

NHS Lanarkshire

Meeting: Finance & Resource Committee

Date: 20 August 2026

Venue: Kirklands, Meeting Room 10 / Microsoft Teams

Members

Scott Haldane	Non-Executive Director (Chair)
Siobhan White	Non-Executive Director
Eileen Logan	Non-Executive Director

In Attendance

Fiona McEwan	Executive Director of Finance
Michael McLuskey	Deputy Director of Finance (Acute)
Charlotte Hope	Chief Risk Officer
Donald Wilson	Director of Digital
Jennifer Haynes	Board Secretary
Craig Morton	Deputy Director of Finance (Corporate)
Christine McShane	Deputy Director of Finance (Primary & Community Care)
Graeme Reid	Project Director

Minutes

Derek Cameron	Executive PA
---------------	--------------

Apologies

Euan Erskine	General Manager – Procurement & Logistics
--------------	---

1. Preliminaries

1.1 Welcome and Apologies

The Chair welcomed members and officers to the inaugural meeting of the Finance & Resources Committee. Apologies were noted as recorded above.

1.2 Declarations of Interest

Members were invited to declare any interests in relation to the business on the agenda. No declarations of interest were made.

2. Corporate Governance & Risk Management

2.1 Terms of Reference

The Chair introduced the draft Terms of Reference, noting that formal authority would arise only following approval by the NHS Lanarkshire Board. Members reviewed the document in detail and proposed a number of amendments before submission to the Board.

- The purpose should use the recognised term “best value”, with economy, efficiency and effectiveness retained as the supporting description where appropriate.
- References to “non-executive directors” should be amended to “non-executive board members”, consistent with NHS terminology.
- The delegated authority described in the Standing Financial Instructions applies to the Committee collectively, rather than to the Chair acting alone. The wording should also reflect the Committee’s delegated relationship with the Capital Investment Group.
- The distinction between members and attendees should be clarified. Executive officers and other senior leads should attend according to the business under consideration, supported by an open invitation rather than an expectation that every named officer attends every meeting.
- Meeting frequency should provide sufficient flexibility for the volume of business, including MRP matters, using wording such as six meetings per year and more frequently as required.
- Further consideration was required regarding how Committee business, minutes and commercially sensitive information would be reported to the Board. The Chair highlighted that unapproved minutes may be required for Board reporting before their formal approval by the Committee.

Subject to the amendments discussed, the Committee supported the draft Terms of Reference for final revision and submission to the NHS Lanarkshire Board for approval.

Actions:

- Jennifer Haynes and Fiona McEwan to incorporate the agreed amendments, recirculate the revised Terms of Reference for a final check and submit them to the NHS Lanarkshire Board.
- Jennifer Haynes to clarify the appropriate mechanism for reporting Committee business and minutes to the Board, including the handling of commercially sensitive information.

Assurance:

The Committee was assured that the proposed governance arrangements and delegated authority had been considered against the Standing Financial Instructions, subject to final Board approval of the Terms of Reference.

2.2 Workplan

Fiona McEwan presented the draft workplan. It was noted that minor amendments might be required following consideration of the Board Assurance Framework by the Corporate Management Team, Audit & Risk Committee and Board.

- A sustainability report previously considered through finance governance was not yet clearly reflected and its appropriate destination required confirmation.
- The Scheme of Delegation and the flow of related risks would be incorporated when confirmed.
- The workplan was dependent on approval of the Terms of Reference and would evolve as the Committee's remit became established.

The Committee approved the workplan in principle, subject to minor amendments arising from the final assurance framework, Terms of Reference and allocation of sustainability business.

Action:

- Fiona McEwan to update the workplan following completion of the assurance framework and confirmation of the governance route for sustainability reporting.

Assurance:

Members were assured that the substantive recurring business required under the proposed remit had been captured and that the plan would be kept under review.

2.3 Committee Risk Management Review

Charlotte Graham presented the proposed risk position. The report reflected the corporate risk register approved to June 2026, pending final allocation of risks through the Board Assurance Framework. Two risks were proposed for closure: IP150, relating to delay to the previous Monklands Replacement Project business case, and IP82, relating to achievement of the 2025/26 Scottish Government financial targets.

IP153, concerning the existing University Hospital Monklands site, had been updated following the MRP reset. Its likelihood had increased from possible to likely, moving the score from 15 (high) to 20 (very high). Reduction would depend on agreement of a plan with Scottish Government for the continuing maintenance and use of the existing site.

Two newly opened risks were reported verbally: IP256 relating to delivery of an affordable, sustainable and deliverable future hospital strategy through the MRP reset, and IP255 relating to financial target delivery for 2027/28. The in-year 2026/27 financial risk was expected to reduce from 15 to 10 following a reduction in likelihood, while remaining high.

- Members requested that IP153 and IP256 be clearly cross-referenced so that the implications for both the future hospital and the prolonged use of the existing site were visible.
- The allocation and framing of risks relating to agency staffing, sustainability, clinical waste and other cross-cutting financial matters should

be reviewed through the assurance framework rather than treated as belonging automatically to a single committee.

- The former MRP Sub-Committee had stood down. The Finance & Resources Committee would provide governance oversight of the reset, while operational risks would be managed through the reset arrangements and escalated as required.

The Committee noted the current and emerging risk position, recognising that formal ownership would follow Board approval of the Terms of Reference and the final Board Assurance Framework.

Actions:

- Charlotte Graham and relevant risk owners to update the governance committee alignment diagram, include the new MRP and 2027/28 financial risks, and review the alignment and wording of cross-cutting risks.
- The MRP risk owners to ensure suitable linkage between IP153, IP256 and the detailed operational risk register for the existing site.

Assurance:

The Committee received assurance that corporate and operational MRP risks were subject to active review and that the in-year financial risk trajectory had improved. Assurance remained partial in relation to the existing-site risk due to its increased score and the work still required with Scottish Government.

3. Finance & Procurement

3.1 Finance Report at 31 July 2026 (Month 4)

Fiona McEwan and Craig Morton presented the Month 4 finance position. The Board reported an overall underspend of £2.6 million. This included an Acute overspend of £3.5 million, offset by underspends within corporate services and service level agreements. The Acute position included £2.3 million of unachieved savings, with the remaining pressure principally associated with nursing and non-pay expenditure.

The recurring savings target was £19.2 million. Schemes achieved and forecast totalled £15.9 million, representing 83% and leaving a reported gap of approximately £3.2 million. The overall savings plan remained dependent on delivery of planned schemes. Members noted progress in both partnerships, including improved identification of recurring savings in South Lanarkshire.

- Members sought continued focus on the Acute position, particularly the sustainability of using corporate and SLA underspends to offset operational pressures.
- High nursing expenditure was linked to sickness absence, healthcare support worker costs and the use of support workers to cover gaps where registered nursing staff were unavailable. A deep dive was under way.
- Further learning was requested from the review of non-pay expenditure, including the effect of prior-year non-recurring savings and whether findings could be applied elsewhere.
- Members discussed the national 3% recurring savings expectation, the potential consequences of non-achievement, and the importance of presenting savings in the context of funded developments and the recurring deficit.
- The Committee requested continued scrutiny of pay underspends and vacancies within the Health and Social Care Partnerships to ensure these did not conceal service or workforce risks.

The Committee noted the Month 4 financial position and the continued requirement for active delivery and monitoring of recurring savings.

Actions:

- Michael McLuskey to report the outcome of the Acute nursing and non-pay deep dives, including healthcare support worker costs, sickness absence and any transferable learning.
- Fiona McEwan and Craig Morton to confirm the risk profile of planned savings and provide clearer reporting on unachieved savings and the national 3% recurring savings requirement in future reports.

Assurance:

The Committee took moderate assurance that the Board remained on a forecast break-even trajectory, and that savings delivery had improved. This was dependent on delivery of planned savings and management of Acute pay, non-pay and workforce pressures.

3.2 Capital Report at 31 July 2026 (Month 4)

The Committee considered the Month 4 capital report. Against planned expenditure of approximately £25.4 million, actual expenditure was £2.9 million with a further £0.4 million of orders placed. No accruals for assets under construction were reflected at that stage. Ring-fenced allocations included GP loans, leases and environmental sustainability funding.

Members discussed the low early-year expenditure profile, the need to recognise work in progress and assets under construction more accurately, and the risk of

concentrated expenditure late in the year. Improved project highlight reporting was expected to provide greater visibility of delivery and slippage.

The Committee noted the Month 4 capital position.

Actions:

- Craig Morton and capital leads to improve recognition and reporting of assets under construction from Months 5 and 6 and provide clearer visibility of project progress, forecast slippage and high-risk schemes.
- Craig Morton to review the wording describing the GP loan scheme so that its purpose and operation are clear.

Assurance:

The Committee received moderate assurance that capital performance was being actively monitored, while recognising the need to improve expenditure profiling and avoid a late-year concentration of spend.

3.3 Capital Plan2026/27

Craig Morton presented the refreshed capital plan following the 2025/26 year-end position. The plan brought together the NHS Lanarkshire capital allocation, Business Continuity and Essential Investment Programme funding, medical equipment funding and 2025/26 carry-forward commitments.

The available 2026/27 allocation was reported as £22.9 million against planned projects of £25.4 million, an overcommitment of £2.5 million. This was considered manageable because slippage was routinely experienced, although members emphasised that slippage should not be relied upon without robust monitoring. Future years were also overcommitted, with increasing medical equipment requirements identified as a particular pressure.

- The Committee requested a structured pipeline of approved or sufficiently developed business cases that could be accelerated if additional capital became available.
- The Terms of Reference should explicitly recognise the Committee's governance of capital plans and its delegated relationship with the Capital Investment Group.
- Members sought clarification of PFI responsibility for fire compartmentation works and of the arrangements for capital investment supporting Integration Joint Board services and GP premises.

The Committee noted the refreshed capital plan and accepted the current level of overcommitment, subject to active monitoring and management throughout the year.

Actions:

- Craig Morton to develop a clearer pipeline of capital business cases capable of acceleration when funding or slippage opportunities arise.
- Craig Morton and Estates colleagues to clarify responsibility for fire compartmentation works within PFI facilities and report back through the appropriate capital governance route.

Assurance:

The Committee took moderate assurance that the overcommitment was manageable within normal capital programme tolerances, supported by enhanced highlight reporting and oversight through the Capital Investment Group.

3.4 Procurement Update Report (June-August 2026)

The Procurement Update Report was presented by Fiona McEwan in the absence of Euan Erskine. It covered approved direct awards, a single-bid report, contracts awarded and the 2026/27 workplan. No Standing Financial Instruction breaches were reported. Resource constraints had affected the planned timing of some procurements, and recruitment and temporary support were being progressed.

Members were assured that use of direct award routes would remain within procurement rules, including where established frameworks permitted a direct award without a full tender exercise. The Committee discussed the need to avoid repeated extensions of pilot arrangements, using the maternity and neonatal staff engagement digital platform as an example where future requirements should be competitively procured if the service continued.

The Committee noted the Procurement Update Report.

Action:

- Euan Erskine and the relevant service lead to ensure that any continuation of the maternity and neonatal engagement or any other such initiative/commitment that is being extended is supported by an appropriate future procurement route rather than merely to agree an extension. In addition, the likelihood of any extensions beyond the initial contract term, given the very specialist or 'unique' nature of the goods or services being procured, should be reflected appropriately in any initial Business Case.

Assurance:

The Committee took significant assurance from the absence of reported SFI breaches, the use of compliant frameworks and the prioritisation of higher-risk and time-critical procurements, while noting current capacity pressures.

3.5 Prevention Spend

Christine McShane presented the prevention spend analysis developed through NHS Lanarkshire's participation in the Scottish Government national prevention pilot. The methodology classified expenditure across primary, secondary and tertiary prevention, acute and responsive treatment, enabling activity and support services.

The analysis indicated that 21% of NHS Lanarkshire expenditure was classified as prevention and that 8% was classified as primary prevention. Members noted that there was no agreed benchmark for the appropriate level or balance of prevention spend and that local population need, morbidity and age profile could justify a different distribution from other Boards.

- The Committee discussed the difficulty of identifying and attributing preventative investment and the need to assess impact and outcomes, not expenditure alone.
- The work should be aligned explicitly with the Population Health Framework, delegated services and wider public-sector activity, including local authority responsibilities and the wider determinants of health.
- The Scottish Government pilot had concluded. NHS Lanarkshire intended to retain the model and consider periodic rerunning of the data to monitor change.
- Members supported maintaining Board visibility and suggested that a Board seminar or briefing could be more useful than presenting the work only as a report for noting.

The Committee noted the findings and agreed that the analysis should be developed further and shared with the NHS Lanarkshire Board in the context of the Population Health Framework.

Actions:

- Fiona McEwan, Christine McShane and Public Health colleagues to develop the prevention spend analysis, link expenditure to population-health outcomes and prepare an appropriate Board briefing or seminar proposal.

Assurance:

The Committee took moderate assurance that NHS Lanarkshire had established a credible baseline and had played a leading role in the national pilot. Further assurance was required on outcomes, comparability and how the analysis would influence investment decisions.

3.6 Prescribing Costs Per Unit

Christine McShane presented the primary care prescribing update. The annual budget was approximately £166 million, with the position at 31 July 2026 close to

balance. Reporting remained two months in arrears because of the prescription processing cycle.

NHS Lanarkshire was reported as having relatively high gross prescribing cost and volume compared with other Boards, while cost per item was comparatively low. Growth in item numbers and gross cost had slowed. The original financial-planning gap was £9.5 million and an £8 million savings target had been set across North and South partnerships. At Month 4, 45% of that target had been achieved, although some switching activity had been deliberately front-loaded.

- The polypharmacy programme planned more than 16,000 reviews during the year and had completed approximately 6,100 by Month 4.
- Work on medicines of limited clinical value had reduced average monthly items from approximately 7,500 to 4,500.
- Members requested analysis of returned and wasted medicines, including whether further avoidable cost could be identified.
- Future benchmarking should take account of demographic and deprivation differences, including SIMD and locality-level information, to avoid misleading comparisons between Boards.

The Committee noted the prescribing position and progress against the sustainability and value target.

Actions:

- Christine McShane to include available analysis of medicines waste and returns in a future update.
- Christine McShane to enhance future benchmarking with Lothian comparison data and, where available, locality, demographic and SIMD analysis.

Assurance:

The Committee took significant assurance from the slowing rate of cost growth, progress against the savings target and the delivery of polypharmacy and limited-clinical-value workstreams, noting the effect of front-loaded activity.

4. Estates & Facilities

No items scheduled under this section.

5. Digital & Cyber Security

5.1 Digital Plan & Digital Programme Report

Donald Wilson presented the digital programme position. There were 62 live projects. MyCare had moved into business-as-usual support, with further

appointment and communication functionality planned. NHS Lanarkshire was expected to be an early adopter within the West of Scotland because online appointment and digital communication capability was currently limited.

The national child health system had gone live but continued to present issues, which were being escalated nationally. Work was also progressing on data capability, including a natural-language artificial intelligence layer over the data warehouse, initially for use within the data and information service.

The Committee noted the Digital Plan and Digital Programme Report.

Assurance:

- The Committee took moderate assurance from progress across the portfolio and the reported data and MyCare developments, while noting the continuing national child health system issues.

5.2 Digital Annual Report 2024-26

Donald Wilson presented the biennial report covering progress against the Digital Plan across transformation, infrastructure, data management, health records, information governance and cyber security. Progress included MyCare, migration of GP practices to the hosted GP system, infrastructure resilience, Wi-Fi improvement, device upgrades and an increase in the reported cyber assurance score from 75% to 82%.

- Future reporting should explain technical terms such as “technical debt” and use firmer delivery language where plans and dependencies support this.
- The annual report should make explicit reference to regular penetration testing and other work that demonstrates the robustness of the cyber environment.
- Information governance arrangements were confirmed for publication of public health information, copyright compliance and data leaving the organisation.

The Committee noted the Digital Annual Report 2024-26.

Action:

- Donald Wilson to refine future annual reporting by explaining technical debt, clarifying delivery commitments and making cyber penetration testing more explicit.

Assurance:

The Committee took significant assurance from delivery against the Digital Plan, operation within the approved financial allocation and the improvement in cyber assurance performance.

5.3 NIS & Cyber Report

Donald Wilson reported the transition from the Scottish public-sector cyber resilience framework to the UK National Cyber Security Centre Cyber Assessment Framework. Future audits would be risk-based and targeted at weaknesses or vulnerabilities. Products funded through the national Cyber Centre of Excellence had been deployed, and the corporate cyber risk remained supported by an action plan and governance through the Cyber Security Group and Information Governance Committee.

The Committee noted the NIS and Cyber Report.

Assurance:

The Committee took significant assurance from the move to a recognised UK framework, deployment of national security products, risk-based audit arrangements and established governance and action planning.

6. Monklands Replacement Project

6.1 MRP Update

Fiona McEwan provided a verbal update on the MRP reset and the Scottish Government oversight arrangements. A background paper setting out the project history and timetable had been considered by the Oversight Board, together with further information on enabling works, expenditure profiling and risk.

- The post-enabling works paper had been considered and Option 1 identified as the recommended option, subject to the appropriate approval route.
- The East Airdrie Link Road remained time-critical, with further discussion required on funding and North Lanarkshire Council's committee process.
- Options were being developed for 157 temporary accommodation cabins, including use on NHS sites rather than incurring significant off-site storage costs.
- The public engagement forum had taken place and highlighted understandable concern about the reset, the existing Monklands site and future arrangements. The material for subsequent community events would be updated to reflect the questions raised.
- A governance matrix was being developed to define the information that would report to the Finance & Resources Committee, including financial and risk reporting.

The Committee noted the MRP update and the continuing development of reporting and governance arrangements.

Actions:

- Fiona McEwan and the MRP team to bring regular finance, risk and governance updates to the Committee, supported by the developing governance matrix.
- The MRP team to progress the options appraisal for temporary accommodation cabins, taking account of cost, use, security and insurance.

Assurance:

The Committee received moderate assurance that reset governance, oversight and engagement arrangements were progressing. Key decisions on contracts, site works, road funding, and the future hospital strategy remained under development.

6.2 MRP Sub-Committee

The Committee noted that the former MRP Sub-Committee had stood down as part of the reset governance. Outstanding actions and risks required review so that they could be transferred either to the Finance & Resources Committee, the MRP coordination arrangements or the relevant operational governance route.

The Committee agreed that outstanding MRP Sub-Committee actions and risks should be reviewed and reassigned rather than closed automatically.

Action:

- Fiona McEwan and the MRP team to review the former Sub-Committee action log and risk position and transfer each item to the appropriate FRC, project or operational governance route.

Assurance:

The Committee was assured that the transition would include a structured review of unresolved business and would not remove ongoing accountability.

6.3 MRP Post-Enabling Works

The Committee considered the requirement to maintain the East Airdrie site safely during the period before further enabling works commenced. Temporary measures were required for surface-water management, environmental protection, security and site safety. Two options were described, with Option 1 continuing the existing contractor arrangements and temporary measures, and Option 2 providing more permanent works.

Option 1 was preferred on financial and operational grounds and would maintain continuity with a contractor already familiar with the site. Members discussed the risk of not proceeding, including interruption, environmental consequences, security, vandalism and insurance considerations. It was acknowledged that the

Committee's formal delegated authority was not yet in effect pending Board approval of the Terms of Reference.

The Committee endorsed **Option 1** as the preferred option and recommended it through the appropriate approval route. The Committee did not purport to exercise formal delegated approval before Board approval of its Terms of Reference.

Action:

- Fiona McEwan and the MRP team to progress Option 1 through the required approval and contracting route and ensure security, environmental and insurance controls remain in place.

Assurance:

The Committee took moderate assurance that Option 1 provided the most proportionate means of maintaining site safety, environmental controls, security and project continuity during the reset period.

7. Business Continuity (Resilience)

No items scheduled under this section.

8. Future Agenda Items

8.1 Sustainability & Value

The Committee confirmed that Sustainability & Value would be included as future business. Members also noted that further estates, environmental sustainability and risk matters might require addition to the workplan once the Terms of Reference and assurance framework were finalised.

Decision:

- Sustainability & Value was confirmed as a future agenda item.

Action:

- Fiona McEwan to ensure Sustainability & Value and any consequential estates, environmental and risk items are reflected in the forward workplan.

9. Forward Look

9.1 Any Other Competent Business

The Committee reflected on the structure and conduct of the inaugural meeting. Members considered that two hours was insufficient for the breadth and depth of the remit and agreed to schedule future meetings for two and a half hours initially.

- The position of the risk item on the agenda would be reviewed, while retaining an end-of-meeting reflection on any new risks arising from the discussion.

- A standing closing item should invite reflections on meeting effectiveness, inclusivity and whether members had been able to contribute fully.
- Papers should be framed for decision, scrutiny and assurance rather than routine noting. The Committee should record the level of assurance taken, using a consistent scale such as significant, moderate or limited assurance.
- Cover papers should state clearly the required purpose and expected outcome, aligned with the organisation-wide assurance approach.

Decisions:

- Future meetings will be scheduled for two and a half hours, subject to review in light of experience and the work programme.
- The agenda and minute format will distinguish decisions, actions and levels of assurance, with a closing reflection on emerging risk and meeting effectiveness.

Actions:

- Derek Cameron and Jennifer Haynes to amend future agendas and meeting arrangements to reflect the agreed duration, purpose of papers, assurance levels and closing reflection items.
- Scott Haldane and Fiona McEwan to promote a consistent approach to assurance categorisation across Committee papers and discussions.

9.2 Date & Time of Next Meeting

04 November 2026, 13:30 – 16:00, Kirklands – Meeting Room 10