

# minutes (DRAFT)

<b>B/21/20</b>
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## 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 WEDNESDAY, 3 FEBRUARY 2021

**Present:** Mr Mark McDavid (Committee Chair)  
Ms Julie Burgess, Non-Executive Director  
Mr Ian Cant, Non-Executive Director  
Ms Lisa Blackett, Non-Executive Director  
Mr Gordon Greenhill, Non-Executive Director  
Mr Keith Redpath, NSS Chair

**In Attendance:** Mr Gordon Beattie, Director National Procurement  
Ms Laura Howard, Associate Director of Finance  
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 [Items 1 – 12]  
Mrs Marion Walker, Risk Manager Lead [Item 12]  
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 21 NOVEMBER 2020 AND MATTERS ARISING [papers FPP/21/02 and FPP/21/03 refer]

2.1 Following a brief discussion, Members approved the minutes of the meeting held on 27 November 2020 as a true record pending minor correction of the date in the heading for the draft minutes and paper reference numbers.

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

#### 3. DRAFT FINANCIAL PLAN [paper FPP/21/03 refers]

3.1 Mr McLean spoke to the Draft Financial Plan, highlighting that Scottish Government had asked for one year rather than the usual longer term view. Members noted the uplift was lower than expected but Scottish Government had committed to fully funding any additional uplift that was required following the outcome of pay discussions. Planning had also been done on the assumption that COVID-19 services would be fully funded. There was positive movement in terms of the overall funding position but there was still a deficit projected. However, there was also lots of ongoing work that would generate savings which would be translated into the plan in due course. Members were advised that there



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Chief Executive

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would be no recurring return of the £1.5m National Board Collaboration savings. Members discussed the deficit position of £2.7m and were assured this would move closer to break even (which was the main focus). They also noted that SBUs had been given their timescales to resubmit balanced financial plans which would come to the Board for approval in March 2021. Mrs Low advised that she was also keen to establish the medium term view, in addition to the year-long plan being submitted, to avoid losing opportunities further down the line. In respect of the £1.5m National Board Collaboration, Members were advised that Mr Sinclair would be making the case to Scottish Government that a break-even position would be more difficult with out and that, should it continue to not be returned, the measures needed to accommodate it would reduce NSS's capacity to deliver in other areas. Members were given an overview of the move towards fully recovering costs for the dedicated, fixed-term resource being established for COVID-19 services to allow business as usual to be re-established. Members were content to note the paper and looked forward to seeing the final version presented to the NSS Board.

#### **4. DRAFT REMOBILISATION PLAN [paper FPP/21/04 refers]**

- 4.1 Mrs Morgan spoke to the paper, which provided a draft outline of the items to be included in the full worked up NSS Remobilisation Plan for 2021/22. Members asked whether the wording around convalescent plasma and NHS Scotland Assure reflected the current position. NHSScotland Assure was working towards a go live date of 1 June but the final details and clarity around new public body were still to come. The wording on convalescent plasma referred to clinical trials, which was also not being collected specifically through apheresis but through the regular whole blood collection and Members agreed that including some clarity on that detail would be helpful. Regarding sustainability, Members noted that NSS had some expertise on this within Health Facilities Scotland and so it had been included in recognition that Scotland needed to do more work on this to achieve its goals. Resilience was included specifically as it was recognised that further planning, for the next pandemic for example, and overall improved resilience was required. Members were advised that more of this detail would be included in the final plan at the end of the month. Members commended the paper as a very succinct and clear summary of what NSS would be changing and improving. Mr Neilson then spoke about the objectives, KPIs etc, that would lie underneath this and how it would be developed into a performance dashboard and used in a review of the plan in around 6 months. Members were also given an overview of how changes would be recorded in a change log and reflected in the performance reporting. Members thanked Mrs Morgan and Mr Neilson, confirming that they were content to endorse the draft plan.

#### **5. FINANCE REPORT [paper FPP/21/05 refers]**

- 5.1 Mrs Low spoke to the paper, which summarised NSS's position as at the end of December 2020. Members were pleased to note that NSS was on track to deliver against its targets although Mrs Low highlighted that there was a projected surplus which was similar to the deficit projected in 2021/22. Members were advised that options were being explored for utilising these funds by expediting aspects of plans for 2021/22, and discussions were underway with Scottish Government Finance colleagues to ensure any funds required in future years were returned where appropriate. Members noted the favourable position and commended the good work being done by Mrs Low and colleagues to maintain a positive working relationship with Scottish Government.

#### **6. OCCURRENCES WHERE THE NSS STANDING FINANCIAL INSTRUCTIONS (SFIs) HAD NOT BEEN FOLLOWED**

- 6.1 Mrs Low confirmed to Members that there had been no occurrences in this period.

## **7. REFRESH OF NSS'S SFIs [paper FPP/21/06 refers]**

- 7.1 Ms Howard spoke to the updates made to the SFIs. The main highlights were the removal of the emergency provisions put in place specifically relating to COVID-19 and reflecting the lessons learned in order to achieve consistency in levels of authority. It also ensured the SFIs reflected the growing scope and scale of the organisation and its services. Members were also pleased to note the development of at-a-glance, concise summaries of each level of authority. Timescales had been brought forward to have this in place for 1 April and Members were invited to provide any feedback they may have by 22 February 2021 to be incorporated into the final version being presented to the NSS Board in March 2021. Members discussed contract requirements and were keen to establish clarity on when Central Legal Office involvement would be considered as discretionary and when it would be a requirement. Members also asked about guidelines for Board Members regarding their responsibilities and Ms Howard offered to provide that in a document, as well as hold a brief workshop-style session. Members noted that the mention of the Workforce Policy Terms and Conditions Group in the "Extension to Pay during periods of absence" section needed to be updated, and were assured that providing clarity around the level for reporting of appointments to the NSS Staff Governance Committee was being picked up.

**[Secretary's Note:** Mr Redpath temporarily took over as meeting chair while Mr McDavid was unavailable]

## **8. NATIONAL PROCUREMENT SCHEDULE [paper FPP/21/?? refers]**

- 8.1 Members noted the paper, which provided a review of the Procurement, Commissioning and Facilities contract schedule for all contracts to be awarded in 2020/21, and the contracts forecasted to be awarded in 2021/22. In particular, Members noted the COVID-19 work and the impact, recruitment and business continuity planning. Members asked about the element of choice within procurement frameworks and received an overview of how panels identified and engaged suppliers that met Boards' needs. Members noted that, where possible, National Procurement would award on a "Once for Scotland" basis but certain circumstances would require the availability of options. It was also intended to incorporate this into the pre-contract phase and build in continuous improvement throughout the life of a contract. Again, Members discussed the involvement of Central Legal Office in decisions and, where they were not, being clear on the reasons for it. Members were conscious that there would be increased pressure on procurement post-COVID-19 and the need to maximise savings would double in intensity. On a final note, Mr Beattie advised he had recommended that the clotting factors contract come back at a future date due to a change in the UK plasma situation. Members thanked Mr Beattie for the report.

**[Secretary's Note:** Mr McDavid returned to the meeting and resumed the Chair]

## **9. PERSONAL PROTECTIVE EQUIPMENT (PPE) UPDATE [paper FPP/21/?? refers]**

- 9.1 Mr Beattie spoke to the paper which provided an overview of the PPE supply in support of the COVID-19 response. The modelling had been revised in line with infection rate impact scenarios released by Scottish Governments and Members were given an overview of how that had been translated into the supply management. Members discussed the cost differential between local supply and imports, and how sustainable that would be. They noted that, while the costs of imports may be lower in some cases, this was not the sole factor taken into account in awarding supply contracts. Members acknowledged that pandemic stock was an insurance

policy with a shelf-life so were assured that National Procurement were modelling quite tightly through demand. Going back to the point of local supply and sustainability, Members were pleased to note that work was ongoing with Heriot-Watt University to provide a mechanism to better quantify the economic benefits. Members commended the great work that had been done by National Procurement in respect of PPE supply during the pandemic. Members received an overview of the work being done with Scottish Government to model supply management for the future and the projected timescales for the requirement to maintain the current levels of stock.

## **10. CONSUMABLES AND WAREHOUSE UPDATE [paper FPP/21/?? refers]**

- 10.1 Members noted the paper which provided an update on warehouse commissioning. The main highlights were in respect of Titan and EC165. The Titan fit was progressing well and, due to the pause of the work in respect of a 3<sup>rd</sup> party sub-tenant for EC165, a shadow design had been progressed for original NSS sole tenancy of the site. There had been good input on this work from NSS resources and once they were up and running, the additional warehouses would take some of the current pressures off the National Distribution Centre at Canderside. Members asked about the implications of the 12 week delay to EC165 but were advised that there was a no detriment agreement to ensure and additional costs incurred would be covered and were assured that it would not cause any problems from a service perspective.

## **11. NSS REMOBILSATION PLAN [paper FPP/21/?? refers]**

- 11.1 Members discussed the paper, which updated on the latest NSS performance position in relation to the Remobilisation Plan (RMP). Members noted that performance was largely as expected with 62% of measures on track, 28% reporting at amber, and 10% at red. Members were advised COVID-19 was having a clear impact on target achievement so, taking that into account, NSS was reporting well. Members expressed concerns that NSS would be held to account for instances where it had not been possible to achieve the targets due to the COVID-19 response work, and suggested more could be done to provide that context and clarification. Members were advised that a year-end performance report would be produced, and this would include more detail on the COVID-19 support work, and its impact, which could not be captured within the existing performance metrics. This also highlighted one of the arguments in favour of the change log previously mentioned.
- 11.2 Mrs Low updated on progress with the South East Payroll, providing an overview of the reasons for delays in the TUPE transfer for some of the boards involved. She advised that the NHSScotland Directors of Finance (DoFs) had met on 21 January 2021, and noted that reaching the stage of TUPE transfer of staff within the next year was unlikely due to COVID pressures. Members agreed it was disappointing to not be taking advantage of a good opportunity but were pleased to note that work was ongoing to get agreement on a collective position to move forward for January 2022. Options were being looked at but getting all five organisations on board at the same time worked best and would be the priority. This was an example of a metric that was red for reasons outwith NSS's control so Members were keen to find a way of reflecting that.

## **12. REVIEW OF BUSINESS RISKS [paper FPP/20/23 refers]**

- 12.1 Mrs Walker highlighted that, since the previous report, there had been one new red risk (6121 - Unstructured and Unclassified Data) and one new amber risk (6205 - Inability to meet Financial Targets). The information in the report was as at 31 December 2020 but Members expressed concerns that updates for these risks, which would have been expected within that time frame, were not recorded. Mrs Walker agreed to take this back to the respective risk owners and get a

process in place to ensure this was addressed for future reports. In respect of the financial amber risk, Members discussed whether it was reflective on the basis of the reports earlier in the agenda. Mrs Low suggested that perhaps title of the risk could better reflect that it referred specifically to the potential impact of the service transformation plan on the financial position. Mr Neilson provided an overview of EMT risk review and how gaps were being addressed, giving assurance to Members that the gaps flagged would be taken back to the respective directors.

### 13. RESILIENCE UPDATE [paper FPP/20/27 refers]

13.1 Mrs Morgan spoke to paper, which provided an update on NSS's resilience activities. In particular, the report highlighted:

- the well-managed responses to the 12 minor incidents which had arisen;
- the establishment of an Executive Out of Hours on call rota, which had not yet received any emergency contacts;
- the completion of the Scottish Government assurance templates to address the potential impacts of the UEFA 2021 Football Tournament and Conference of Parties Climate Change Summit.

Members noted the report and thanked Mrs Morgan for the update.

### 14. BOARD HIGHLIGHTS REPORT [paper FPP/20/25 refers]

14.1 Mrs Bailey agreed to draft up a report ahead of the next NSS Board meeting on 26 March 2021. Members were keen that it captured the contributions of National Procurement to the COVID-19 response.

**ACTION: Mrs Bailey to draft up the highlights report and send to Mr McDavid ahead of submission to the NSS Board. Mrs Bailey**

### 15. ANY OTHER BUSINESS

15.1 Members had no other business to raise.

### 16. DATE OF NEXT MEETING

16.1 Members noted the next meeting was scheduled for Wednesday, 3 February 2021 at 14:00, via the TEAMs platform.

There being no further business, the meeting finished at 1215hrs.