SCOTTISH HOSPITALS INQUIRY

Hearings Commencing
9 May 2022

Day 4
Friday 13 May 2022
Jackie Sansbury

CONTENTS

10:00

THE CHAIR: Good morning, everyone. I think we are ready to begin with what will be the only witness today. Is that right, Mr MacGregor?

MR MACGREGOR: Yes, my Lord.

THE WITNESS: Good morning.

THE CHAIR: Good morning, Mrs Sansbury.

A Sansbury – that's correct, yes.

THE CHAIR: Now, as you know, you are about to be asked some questions by Mr MacGregor, who is sat on my right. first of all, will you take the oath?

A Yes.

SANSBURY, Mrs JACQUELINE

(Sworn)

THE CHAIR: Thank you very much, indeed. When you are giving evidence, you should get some help from that microphone in front of you. But it would be quite helpful, certainly to me, because I am a bit hard of hearing, if you perhaps speak a little louder than you would in a normal conversation.

A Right.

THE CHAIR: I do not know how long your evidence will take, but if we find ourselves at about 11 o'clock, I will probably take a break for coffee. On the other hand, if at any stage you want to take a break in your evidence, just give an indication. We will take a break whenever you wish.

A Thank you.

THE CHAIR: Mr MacGregor.

Questioned by MR MACGREGOR

Q Mrs Sansbury, could you tell the Inquiry your full name, please?

A Jacqueline Keira Sansbury.

Q Thank you, and you have provided a witness statement to the Inquiry dated 25 April 2022, is that correct?

A Yes.

Q Now, the content of that statement will form part of your evidence to the Inquiry, but you are also going to be asked some questions today. I should make clear it is not a memory test, so if you need to refer to your statement at any point, please do just let me know.

A Right.

Q If I could just begin with some background questions, you obviously set out your career history from paragraph 2 onwards of your statement, including being Project Sponsor and then Head of

Commissioning for NHS Lothian prior to retiring in 2019. I want to come on and ask you in a bit of detail about those roles but, before we get there, am I correct in thinking that you began your career as a registered nurse between 1979 and 1994?

A Yes.

Q And then thereafter, did you move into various project management roles?

A Yeah. Essentially, yes.

Q Was that all within the NHS?

A Within NHS Lothian, yes.

Q So you eventually came to be what is referred to as Head of Commissioning for NHS Lothian. What did that role involve?

A That role involved preparing and equipping the new hospital ready for occupation and preparing the staff in the old hospital for the move and how they would work in the new hospital and move it-- and the move itself.

Q So when approximately did you become Head of Commissioning?

A Trying to think. 2012, July 2012/2013 – around about that time.

Q So around 2012/2013?

A Yes.

Q Am I right in thinking that you were a member of the NHS Lothian Health Board?

A Prior to that, I was, yes.

Q Is that in the period from 2004 until 2012?

A No. Partway through the time, I was Director of Planning. I was an executive member of the board originally and that changed with the Scottish Government pilot, so I remained a board member but not an executive board member.

Q Could you just explain to us what is the difference? Because, again, we have heard the term “the Board” or “the Board of NHS Lothian”, and we have also heard terms such as “the Executive”. Could you just explain to the Inquiry roughly what the governance structures would be within NHS Lothian in terms of the Board and the Executive?

A All right. The Executive are the operational arm of the Board who do the day-to-day running of NHS Lothian, and the Board is composed of the executive directors, some other directors and non-executive directors who are-- The non-executive directors are there in a governance role to make sure that the executive directors and the other directors carry out their role appropriately.

Q So you tell us within your statement that from 2004 until 2008, you were an executive director. So am I correct in understanding that that means that you were really dealing with the operational side within the Board?

A I continued to deal with the operational side. It was more about the responsibility of-- There's a difference between the executive director responsibility and a director responsibility, and I would struggle to give you it at the moment.

Q Okay, but you were in the executive director role up until 2008, and then from 2008 until 2012, you are still on the Board but not in an executive function?

A Yes.

Q So is that effectively a non-executive part of the Board?

A No, it remains part of the operational arm. A non-executive is not a full-time employee who-- you know, they are-- and their role is governance. My role was still operational.

Q You are still fully on the Board----

A Yes.

Q -- but you do not have that extra level of responsibility in terms of being part of the executive

driving the day-to-day decision making?

A It's hard to explain. You are part of the executive. I remained part of the Executive Management Team, but the-- I can't remember when the pilot began, but there was a pilot to look at whether or not-- which executive members should-- which hosts should remain executive members. The Chief Operating Officer, the Director of Finance, the Chief Executive, the Director of HR, etc. – they looked at all of those roles and worked out-- and tried to work out for the boards which ones should remain executive and which ones should not be. So HR and Planning were removed from the executive part of the role and remained Executive Management Team members but not executive board directors.

Q So, for the whole period, you are on the Board in an executive capacity, but you are not called an executive director from a certain point in time?

A Yes.

Q Then you retired in 2019, so you will have retired before the Royal Hospital for Children and Young People and the Department of Clinical Neuroscience actually opened in Little France?

A Yes.

Q Now, I want to ask you some specific questions about your involvement in the project. Whenever I am referring to the project, I am talking generally about the planning and implementation of the Royal Hospital for Children and Young People and the Department of Clinical Neuroscience. You tell us in your statement that you become involved in in 2006, and that is in your role as Director of Strategic Planning.

A Yes.

Q So at that point in 2006, what are you doing?

A With regard to the project?

Q With regard to the project.

A I was overseeing a project-- start of a project team, a very small project team, who looked at preparing the initial agreement and moving into the capital planning process. So there was a very small team at the beginning and we had to prepare the documentation and then work out how we would run the project, so I oversaw that.

Q Effectively, if I understand you correctly, there is the idea that there would be a new children's hospital and you were involved in the planning of that, effectively, from 2006 onwards?

A Yes.

Q Now, you mention in your statement that you were what you refer to as the "Project Sponsor". What do you mean by a "Project Sponsor"?

A There's a specific role in the Capital Planning Manual for a Project Sponsor and the responsibilities that come with that, and it's laid out somewhere in the----

Q We will come onto it. I am going to come on and look at the Capital Investment Manual, but it is a technical term in terms of either Scottish Government or NHS policies, is that correct?

A Yes.

Q Before we come on and look at that, just in terms of exactly what that would mean, can you just give us a broad overview of why, in 2006, was there a need for a new children's hospital in Edinburgh?

A A number of reasons: there was a building that was no longer fit for purpose in terms of estate evaluation, there was a desire from, or a requirement from, I think, the Kerr and the Youngson Reviews in Scotland for a new children's hospital, there had been concerns from, I think, the Bristol Heart Inquiry that a

children's hospital should be co-located with an adult hospital, not built on its own, we needed to increase the size of the hospital because the age range of children was-- who would be nursed in a children's hospital was changing from 13 to 16 and up to 18 for mental health. So there were a number of factors that made the existing property no longer fit for purpose for the services moving forward.

Q So, effectively, old buildings no longer fit for purpose and there needs to be a new facility built?

A Yes.

Q You have mentioned slightly earlier in your evidence the Scottish Capital Investment Manual. If I could ask you just to look within bundle 3, volume 2 at document 33 at page 120. So bundle 3, volume 2, document 33 at page 120, which will be brought up on the screen. Do you see a document titled "Scottish Capital Investment Manual Business Case Guide"? Do you see that?

A Yes.

Q Is that a document that you are familiar with?

A Yes. Well, I was.

Q Yes. Within that document, we will see reference to terms such as "initial agreement", "outline business case" and "full business case". We will come on and look at that, but can you just tell us what your understanding of an initial agreement is?

A An initial agreement is almost like a statement of intent where you lay out the reasons why you would want to do whatever it is you want to do in that and how you plan to do it to gain approval to move to the stage of the outline business case. It has to be approved by the Scottish government for you to carry on to an outline business case.

Q When you are talking about approval, do you mean approval for government funding?

A Yes, approval-- an approval to move on to the next phase.

Q So you have the embryo of an idea within NHS Lothian, you then have to put together an initial agreement, that initial agreement needs to be approved by the government, and then you said the next stage to move onto is the----?

A Outline business case.

Q So what are you doing at the outline business case?

A The outline business case puts much more flesh on the bones than the original one and is a much more detailed document. You'll-

- I think you have copies of the outline business case, so it takes the project to the next level and looks at a much wider range of factors than the initial agreement would do.

Q Who needs to approve the outline business case?

A All of these documents, initial agreement, outline business case and full business case, have to be agreed through the Board first, NHS Lothian's governance processes. Also, because this hospital had a regional perspective, it had to be approved through other boards who would use the hospital or whose patients would use the hospital, so-- and then it had to be approved by the government, so----

Q And, in terms of being approved by other boards, is that other health boards that might send children or patients to a hospital in Edinburgh as a centre of excellence, for example?

A Yes, Southeast of Scotland and Tayside, Dumfries and Galloway are all boards who, for varying reasons, send people to different parts of Lothian or different services in Lothian.

Q Then, if you get through that stage, your outline business case is approved both by NHS Lothian and Scottish government; you then said you would move onto the full business case. In general terms, what is a full business case?

A A full business case is a very detailed document that identifies costs, where-- funding, staffing, size, etc., of the building.

Q Again, who needs to approve that document?

A It would be the same process. It would have to go through NHS Lothian's governance, SEAT Planning Group's governance and government.

Q It is no doubt obvious, but if you get through that process and you get your full business case approved by the Scottish government, what is then going to happen?

A You proceed to appoint and build.

Q It allows you to actually take the project and build it out?

A Yes.

Q Thank you. If we could look within the Scottish Capital Investment Manual, the Business Guide, to page 129, please, we see there section 2, "Introduction":

> "This guidance consolidates other reference sources and takes the business case author through the entire process – from

IA, OBC and FBC."

So initial agreement, outline business case and final business case.

"The guide is accompanied by a set of templates, prepared following many years of practical experience within a wide range of public sector organisations. It covers the content, presentation and structure of the business case and the standards which need to be applied."

Do you see that?

A Yes.

Q So, again, in terms of the project for the new hospital, is this the guidance that NHS Lothian are looking at when they are producing initial agreement, outline business case and final business case?

A Yes.

Q Then if we skip the next paragraph, the penultimate paragraph states:

"All projects submitted to the SGHD Capital Investment Group for approval are now subject to an assessment of design quality and functionality, including technical and sustainability standards. This Design Assessment will take place at the Initial Agreement, Outline Business Case and Full Business Case stages of approval."

What was your understanding of the design review process that was going to take place within this document?

A The project spanned two different periods and originally the business case was written for a children's hospital, and then when the government funding route changed, it became a joint build with DCN. So the-- Those happened at different time periods and so the guidance at the time, I think the two requirements are slightly different. As far as I can remember, we worked with ANDS to look at the design quality of the building. I cannot remember, I'm sorry, at what stage that was. My understanding is that Scottish Futures Trust also took a role in assessing the design when we moved to the joint funding arrangements later on, since 2012 onwards.

Q You mentioned "ANDS". What do you mean by "ANDS"?

A Architecture and Design Scotland.

Q Okay. So, just to be clear, whenever there is a reference here to there being an assessment of the "design functionality, including technical and sustainability standards",

to the best of your knowledge, the two bodies that are involved in doing that would, firstly, be Architecture and Design Scotland and then, latterly, you said Scottish Futures Trust?

A I think, in fairness, Architecture and Design Scotland were focusing on the design quality and functionality, but not the technical and sustainability standards, as I remember. I may be incorrect.

Q Again, I am just asking for your understanding as someone that was on the Board at the time who it was that the Board understood was assessing the technical standards of the design.

A We had technical advisors supporting the project and we also had the guidance documentation from Scottish government that potential builders were required to use.

Q But, again, you said Architecture and Design Scotland. Did they have a major or a minor role in the technical assessment?

A I can't remember them being involved in the technical section at all. I could be wrong.

Q And you said Scottish Futures Trust – again, was that a major or a minor role they were having in terms of reviewing the technical issues?

A I honestly can't remember. I wouldn't be able to judge that, but they did a review when they came into-- When they moved to supporting us, they did a review of the whole project.

Q Okay. So they came in and did a review, and then you also mentioned that there were other technical advisors that had been appointed by the Board to assist?

A Yes.

Q If I could ask you to look on, please, to page 141 of the bundle. Page 141, this should be headed up, "6 – Responsibility for producing the business case". Do you see that?

A Yes.

Q It states:

> "The 'ownership' and responsibility for the infrastructure investment planning process rests with the NHSScotland body developing or leading the development of the programme/project in question."

Do you see that?

A Say that again. Sorry, I'm struggling to find that bit.

Q So, sorry, page 141.

A Yes.

Q Section 6, at the top, "Responsibility for producing the business case."

A Yes.

Q And then it begins, the first full paragraph:

"The 'ownership' and responsibility for the infrastructure investment planning process rests with the NHSScotland body developing or leading the development of programme/project in question."

Do you see that?

A Yeah, yeah.

Q So, for the project we are talking about, that would be the Board of NHS Lothian, is that correct?

A Yes.

Q It then continues:

"Issues of governance are dealt with in the SCIM Programme and Project Organisation Guide. For significant investments NHSScotland Bodies should appoint a Senior Responsible Owner (SRO) for the project's direction at Board level, as also recommended by the OGC Gateway Process. The process should also involve the NHSS Body's board-level environment or sustainability champion, a key role promoted in the Environmental Management Policy Action Plan (2008)."

So, can you explain, what is your understanding of the Senior Responsible Officer's role within a project?

A That was a role I carried out for the project, so I would be responsible for managing the project and taking decisions through the Board's governance system.

Q Would it be an over-simplification to say it is someone that sits on the Board, that it's a link between other parts of the project and the Board itself?

A No, that's probably fine.

Q So, essentially, it is a mechanism to ensure that the Board has its eyes and ears open to what is happening on the wider project?

A Yes.

Q Returning to the next paragraph, it says:

"Under no circumstances should responsibility for the direction and the production of the business case be 'outsourced' to external consultants."

Do you see that?

A Yes.

Q In this project, was there any outsourcing of responsibility to consultants?

A Not on preparation of any

of the business cases, no.

Q But it continues saying:

"However, external consultants may be of invaluable assistance and their use should be considered where the necessary skills and resources are not available in house."

Do you see that?

A Yeah.

Q Throughout this project, were external advisors brought in?

A Yes.

Q It continues:

"Similarly, the production of the business case should not be regarded as an adjunct to the project manager's role, and a hurdle to jump through for approval purposes. Instead, it must be viewed as a fundamental part of the overall business planning process, which requires advice and guidance from the business managers, users and technicians involved in the scheme."

Do you see that?

A Yes.

Q Again, in your view, was that process complied with in relation to the business cases for the project?

A Yes.

Q If I can ask you to look onto page 146, please. It should be headed up, "Phase 1 – Business Planning and Scoping". Do you see that?

A Yes.

Q This deals with the initial agreement. In the "Overview" section, it says:

"The purpose of the Initial agreement is firstly to establish the case for change and the need for investment; and secondly, to provide a suggested way forward for the scheme for the early approval of management. Consequently, it provides the 'initial agreement to proceed' with the scheme."

Do you see that?

A No, that's disappeared from my screen. I'm just trying to find it, I think.

Q No, that's fine. It is page 146, first paragraph beginning, "The purpose of the initial agreement".

A I'm not quite there yet. (After a pause) Yes.

Q Would you agree with that? Is that essentially what you have summarised as being the purpose of the initial agreement?

A Yes.

Q I think you mentioned in your statement that the initial

agreement would go to the two bodies. The first you refer to is the Executive Management Team. So, what is the Executive Management Team and why is the initial agreement being sent to them?

A The reason they would review the-- it was to make sure that they were fully supporting the document-- what our plans were. The Executive Management Team would contain the Medical Director for the Board, the Nurse Director for the Board, the Finance Director, the HR Director. So all of these people would have had an interest in what was going on, so I wanted to make sure – or any board would want to make sure – that all of these people are in support of the business case at whatever stage it is at.

Q You also mentioned that it would go to a body called the Finance and Performance Review Committee. Again, what is that body and why does the initial agreement go to that body?

A NHS Lothian set up that committee to review financial aspects of their business. There were other committees that reviewed other aspects of their business. So anything that had a financial-- significant financial cost would have gone through

that committee, and that committee had non-executive directors as well as directors on it. That was to, again, make sure we got approval, appropriate approval.

Q If I could ask you to have in front of you, please, bundle 3, volume 1, document 3, page 95. So that is bundle 3, volume 1, document 3, page 95, which should be a document headed, “The Reprovision of the Royal Hospital for Sick Children – NHS Lothian, Initial Agreement”. Do you see that?

A Yes.

Q Is this the initial agreement for the project?

A Yes.

Q Again, you tell us in your statement that you were involved in writing at least parts of the initial agreement.

A Yeah, I'm not sure how much-- There was a project manager and another person within the project who would have been writing it as well, and I would have overseen anything that-- because that paper would have gone in my name through the governance process.

Q So in your role as Senior Responsible Officer, it is going out in your name. You will have input into it but, understandably, a team of people

will have assisted you?

A Yes.

Q So if we look at the initial agreement, paragraph 1.1, it says:

> "The purpose of this Initial Agreement (IA) is to request approval from the Capital Investment Group of the Scottish Executive to progress to the development of an Outline Business Case for a proposal to reprovide the Royal Hospital for Sick Children in Edinburgh. This will be undertaken in line with guidance set out in the Scottish Capital Investment Manual."

Which is the document we have just looked at. It then sets out the background at section 3. So, 3.1:

> "The Royal Hospital for Sick Children, Edinburgh (RHSC) was built in 1895 and has had several structural developments over the following 100 years. The Hospital and many of the surrounding houses, which are owned by NHS Lothian or by Endowments, are listed buildings."

Then really the justifications continue thereafter in terms of the structure of the current hospital and justifications for why things need to change. So, for example, if we look

onto the next page, to page 96 and to paragraph 4, "Fit with Lothian Property Strategy". Do you see that?

A Yes.

Q It says:

> "The NHS Lothian Property and Infrastructure Strategy published in November 2005 identifies that the existing buildings comprising the RHSC are:
>
> - 56% non-compliant with fire …"

So is that fire regulations?

A I would assume so.

Q It says "56", and then "non-compliant with other statutory and non-statutory standards". Do you see that?

A Yes.

Q "69% of the property is not in an acceptable physical condition." So nearly 70 per cent of the buildings are just simply not fit for purpose. "18% is deemed unfit for its present purpose; and 7% of the hospital is overcrowded." At paragraph 4.2:

> "This Strategy therefore recognises that the RHSC requires to be significantly modernised to provide an appropriate environment for the

> continued delivery of high quality paediatric services. Account must be taken of changing patterns of care and rapid developments in clinical practice. It accepts that it is unlikely that this could be successfully achieved within the confines of the current site and identifies that plans should be developed that will include options to relocate the hospital."

Just to be clear, for anyone that is not familiar with the old Royal Hospital for Sick Children at Sciennes, why would it be difficult to redevelop the site there?

A Because of the physical constraints. It was an old building. Much of the services were being provided from what were actually old villas in the-- outside the building, and it had a school next door to it so there was no expansion space left to expand.

Q Then if we look on, just at the bottom of the page 96, it says, "5. Fit with National and the NHS Lothian, Health Strategies". Then at page 97, there is-- I think you had mentioned the Youngson Report earlier in your evidence, is that correct?

A Yes.

Q Is this the report you are referring to, the Youngson's Report of 2004?

A Yes.

Q What is stated in the initial agreement is:

> "Youngson's Report in 2004, produced for the Child Health Support Group, informed the work of the Specialist Paediatric Sub group of the National Framework for Service Change (The Kerr Report 2005). Their recommendations included:
>
> - Children's specialist acute services should be co-located with adult, maternity and neonatal services; however the distinct nature of children's services as highlighted by the Bristol Inquiry (Kennedy Report) should be protected and preserved …"

Then, secondly:

> "This should be progressed as a matter of urgency in Edinburgh and Glasgow where new co-located children's hospitals in Edinburgh and Glasgow are recommended."

Do you see that?

A Yes.

Q Would it have been

possible to have that co-location at the current or the existing site of the Royal Hospital for Sick Children?

A No.

Q Then if we look onto page 100, that is confirmed at paragraph 7.5 of the initial agreement. So page 100, paragraph 7.5:

> "The current configuration of services does not support the clinical and strategic drivers previously identified. Pathways of care require to be significantly redesigned, however, it is not possible to effectively deliver many of these redesigned services within the confines of the current hospital and adjacent buildings. There is therefore a requirement to re-provide the current RHSC in order to deliver modern, 'fit for purpose' healthcare."

Do you see that?

A Mm-hm.

Q If we look onto page 102, I will not read all of them out, but if we look just below paragraph 9.2, there are various benefits to patients set out. If you just take a moment to familiarise yourself with that. (After a pause) Can you just summarise in the initial agreement what you saw the benefits to the patients being?

A Well, the facilities-- they would have updated facilities, they would be co-located with other services, which were felt that they fitted well together with, it would allow us to increase the age range and have sufficient capacity and appropriate facilities to increase the age range, and it would also allow the development of an acute assessment unit, which they didn't have in the old building because it wasn't possible to have that. So it would allow them to redesign their pathways to suit a better way of managing patients through the hospital.

Q Now, if I could ask you to look onto page 109, please, you should see an organisation chart. Do you see that?

A Yes.

Q Now, if we could maybe just take it in stages. Obviously, we have got NHS Lothian Board at the top. Below that, we have got I think what you have already described to us, the Executive Management Team. But, just for completeness, could you explain how that Executive Management Team is linking in with NHS Lothian in terms of the chart?

A I thought I'd already done that, sorry. The Executive Management Team report to the

Board, and the Board contains the Executive Management Team and the non-executive directors.

Q So you could almost draw a line round both of those because they are the same. They are all on the Board, but there is just almost a level of management within the Board, is that correct?

A Well, the Board has the benefit of the non-executive directors for governance overview.

Q Then, below that, we have got "Strategic Change Programme Board". What was that?

A I-- We had a number-- I think that was set up because we had a number of developments going on at once. But I-- as I'm sitting here, I can't remember the detail.

Q Then, below that, it says "ICIC Executive". What was that?

A ICIC was Improving Care Investing in Change, which was the name given to the 2005 acute services strategy in Lothian and it involved moving services around Lothian to better locate them to meet things like the Working Time Directive and the need for highly specialist things to be located together, etc., and it changed the-- where some of the services were in Lothian. So we moved things from one site to another.

Q Then, below that, we see "Operating Division Management Team". What was that?

A That was the Operating Division. The Lothian Health Board was split into primary care, we had-- Trying to think at the time of this whether we had local LHCCs, local healthcare partnerships. We had the acute division, we had various parts of the service delivery so that the Operating Division Management Team would be a part that oversaw the acute services.

Q Then, below that, we have "Royal Hospital for Sick Children Re-provision Project Board". What was the Project Board?

A The Project Board was a board that I chaired which had stakeholders on it from-- appropriate stakeholders from wherever they needed to come from. Some of them would have come from SEAT boards, some of them would be parents and family representation, some would be from primary care, some secondary care, from various parts of the paediatric services. So they would come from-- people covering estates and facilities so that we had-- So all the parts of the hospital that we were going to re-provide, we had representation from on that board.

Q Then, just slightly below that, we have got the "Technical Resource Group". Was that an internal-to-NHS-Lothian group or an external group?

A That was an internal-to-Lothian group that was set up to support ICIC, the Improving Care Investing in Change, and I can't remember any more details of that looking at that, I'm sorry.

Q Then, below that, we have got the "Core Project Team". So what was the Core Project Team and how did it differ from the Project Board?

A The Core Project Team were the team who essentially did the work and reported through to the Project Board, and the Core Project Team would have had representation from the Children's Services Directorate.

Q Then, below that, in purple we have got a range. So, on the left-hand side, we have got "Clinical Advisory/Service Redesign". What would they be doing?

Q Then below that, in purple, we have got a range on the left-hand side. We have got, "Clinical Advisory / Service Redesign". What would they be doing?

A That would be a group of clinical staff, from medical staff, nursing staff, professions allied to medicine, pharmacists, etc., looking at how the services should be provided in the new hospital, what the pathways should be, and advising the project board of, essentially, how that hospital should run from our patients' perspective.

Q Then beside that, we have got, "Business Case Development" group.

A Yes.

Q What would they do?

A Prepare the business case.

Q Then beside that, "Infrastructure Design and Construction"?

A That would be around about the hospital, the design of the hospital buildings and the technical issues.

Q Then "Workforce Redesign"?

A That was about how we would need to redesign the workforce to deliver the new services there were new roles for. At that time, we were trying to manage junior doctors' hours in line with the European Working Time Directive and we were developing roles for other people to pick up some of that work, to enable

us to reduce the hours that junior doctors worked. So there was an expansion of roles for senior nurses and that worked its way down, to support workers taking on expanded roles. We looked at, perhaps, nurse practitioners working slightly to the side to support doctors in some of what they did.

Q Then the final one is, "Child and Family Advisory Board". What was its role?

A Its role was to input to the project and that was a specific workstream that allowed that to be kept up to date and input to the project as it moved forward.

Q The next document I would like you to look at, please, is the Outline Business Case. So, that is in bundle 3, volume 1, document 12, page 272. Is that the Outline Business Case and – if we look in the bottom left-hand corner – it is from 2008?

A Yes.

Q If I could ask you to look on, please, to page 275. So, am I right in thinking that the Initial Agreement gets approved and then you have at this stage produced, obviously, the Outline Business Case? Is this just a slightly more detailed version of the Initial Agreement, in terms of setting out the justifications for the new

hospital?

A Yes. That first part there is expanding on what we've done in the Initial Agreement.

Q Again, at page 275, setting out the fact that there is inadequate and unsuitable premises for the facilities, the fourth bullet point, "To ensure the most efficient and effective use of resources to support service modernisation and development." Was that really what was behind the project – modernisation?

A Yes.

Q If I could ask you to look on to page 282, please, to paragraph 2.11.4. It says, "The key themes from the responses include support for the following…" and it says, "Combination of Single Rooms and Bed Bays within the wards." Do you see that?

A Yes.

Q So, from 2008, was it always planned that there was going to be a mixture of single bed and multi-bed rooms within the new hospital?

A Yes.

Q Can you just explain, why was that?

A There are various reasons why, in some services, it's more appropriate to have multi-bed bays than others. Young children are

unable to press buzzers to get assistance if they were in a single room on their own. When winter is busy, it's sometimes helpful to be able to cohort children or babies with the same illness in a multi-bed bay, to allow for observation. Older children-- it was felt that adolescents should have a single room rather than be in a multi-bed bay, but for younger children, it helps their socialisation to be in mixed rooms. Some patients need to be isolated for infection control purposes, others don't.

So there were a number of different groups of patients going through the children's hospital that were looked at and input was taken from parents, children, families, medical and nursing staff, etc. to look at what the best solution would be, and the view was it would be a mixture.

Q The Inquiry has already heard evidence from Janice MacKenzie. Did you work with Janice MacKenzie in relation to that aspect of the project?

A I wasn't involved in the subgroups that were doing that. Janice did that, but I was aware we commissioned them to do that work, because we wanted to know whether we were going to go for 100 per cent single rooms or not.

Q So, that work would have been done by Janice MacKenzie and the team that she is working for----

A And the project team.

Q -- and the project team. Then that is reported back to you as Senior Responsible Officer, which then makes the Board aware of what the clinical team and the patients and families consider is important in terms of the makeup of the hospital?

A Yes.

Q Just then returning to the Outline Business Case, do we see on page 283, at the bottom, that the Business Case would have to be signed off by the Chief Executive, Director of Finance and also by you, in your capacity as Director of Strategic Planning and Modernisation?

A Yes.

Q Then, if we could look on, please, to page 286. Again, I will not read it all out, but from section 4 onwards, we really see, again, the background that was set out in the Initial Agreement being built upon. The first sentence, "The RHSC was built in 1895 and has had several structural developments over the last 100 years. The Hospital and many of the surrounding houses, which are owned by NHSL or by NHSL Endowments, are listed buildings…" and so it

continues. Again, is that really just setting out the detail of what you have summarised to the Inquiry, in terms of buildings that are not fit for purpose, not complying with fire regulations and unable to link in to all of the requirements that had been set out in documents such as the Youngson Report?

A Yes.

Q If I can ask you to look on, please, to 294. This is really starting to draw together some of the analysis that is headed before. At 5.4.3:

> "The Estates Building Survey identifies the costs of upgrading the building to ensure compliance of the existing hospital with statutory requirements as [a certain sum]…"

It continues:

> "The age and fabric of the building and the layout of patient facilities makes it difficult to achieve the required infection control standards, to provide adequate isolation or barrier nursing facilities and to maintain standards of cleanliness."

Do you see that?

So, was that part of the justification as to why the old hospital was not suitable? **A** Yes.

Q Then again, just for completeness, if we look to page 295, paragraph 5.5.3. Again, there is an analysis of Youngson's report and why that would be relevant to the potential movement to a new site. Is that correct?

A Yes.

Q If I could ask you to look on, still within the Outline Business Case, to page 426, please. Do you see that this is headed up "Section 6: Future Service Provision, 6.3 Single Room Accommodation Report"?

A Yes.

Q This was effectively an annexe to the Outline Business Case. What was your understanding of this Single Room Accommodation Report? What was its purpose?

A It was to explain why we wanted a mixture of single rooms and multi-bedded bays.

Q Is that for all the reasons that you have already given us in your evidence?

A Yes.

Q Thank you. Am I correct in thinking, after 2008, there was then a further outline business case that had to be produced, in 2012?

A Yes.

Q Why was that?

A That was when we added the DCN building to the Sick Children's Building. We needed to go back to an outline business case.

Q In terms of all of the justifications that we have looked at, in terms of the 2008 Outline Business Case, had anything of substance changed by the time we got to 2012, in terms of the justifications?

A No, not really.

Q So, for example, within the revised Outline Business Case, if we look to page 737, volume 3, bundle 2 – the document starts at page 672, but if we could look to page 737 – do we see there, section 6:

> "The Management Case
>
> This section describes the management arrangements for the project, including the governance structure, procurement strategy, project management arrangements including post project evaluation."

Do you see that?

A Yes.

Q Then, if we look to the figure in section 6.3, it is slightly slimmed down in terms of what we saw at the initial agreement stage, but is it broadly the same in terms of "NHS Lothian Board" at the top? We now have a "Finance and Performance Review". What was that?

A That's the subcommittee of NHS Lothian Board that deals with financial issues that have financial implications for the board.

Q We have then got the "Executive Management Team" that you have already told the Inquiry about. Then below that, we have got, "Capital Investment Group, Strategic Planning Group and ICIC Executive". Is that, effectively, the bodies that we have looked at previously, in terms of the Initial Agreement?

A Yeah, I think the Capital Investment Group wasn't on that last one and that was a group that was set up because there were a number of things going on, as well as this Children's Project and the DCN. There were changes going on inside the Royal Infirmary that would have to happen to allow us to co-locate the children and DCN onto that site. So, there were a number of enabling projects on the Royal Infirmary, clinical and non-clinical, and that group would oversee that.

Q Again, the Inquiry has heard evidence that that is because there was a public-- private partnership agreement in terms of the Royal Infirmary. Is that correct? Did that add issues that had to be dealt with by the

Capital Investment Group?

A Yes, but essentially those issues would also flow right up to the NHS board.

Q Then below that, we have got the "Project Board", "Project Management Executive" and then the "Workstream Leads" and the "Workstream Groups" below that. If I could ask you to look on, please, to page 740. So, from paragraph 6.28 onwards, we see really the detail of what you have just summarised being unpacked in terms of, for example, what project management is and what is going to be done.

A Yes.

Q Then below that, at 6.29, we see the various responsibilities for the NHS Lothian Board. Is that correct?

A Yes.

Q Then at paragraph 6.30, we have got the responsibilities of the Project Board.

A Yes.

Q It says:

> "The Project Board is held monthly and includes the key stakeholders of the project. It is chaired by the Project Sponsor who reports directly to the Board Chief Executive for the delivery of the business benefits of the project."

Do you see that?

A Yes.

Q So, at this time, you would be chairing that Project Board and then reporting to the Board of NHS Lothian?

A Yes, I think so.

Q Then, if we look down, on the next page, page 741, at paragraph 6.33, you see:

> "The project team responsible for the day to day delivery of the project from OBC through procurement of the NPD partner to FBC stage, reports directly to the Project Board and is comprised of…"

And then there is a list of individuals that comprise the project team.

A Yes.

Q Then if we look on, to page 743, please. You see there a table with a list of roles, so, for example, "Project Sponsor" that you have talked about, "Has ultimate responsibility for the project and leads the Project Board, providing overall direction and management of the project." Do you see that?

A Yes.

Q Again, if we went through that, it sets out the role of, effectively,

a number of key individuals within the project.

A Yes.

Q If we look on to page 744, paragraph 6.45, it states:

> "Mott MacDonald was appointed as the lead consultant and Technical Advisors via the Standard OGC Buying Solutions Framework Agreement in March 2011. They will deliver the following services: NPD procurement advice; Facilities management advice [and] Design and construction advice."

A Yes.

Q Could you just explain what your understanding was of the role that Mott MacDonald were going to provide in the project at this stage?

A Well, they were supporting NHS Lothian's Project Team in the development of the design for the hospital and supporting us in advice for the three items outlined there – procurement, facilities and design and construction.

Q Were they the key technical advisors at this point?

A They were the project technical advisors, but in all our project teams we would have had technical people from NHS Lothian involved. So, if there was a need for something to be

reviewed or-- of a technical nature, we would bring in the right person, as we would have done with anything clinical. So, we had people who worked in our own NHS Facilities and Estates department who would help us review things as well.

Q Thank you. Just to return to the single bed issue for a moment, the Inquiry has heard evidence that there was a move at this point, really going up to 2010, towards having near 100 per cent beds within new build hospitals. Can you assist the Inquiry – was that your understanding at the time?

A Yes.

Q There could be a clinical justification for a departure from 100 per cent single rooms. Is that correct?

A Yes.

Q Again, your understanding was that, at this time that the projects were being approved, there was the clinical justification for departure from 100 per cent single bedrooms?

A Yes and, at this time, in Children's, the vision to depart for DCN came very slightly later.

Q Was approval from the Chief Medical Officer received in relation to a departure from that standard policy of 100 per cent single

bedrooms, if we start with the Royal Hospital for Children and Young People?

A Yes, it was. Unfortunately, since I have left, nobody can find the documentation, but I received approval from Dr Harry Burns, who was the Chief Medical Officer at the time.

Q Okay. So, although no documentation can be found, was there written approval that was provided?

A I think so. The likelihood is I had not met Dr Burns. The likelihood is I would have written to him. I suspect it would have been typed by my PA and received back and she would have hard-filed the letter. NHS Lothian has moved accommodation since then, from Deaconess House to Waverley Gate and the correspondence can't be found, but I can confirm I received approval to derogate and, had I not, the 2008 OBC – Outline Business Case – would not have been approved.

Q So, for the reasons you have given, the document cannot be found, but your position would be that the Outline Business Case simply could not have been approved if there had not been the derogation from the

Chief Medical Officer?

A Yes.

Q Now, in relation to the Department for Clinical Neuroscience, was that originally meant to be 100 per cent single bedrooms?

A Yes.

Q Did that change?

A Yes.

Q Can you just explain, why did that change?

A Again, the clinicians felt that there was a need to have some multi-bedded area. The model of care that they had designed, where people would come in and be nursed in the equivalent of an acute receiving area, they felt would be better if it was multi-bed rather than single rooms, because you would have potentially very sick people and it's easier to monitor them in a multi-bed bay than it is in a set of single rooms.

Q So, again, your understanding, a clinical justification for a departure from 100 per cent single bedrooms?

A Yes. There is a document which outlines the clinical reasons for that, the same as there is for Children's and the documentation for that approval was actually on my emails. I had met Harry Burns by then and I felt it was appropriate to use

email rather than a formal letter.

Q So, again, I will take you to that email so that there is no doubt. If we could look within bundle 4 please, page 186. We are looking at the very bottom of page 186 and then we are just going to go on to page 187 shortly. So it would be bundle 4, page 186. At the very bottom, we should see an email from Jackie Sansbury to a Mike Baxter. Do you see that?

A Yes.

THE CHAIR: Thank you.

MR MACGREGOR: So, bundle 4, page 186. At the very bottom, email of the 15 July:

> "Dear Mike, please find enclosed a short paper outlining the justification for requesting a derogation to the existing single bed guidance. As you know the OBC for the new children' and DCN hospital included provision of 77 neuroscience beds all of which were in single room accommodation. The configuration was 19 neurology ward beds, 24 neurosurgery ward bed, 24 level 1 beds for acute assessment and immediate post op care prior to transfer to the inpatient wards with a planned LOS likely to be up to 24/48 hours."

And then below that:

> "11 level 2 and 3 beds in RIE critical Care Unit. The area we would wish to make changes to is the DCN Acute Care ward. The clinicians wish to have 2 four bed wards in this are to allow for greater observation of agitated patients. The document gives details of the case mix and required observations. As you know this change was supported by David Farquharson and Melanie Hornett."

Who are they?

A The Medical Director and Nurse Director for NHS Lothian.

Q The email continues:

> "It would be very helpful to have Harry's position on this soon, as this is an alteration to the reference design and has to be communicated to Bidders."

Do you see that?

A Yes.

Q Did you receive approval from the Chief Medical Officer?

A Yes.

Q Yes. So, if we look back up to page 186. So bundle 4, page 186. This is an email from Chief Medical Officer to Mr Baxter. It states, "Mike, the clinical arguments seem perfectly fair to me and I would support

the case."

That is bundle 4, page 186.

THE CHAIR: Sorry, did you say 196?

MR MACGREGOR: 186.

THE CHAIR: Right, thank you. Would you describe that as an email?

MR MACGREGOR: It is an email, yes.

THE CHAIR: Right. I will find it in due course.

MR MACGREGOR: I would just like to ask you some questions now about the proposed funding for the new hospital, the Royal Hospital for Children and Young People. Was that initially going to be funded by way of capital funding from central government?

A For which part?

Q For the Royal Hospital Children and Young People.

A Children's was to be capital funded, yes.

Q Yes. Did that change?

A Yes. It changed in, I think, maybe 2010/2011. There was an announcement in the budget which changed the funding route.

Q Did NHS Lothian have any advanced warning that that change was going to take place?

A No.

Q Did that surprise you?

A Yes.

Q Why were you surprised?

A Because we thought we had capital funding for it, as we had an approved business case.

Q What then happened? There is no longer any capital funding. What happened to the project, in terms of funding?

A We had to regroup and work out what that meant, but the announcement of the budget that day also included the re-provision of DCN in that announcement, which we, prior to that, had no approved funding for. So this allowed us to move forward with a joint building with Children's and DCN in it.

Q How was it going to move forward, in terms of funding?

A Well, it would be revenue funded.

Q What do you mean by that? Obviously, I think everyone will understand capital funding, that comes from central government, but what do you mean by "revenue funded"?

A To use the old terminology, it would be a PFI.

Q There is going to be private money that comes in to allow the hospital to be built?

A Yes.

Q If I could ask you, please,

to have a board paper-- within bundle 3, volume 2, at page 314. In the top left-hand corner, it should have "Lothian NHS Board". Do you see that?

A Yes.

THE CHAIR: Thank you.

MR MACGREGOR: It says, "Finance and Performance Review Committee" from 12 January 2011.

A Yes.

Q "Director of Finance and Chief Operating Officer." So, this is, effectively, a project update that is being provided. Do you see that?

A Yes.

Q So, paragraph 1.1:

> "The purpose of this report is to provide the Finance & Performance Review Committee with an overview of the progress made over recent weeks to review the Royal Hospital for Sick Children (RHSC) and Department of Clinical Neurosciences (DCN) reprovision projects, following the Scottish Government announcement on 17 November 2010 that these projects would be funded under the Non Profit Distributing (NPD) model."

Do you see that?

A Yes.

Q Now, again, you called it a PFI project, or revenue funding. Whenever we see references to "NPD", should that be understood as a shorthand that it is revenue funding that is coming in?

A It was an updated PFI model that was used in Scotland.

Q Thank you. Then if we look to section 2, it says, "Recommendation. The committee is invited to…" Can you just explain how these board papers would work? So this is a paper that is provided that is put before the board, but there is obviously various recommendations that would be made. Why is that process adopted?

A Sorry, I don't understand the question.

Q Well, it is just obviously-- there is a paper that has been produced that is being put in front of the board. I am just trying to understand how the board operates. Obviously, the paper is making various recommendations too. Is that a standard procedure that has been adopted or was this unusual?

A Yes. No, no. Quite often papers would go to the board with a recommendation for board approval. This has gone to the Finance and Performance Committee for approval. So, the board papers always start out

with what the recommendations are and then they go on to discuss the detail of the text later on.

Q So if we look at 2.1, "The Committee is invited to…" and then, at the second bullet point:

> "Approve progressing with a detailed reference design for a combined project as a key component of the NPD procurement route utilising either the current Framework Contract with BAM or by procuring the design team through the Office of Government Commerce (OGC) procurement solution."

Can you help the Inquiry, what is the mention of "reference design" there? What was your understanding of a reference design?

A The reference design was a way to utilise the work that had gone on in the time up until this point with clinical teams about how they wanted the hospital to manage. We'd been working with clinicians in the Sick Children since 2006 and we didn't want to lose all that work and all their input and start again. So the reference design allowed us to use the models of care that they had suggested and developed, rather than starting back at the beginning, so really to save some time and to utilise all the work that had

previously been done.

Q Can you remember, at this point in time, who was suggesting to the board that it should be a reference design? Where did that idea come from?

A I can't remember, sorry.

THE CHAIR: Just for the sake of my note, Ms Sansbury, your understanding of the reason why it was progressing with the detailed reference design, you have said "to utilise all the work", and I also picked up "use the models of care". Could I maybe just ask you again, from your perspective, just to mention the things that you thought the reference design could capture, as at 2011? What was to be utilised?

A Things like clinical adjacencies. So when we had been looking at the previous standalone building, there were important-- some wards were located along beside other ones or beside support departments and we didn't want to lose all that work that had gone on. The clinicians had also described how they saw patients flowing through the hospital from admission to discharge and what their pathway should be via various departments and so we didn't want to lose that work. It was all important work and had taken some time to

generate.

Q Anything else?

A Not off the top of my head, sorry.

Q Right. Thank you very much. Sorry, Mr MacGregor.

MR MACGREGOR: If we could return to page 314, Section 2.1 and if I could ask you to look at the fourth bullet point, starting, "Approve the commencement of a tender…" Do you see that?

A Yes.

Q So another recommendation is to:

> "Approve the commencement of a tender process to appoint advisers (technical, legal and financial) in addition to the advisory assistance provided by SFT."
>
> Do you see that?

A Yes.

Q Again, can you assist the Inquiry, what assistance is being provided by Scottish Futures Trust at this point?

A They were overseeing the project and reviewing work date to check that we had covered all the bases, I assume, and to check that we were comfortable with the direction of travel.

Q What are they helping with? Are they helping with the financial model, what is being referred to as the "NPD model"?

A They were helping with a number of strands of work. As it says here, they were helping supporting us with technical, legal and financial.

Q So your understanding was Scottish Futures Trust is helping with technical, legal and financial matters?

A Yes, oversight of.

Q Then if we look over the page, onto page 315, the final bullet point at the top of the page:

> "Note that the proposed structure of the project team and a more detailed assessment of additional advisor costs will be bought back to the Committee in February."
>
> Do you see that?

A Yes.

Q So, effectively, that is going to be an ongoing process, of bringing these matters before the board?

A Yes.

Q If we look to the section 3, "Summary of the Issues" and if we look to paragraph 3.3, it says:

> "This has brought a number of significant challenges, as well as complex legal, technical and

procurement issues, given the existing relationships with our key commercial partners: BAM, as Principal Supply Chain Partner under Frameworks Scotland; and Consort Healthcare, as the PFI provider on the Little France site with a legal right to the land under the structure of the existing Project Agreement. Further details on progress are set out in the sections below."

Again, could you just explain, what was the problem in terms of Consort being on the site and it being part of a private finance initiative?

A Consort, essentially, has the rights to that land for a period of time and we needed to use some of that land to put the hospital on. So we had to negotiate with Consort to release that land and we had to purchase additional land to give them back-- we moved a carpark, so we re-provided a car park elsewhere on that campus, to release carpark B for the site for the hospital.

Q As I understand it, you have got the site at Little France that is a revenue funded project, a PFI project, whatever you call it, and you are then going to take another revenue financed project and put it within it, so a revenue financed project within a revenue financed project. Can you just explain some of the perceived complexities and difficulties that the board of NHS Lothian were grappling with, with that type of project?

A I'm probably not the best person to tell you all of that, but it required a lot of negotiation because of the contract – the PFI contract – that was in place. So the negotiations had to make sure that we didn't disadvantage Consort by taking over land that had previously been theirs, for their use.

Q Thank you. Now, I said it wasn't a memory test. So, in terms of what the NPD model was, if I could ask you to look at section 4, which says "Background on NPD". It states here:

"An NPD (Non Profit Distributing) project is a distinct type of Public Private Partnership (PPP). Under an NPD.M (Non Profit Distributing Model) or NPDO (Non Profit Distributing Organisation), a private company limited by shares is established (the Special Purpose Vehicle or SPV) to enter into a design, build, finance and maintenance contract with the public sector body. There is private sector participation and expertise to

deliver public sector infrastructure, but unlike traditional Private Finance Initiative (PFI) Projects, the organisation's profits cannot be distributed in the usual way and must be reinvested by the organisation. The model aims to retain the benefits of revenue finance such as optimal risk allocation between the public and private sector partners and performance based payments, while removing the potential for excessive profits."

Do you see that?

A Yes.

Q So was that the understanding of the board of NHS Lothian at this time in terms of what an NPD project was?

A Yes.

Q It then continues, paragraph 4.2:

"To date, there is only one NPD project underway in NHS Scotland – a mental health development in NHS Tayside. Dialogue is already underway with colleagues in NHS Tayside, in particular to highlight any 'lessons learned'."

Do you see that?"

A Yes.

Q Were you involved in discussions with NHS Tayside?

A No.

Q Do you know who was involved from NHS Lothian's side in those discussions?

A I would imagine it would be Susan Goldsmith and Brian Currie, the Project Director, and the Director of Finance.

Q Did they report back to you any lessons learned from those discussions?

A I honestly can't remember, but in fairness the NHS Tayside project was different because it wasn't putting an NPD on a PFI site, and at the time we didn't know of any other project that was doing that.

Q So this was effectively a brand new project for NHS Lothian.

A Yes.

Q If we could look on, please, to page 318, the section 6, "Procurement Options". Do you see that? That says, 6.1:

"We have an objective to minimise both the delay to the programme (also the Cabinet Secretary's aspiration) and the abortive and on-going costs; to ensure operational effectiveness going forward, and also to manage the overall site

consistent with the aims of the BioQuarter development."

Do you see that?

A Yes.

Q So aims being minimise delay and abortive costs, but it also says that that's the Cabinet Secretary's aspiration. Had you had any discussions with the Cabinet Secretary in relation to----

A Not personally, no.

Q But there's obviously a statement within this paper that there had been discussions. Do you know who would have had those discussions?

A No.

Q Do you know-- Did you ever get a summary at board level of what those discussions had been?

A Not any more than that.

Q Just simply what was put in here is all that the board would have known?

A Yes.

Q Then at paragraph 6.2, it continues: "To achieve this, we have explored the procurement options with both SFT and SGHD…" So is that discussions with both Scottish Futures Trust and the Scottish Government?

A Yes.

Q

"… for a NPD model to deliver RHSC and DCN with our ideal being to have utilised the existing design team to complete the design process, build on the market testing of packages already undertaken and construct the new building (option 2, below)."

Do you see that?

A Yes.

Q Then it continues. At section 6.3, there's various options for procurement being set out. If we look on to paragraph 6.4, please. If I could ask you to look just four lines up from the bottom of paragraph 6.4. Four lines up from the bottom of 6.4, do you see a sentence beginning, "Although this decision requires to be made…"?

A Yes.

Q Thank you.

"Although this decision requires to be made by NHS Lothian as the Statutory Authority it will be important that this is endorsed by (Scottish Futures Trust) and (Scottish Government)."

Do you see that?

A Yes.

Q So, again, can you just explain your understanding as someone who was on the board at the time of just how this process was

working? Because this is telling us that NHS Lothian is the ultimate decision maker, really there's got to be a role for Scottish Futures Trust and Scottish Government. What was your understanding of the roles of those three parties, so NHS Lothian Futures Trust and Scottish Government?

A I think what-- the roles of them were to work collaboratively, to work out the best way for us to do this. It hadn't been done before, as I said, and I think what we were looking for was support and guidance in the best way to do this. None of us had had done this before.

Q Then within page 320, section 7, "Timetable implications", do you see that?

A Yes.

Q 7.1:

> "Early SFT advice indicates that there could be up to months programme delay with associated costs. We are doing all we can to ensure that any delay is minimised, and believe that the project can be completed by 2015. A key target is to conclude the agreed way forward with the Board in March."

Do you see that?

A Yes.

Q So, again, was the board understanding at this time there's been a change in the funding model, there's going to be a delay to the project?

A Yes.

THE CHAIR: Sorry, Mr MacGregor, my fault – are we now in page 319?

MR MACGREGOR: At page 320, my Lord, and I'd gone to two sections: so, firstly, paragraph 6.4, four lines up from the bottom; and then the latest section, I was looking at section 7 and particularly paragraph 7.1, beginning "Earlier SFT advice…"

THE CHAIR: Thank you.

MR MACGREGOR: Then if we look on, please, to page 322, we see "Governance Arrangements". Page 322, section 10, "Governance Arrangements", 10.1:

> "(Scottish Government) and (Scottish Futures Trust) have confirmed their willingness to work with the Board's team on developing the business case requirements to minimise the programme but retain the appropriate governance. This will necessitate significantly more ongoing engagement than might normally be the case."

Do you see that?

A Yes.

Q Again, is that referring

back to what I think you referred to earlier as a collaborative approach?

A Yes.

Q Okay, and we see that this paper was produced by yourself as Chief Operating Officer, but also by Susan Goldsmith. Who was Susan Goldsmith?

A Director of Finance for NHS Lothian.

Q Mrs Sansbury, there's just a few more documents that I'd ask you to look at, and they're really just to see if you can assist the Inquiry. These are documents that other individuals that have given evidence to the Inquiry have spoken to. So, the first document that I'd like you to look at is in bundle one at page 333, please. So, this is a document, top right-hand corner, produced by NHS National Services Scotland called SHTM 00 Best practice guidance for healthcare engineering policies and principles. Do you see that?

A Yes.

Q Have you ever seen this document before?

A I will have seen it, but it wasn't part of my remit at any stage, the detail of it, so I'm not qualified to speak on it at all, I'm afraid.

Q Do you ever remember this document being discussed at

board level at any point during the project?

A No.

Q When I'm talking about the board, I should be clear, I mean the actual board of NHS Lothian firstly.

A NHS Lothian Board?

Q Yes, was it ever discussed there?

A Yes-- Not that I'm aware of, no.

Q Was it ever discussed on the on the Project Board?

A No, that-- it would be discussed in technical meetings.

Q Okay. So, when you say it'd be discussed in technical meetings, would that be really the external advisors that would be dealing with this?

A No, it would be sub-meetings of the project.

Q At no point did anyone ever raise anything within this type of document with you in your position as senior responsible officer?

A No.

Q If I could just ask you to please look on to page 340 of the document. If I could ask you to look, there's a bold heading "Aim of the guidance", do you see that?

A Yes.

Q It says:

"The aim of Scottish Health Technical Memorandum 00 is to ensure that everyone concerned with the management, design, procurement and use of the healthcare facility understands the requirements of the specialist, critical building and engineering technology involved."

Do you see that?

A Yes.

Q Then if we skip the next paragraph, do you see there's a paragraph beginning "Only by having a knowledge…," do you see that?

A Yes.

Q So it says:

"Only by having a knowledge of these requirements can the healthcare organisation's Board and senior managers understand their duty of care to provide safe, efficient, effective and reliable systems which are critical in supporting direct patient care. When this understanding is achieved, it is expected that (in line with integrated governance proposals) appropriate governance arrangements would be put in place, supported by access to suitably qualified staff to provide this 'informed client' role, which reflect these responsibilities."

Do you see that?

A Yes.

Q Have you ever heard that term, "informed client role", before today?

A Not that I'm aware of.

Q So should the Inquiry understand that, when this document states that only by having a knowledge of these requirements can the healthcare organisation's board and senior managers understand their duty of care, that whatever is within this document wasn't known to the board of NHS Lothian at the time the project was being carried out?

A Individual people on the board will have known this document existed, and were aware, and the contract that we entered into required that this-- the technical advice notes and advisory notes from these documents were used in the project, and the project-- or the board will have taken comfort from the fact that NHS Lothian's project team used its external and internal advisers to cover these issues.

Q Am I right in saying that you sat on the board and you didn't know about this guidance until today?

A Well, I'm well aware of the technical advice notes and all the

guidance notes, yes. I hadn't read that-- I wasn't aware of that paragraph, but I was well aware that we used those, and the contract covered us for those all being a contractual requirement.

Q It's just you said people on the board would have known about this. So who are we talking about?

A I don't----

Q Who in the board would it have been?

A Well, different members of the board would have understood different parts of it, I think. The nurse and medical directors would have understood the infection control aspects so that the chief-- I can't think who else at the moment, but people would have been aware of the technical guidance notes. These are used all the time in NHS procurements and when we refurbish any areas, so these are-- these documents are not documents that no one has seen.

Q Could I ask you to have in front of you, please, within bundle 3, volume 1, page 815? Bundle 3, volume 1, page 815.

THE CHAIR: Thank you.

MR MACGREGOR: Does this have, in the top right-hand corner, the Scottish Government CEL 19 2010 of 2 June 2010? Do you see that?

A Yes.

Q Then below that, it's got the addressee, so: "For action Chief Executives, NHS Boards. Chief executives, Special Health Boards."
Do you see that?

A Yes.

Q It states in the summary section, paragraph 1:

> "This letter provides colleagues of a revised statement of the Scottish Government's Policy on Design Quality for NHS Scotland…"
> Do you see that?

A Yes.

Q Okay. Now, if we look on to page 818, you will see a document called "A Policy on Design Quality for NHS Scotland" from 2010. Do you see that?

A Yes. Could you just scroll down a bit?

Q Have you seen this document before?

A Yes, I have. Scroll again.

Q If I could ask you to look on to page 828, please, and within the "Mandatory Requirements" to paragraph 2. So, page 828, and then, in the middle of the page, there's "Mandatory Requirements". Then do you see Mandatory Requirement 2,

beginning “Each NHSScotland Board…”

A Yep.

Q So it says:

“Each NHS Scotland Board must appoint a member of the NHS Board to act as Design Champion at a strategic level to assist in articulating and promoting the Board’s design vision and, where not impractical, also a Senior Officer to act as supporting Design Champion at a technical level with knowledge and experience in capital investment procedures and expertise in technical matters.”

Do you see that?

A Yes.

Q Were you aware of this requirement during the course of the project?

A Yes.

Q Who was the design champion?

A I can’t remember who the board Design Champion was.

Q Was there a design champion on the board?

A I think-- I think Iain Graham would have been the senior officer acting as a supporting design champion – I think; could be wrong.

Q Who was Iain Graham?

A Well, he was the Head of Capital Planning -- no, Head of Capital in NHS Lothian – that’s not his proper title, I’m sorry, I can’t recall it.

Q Did he sit on the board of NHS Lothian?

A No.

Q So, in terms of who sat on the board acting as design champion, can you recall if there was a design champion on the board?

A I can’t remember.

Q And in terms of the actual role that a design champion would play, could you assist us with what’s meant by “assisting at a technical level”? Do you know what that means?

A Well, that be, I would imagine, to make sure that we adhere to all the guidance documentation.

Q Final matter that I’d like ask you, are you familiar with the term “gateway reviews”?

A Yes.

Q What are gateway reviews?

A Gateway reviews are reviews carried out by the external bodies on the project at various stages to review progress and identify if any issues are arising that need to be dealt with.

Q As senior responsible

officer, would you be involved in the gateway review or would you receive the output of the gateway review?

A You would be interviewed in the gateway review and you would also receive the output of it.

Q In terms of the project, what assistance, assurance and support did you receive from gateway reviews?

A When it was a standalone children's project, we had, I think, possibly, three gateway reviews, and then the project changed to the joint project and the reviews were carried out by SFT at that stage, I think. Prior to that they were carried out by a group of people from NHS Scotland who had experience in different parts of projects.

Q So before the shift in funding model, it was done effectively in-house, and then your understanding is that, after that, it was Scottish Futures Trust.

A In house being NHS Scotland, not NHS Lothian.

Q So what do you mean by NHS Scotland then, as opposed to NHS Lothian?

A Well, for example, one of the technical people on the gateway reviews came from NHS Borders, so they didn't come from within-- they

weren't from within our board.

Q I understand. Thank you. Mrs Sansbury, I don't have any further questions for you, but Lord Brodie may have questions, or equally there may be applications from core participants.

THE CHAIR: Do any issues arise from Mr MacGregor's questions? I'm directing my question to the legal representatives present. (After a pause) Right, I take silence as a "no". Mrs Sansbury, thank you very much for giving us your evidence. I have no further questions. You're accordingly free to go, so thank you very much for coming to assist.

THE WITNESS: Thank you.

(The witness withdrew)

THE CHAIR: Right, as we confirmed at the beginning, no more witnesses today, but we hope to begin again on Monday at ten o'clock.

MR MACGREGOR: Yes, my Lord.

THE CHAIR: With you, Mr McGregor, or----

MR MACGREGOR: It will be Mr McClelland on Monday, my Lord.

THE CHAIR: Right. So, if there's any communication to be done over the weekend, Mr McClelland's

probably the best point of contact.

MR MACGREGOR: Yes, my Lord.

THE CHAIR: Right. Well, thank you very much for your attendance this week, and I look forward to see you on Monday.

Session ends)

11.35