involved 14 workshops with all NHS Board Members in preparation for the final site selection meeting in December 2020.

In early 2021, the Wester Moffat site was endorsed by the Cabinet Secretary as the preferred location for the new hospital. This then triggered the preparation of the Outline Business Case (OBC). Following further reflection and consideration, Project governance then reverted to the Board's Planning, Performance and Resources Committee (PPRC) which comprises all NHS Board Members plus external clinical advisors.

A distinct Monklands Engagement Forum was also formed in 2021 to provide community input into the ongoing work of the Project.

At the same time the Leadership Group was established to fulfil the role of "Project Board" as defined within the Scottish Capital Investment Manual (SCIM). This included a larger proportion of Corporate Management Team officers and Project Team officers within its membership.

In recognition of the requirement for effective and proportionate scrutiny by the Board, the round of recruitment to the non-executive director (NXD) cohort of board members in 2021 focussed on acquiring skills and experience of major projects. Two new non-executives were appointed with these specific skill sets. A further ongoing recruitment round is underway to recruit an individual with digital transformation skills. In view of these recent appointments, and the ongoing recruitment process there is an opportunity to review the non-executive governance arrangements for the Monklands Replacement Project.

There are three potential options:

1. Continue with current structures: PPRC retaining the scrutiny and assurance responsibilities and reporting to the NHS Board;
2. A smaller Monklands Replacement Committee is created as a new governance committee, with a smaller NXD membership reporting to the PPRC; or
3. The Leadership Group is expanded to include a number of NXD members, reporting direct to the NHS Board.

Commentary

The overall objective is to ensure the effective governance of a Project with the potential to invest many millions of pounds and take over the best part of a decade to complete. To do this we need to achieve a proportionate balance between three dimensions:

- operational delivery of the Project (principally through the MR Project Team);
- executive assurance across the respective disciplines (through the Leadership Group); and
- non-executive scrutiny of the management and delivery of Project.

We have the opportunity now to consider the best means of delivering this third element, effective non-executive scrutiny within the overall Project governance structures.

Option 1 Continue current arrangements

Pros: The current arrangement with PPRC considering the work of MRP does provide the opportunity for all NHS Board Members to scrutinise the work of the Project in depth on a very regular basis.

Cons: This degree of scrutiny takes place at the cost of the other elements of the PPRC's remit which are not being fully considered at present. It also results in all NXDs having MRP as a significant part of their portfolios, and hence limits their time on other Committees and aspects of the Board's corporate work plan.

Option 2 Create a specific, smaller MRP Governance Committee reporting into the PPRC:

Pros: This arrangement would achieve both the executive/non-executive division of responsibilities, allow a focussed approach by a smaller cohort of NXDs and also provide a place for external strategic advice to the Board to be considered (e.g. from NHS Assure, external clinical advisors and Scot Gov representatives). The PPRC would be able to consider the wider planning performance and resources agenda which has been difficult to achieve over the past year. The newer NXDs with specific project/capital experience could focus their resources on MRP and consequentially the "division of labour" by the wider group of NXDs across the other board governance committees could be better achieved.

Cons: This would be at the cost of the full Board not being directly involved in the preparation/development of the business case, though its approval would remain a Board function. The new Committee (as with all governance committees) is not a decision making body. The full Board will retain responsibility for all key decisions within the MR Project through to final commissioning of the new district general hospital towards the end of the decade.

Option 3 Expand the Leadership Group to incorporate NXDs, reporting to the NHS Board:

Pros: As with option 2, the time and resources of the NXDs could be better focussed both in the MR Project and across the wider set of governance committees, including PPRC.

Cons: This "blurs" the division between operational delivery and non-executive oversight: the executive management agenda of the Leadership Group would inevitably draw the NXD members into the detailed work of the many strands of activity which comprise the MR Project. This would close the gap which should exist between these two dimensions of the governance process. It is also likely this would be an area of criticism at Gateway Review.

The MRP Leadership Group recommends option 2.

Remit of the Proposed Monklands Replacement Committee

A draft remit is attached as Appendix 2 below. Key points on membership are:

Members of the Committee

There will be five NXDs members of the Committee, with the Chair to be agreed. The NHS Board Chair and Chief Executive may attend the Committee. This aims to best achieve the balance of NXD time/resources described above.

External Advisors to the Committee

The inclusion of Dr Mike Higgins and Professor Sir Harry Burns as advisors would maintain continuity of advice from both individuals which was established at the time of the Independent Review. The addition of Dr Julie Critchley and Stuart Brown from NHS Assure will strengthen the new relationship between the Project and NHS Assure at a senior leadership level. Mr Alan Morrison, Chair of the Scottish Government Capital Investment Group (CIG), has requested a role within the Project structure as we approach the OBC completion and as chair of the CIG he will provide direct advice on the development of the business case going forward. Alan Morrison has had this degree of involvement in the MRP in the past, through MROB, and also on similar large capital projects in NHS Scotland. It is also intended to include an individual with environmental expertise to assist the Committee in line with the new Hospital being a net zero pathfinder project.

Reporting Arrangements

The Committee would report to the PPRC in order to maintain confidentiality over matters of commensal sensitivity that would inevitably be reflected in the minutes of the Monklands Replacement Committee, and provide a regular link with all Board Members. The NHS Board would, however, retain decision making responsibilities.

4. STRATEGIC CONTEXT

This paper links to the following:

Corporate Objectives	<input checked="" type="checkbox"/>	AOP	<input type="checkbox"/>	Government Policy	<input checked="" type="checkbox"/>
Government Directive	<input type="checkbox"/>	Statutory Requirement	<input type="checkbox"/>	AHF/Local Policy	<input type="checkbox"/>
Urgent Operational Issue	<input type="checkbox"/>	Other	<input type="checkbox"/>		

5. CONTRIBUTION TO QUALITY

This paper aligns to the following elements of safety and quality improvement:

Three Quality Ambitions:

Safe	<input checked="" type="checkbox"/>	Effective	<input checked="" type="checkbox"/>	Person Centred	<input checked="" type="checkbox"/>
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Six Quality Outcomes:

Everyone has the best start in life and is able to live longer healthier lives; (Effective)	<input checked="" type="checkbox"/>
People are able to live well at home or in the community; (Person Centred)	<input checked="" type="checkbox"/>
Everyone has a positive experience of healthcare; (Person Centred)	<input checked="" type="checkbox"/>

Staff feel supported and engaged; (Effective)	<input checked="" type="checkbox"/>
Healthcare is safe for every person, every time; (Safe)	<input checked="" type="checkbox"/>
Best use is made of available resources. (Effective)	<input checked="" type="checkbox"/>

6. MEASURES FOR IMPROVEMENT

The effectiveness of the arrangements will be reviewed on at least an annual basis.

7. FINANCIAL IMPLICATIONS

None.

8. RISK ASSESSMENT/MANAGEMENT IMPLICATIONS

The consideration of the options has mitigated any identified risks.

9. FIT WITH BEST VALUE CRITERIA

This paper aligns to the following best value criteria:

Vision and leadership	<input checked="" type="checkbox"/>	Effective partnerships	<input checked="" type="checkbox"/>	Governance and accountability	<input checked="" type="checkbox"/>
Use of resources	<input checked="" type="checkbox"/>	Performance management	<input checked="" type="checkbox"/>	Equality	<input type="checkbox"/>
Sustainability	<input checked="" type="checkbox"/>				

10. EQUALITY AND DIVERSITY IMPACT ASSESSMENT

The impact of any changes will be considered and an EQIA completed if appropriate.

Yes *Please say where a copy can be obtained*

No *Please say why not*

An EDIA is not required.

11. CONSULTATION AND ENGAGEMENT

This was discussed at a Board Member briefing session on 12 January 2022 to take on board any views in preparing the report.

12. ACTIONS FOR THE BOARD

It is recommended that Option 2, the creation of a Monklands Replacement Governance Committee, reporting to the Planning, Performance & Resources Committee be adopted.

This will be subject to ongoing review to ensure that it continues to provide effective governance arrangements for the Project.

13. FURTHER INFORMATION

Colin Lauder
Senior Responsible Officer

APPENDIX 1

Monklands Replacement Timeline

Below is a summarised history of the key events in the development on the Monklands Replacement Project, with governance arrangements highlighted in ***bold italics***.

Date	Item	Description
1974/75	Monklands Hospital Opens	Monklands hospital opened in the mid-1970's with a design undertaken in the 1960's.
2016	Healthcare Strategy – consultation	Public consultation on NHS Lanarkshire's draft healthcare strategy, Achieving Excellence, including a proposal to either replace or refurbish University Hospital Monklands.
<i>2016 – Oct 2019</i>	<i>MRRP/MRP governance</i>	<i>Governance arrangements: Project Lead reporting to NHSL Board.</i>
June 2017	Healthcare Strategy – approved	Scottish Government approves Achieving Excellence.
March 2017	Initial Agreement – submitted	IA considered in March 2017 with letter requesting further information. Specifically, an 'independent review' on the condition of Monklands hospital.
Summer 2017	HFS Infrastructure Report	A review of the Monklands General Hospital was undertaken relating to the 'current and ongoing risks associated with the operational safety, functional suitability, and building & engineering infrastructure'. The report was undertaken by John Connolly (HFS), Paul Mortimer (HFS) and Dr Stephen Gallagher (NHS GGC). The report "concludes that the documented and observed evidence relating to the current and ongoing risks associated with the operational safety, functional suitability, and building & engineering infrastructure at Monklands... Hospital is sufficiently robust and comprehensive to support NHS Lanarkshire's case for change".
5 th Oct 2017	Initial Agreement – approved	Letter from Paul Gray to NHSL Chief Exec approving IA.
July - Oct 2018	Option Appraisal – Gartcosh identified as highest scoring option.	Public consultation on the future of University Hospital Monklands, with options to remain on existing site or relocate to Gartcosh or Glenmavis.
Oct 2018	Independent Review commissioned	In advance of any decision by the NHSL Board, Cab Sec commissions an Independent Review of site selection process led by Glasgow University.
June 2019	Independent review published	Publication of an independent review of the Monklands public consultation, followed by

		Cab Sec confirmation that the hospital should be replaced on a new site and additional potential sites should be sought by NHSL.
October 2019	<i>MROB governance arrangements established.</i>	<i>Monklands Replacement Oversight Board created to ensure appropriate oversight of the site selection process.</i>
October 2019-October 2020	New site search and revised Site Selection engagement	Wester Moffat farm offered by landowners and this meets the site selection criteria. Community engagement on selection of new hospital site – Wester Moffat confirmed as viable option in addition to Gartcosh and Glenmavis. Virtual scoring of the three potential sites by stakeholders, Wester Moffat scores best.
December 2020	NHSL Board approval of Wester Moffat as preferred site	Board of NHS Lanarkshire unanimously approves the recommendation of Wester Moffat as the preferred site for the new University Hospital Monklands.
January 2021	Site Selection confirmation	Scottish Government approves recommendation by the Board of NHS Lanarkshire that Wester Moffat should be the preferred site for the new Monklands Hospital.
<i>April-May 2021</i>	<i>MROB disbanded.</i>	<i>NHSL Board approved disbanding of MROB and creation of new governance route with Leadership Group and Engagement Forum reporting to PPRC.</i>

APPENDIX 2**LANARKSHIRE NHS BOARD****COMMITTEE TERMS OF REFERENCE****MONKLANDS REPLACEMENT COMMITTEE****1. Purpose**

The NHS Board has established a governance committee to provide the required degree of assurance on the progression of the Monklands Replacement Project in accordance with the Corporate Objectives of NHS Lanarkshire and the appropriate statutory and mandatory standing orders and regulations.

The Monklands Replacement Committee (MRC) is a Governance Committee of the NHS Lanarkshire Board, and will provide oversight and assurance, and make recommendations, to the NHS Board (with routine reporting to the Planning, Performance & Resources Committee) in line with its remit.

2. Membership**Members**

Donald Reid	Non-Executive Director, NHSL Board
James Muir	Non-Executive Director, NHSL Board
AN Other (digital)	Non-Executive Director, NHSL Board
Lilian Macer	Non-Executive Director, NHSL Board
L Thomson QC	Non-Executive Director, NHSL Board

External Advisors

Professor Sir Harry Burns	Professor of Global Public Health, Strathclyde University
Dr Mike Higgins	Independent Medical Advisor to the Board
Dr Julie Critchley	Director, NHS Assure
Alan Morrison	Chair, Capital Investment Group
AN Other	Environmental Advisor

The Monklands Replacement Project Senior Responsible Officer (SRO) is the Executive Lead for the Committee. Other officers, clinicians and external advisors will be in attendance for specific items on the agenda.

The NHS Board Chair and Chief Executive are not Members of the MRC, but may attend any meetings of the Committee.

3. Reporting Arrangements

1. The MRC will report to the Planning, Performance & Resources Committee (PPRC) following each meeting. This will be through the submission of approved Minutes of Meetings and a summary of key issues arising.
2. The MRC will submit to the NHS Board in May an Annual Report, encompassing: the name of the MRC; the Board Chair; members; the Executive Lead and officer supports/attendees; frequency and dates of meetings; the activities of the MRC during the

year.

3. The MRC will undertake an Annual Workplan aligned with the Project programme which will be submitted along with the Annual Report. This will include improvements overseen by the Project Board; matters of concern to the Project Board, confirmation that the Project Board has fulfilled its remit and of the adequacy and effectiveness of internal control in NHS Lanarkshire.
4. The MRC will undertake an annual review of the Terms of Reference. Where the review of the Terms of Reference results in amendment, the revised Terms of Reference must be submitted to the NHS Board for approval. The MRC Annual Report will inform the submission of any appropriate assurance to the Chief Executive at the year-end, as part of the Governance Statement.

4. Key Responsibilities

1. To endorse the scope of the Project, including the clinical service strategy and the benefits to be realised by the development and the reference design, with appropriate stakeholder involvement.
2. To ensure that the resources required to deliver the project are available and committed.
3. To ensure appropriate governance as the Leadership Group progress through Business Case approval within defined process and thereafter the Capital Investment Group at Scottish Government.
4. To monitor and scrutinise the procurement process and appointment of the Principle Supply Chain Partner (PSCP).
5. To assure the project remains within the framework of the overall project strategy, scope, budget and programme.
6. To review and report changes to the scope of the project e.g. time, cost and quality.
7. To ensure the project is adequately prepared for external reviews e.g. Office of Government Commerce, gateway reviews and the Architecture Design Scotland, and National Design Assessment Process.
8. To promote financial governance and monies and report the adherence within the affordability parameters set out by Scottish Government and NHSL.
9. To review the risk management plan, ensuring all risks are identified; that appropriate mitigation strategies are actively applied, managed and escalated as necessary, providing assurance to the NHS Board that all risks are being effectively managed.
10. To ensure that staff, partners and service end users are fully engaged in designing operating policies that inform the detailed design and overall procedures that will apply. This in turn will inform the project agreement, i.e. ensuring that the facilities are service-led rather than building-led.
11. To ensure that the communication plan enables appropriate involvement of, and communication with, all stakeholders, internal and external, throughout the project from conception to operation and evaluation.
12. To oversee and monitor the projects interaction with the PSCP to ensure that the completed facilities are delivered on programme, within budget and are compliant with NHS Lanarkshire's corporate objectives/ requirements.
13. To ensure appropriate systems of assurance are in place in regard to the functional commissioning of the facilities and operation in respect of the new hospital.
14. To ensure the Project remains aligned with the project evaluation as set out in the business case and the post project evaluation as appropriate.

5. Conduct of Business

Meetings:

The procedures for meetings are:

1. The MRC will normally meet bi-monthly. The Chair may convene additional meetings or change frequency, as he/she deems necessary;
2. The MRC may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters;
3. The NHS Board may ask the MRC to convene further meetings to discuss particular issues on which they want the MRC's advice.

Quorum:

A minimum of 3 members of the MRC will be present for the meeting to be deemed quorate.

In the event of a meeting becoming inquorate, once convened, the Chair may elect to continue to receive papers and presentations from those attending, and to allow the members present the opportunity to ask questions. The minute will clearly state the point at which the meeting became inquorate, but notes of the presentation and discussion will be included with the minute. Every item discussed once the meeting became inquorate will be brought back in summary form under matters arising to the next meeting and ratified as appropriate.

Absence of Chair:

In the event of the Chair of the MRC being absent, another member of the MRC will be designated the Chair for the meeting. Normally the Chair would arrange this in advance.

Agenda & Papers:

- The workplan for the year will map to the remit of the MRC;
- The agenda will be set by the Director of Planning, Property and Performance (SRO) in discussion with the MRC Chair 10 working days in advance on the meeting;
- Papers will be submitted to the Director of Planning, Property and Performance at least seven working days before the date of the meeting;
- Agenda papers will be issued to remaining members and attendees at least 6 days before the date of the meeting.

Minutes:

- All meetings will be minuted, and copies circulated to members within four weeks of the meeting being held. The minutes will clearly record decisions, actions, responsibilities, actions against identified risks and follow-up. Minutes will be submitted to the PPRC.

Annual Workplan:

The MRC will produce an Annual Workplan that sets out the business and activities to be covered during the year, and will submit this to the Board for approval by February for the proceeding financial year.

Annual Report:

In accordance with Best Value for Board and MRC working, the MRC will prepare, and submit to the Board in May each year, an Annual Report that will include:

- The name of the MRC, the MRC Chair, Membership, Executive Lead and Officer support/attendees;
- Frequency, dates of meetings and attendance;
- The activities of the MRC over the year, including confirmation of delivery of the Annual Workplan and review of the Terms of Reference. Where such a review results in an amendment, a revised Terms of Reference must be submitted to the NHS Board for approval;
- Improvements overseen by the MRC;
- Matters of concern to the MRC including Risk;
- Confirmation that the MRC has fulfilled its remit, and of the adequacy and effectiveness of Internal Control;
- Additionally, the Annual Report will inform the submission of any appropriate assurance to the Chief Executive at the year-end, as part of the Governance Statement.

Submissions to PPRC following each meeting:

A draft minute of each meeting of the MRC, formatted to clearly highlight key decisions, actions and risk management, should be produced and should be available to the Chair of the MRC and the Director of Planning, Property and Performance for consideration within three weeks of the meeting date. Once agreed with the Chair of the MRC and Director of Planning, Property and Performance the minute will be submitted to the next scheduled meeting of the PPRC for information. Prior to that, the key issues considered by the MRC will, as appropriate, be the subject of reporting to the PPRC, either verbally or through the submission of a Summary Report. Minutes of meetings of the MRC do not need to be approved by the Project Board prior to their submission to the PPRC for information. Agendas and papers for meetings of the MRC will, routinely, be uploaded to the relevant 'Meetings' section on Firstport and via Admin Control.

Action Log:

The MRC will prepare an Action Log that will be monitored and updated at each subsequent meeting.

6. Information Requirements

For each meeting the MRC will be provided with a report which will include as a minimum:

- ◇ Progress Update (Business Case, Design Updates and Constructions)
- ◇ Current status against other Key Programme Elements
- ◇ Current status against Cost Plan
- ◇ Project Risk Register and description of mitigating actions
- ◇ Stakeholder Engagement and Communications Report

7. Executive Lead and Attendance

Executive Director Lead

The designated Executive Lead (Director of Planning, Property & Performance) will support the Chair of the MRC in ensuring that the MRC operates according to/in fulfilment of, its agreed Terms of Reference. Specifically, he or she will:

- ◇ support the Chair in ensuring that the MRC remit is based on the latest guidance and relevant legislation;
- ◇ liaise with the Chair in agreeing a programme of meetings for the business year, as required by its remit; to oversee the development and ongoing monitoring of an Annual Workplan for the MRC which is congruent with its remit and the need to provide appropriate assurance at the year-end
- ◇ agree with the Chair an agenda for each meeting, having regard to the MRC's Remit and Workplan;
- ◇ oversee the production of an Annual Report on the delivery of the MRC's Remit and Workplan, for endorsement by the MRC and submission to the NHS Board

The MRC may ask any other officials of the organisation to attend to assist with its discussions on any particular matter. The MRC will be provided with a secretariat function by the MRP Business Manager, NHS Lanarkshire.

8. Access

MRC Members will have free and confidential access to the Chair of the MRC.

9. Rights

The MRC may procure specialist adhoc advice at the expense of the organisation, subject to budgets agreed by the Board or Accountable Officer.

Authors:	Graeme Reid, MR Project Director Paul Cannon, NHS Board Secretary Colin Lauder, Director of Planning, Property & Performance
Ratified by Lanarkshire NHS Board:	26 January 2022
Review Date:	January 2023