

minutes (APPROVED)

B/21/19

NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF MEETING OF THE FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE (FPPC) HELD VIA THE TEAMS PLATFORM, COMMENCING AT 0930HRS ON THURSDAY 19 NOVEMBER 2020

Present: Mr Mark McDavid (Committee Chair)
Mr Ian Cant, Non-Executive Director
Ms Julie Burgess, Non-Executive Director
Mr Keith Redpath, NSS Chair [Item 3 – 17]

In Attendance: Mr Gordon Beattie, Director National Procurement
Ms Lisa Blackett, Non-Executive Director
Mr Gordon Greenhill, Non-Executive Director
Professor Arturo Langa, Non-Executive Director
Mrs Carolyn Low, Director, Finance and Business Services
Mr Andrew McLean, Deputy Director of Finance
Mrs Mary Morgan, Director Strategy, Performance and Service Transformation
Mr Matthew Neilson, Associate Director of Strategy, Performance, and Communications
Mr Colin Sinclair, Chief Executive
Mrs Marion Walker, Risk Manager Lead [Item ??]
Mrs Lynsey Bailey, Committee Secretary [Minutes]

Apologies: None

ACTION

1. INTRODUCTIONS AND APOLOGIES FOR ABSENCE

1.1 Mr McDavid welcomed everyone to the meeting and apologies were noted as above. Members were asked if they had any interests to declare in the context of the agenda items to be considered. No interests were declared.

2. MINUTES OF THE MEETING HELD ON 27 NOVEMBER 2019 AND MATTERS ARISING [papers FPP/20/30 and FPP/20/31 refer]

2.1 Following a brief discussion, Members approved the minutes of the meeting held on 26 August 2020 as a true record.

2.2 Members noted that the majority of action items were either complete, in progress or covered by the agenda.

3. FINANCE REPORT [paper FPP/20/32 refers]

3.1 Mrs Low spoke to the report, which presented NSS's financial performance for the period to 30 September 2020. Members were pleased to note that at the mid-year point NSS was reporting a positive position, with strong financial performance which was on track to meet the agreed year-end targets. 70% of funding for COVID-19 activities had been confirmed so far and the remaining 30% would be reviewed in January 2021, which could give Members confidence around the financial position. Members were also assured that NSS was working hand in hand with Scottish Government finance colleagues around resource for any new COVID-19 response work to ensure that funding followed action. There had been minimal slippage in some SBUs (mainly around staffing costs) which was either



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Chair
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Mr Keith Redpath
Mr Colin Sinclair

offset by underspend elsewhere or, if it was related to COVID, it would be recovered as far as possible. In terms of the other financial risks, Members were pleased to note that while the sums involved were substantial, the risks themselves were considered to be low. In the case of advance payment risks, these were continuing to reduce as the ordered supplies were being received.

- 3.2 Mr McLean provided a brief update for October 2020 and advised that there had been no material movement in the position with similar trends being reported and still forecasting a break even position at the financial year-end. All health boards had been asked by Scottish Government to develop three scenarios (best case, worst case, and most likely) around their core budget and COVID-19 spend, and this was currently being worked up for NSS. Members felt encouraged and assured regarding NSS's financial position and confident that the organisation would not be overstretched. Members sought and received clarity around the SNBTS deep dive, which aimed to ensure that the clinical services uplift from Scottish Government was being used to maximise the possible benefits. Going back to the COVID-19 response and associated workforce impacts, Members were keen to see that NSS used its resources to avoid potential staff burnout.

4. OCCURRENCES WHERE THE NSS STANDING FINANCIAL INSTRUCTIONS HAD NOT BEEN FOLLOWED

- 4.1 Mrs Low advised Members that an SNBTS review had uncovered that a change in process meant there had been a breach due to the way a small number of fees paid for external lectures had been handled. Members also received an overview of a situation arising within Digital and Security regarding a grant from a UK Government agency and were assured that NSS Finance was seeking clarity as to how the grant should be treated if it were to proceed, which was not yet confirmed. Ms Low advised that the SFIs were being reviewed to ensure that wording was clear and explicit going forward on how such situations should be treated. Members discussed using a Once for Scotland SFIs template and noted that it was difficult to consolidate for all NHS Boards for a number of reasons. Therefore, the instruction from Scottish Government had been that there would be leeway for tailoring to the needs of individual Boards, as long as each Board's SFIs aligned with the Finance Manual as a minimum. In respect of the grant, Members were given assurances that, should it go ahead, it would not create additional workload that NSS did not have capacity for.

5. FINANCIAL PLAN [paper FPP/20/33 refers]

- 5.1 Members noted the paper which updated on progress being made in the development of the Financial Plan for 2021/22 to 2023/24, and reflected the position as presented to the NSS Board at its meeting on 23 September 2020. Mrs Low highlighted the need for clarity around workforce plans (which were being worked on), plans for transformation, and the areas for investment to make that happen. Members acknowledged that this was a snapshot in time and between now and late January/early February 2021, there was some necessary work to complete in order to agree the financial position. Members were then provided with an overview of the collaboration work and the progress which had been made in that respect. However, there were some planning assumptions etc, which would need to be refined. Members asked about additional COVID-19 pressures going into 2021/22 and what that might look like (on the basis that funding would be covered) but were advised that there was still a lot of uncertainty.
- 5.2 Members asked about the estates work through the Property Asset Management Board and how the backlog maintenance fitted into the financial planning. Members were assured it had been factored in as it would be necessary for each building regardless of an future decisions about leases. Members were given an overview of the investment in Gyle Square and the potential future plans for office accommodation. These plans would recognise the need to review how NSS

estates were, and could be, used, and what the opportunities were for taking a different approach in order to be more sustainable in this area. In terms of the overall financial plan, the next step would be to articulate what NSS was doing (in terms of strategic plans, investment etc.) to reduce and close the budgetary gap. The aim was to have this ready for the NSS Board in February 2021. It would be important to strike a balance between how to find money to invest and how to bring in funding. Members recognised that the benefit of a lot of NSS's work flowed into the wider NHSScotland rather than directly back to NSS itself. Therefore they were keen that NSS should not be constrained by awaiting confirmation of specific, upfront funding from Scottish Government in order to do something that would demonstrably be of much wider benefit.

6. FINANCE TRANSFORMATION [paper FPP/20/34 refers]

- 6.1 Mrs Low spoke to her presentation which detailed the vision, focus and initiatives in respect of transforming the way Finance delivered its services. Particular highlights were the new digital enablers (e.g. Service Now, Office 365, Tableau etc.) which had led to productivity gains while supporting the COVID-19 response, and the plans for building that into a new "Business as Usual" model. Members were content with the update and commended the work which had been done.

7. ANNUAL PROCUREMENT REPORT 2019/20 [paper FPP/20/36 refers]

- 7.1 In the interests of transparency, Mr Redpath declared that a member of his family was currently employed by Menzies Distribution (which was mentioned within the report), but did not think that would have any bearing on the following discussion. Mr Beattie began by speaking to the reporting period highlights in his foreword and signposted Members to where they could find the greater detail within the main body of the report. Members were advised that, as this report covered the period up to the end of March 2020, COVID-19 activities did not feature. Members thanked Mr Beattie for his report and were impressed as it showed that there was more going on in procurement besides "buying". There was recognition that although this report was focussed externally, it still may not register much outside NSS this year but future reports may be subject to more scrutiny than they had been before, especially around COVID-19. Members asked about the Climate Change targets and where they came from. They were pleased to note that NSS was involved in taking a leadership role on climate change across public sector. Members also sought and received clarity around the role NSS played in contracts. Members discussed PPE expenditure and were assured that there were no causes for concern in terms of the initial emergency response, or in the move back towards regular procurement processes.

8. NATIONAL PROCUREMENT SCHEDULE [paper FPP/20/35 refers]

- 8.1 Members noted the contents of the paper which reviewed the PCF Strategic Sourcing and PCF ICT contract schedule for all contracts to be awarded in 2020/21. Mr Beattie provided an overview of the focus during the year to date, as well as the establishment and implementation of the recovery programme. Members were advised that a slight hiatus could be expected next year and were assured that there were plans in place to work through that. Members were taken through the detail of the expected contracts and savings over the next financial year. Members discussed whether there was a need to be more proactive and report on the work around COVID-19 earlier or if it should wait until the annual report for 2020/21. However, they acknowledged that National Procurement had been very open and posted all award notices. Members discussed publicising the positive stories more to balance out the negative and misrepresentative press, and how NSS planned to support the staff whose morale may be impacted by it. **Action: EMT to look at publicity around procurement and clarifying the position in Scotland.** Members were assured that, while NHSScotland was

EMT

paying more for PPE than it previously did, it was still paying less than the market ask and there were no causes for concern in respect of pre-paid PPE orders.

9. NSS ANNUAL OPERATING PLAN Q1 UPDATE [paper FPP/20/37 refers]

- 9.1 Members briefly discussed the context of the update, the impact of the second wave of COVID-19, and the uncertainty it had brought. Key activities centred around the COVID-19 response - supporting the delivery of vaccine, ongoing growth of testing etc. – and the report was positive in that context. Scottish Government usually undertake a formal review of NSS’s mid-year position but, this year, they were mindful that this was on the heels of a ministerial annual review so were considering a different approach. The preferred option would be to cover it in a sponsor’s meeting but this was still to be decided. Members discussed the reporting of the “Red” measures and getting a balance between providing visibility of what needed to be monitored and/or improved on and recognising what had been placed on an agreed pause or delayed due to external factors outwith NSS’s control. **ACTION: Mrs Morgan and Mr Neilson to consider the reporting of “Red” measures to get a balance between visibility of what needed to be monitored and/or improved on and recognising those impacted by external factors outwith NSS’s control.** Members were keen to look into a way of capturing additional requests around priorities like COVID-19 and reporting on performance against those.

M Morgan/
M Neilson

10. REVIEW OF BUSINESS RISKS [paper FPP/20/38 refers]

- 10.1 Mrs Walker highlighted that, since the previous report, there had been two new red risks raised relating to COVID-19 and one new amber risks relating to Information Governance. Members asked about risk 4577 (Information Governance legislation breach) and whether the risk was the same as when it had originally been raised. Mrs Walker provided an overview of history of the risk and assured Members that it would be covered at the NSS Audit and Risk Committee. Acknowledging that it still read as the same risk, Mrs Walker agreed to pick this up with Mr Redpath in their offline chat. In respect of risk 5671 (the new Data Capture Validation and Pricing programme), Members advised that it was not easy to follow the updates provided and Mrs Walker agreed to look at that for future reports. However, she could confirm that the work around that programme was ongoing and good progress was being made.

11. RESILIENCE UPDATE [paper FPP/20/39 refers]

- 11.1 Members noted that NSS remained on emergency response footing due to COVID-19, with the Resilience Management Team meetings currently being held on a weekly basis. Members also noted the updates on the non-COVID resilience incidents which were detailed in the report. Members were advised that a review was being undertaken of resilience management processes to ensure lessons learned from COVID-19 were being incorporated and Ms Caroline McDermott was also focussing on winter planning for COVID-19 so it was all very much a work in progress. The weakest point at the moment was around wellness resilience and how creative NSS could be about deploying staff while being mindful of providing “breather” opportunities.
- 11.2 Members asked if this paper could be developed to be not just retrospective but to also look at what is coming up as well, and were advised that this was the aim. The main concern for all Board Chief Executives was the risk that several issues could potentially occur at the same time (e.g. extremes of weather, flu, supply chain hold-ups as a result of Brexit) and how to manage that situation should it arise. Members also discussed how to keep morale up, recognising the need to mitigate the staff impact of the current pandemic situation as, in spite of the vaccine progress, the current level of uncertainty was still expected to remain for a long time to come. Members had a brief discussion about how long an

emergency response goes on for before it becomes Business as Usual, acknowledging that the pandemic was reaching this point.

12. BEST VALUE [paper FPP/20/43 refers]

- 12.1 Mr Neilson spoke to the paper, seeking approval to delay the Best Value self-assessment by 12 months due to the ongoing pandemic response. Members recognised that a delay would also provide opportunities to explore ways to do this differently and were supportive of the request.

13. BOARD HIGHLIGHTS REPORT [paper FPP/20/40 refers]

- 13.1 Members were keen to capture the discussions around morale and emergency become BAU. **ACTION: Mrs Bailey to draft up the highlights report and send to Mr McDavid ahead of submission to the NSS Board.**

Mrs Bailey

14. ANY OTHER BUSINESS

- 14.1 Members briefly discussed previously reported risk 6082 (impact on staff of working remotely for an extended period) and the potential for it to create an increase in sickness absence.

15. DATE OF NEXT MEETING

- 15.1 Members noted the next meeting was scheduled for Wednesday, 3 February 2021 at 09:30, via the TEAMs platform.

In Private Session

16. MEGALAB

- 16.1 Members received an overview of the potential impact of this programme of work on NSS. Members noted the challenges and suggested a possible solution to some of them, which would be considered.

17. RTx AGREEMENT

- 17.1 Professor Turner gave an overview of the work and clinical developments that the agreement supported and progressed. Members discussed the arrangements around the agreement and what that meant for SNBTS and NSS.

There being no further business, the meeting finished at 1255 hrs.