boards that has already got performance challenges is going to take away a lot of senior management and governance time and attention, so we need to put in support on both levels. We need to support the ongoing improvement of performance, and I think it's fair to say that the Board were improving in a number of areas. There were areas such as mental health that have come on to the radar as particular problems.

So it had put support into the Board and John Connaghan took the lead role in that, and I believe there's a letter in the pack that identifies half a million of funding that went in on the back of that, and then on the project itself it enabled the establishment of the Oversight Board and, as I say, putting in the chief medical officer, the chief nursing officer, Christine McLaughlin. So, actually, a number of the senior directors in Scottish Government, one way or another, were deployed to help Lothian to get this project through and to keep the performance to the public continuing to improve.

Q Okay, and we discussed this morning that decisions on the escalation framework are discussed by the Health and Social Care Management Board, and I think I am right in saying it is ultimately a decision for the director general?

A Yes.

Q And you mention in your statement that in relation to this particular-- or these particular escalations, that you consulted the Cabinet Secretary about it. Can you just explain what those consultations were about, and is consultation with the Cabinet Secretary about these sorts of decisions a normal part of the process?

A Well, the decision is for the director general to make, and for the director general to make in the role of accountable officer, and that's what I did. The Cabinet Secretary and I would have regular conversations about a whole range of things. So I would tell her what I had in mind, she would be relaying to me concerns that-- any concerns that she had, but the decision was mine.

Q Yes. Okay. Sorry, I am not sure if you answered this question, is it a normal part of the escalation decision-making process to discuss it with the Cabinet Secretary or was that something that was particularly done because this was a challenging project?

A No, I wouldn't-- I didn't adopt anything other than my normal

practice. This particular paper I think was drafted by John Connaghan and two of his senior advisors. He brought it to the Management Board, we had a full discussion about it and, you know, there was a clear decision made that we need to support the Board with its performance and we need to set up the Oversight Board, but, of course, I would be having constant conversations with the Cabinet Secretary on a whole range of issues and we regularly talked about the performance challenges of different boards around the country.

Q Thank you.

A But, you know, if the question is, is this my decision, yes, it is.

Q Yes. If we just look briefly at bundle 7, volume 1, at page 339, this is your letter of 12 July 2019----

A Yes.

Q --- to Tim Davison at NHS Lothian, essentially communicating to him the decision to escalate that health board to Level 3.

A Yes.

Q And I think if you just take a moment to look at that letter, do we see, I think this is what you said a moment ago, that the RHCYP issues were simply an additional element on a list of challenges faced by the Health Board, and is it correct to view it as the issue which perhaps tipped the question into escalation?

A Yes, it was recognising that an issue of this magnitude would occupy a huge amount of senior management and governance time and effort, and Lothian was already making progress on some of the issues. There were new issues arising, and the really important thing was that we continued to improve delivery of services to the public of Lothian while we also sorted out this problem. This, therefore, needed additional heft, if you like, to the Board to help this to happen. So the two were connected and they were always connected in my mind.

Q Okay, and in terms of the concrete form that the support took, you have referred to the formation of the Oversight Board, and we will have a look at that in just a moment, but did you also say that there was additional money made available to NHS Lothian?

A Yes, I think there's a letter in the pack that was written by either myself or John Connaghan, going through the different areas of performance and the conversations that had been had with the Board, and

at the end of that letter there's an amount of resource that is going into the Board to support the continued improvement of performance.

Q Yes, I think if we go to bundle 7, volume 3, at page 27. Sorry, page 27. I think this may be the letter that you are referring to.

A Yes.

Q So this is-- it is actually from John Connaghan----

A Yes.

Q -- and it is to Tim Davison, 13 August 2019.

A Yes.

Q Okay, so that was the letter that you were referring to. Thank you.

A And I think on the second page there is another financial figure. Or even the third page, at the end of it anyway. Yes.

Q Yes, that is right. So, thank you very much, Mr Wright. So paragraph 8, support package, it says:

> "In paragraph 8 of your letter you have set out the main elements of the support package that you require. We are content to provide some financial support in relation to the senior programme/director/management resource that you require in relation to recovery, mental health and support for waiting times improvement. To this extent we will make available £500k [and so on]."

So that was the figure that you referred to. Thank you. If we could then, please, go to bundle 13, volume 3, page 1149. These are the terms of reference for the Oversight Board, and the role and function of the Oversight Board is something that has been covered with other witnesses, but if we could just go for the time being, please, to page 1152. We can see there the list of members----

A Yes.

Q -- of the Oversight Board, and also the list of those to attend the Board to provide it with advice and assurance.

A Yes.

Q And if we just look down the list, we have got the chief finance officer, chief medical officer, chief nursing officer, all from the Scottish Government, some senior officials from NHS Lothian, Mr Reekie from the Scottish Futures Trust----

A Yes.

Q -- the chief executive of NHS NSS, and various other people. So, I think, no question about it, there

is some senior firepower being allocated to this.

A Yes, indeed, and I think the attendance or the membership of the staff side, so the trade unions there I think were really important as well, but you're right, this was serious heft going into the Health Board to work with them to work through these issues.

Q And can you just explain the thinking behind putting together a team of such senior officials?

A Because this was such a pivotal project for the National Health Service in Scotland, and it was so important that we got this building finished and opened and safe and patients being treated, it was so important that we got patients out of DCN and the existing Royal Hospital for Sick Children. It was one of our major projects and it needed that amount of support to get it through.

Q Okay, and we referred a moment ago to the commissioning of the additional work from NHS NSS, and there was also work done with KPMG----

A Yes.

Q -- in relation to the governance aspects of the project, and you explain in your statement that this led to the further escalation of NHS Lothian to Level 4 of the escalation framework. Again, could you just outline your understanding of the reasons why that was done?

A Yes. The difference with the second escalation was that the second escalation was for the project and not for the Board, and the publication of the first of the two NSS reports demonstrated that, actually, there was a number of other very significant issues in terms of the major recommendations that that had shown us. I think as Professor McQueen said to the Inquiry, there was a lot more work in that than had been anticipated, and actually to get this project really through and over the line, it gave us the opportunity to appoint Mary Morgan reporting into government. I think Mary brought huge skill and expertise and knowledge and, I think, widely won the confidence of the people that she was working with and helped us to get this project to what I think she described as one of the very safest hospitals that we've got anywhere.

Q Yes. So, if we just sort of boil it down, the escalation to Level 4 was in relation to the project and, in short, intended to provide NHS Lothian with the additional management support or resource in order to deliver

the work identified in the NSS report.

A Yes.

Q Yes. Now, the escalations in the support framework come, essentially, at the end of the project. If one looks at the project to build the RHCYP and DCN as a whole, there are two escalations right at the end to complete the project, if I can put it that way. One understands the reasons for those decisions being taken at the time they were taken, but is it possible to take the view that the government support came too late, that, actually, in delivering a complex acute hospital, the Health Board would have benefited from additional support at an earlier stage?

A Well, it depends what level of support. I mean, the Board was already getting performance support through John Connaghan and his work, so I think the letter that he sent also demonstrates just how much support they'd already had. So, we were dealing with the Board equitably, in the way that we deal with all other boards in terms of their general performance. I think in terms of lessons learned, it seems to me that the size and complexity of this project and the government's arrangements that were put in place, which the KPMG report says they did what they were meant to do. But looking back on it, I think it would have benefited from externality and challenge at different stages from an external source. So I wouldn't in any way wish to take away from the Board its set of responsibilities, and I think if the Board needed more help with the running of the project, that was something that could have been raised. I don't know if it was raised. I'm not aware of it being raised.

Q Okay.

A And I think I'd also point out that the Cabinet Secretary, I think, had an annual review with Lothian just before all of this came to light, and it's certainly not within the letter that came out, and I'm not sure if it was raised with the Cabinet Secretary. So we need to be asked, I think, for project support. We might not be able to do it, but we would have the discussion with the Board.

Q Okay. Part of your answer there, you used the term "externalities". Is that a reference back-- I think it was a term you used earlier on, and is that something that you would see now being provided by the service of NHS Assure?

A I think it's very much a work in progress, but I've listened carefully to a lot of the evidence

sessions, and I must say I am heartened by what I see. I think the key stage reviews are hugely important, and that's the kind of discussion the Cabinet Secretary and I were having and is reflected in that note to the First Minister two days after the thing had happened. So, I think for a good system of governance to work, it needs expert people in the right place, giving challenge into the system to make sure that things are spotted and things are sorted out before they need to, so I think what I see in NHS Assure is very much on the right track. I commend what I've heard that they're doing around developing the workforce, so the building and engineering staff in the NHS in Scotland, the people who are leading the projects; and my old organisation, NHS Education for Scotland, I believe has got a role in supporting and developing that workforce. I think that's all to the good.

Q Yes. Okay. I think, put this part of your evidence into context, it is fair to acknowledge that you retired before NHS Assure was set up, and indeed before the migration of the services to the new hospital took place. So the baton in some senses had been passed on to other people. One thing that you rule out in your statement is the idea of the Scottish Government having its own centralised capital planning function for healthcare buildings. Can you just expand on your reasons for that?

A Yes. I mean, others may disagree, but I think the role of government is very much about policy, about ministerial direction and making sure that health and social care services deliver, and holding the system to account. I think having a local statutory body, a health board that's set up in primary legislation, that's got all of the stakeholders around the board table – it's got the staff side involved; it's got the trade unions involved; it's got infection prevention and control; it's got the building people involved – and it's close to the patient interface and it can have close discussions with the clinicians about what is actually needed out of this facility, I think that is a much better place to have those projects run from, rather than in government.

But I do think that health boards need external support to help cross-check that everything is okay. Not just to cross-check, but if capacity is needed – and I think this was described in some of the sessions yesterday – then that capacity can be

provided centrally and can be moved around the NHS in Scotland. It always seemed to me that one of the great strengths of the NHS in Scotland is if we have a problem over there, we can identify an expert over there and say, "Look, will you go and help that board out, please?" So I think the Board is the place, as the accountable body, where this should rest.

Q Okay.

A Personal opinion.

Q I mean, that question was concerned specifically about the Scottish Government having the capital planning function, but can I take it from your answer that you would apply the same reasoning to any notion of there being a centralised body within the NHS itself to be the construction delivery arm for the NHS?

A Yes, I would think that because I think boards are best placed in their local communities with their local clinicians, and actually what we need to be doing is supporting the boards, and, actually, having some of these projects run at a great distance from the Board I think is inviting trouble. So I think the boards are best placed and are statutorily set up to do this work. That's a personal opinion.

Q Okay, and we have already touched upon NHS Scotland Assure, and of course it was set up after you had left office, but what you say in your statement-- and this is paragraph 107 of your statement, which is-- I'm afraid I don't have a page number, but perhaps if we were able to scroll through Mr Wright's statement to page 107, please.

THE CHAIR: Might be 311.

MR MCCLELLAND: It appears to be, my Lord. Thank you. In fact, if you could just go over the page, please. Yes, and what you say there is:

> "As an accountable officer within the Scottish Government, I would want external validation to give me assurance that all is satisfactory … NHS Scotland Assure … will now look at these projects and at every stage of the project there will be an external sign-off to say that they are satisfactory and that the relevant standards are met."

So, just to expand on those points, what was it that you thought, from the perspective of the director general in the government, was needed?

A I think it's what I've already tried to describe, in that I always found it helpful as a board chief executive-- it didn't always feel helpful,

but I always found it helpful to have external folks coming in and scrutinising what we were doing, because that way we got to find out things that we weren't finding out through our own management and governance channels. So having a major project that is highly technical, highly complex-- and this project in particular, with all of the contractual issues that were going on and all of the clinical concerns and the infection prevention and control concerns, I think it would be enormously helpful to a board to have somebody like the centre for excellence coming in and saying, "That's good, that's good. I think you've missed that." Or what would be more helpful would be if you made sure that your infection prevention and control lead staff were involved in this forum and that forum – you're wasting your time or wasting their time having them in that forum – and I was struck by the evidence from IPC colleagues about their expertise and using them effectively, and I think, you know, a centre of excellence could really advise on the governance structure within a board to deliver the outcome of the project.

Q Okay. I mean, the Inquiry has heard evidence from the people at Assure and they have described the way that the system actually works, and they do have an element of that sort of challenge function that you are describing, but what they do not do is sign off and confirm that the hospital, in all respects, complies with the guidance. Do you think that is a shortcoming in the system, or do you think that that is an appropriate place to stop short of?

A I'm not there at the moment, so I don't know, and it may well be a step on a journey, but if I was an accountable officer on a board, I would want an assurance that the new centre for excellence were okay with what we had, and people had been through the paperwork and had spoken to the people and this had been externally assessed, but this may be a step in a journey.

Q Yes. Okay, and a final point about Assure. We've been clear that the responsibility for the construction projects lies with the health boards, firmly in their camp, and what NHS Assure does to some extent is build up a pool of expertise and resource, but it is in another place. So we have responsibility in one part of the NHS and the resources and expertise being built up in another. Do you have any views about whether that is the best way to proceed or should

(Session ends)

13:01