

# Agenda

B/22/11a

## NSS BOARD FORMAL

FRIDAY, 29 JULY 2022 COMMENCING 0930HRS IN BOARDROOMS 1&2,  
GYLE SQUARE, EDINBURGH (AND VIA TEAMS)

**Lead:** Keith Redpath, NSS Chair

**In Attendance:** Laura Howard, Associate Director Finance Corporate Reporting [Item 2.4 and In Private Session]  
Jacqui Jones, Director of HR and Workforce Development  
Matthew Neilson, Ass Director Strategy, Performance & Communications [Items 3.3, 3.4 and in Private Session]  
Jacqui Reilly, Nurse Director - Deputising for Dr Ramsay  
Lynsey Bailey, Committee Secretary [Minutes]

**Apologies:** Julie Critchley, Director NHS Assure  
John Deffenbaugh, Non-Executive Director  
Mark McDavid, Non-Executive Director  
Lee Neary, Director of Strategy, Performance & Service Transformation  
Lorna Ramsay, NSS Medical Director

**Observer:** Rachel Browne, Audit Scotland  
Carol Grant, Audit Scotland  
Stephanie Knight, Scottish Government  
Danny Duffy, Scottish Government

## 0930 – 1100 hrs

1. Welcome and Introductions

### 2. Items for Approval

- 2.1 Minutes of the previous meeting held on 10 March 2022 and Matters Arising [B/22/12 and B/22/13] - **Keith Redpath**
- 2.2 Environmental and Sustainability Strategy [B/22/14] - **Carolyn Low**
- 2.3 Committees' Annual Reports to the Board [B/22/15] - **Committee Chairs**
- 2.4 Updated Standing Financial Instructions [B/22/16] - **Carolyn Low**
- 2.5 NSS Standing Orders [B/22/17] - **Keith Redpath**



Chair  
Chief Executive

Keith Redpath  
Mary Morgan

### **3. Items for Scrutiny**

- 3.1 Chairs Report - **Keith Redpath**
- 3.2 Chief Executive's Report - **Mary Morgan**
- 3.3 Q1 Integrated Performance Report [**B/22/18**] - **Matthew Neilson**
- 3.4 Risk Report (6 months to end June 2022) [**B/22/19**] - **Matthew Neilson**
- 3.5 Register of Interests [**B/22/20**] - **Keith Redpath**

### **4. Items for Information**

- 4.1 Annual Whistleblowing Report 2021-22 [**B/22/21**]
- 4.2 NSS Public Inquiries [**B/22/24**]
- 4.3 NSS Committees Approved and Draft Minutes [**B/22/22**]
- 4.4 Board Forward Programme [**B/22/23**]

### **5. Any other business**

### **6. In Private Session – Board Members only**

- 6.1 Annual Report and Accounts [**IP/22/02**] - **Carolyn Low**
- 6.2 Audit Scotland NSS Annual Audit Report 2021/22 [**IP/22/04**] - **Carolyn Low**
- 6.3 Annual Delivery Plan 2022-23 [**IP/22/03**] - **Matthew Neilson**

Date of next meeting: Friday 23 September at 09:30 in Boardrooms 1&2, Gyle Square

# Minutes

## (Approved)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000

[www.nhsns.org](http://www.nhsns.org)



### NHS NATIONAL SERVICES SCOTLAND BOARD

### MINUTES OF MEETING HELD ON THURSDAY 10<sup>TH</sup> MARCH 2022 VIA TEAMS DIGITAL PLATFORM AT 0930 HRS

#### Present:

K Redpath, NSS Chair  
L Blakett, Non-Executive Director  
J Burgess, Non-Executive Director  
J Deffenbaugh, Non-Executive Director  
G Greenhill, Non-Executive Director  
A Langa, Non-Executive Director  
I Cant, Employee Director  
M Morgan, Chief Executive  
C Low, Director of Finance  
L Ramsay, Medical Director  
A Rooney, Non-Executive Director

#### In Attendance:

J Jones, Director of HR and Workforce Development  
L Neary, Director of Strategy, Performance and Service Transformation  
M Turner, Director SNBTS  
N Shippin, Director CLO  
M Bell, Director P&CFS  
E McLaughlin, Associate Director, Information Security and Governance  
K Nicholls, Committee Services Manager [Minutes]

#### Apologies:

M McDavid, Non-Executive Director  
J Reilly, Nurse Director

#### Observers:

Carol Grant, Audit Scotland  
Inire Evong, Audit Scotland  
Stephanie Knight, Scottish Government  
Conor Samson, Scottish Government  
Cheryl Hume, NSS  
Gregor Preston, NSS



Chair Keith Redpath  
Chief Executive Mary Morgan

NHS National Services Scotland is the common name of the  
Common Services Agency for the Scottish Health Service.

Helen Reed, NSS  
Swavik Dittmer, NSS  
Sumedha Asnani-Chetal, NSS  
Paul Smith, NSS  
Clairinder Clark, NSS  
Michael Stewart, NSS  
Victoria Moffat, NSS  
Nabeel Arshad, NSS  
Farooq Kirmani, NSS  
Anna Lamont, NSS  
David Stirling, NSS

## **1. WELCOME AND INTRODUCTIONS**

- 1.1 K Redpath welcomed all to the meeting, which was being held virtually, via the TEAMS platform. A warm welcome was extended to the Members of Staff and other Observers who had joined the meeting. Before starting the formal business of the meeting, K Redpath asked the Board Members if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.

## **2. MINUTES AND MATTERS ARISING [Papers B/22/02 and B/22/03 refer]**

- 2.1 Members noted the minutes and with some minor typographical changes were content to approve them in full.
- 2.2 Members noted that all outstanding actions were either complete, programmed for a future meeting, or would be covered by the agenda.

## **3. CHAIR'S REPORT**

- 3.1 K Redpath took Members through a verbal report and highlighted the following;
- The joint Systems Pressure meetings had now been moved to a monthly meeting although COVID numbers were still high, this was seen as a move to living with the virus;
  - NSS Excellence Awards – once again this had been a tremendous event and all staff should be proud of what they have achieved over the last 12 months. The Board Members asked that their joint thanks be passed on to all staff;
  - First Minister for Scotland and the International Development Minister had recently visited the Titan Warehouse in relation to medical supplies being donated to the Ukraine. This had been an excellent event and all staff involved were thanked for their hard work;
  - C Lamb, Chief Executive of NHS Scotland and Director-General Health and Social Care would be visiting Canderside during the week of 14<sup>th</sup> March and this would also be an opportunity for the new Board Non-Executives to meet in person for the first time since the pandemic began;
  - A new monthly meeting with R McCallum, Director, Health Finance and Governance, had now been put in place with individual Chairs which provided another formal opportunity to raise any issues or concerns. K Redpath would also be joining the NSS quarterly sponsor meetings;
  - NSS Board Development session – the venue had now been confirmed as the Golden Jubilee Hotel and Conference centre and would take place on 13<sup>th</sup> April;

## 4. CHIEF EXECUTIVE'S REPORT

4.1 M Morgan provided a verbal update and noted the following;

- Director recruitment was ongoing and M Turner had been appointed as Director for Scottish National Blood Transfusion Service (SNBTS). Assessment centres for the position of Director of Digital and Security and Central Legal office had now completed and shortlisting was imminent with interviews scheduled for 24<sup>th</sup> and 25<sup>th</sup> March 2022. C Low was currently providing leadership to DaS and N Shippin would stay in post until her retirement later in the year;
- COVID 19 response: NSS continues to enable and underpin the NHS Scotland response to the virus although focus was now on transition to a future state of living with the virus. Working closely with partners and stakeholders NSS was now in the process of establishing the size and share of services required across all areas to support this new ask. This included testing, National Contact Tracing Service, Vaccination programme, continued digital ask and what procurement would be required;
- NHS Scotland would remain in emergency measures until 31<sup>st</sup> March and further guidance was awaited;
- Recognition of the work being done within National Procurement and logistics colleagues in relation to the ongoing situation in Ukraine. The visit from the First Minister had been welcomed and 79 pallets, containing 241,000 items had already been delivered. The items had come from existing over stock and did not affect NHS Scotland in any way. In addition NSS had been approached by BA Perinatal Medicine for advice on supporting maternity and neo-natal issues in Ukraine;
- M Morgan provided reassurance to the Board that a full review had taken place in relation to any products that may have been sourced via Ukraine/Russia and Belarus and any implications this may have for NHS Scotland. This related to impact of sanctions and not manufacture of goods;
- NSS was also supporting wellbeing of staff who may have relatives affected by the Ukrainian situation;
- Meeting dates had now been confirmed for the presentation and review of the NSS Annual Report and Accounts;
- M Morgan echoed the thanks of the Chair to all those involved in the NSS Excellence Awards and encouraged those who had not been able to attend to watch the video. Staff engagement in the event remained very strong along with reception of the Stay Connected piece. Members noted that all EMT Members were now taking turns to host Stay Connected;
- The National Vaccination Programme, run by NSS, had been awarded a Holyrood Connect Award in February;
- NHS Scotland event would be held in Aberdeen on 21<sup>st</sup> and 22<sup>nd</sup> June and Members noted that discounts on accommodation and rail travel were available once registered for the event.

4.2 J Deffenbaugh asked for a wider risk piece to take place in relation to disruption of supplies in more general terms in relation to the current situation in mainland Europe. M Morgan agreed to discuss this with Gordon Beattie, Director National Procurement, and provide an update to the next NSS Audit and Risk Committee.  
**Action: M Morgan and G Beattie to review risks in relation to the European supply routes and business continuity implications.** G Greenhill asked for an

update on resilience and business continuity in relation to cyber security threats. M Morgan advised that the new Cyber Security Centre was now in place, with appropriate funding, and all CEO's had a detailed action plan in relation to this. Members noted that this was also being monitored closely by the NSS Executive Management Team along with Scottish and Westminster governments.

## 5. INTEGRATED PERFORMANCE REPORT [paper B/22/05 refers]

- 5.1 L Neary took Members through the first iteration of the new Integrated Performance Reporting and asked Members for their feedback on presentation and content.  
**Action: All Members to feedback on style, content of first version of the Integrated Performance Report.**
- 5.2 J Burgess asked for confirmation that this aligned fully with the Board Assurance Framework (BAF) and when the next version of the BAF would be available to the Board. L Neary advised that there would be a further review by the NSS Executive Management Team and the action would be to set up an additional Board Development Session to work through this together. **Action: L Neary to liaise with Board Services to identify suitable date for an additional Board development session.**
- 5.3 J Deffenbaugh continued and outlined the following requirements;
- The coversheet should identify and provide narrative on 'how NSS was doing' and draw linkages across the three disciplines i.e. Performance, Finance and HR;
  - Any areas of concern that should be scrutinised further by the Non-Executives;
  - Further detail on benefits of transformation and key milestones for delivery;
  - Forward look – identifying dependencies between disciplines;
  - Ensure there was no duplication of reporting.
- 5.4 G Greenhill asked for clarity on the NSS headcount and baseline funding. C Low advised that currently 70% of the NSS workforce was baseline funded, with others funded via programmes of work i.e. CLO charging, PgMS programme funding, National Services Division allocations. Further work was ongoing between HR and Finance to record post by post, which would allow more formal joined up reporting in the future as part of this paper. K Redpath advised that the details of the report would be reviewed by the relevant NSS Committees and the Board version would provide a higher-level story.
- 5.5 Members noted the content of the Remobilisation Plan Update and progress made to date.
- 5.6 J Burgess asked for additional information on Risk 6121 in the master risk register and the information in the Information Governance report that had been supplied to the recent NSS Audit and Risk Committee meeting held on 28<sup>th</sup> February 2022. C Low advised that she had been informed by her team that work was underway to prepare for the coming audit and there was good engagement across the SBU's. NSS was awaiting confirmation of the date of the Audit from the Information Commissioners' Office, but this was currently expected to be during May. A further update would therefore be available for the next Audit and Risk Committee.

## 6. **NSS FINANCIAL PLAN [paper B/22/06 refers]**

6.1 C Low took Members through the proposed plan and highlighted the following;

- The plan was presented to the Board for approval and indicated a balanced position;
- There was a three year plan in place, which again showed a balanced position with any associated risks being managed;
- There would be limited development funding.

6.2 Members asked for further clarity on the following areas:

- More detailed oversight of the planned transformation programmes and how these fed into the financial planning with clear benefits and return on investments;
- What level of inflation had been assumed going forwards into the plan;
- Possible benefits from estate rationalisation and indicative timescales for realisation.

6.3 C Low advised that for all Strategic Business Unit plans, that identified significant variances in later years of the plan, there was a recognition that it was essential to do things differently. For example digitisation, organisational change programmes, potential to stop services if required. Members noted that this was overseen by the Change Oversight Group, chaired by L Neary, which reported into, and was monitored closely by, the EMT. This group provided prioritisation guidance and tracking of delivery milestones etc. More detail would then be provided periodically, or by exception, to the NSS Finance, Procurement and Performance Committee as part of regular reporting. It should be noted however that this was a long term journey and the financial plan was looking at financial sustainability across the organisation to drive out costs, rather than just managing cost pressures. K Redpath commented that although the FPPC would see the detail, the outcomes of the Resource Allocation Meetings (RAMs) had not been seen by the Board.

6.4 Members then discussed the paper content in detail and were content to approve the plan per the recommendations.

## 7. **COVID 19 INQUIRY UPDATE [paper B/22/07 refers]**

7.1 Members noted the paper in full and were content with the recommendations and preparations underway with affected staff.

## 8. **ITEMS FOR INFORMATION [papers B/22/08 and B/22/09 refer]**

8.1 Members were content to note the contents of the items for information in full and discussed the following;

- NSS Clinical Governance and Quality Improvement Committee – the Clinical team were drawing up a table of accountable services and this could be shared with all Non-Executives once complete;
- Buy-Back of Annual leave – J Jones and A Rooney to discuss further outwith the meeting on application of this protocol – **Action: J Jones and A Rooney to discuss outwith meeting.**

## 9. ANY OTHER BUSINESS

9.1 There was no other public business to discuss.

This concluded the public session of the Board meeting. Members at this point resolved that under Section 5.2 of the NSS Standing Orders it was appropriate to exclude the press and public from its consideration of the remaining agenda items.

### ***IN PRIVATE SESSION – MEMBERS ONLY***

## 10. COVID STATUS APP – [paper IP/22/01 refers]

10.1 E McLaughlin provided Members with an update in relation to the COVID Status Application, and the response from the Information Commissioners Office (ICO).

10.2 Members noted that a full lessons learned was already in progress and any changes to process or procedure identified would be reviewed and implemented as appropriate. Any outstanding actions would also be followed up by the NSS Audit and Risk Committee (ARC) **Action: ARC to follow up on any outstanding actions arising from the ICO's response to the COVID Status App.** It was also noted that NSS now had a Deputy Data Protection Officer in place to provide further resilience.

10.3 Members thanked E McLaughlin for the update and noted their full support to the CEO, as Accountable Officer, in relation to this issue.

There being no further business the meeting ended at 1220.



# NSS BOARD - Action List 2021/22

B/22/13

From 10 March 2022 Meeting

**2022-03-10 Item: 4.2 Chief Executive's Report**

Assigned to: M Morgan and G Beattie

Action: M Morgan and G Beattie to review risks in relation to the European supply routes and business continuity implications.

Deadline: Immediately.

Status: Complete.

**2022-03-10 Item: 5.1 Integrated Performance Report**

Assigned to: All

Action: All Members to feedback on style, content of first version of the Integrated Performance Report

Deadline: Immediately

Status: Complete

**2022-03-10 Item: 5.2 Integrated Performance Report**

Assigned to: L Neary

Action: L Neary to liaise with Board Services to identify a suitable date for an additional Board development session on the Board Assurance Framework.

Deadline: Immediately.

Status: Due to sickness absence, this is still in progress and will be finalised soon.

**2022-03-10 Item: 8.1 Items for Information**

Assigned to: J Jones and A Rooney

Action: J Jones and A Rooney to discuss application of the protocol for buy-back of annual leave outwith meeting

Deadline: Immediately.

Status: Complete.

## From 2 December 2021 Meeting

### **2021-12-02 Item: 6.1 NSS Annual Review**

Assigned to: Board Services  
Action: Circulate NSS Annual Review Presentation to all.  
Deadline: Immediately.  
Status: Complete.

### **2021-12-02 Item: 7.1 Performance Reporting and 8.1 HR reporting**

Assigned to: L Neary/M Neilson  
Action: Review of how to interlink performance reporting i.e. performance, HR and Finance into one overall report.  
Deadline: Board development session 18.2.22  
Status: Under review for future reporting. First draft to be reviewed at formal Board 10.3.22

### **2021-12-02 Item 9.1 Finance Report**

Assigned to: Board Services  
Action: RF16 requirements to be added to FPPC forward programme.  
Deadline: Future meeting.  
Status: Complete.

### **2021-12-02 Item 9.1 Finance Report**

Assigned to: Andy McClean  
Action: Future reporting to show value for money and return on investment against projects.  
Deadline: Future reporting  
Status: Ongoing

**2021-12-02 Item 10.1 CEO's Report**

Assigned to: Board Services

Action: Health & Care strategy on climate change – NSS Strategy to be added to forward programme.

Deadline: Future Meeting.

Status: Complete. Added to forward programme for June 22 meeting.

**From 30<sup>th</sup> September 2021 Meeting**

**2021-09-30 Item 11.1 Performance Report [paper B/21/60 refers]**

Assigned to: L Neary

Action: L Neary to provide update on the South-East Payroll implementation to a future meeting.

Deadline: Future meeting

Status:

**2021-09-30 Item 12.2 Risks and Issues Report [paper B/21/47 refers]**

Assigned to: All

Action: All to feed back to M Neilson on strategic risks.

Deadline: Outwith meeting.

Status: Complete.

**From 25 June 2021 Meeting**

**2021-06-25 Item 3.1 Committee Annual Reports 2020-21**

Assigned to: Lynsey Bailey

Action: ARC annual report to be updated and submitted to next Board meeting.

Deadline: 30.9.21

Status: Complete. Agenda item for 30.9.21

**2021-06-25 Item 4.2 Chair's Update**

Assigned to: Keith Redpath

Action: KR to circulate Ministerial Team Update outwith meeting.  
Deadline: Outwith meeting.  
Status: Complete.

#### **2021-06-25 Item 6.4 End of Year Performance Report**

Assigned to: L Neary/M Neilson  
Action: Consider changes to report per minutes.  
Deadline: Outwith meeting.  
Status: Under review and new reporting would be discussed as part of the Active Governance and Board Assurance Framework.

#### **2021-06-25 Item 7.4 Review of Integrated Risk Management Approach and Risk Management Update**

Assigned to: Lee Neary/Matthew Neilson  
Action: Pass on thanks from the Board to Marion Walker.  
Deadline: Outwith meeting.  
Status: Complete.

#### **2021-06-25 Item People Report 8.2**

Assigned to: Jacqui Jones  
Action: J Jones to expand report to capture aspiration as well as BAU in future years.  
Deadline: Future Meeting.  
Status: In progress.

<b>Meeting:</b>	<b>NSS Board</b>
<b>Meeting date:</b>	<b>29 July 2022</b>
<b>Title:</b>	<b>Environmental and Sustainability Strategy</b>
<b>Paper Number:</b>	<b>B/22/14</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Carolyn Low, Director of Finance</b>
<b>Report Author:</b>	<b>Julie Critchley, Director NHS Scotland Assure (Reviewed by Carolyn Low, Director of Finance)</b>

## 1. Purpose

This paper is presented to board for approval.

## 2. Recommendation

The Board approves the NSS Sustainability Strategy and action plan.

## 3. Discussion

Following the Conference of the Parties (COP) 26 hosted in Glasgow 2022, the need to review and renew our Environmental and Sustainability plan to combat the global climate emergency was recognised.

We are committed to minimising the environmental impact of our operations through the adoption of sustainable practices and continual improvement & development in environmental performance. Our aim is to develop a sustainable organisation that is financially sustainable, environmentally sustainable, and socially equitable, as reflected in the NSS Environmental and Sustainability Strategy (Appendix 1) which details the actions required to deliver on the Scottish Government Sustainability and Climate change agenda described within [The Climate Emergency and Sustainable Development Policy for NHS Scotland \(DL 38\)](#).

NSS will comply with the three pillars of Sustainability:

1. **Social** - Play our part in the development of a sustainable future for NHSScotland in the way we use resources, plan, and develop services and deliver effective and efficient healthcare to the local and wider community.

2. **Environment** - Comply with applicable legal & statutory requirements, as well as other policy requirements of the Scottish Government and Scottish Environmental Protection Agency (SEPA) which relate to our activities that might impact on the environment. Strive to continually improve our environmental performance, compliance, and the prevention of pollution.

3. **Economic** – our aims include engagement with industry, Social Enterprises and meeting sustainable procurement targets, while delivering an ethical supply/procurement policy.

We will ensure that we:

- Maintain an effective Corporate Governance framework for Sustainability, by annually updating the National Sustainability Assessment Tool (NSAT) which aligns our sustainability objectives and performance against the UN Sustainable Development Goals.
- Implement and maintain an effective Environmental Management System (EMS) which is fully auditable to ensure compliance with environmental legislation.
- Regularly monitor and report our Sustainability and Energy performance against Scottish Government targets via inspections and internal auditing through the EMS system.
- Raise awareness among employees of environmental, sustainability and social considerations, and the importance of incorporating these into business-as-usual decision-making processes via policies, guidance, procedures, training, and awareness campaigns.
- Seek to adopt environmental best practice measures where practicable across the organisation.
- Put in place control measures to ensure that staff and contractors are aware of their environmental responsibilities. By reviewing contractual requirements and code of conduct reviews.
- Prepare appropriate strategies for improving the sustainability of our services in the following key areas:

<b>Our NSS</b>	<b>Our People</b>	<b>Our planet</b>
Governance and Policy		
Capital Projects	Awareness	Adaption
Active travel	Communities	Environmental management
Transport	Ethics	Greenhouse gases
Greenspace	Sustainable Care	Procurement and Supply chain
Nature & Biodiversity	Welfare	Waste

The Strategy is an iterative document, to ensure continued alignment with the evolving NHS Scotland Climate Emergency and Sustainability agenda and NSS's strategic direction and values. An action plan is included in the appendix of the strategy.

## **4. Impact Analysis**

### **4.1 Quality/ Patient Care**

Clinical care is an integral part of this Strategy and will be considered when formulating and delivering actions and targets.

### **4.2 Equality and Diversity, including health inequalities**

An EQIA has been completed and no impacts to equality and diversity, including health inequalities, have been identified. (Appendix 2).

### **4.3 Data protection and information governance**

No Data protection or information Governance risks have been identified.

## **5. Risk Assessment/Management**

The Sustainability Infrastructure Operational Delivery Group (SIODG) and Sustainability and Infrastructure Board (SIB) are responsible for the identification and management of any risks. Any risks identified will be monitored and actioned through the SIODG risk register which is currently being developed. The availability of resources, particularly capital funding will be a risk within the register.

## **6. Financial Implications**

NSS is currently exploring the requirements to deliver the targets, especially the development of a net zero carbon infrastructure. There will be no additional revenue funding available for Health Boards to support the delivery of this strategy, therefore we will be looking to support through our existing infrastructure.

## **7. Workforce Implications**

The staff requirements, including whether several distinct roles can be delivered by one individual, or a dedicated team are currently being explored and we anticipate will form part of a number of existing substantive posts as we move sustainability into business as usual.

## **8. Route to Meeting**

Prior to Board, discussions have taken place with the Sustainability Infrastructure Operational Delivery Group (SIODG) Sustainability, Infrastructure Board (SIB) and the Executive Management Team (EMT). The developing strategy was the focus of a Board Development session on 9<sup>th</sup> June 2022.

## **9. List of Appendices and/or Background Papers**

Appendix 1 - Environmental and Sustainability Strategy and Action Plan.

Appendix 2 - Equality Impact Assessment (EQIA)



# National Services Scotland Environmental and Sustainability Strategy



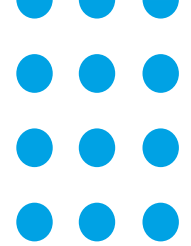
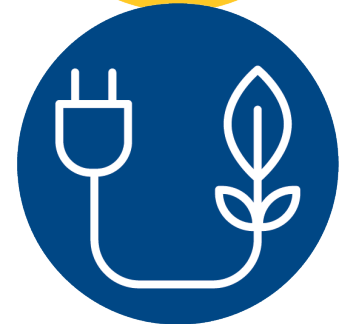
2022-2040





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# Foreword

Following the Conference of the Parties (COP) 26 hosted in Glasgow 2022, National Services Scotland (NSS) recognised the requirement to review and renew our Environmental and Sustainability plan to combat the climate emergency that we all globally face. It is more imperative that we each focus our drive and aims, individually and collectively to preserve our climate, planet, and the welfare of the global population against the biggest threat of our time to global health.

NSS's mission statement for Environmental management and sustainability is;

**To be integral to a world-leading health and care service while ensuring that we protect our environment, people and planet by becoming a net zero carbon organisation with sustainable operation.**

The Scottish Government has set targets for NHSScotland and all public sector to be Net Zero Carbon by 2040. NSS has reduced its emissions over recent years, reducing estate where practicable and implemented targeted sustainable practises. This strategy will build on those endeavours and aim to raise the pace and achievements through holistically embedding the principles of sustainability in all our services.



**Mary Morgan,**  
Chief Executive.

We will continuously improve the way in which we deliver existing and new services, with a focus on quality, to ensure they are safe, efficient, effective, and meet the needs of our service users, partners, and stakeholders.

NSS will support its vision through clear objectives.

## Climate Sustainability

Embed climate sustainability in everything that we do to ensure that NHSScotland becomes a net zero greenhouse gas emissions health service by 2040 or earlier.

## Financial Sustainability

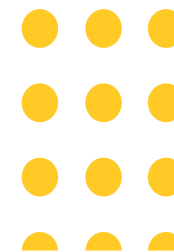
An organisational financial stewardship culture that will drive effective use of assets, infrastructure, and value for money.

## Workforce Sustainability

A diverse, knowledgeable, and skilled workforce deployed in an environment where the organisation is adaptable to the changing lifecycle of employees and delivers leadership and behaviours reflecting the values of NHS Scotland.

## Service Excellence

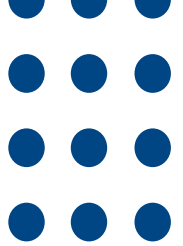
The Board is committed in its intent to continue to deliver the highest level of services for the people of Scotland whilst protecting their health and future by doing so in a sustainable manner and protecting our environment.



## NSS and Social Sustainability

**NSS will contribute to the sustainability of our local and national population by playing our part in delivering sustainable change in all that we do.**





**The greatest global health opportunity of the 21st century.<sup>1</sup>**  
**AND, (conversely)**  
**the biggest global health threat of the 21st century.<sup>2</sup>**

**Climate change has been recognised as a fundamental threat to population health globally. In the same consideration by addressing climate change as a global undertaking, we have the greatest opportunity to improve the health of all whilst preserving our planet.**

As an ambassador and enabler of NHS Scotland, NSS aims to become Net Zero by 2040 or earlier and embed sustainability through the organisation whilst seeking to protect our environment and planet. National Services Scotland supports customers to deliver their services more efficiently and effectively. We offer shared services on a national scale using best-in-class systems and standards. As an exemplar organisation providing enabling services for all of NHS Scotland, NSS aspires to ensure that we provide sustainable resource provision enabling and promoting clear demonstrable action against climate change through stewardship of resources, environmental protection, and sustainable delivery.

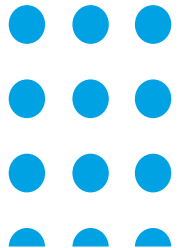


1 Lancet commission: Health and climate change: policy responses to protect public health, The Lancet, Vol. 386, No.10006.

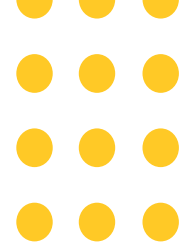
2 Lancet commission: Managing the health effects of climate change: and University College London Institute for Global Health Commission.

















# Embracing the United Nations Sustainable Development Goals

NHS Scotland and the Scottish Government is committed to supporting progress to meet the sustainable development goals as identified by the United Nations in 2015, laid out in 2030 Agenda for Sustainable development. These are incorporated to produce Scotland's National Performance Framework below.



# BY 2040 ..... NSS - A Net Zero Sustainable Organisation



<p><b>Greenspace</b> is identified, maximised, and utilised by staff and partners across all our properties.</p> 	<p>Energy and water are valued commodities which are utilised only as necessary as part of our <b>Environmental Management</b>.</p> 	<p>Health, happiness and <b>welfare</b> of our staff is a key foundation of effective workforce.</p> 	<p>We promote <b>active travel</b> and encourage our staff to think about their health as well as the planets.</p> 
<p><b>Nature and Biodiversity</b> are valued and increased as part of the infrastructure of our sites.</p> 	<p>We embed <b>ethical</b> policies across our direct and indirect workforce, embracing equality and diversity and prevent modern slavery.</p> 	<p>We minimise our use of <b>transport</b> and ensure that where it is utilised it is carbon neutral.</p> 	<p>NSS minimises its waste and recycles or repurposes. None of our <b>waste</b> is detrimental to the environment.</p> 
<p>Our business is <b>adaptable</b> and resilient to climate change.</p> 	<p>Our buildings and <b>capital projects</b> value sustainability above finance and create future proof solutions.</p> 	<p>NSS work with local <b>communities</b> and partners to positively change the health, environment, and prospects of all of Scotland's people.</p> 	<p>NSS Clinical services deliver <b>sustainable care</b>, which balances the needs of Scotland's people, their environment and sustainable service provision as needed.</p> 
<p>Our organisation, customers and stakeholders are <b>aware</b> of the benefits of sustainability and share our aspirations.</p> 	<p>NSS has removed all unnecessary sources of <b>greenhouse gases</b> from its buildings and services.</p> 	<p>NSS has sustainability as the key basis of the organisation. This is reflected in all <b>governance and policies</b> as a mandatory requirement.</p> 	<p>NSS facilitate sustainable <b>procurement</b> for all of Scotland's boards. Providing carbon free logistics and supporting Scotland's people and industry through embracing circular economy.</p> 

# NSS Sustainable Journey

## By ...2025

NSS will be starting its journey to Net Zero Carbon by:

- Early identification of inefficient systems which can be modified or replaced to reduce carbon
- Seeking new technological innovations which can be leveraged to lower carbon emissions in services or assets
- Removing fossil fuel vehicles from cars leased or owned by NSS

Scottish Government waste targets will be achieved and exceeded.

- Domestic waste reduced by 15%, and greater where possible, against 2012/13.
- Ensure that no more than 5%, domestic waste goes to landfill.
- Reduce the food waste it produces by 33% against 2015/16.
- 70% of all its domestic waste is recycled or composted.
- Healthcare waste will be reduced annually measured by % against use.
- Staff welfare is placed above financial considerations in NSS.

PAMS 2023 -2033 in place and early implementation underway.

Sustainability will be on all SMT agendas and reporting for each SBU.

## By... 2030

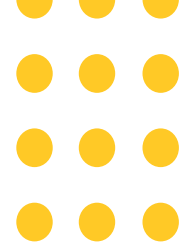
- NSS Property will be reviewed. A ten year PAMS strategy will outline our path to net carbon zero by 2040.
- Renewable energy will be in place in our buildings or will be covered under a plan that ensures completion by 2037\*.
- All car travel will be by necessity or exception only. In person meetings will be based on defined necessity. Active travel will be an enabler for meetings.
- Energy and Water consumption management will be in place and reported to the board.
- Environmental management system will be embedded in the board and reviewed annually to ensure end of year completion.
- NSAT score will be platinum and maintained at this level.
- NSS will ensure that there is available greenspace with staff able to access on all sites.
- Staff will adopt sustainability as key to their role in all areas of NSS.
- NSS will have plans in place that remove the need to purchase fossil fuel fleet vehicles.

## By... 2035

- National grid will be decarbonised and assisting progression to net zero acting as a key net zero enabler.
- No fossil fuel vehicles will be used in any NSS capacity.
- NSS estate will be largely heated by renewable heat or have projects underway to achieve this.
- NSS premises that cannot attain net zero by 2039 will be divested\* from estate.
- NSS external greenspaces will have developed and encourage biodiversity which is annually assessed and promoted.
- NSS staff embrace active travel, green health and access to outdoor spaces, and engage to use and maintain.
- NSS supports communities connected with it's presence or services and engages with them on sustainable endeavours support UN SDGs.
- Our supply chain is decarbonised.

\* Except where NSS occupy space on a territorial board site. This will be delivered by the territorial board and JCC where avenues have been explored with NPDco.

# Greenspace, Nature and Biodiversity



In evidence to the Scottish Parliament Local Government and Communities Committee in May 2018, NHS Health Scotland said:

**“Given the significant positive health outcomes associated with greenspace it is clear that investment in greenspace could save the UK health system money and be a cost-effective health intervention.”**

## NSS 2022

NSS estate has limited greenspace to support staff welfare, nature, and biodiversity, whilst combatting climate change. Decades of increased demand for private transport have created vast areas of hard and non-porous surfaces as car parks and roads, adding to future site flood risks and poor resilience to climatic changes.

## Our commitment

By implementing innovative new ideas, NSS will develop and create Greenspaces on its new and existing sites in the next five year. These will provide green health spaces for staff and visitors to improve welfare whilst improving the aesthetic environment and redefining the ‘workplace’.

The spaces will act as natural carbon sinks for greenhouse gases, whilst improving the absorption of precipitation and reducing flood risks. By providing these spaces, we encourage biodiversity through provision of substrate and environmental conditions conducive to nature including ourselves.

The spaces will be maintained to be used by all but with a prioritisation to improving the biodiversity of the immediate environment. An inclusion of flowers and fruit trees will attract pollinators.

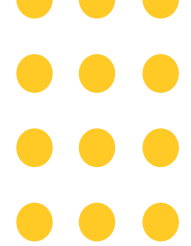
## Aspirations

All NSS sites will have an area that ‘gives back’ to nature and promote biodiversity, these may or may not be accessible due to situation, e.g. planted roofs. Accessible greenspace will be identified locally or on site for all NSS premises and utilisation will be promoted for staff and visitors.





# Environmental Management and Greenhouse Gases



**'Greenhouse Gases from human activities are the most significant driver of observed climate change since the mid-20th century.'**

IPCC (Intergovernmental Panel on Climate Change). 2013. Climate change 2013: The physical science basis. Working Group I contribution to the IPCC Fifth Assessment Report. Cambridge, United Kingdom: Cambridge University Press.

## NSS 2022

All NHS boards require compliance with environmental legislation and in late 2021 NSS had access to a new Environmental Management system to assist. This system has yet to be populated but initial work is underway. The scope and breadth of applicability in NSS is vast due to the diverse nature of the services provided. Key areas include water (supply and waste), flooding, air quality, heat systems, waste...and many more. Reduction in the use of natural resources balances the equation of sustainable environmental management and NSS captures energy and water usage to understand impact.

By reviewing their environmental policy NSS will seek to refresh and invigorate their intent and the organisational drive to place Environmental consideration front and foremost in their priorities. Through maintenance and continued utilisation of environmental management systems, risk to the environment is reduced or eradicated.

## Our Commitment

NSS will develop a route map with detailed planning to become a net zero carbon service, both for our board and the onwards services that we provide to NHSScotland. This route map will form the basis of programme of changes with resource and investment requirements, for the board to achieve net zero before 2040.

To maintain a comprehensive environmental management system and put measures in place to address risks.

Our estate will adapt to provide the best fit for the services that we deliver, and we will seek to maximise our use of space and invest in environmental performance of our estate.

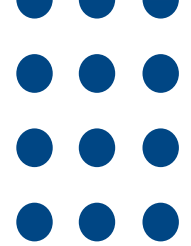
We will measure and evaluate energy and water usage in all programs, projects, and aspects of NSS function. NSS will promote the safeguarding of resources and actively seek to optimise usage.

## Aspirations

NSS will be a net zero carbon organisation, supporting its customers and stakeholders to do the same. Resources used on all NSS sites will be minimised for only essential use with significant use of supportive alternative technologies where available.

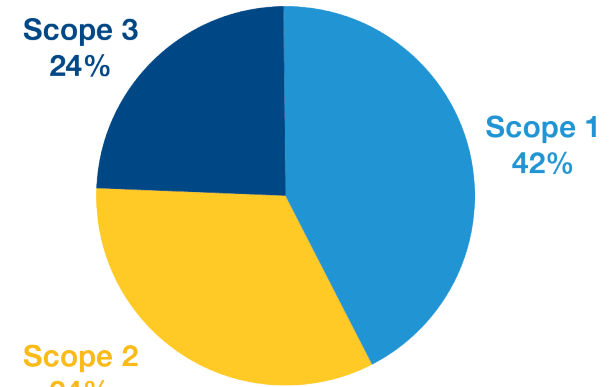
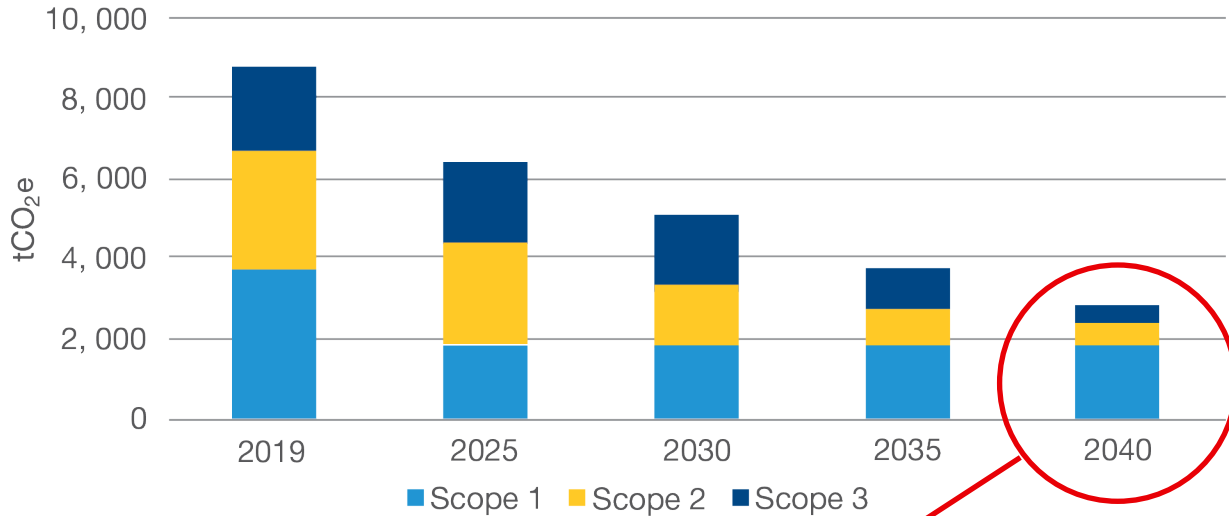


# Greenhouse Gases - Net Zero Carbon Baseline

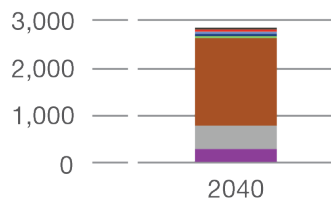


To assist our journey to Net Zero, NSS considered its baseline 2019. Developed in conjunction with consultants, NSS route map indicated likely carbon emissions which would remain by 2040 where business continued its current trajectory.

This demonstrates the need to seek early solutions for the reduction of scope 1 emissions.



2019/20 baseline footprint by scope



- 50/50 Transport Fuel    ■ Diesel    ■ Diesel Scope 3    ■ Grid Electricity
- Natural Gas    ■ Petrol    ■ T&D Losses    ■ Waste (All Types)
- Water Supply    ■ Water Treatment

Scope 1 (Direct)	Scope 2 (Indirect/purchased energy)	Scope 3 (Indirect)
Emissions from the activities of the Health Board or under its control	Emissions from electricity, steam and heat purchased and used by Health Board	Emissions from activities of the Health Board occurring from sources that it does not own or control
<b>Building energy (Fossil fuels)</b>	<b>Building energy (electricity, purchased heat and steam)</b>	<b>Energy transmission and distribution</b>
<b>Owned fleet (petrol, diesel)</b>	<b>Owned fleet (electric)</b>	<b>Waste water treatment</b>
<b>Anaesthetic gases</b>		<b>Waste arisings</b>
<b>F-gases</b>		<b>Business travel</b>

The residual forecasted emissions areas 2040, remain those of fleet and gas. This provides a distinct area of focus for NSS Net Zero Strategy with action required to reduce / remove gas consumption across the estate, closely followed by removing necessity for transport fuel.

# Net Zero Carbon – How NSS will get there

## Scope 1 Emission Removal / Reduction

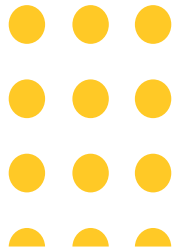
- NSS will seek to remove its systems that require gas across estate, looking to replace with suitable alternatives through seeking out innovative technical solutions.
- Replacement of F gases to non-greenhouse gas systems will be planned for delivery over the next ten years.

## Scope 2 Emission Removal

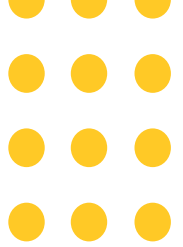
- The grid will be decarbonised by 2035 in Scotland, irrespective NSS will seek to reduce its use of electricity in favour of renewable sources before and beyond this endeavour to develop an adaptable and resilient estate.
- Fleet will be decarbonised and be minimal to meet organisational requirements. Review of services with transport requirements will be undertaken in conjunction with provision of infrastructure to support an electric fleet.

## Scope 3 Emission Removal

- Promote active travel and reduce business travel.
- Supply chains will be examined to ensure sustainable delivery by subcontractors.
- Water and energy consumption will be reviewed to ensure that usage is reduced to the minimum required consumption.
- Reduction of waste will be maximised with focus on reutilise or reuse. Further reduction measures will aim to reduce waste generation at source either through inhouse practices or incoming supply.



# Ethics and Welfare



It is estimated that ~10,000 people in the UK are in modern slavery - UK Government

## NSS 2022

NSS is a fully accredited living wage employer with comprehensive employee assistance programmes in place with a focus on wellbeing.

Our workforce is valued and key to service delivery for the Scottish Public and our partner HealthBoards, with equality and diversity embedded in our services and policies. We will link with HR to ensure our sustainability educational needs for all staff are embedded within NSS.

## Our Commitments

Working in partnership with trade union/professional organisational partners and other HealthBoards, NSS will continue to be a 'living wage' employer. Building from this we will work to ensure that living wage combats the rising potential of food or fuel/utilities poverty for our staff.

As a 'good citizen' NSS will put increased focus on identifying and signposting vulnerable customers engaged through our services who may be impacted by food and fuel poverty and seek to engage with local authorities and community resources to tackle this problem.

NSS will endeavour to eradicate any form of trafficking, exploitation, and slavery from its direct or indirect employment with this intent explicitly conferred in a modern slavery statement underpinned by policy this directly links to the UN sustainability goal.

NSS will, through our Early Careers Strategy work with local communities, agencies, and educational establishments to provide employment prospects and vocational training.

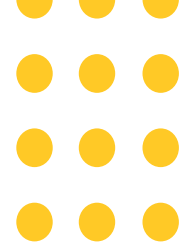
NSS will continue to support the health and wellbeing of its employees improving morale and embedding a sustainable workforce.

## Aspirations - needs to link to Great Place to Work Plan

Our staff are valued and healthy and happy reflected in a low annual staff turnover. Our established workforce increases the captured expertise for the services we deliver and increased our resilience to adapt to changed requirements. We expand our sphere of influence to customers, patients and supply chain to ensure that welfare is similarly conferred and risk identified.



# Capital Projects and Adaptation



**Adaptation – adapting to life in a changing climate** – involves adjusting to actual or expected future climate. The goal is to reduce our vulnerability to the harmful effects of climate change (like sea-level encroachment, more intense extreme weather events or food insecurity).

## NSS 2022

An initial Climate Change risk assessment and adaptation plan was completed early 2022 by NSS forming a base position to review and expand on to allow identification of risks for NSS. This has been embedded into business-as-usual procedures with key risks to be put on the corporate register.

The recent drive by Scottish government brings greater focus on the sustainability and adaptability of property matters and large capital projects into greater scrutiny. NSS Assure have already included these aspects of guidance into their programs of national work and a beta sustainability tool is available for construction and design work. Much of the consideration of sustainability in large capital works underway is through informal processes with an awareness to changing requirements through local knowledge.

## Our Commitment

All property transactions in NSS will now consider carbon emissions, climate resilience and sustainability as key requirements. NSS will undertake to implement this prior to the revised Scottish Government property transactions handbook expected which will reflect the priority that is to be given to zero and low carbon properties.

NSS existing property portfolio will be adapted for climate resilience if to be retained at 2040.

NSS will develop a ten-year property and asset management strategy for NSS in collaboration with the joint requirements and

shared objectives of the National Boards Property collaborative. This strategy for 2023 -2033, will consider the development of the future estate including assets and sustainability.

All NSS business cases will include a sustainability assessment as standard.

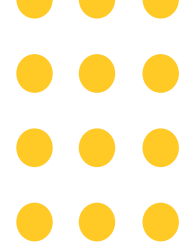
Completion of climate change risk assessment and incorporation of adaptation plans will be considered crucial and regularly reviewed by the Sustainability Infrastructure Board.

## Aspirations

NSS estates and services are able to continue to deliver with resilience to projected climate change over the next 50 years. All services will incorporate environmental and sustainable aspirations in the same manner that they would performance and finance.



# Transport and Active Travel



**Transport is the biggest contributor to greenhouse gas emissions in Scotland.** But it's also an area where we have an opportunity to significantly reduce our emissions by choosing more active forms of travel. Given that over half of journeys we make in Scotland are under 5km, if we are able to and choose to walk, wheel or cycle instead of taking the car for these shorter journeys, we'll be playing our part in helping Scotland reach its net zero emissions target.

## NSS 2022

Fleet operations are core to several business services offered by NSS. The provision of these services nationally is managed by differing logistics departments. In addition, NSS also operates a pool and lease fleet of vehicles. NSS has a national remit which, for some functions, mandates travel.

The pandemic has demonstrated that many of these functions can leverage technology for the avoidance of travel and Scottish Government restrictions combined with the National adoption of teams by NHSScotland has demonstrated a pace of change that can be achieved with the correct tools.

NSS has an existing travel hierarchy and lease car policy, however these do not account for recent changes.

## Our commitment

NSS will create a transport strategy, inclusive of travel policy, business travel hierarchy, active travel promotion, lease car guidance, fleet strategy and revised T&Cs for private transport. This extensive suite of documentation will create clear direction for staff that assist them to make decisions in the delivery of their role, whilst minimising their environmental impact, carbon emissions and financial outlay.

By seeking for inclusive active travel and public travel solutions and promoting the use of technology over travel, NSS seek to maintain

the low business mileage and more effective use of time displayed during the pandemic. Our estate provisions will continue to support active travel (and green health in our buildings), but endeavour to identify inclusive active travel and new zero carbon transport options.

Our service fleet will transition to sustainable fuel sources and remove carbon emissions from this source.

## Aspirations

Our staff will work from where it is convenient for them, where their role does not confer a location. The majority of commuter journeys will be undertaken using active travel and public travel with a reduced need for car parks. Our premises will be accessible by public transport with greenspace, shelters replacing large hard surface car parks. Business travel will be by exception only and technology will be prioritised for all engagements. Our fleet will be non carbon emitting this will be in line with our hybrid working.



# Awareness, Governance and Policy

## NSS 2022

NSS operates with comprehensive governance and policies that underpin its services. Many of these are due for update this year and will reflect the new strategic objectives around sustainability and climate emergency.

NSS has excellent all staff communication through differing dissemination routes, with a focus on staff engagement as an enabler for effective delivery and alignment with aim. This is supported through close partnership working.

## Our commitment

NSS has a clear suite of documents underpinning its sustainability strategy supported by clear leadership at the highest level.

Our policies support the welfare of our staff and the environment in equal measure and without detriment to either.

By ensuring awareness of our policies, processes and ambitions, we harness the power of all our employees, individually and collectively to deliver the best achievements towards our goals.

Our governance frameworks will support and motivate with an expectation that we collectively exceed targets to support our stakeholders and other boards.

We will expand this awareness, our effective policies and processes and share these with other boards and supply chain; recognising that environmental protection and sustainability is as vital to protecting our planet in a similar way to the development and sharing of car seat belt technology at its advent.

## Aspirations

NSS has clear governance supported through policies that focus on the best results for our people, planet, and prosperity. Our staff are engaged through good communication and enabling their awareness of the necessity of change.



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# Procurement

## NSS 2022

National Procurement is embedded in NSS, not only providing our board, but leading the way for NHSScotland Provision. We have a sustainable procurement steering group and aim to exceed government requirements on this and circular economy.

## Our Commitment

Through sustainable procurement of goods, NSS supports all Scottish Boards in the achievement of their journeys. NSS national procurement will be the leading gateway provider for sustainable low carbon procurement into Scotland where possible exceeding Scottish Government targets

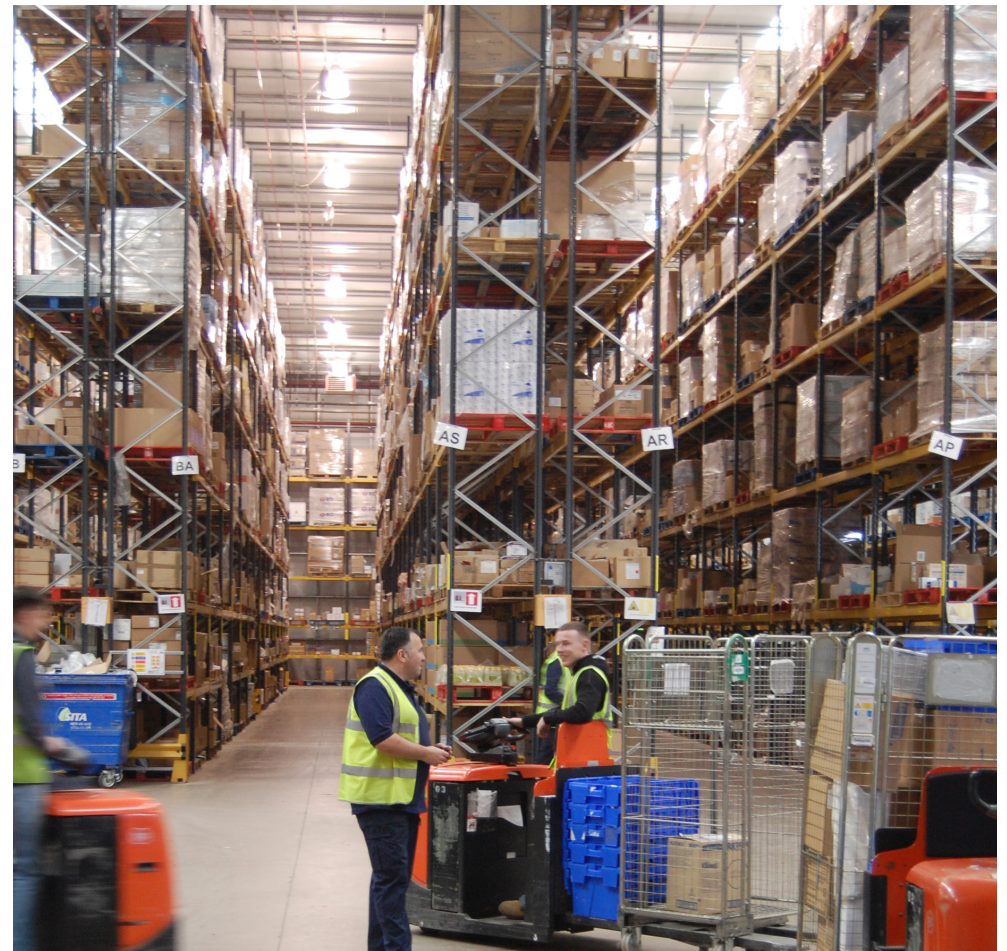
We engage beyond HealthBoards to identify the most sustainable procurement into Scotland to create a greener, cleaner environment by effect sharing of transport and demanding carbon free transport solutions from suppliers.

Our active engagement with suppliers allows us to influence production to drive down resource consumption and remove waste and single use items out of solutions.

Waste is managed as an important part of commodities and eradication is sought from production to delivery, with removal at earliest opportunity to be recycled re-used.

## Aspirations

NSS National Procurement will be the leading public sector procurement body acting as a centre of excellence and providing services for the wider public sector mandated by Scottish Government.





## NSS 2022

NSS provides care indirectly and in partnership with other sectors of NHSScotland. As a provider of clinical service knowledge, models and fundamental components that allow territorial boards to provide end point care; NSS considers its need for sustainable care consideration at the outset to be vital on this pathway.

## Our Commitments

NSS will deliver its clinical services in partnership with stakeholders, community planning partners and patients, employing the most effective use of available resources to create holistically sustainable provision.

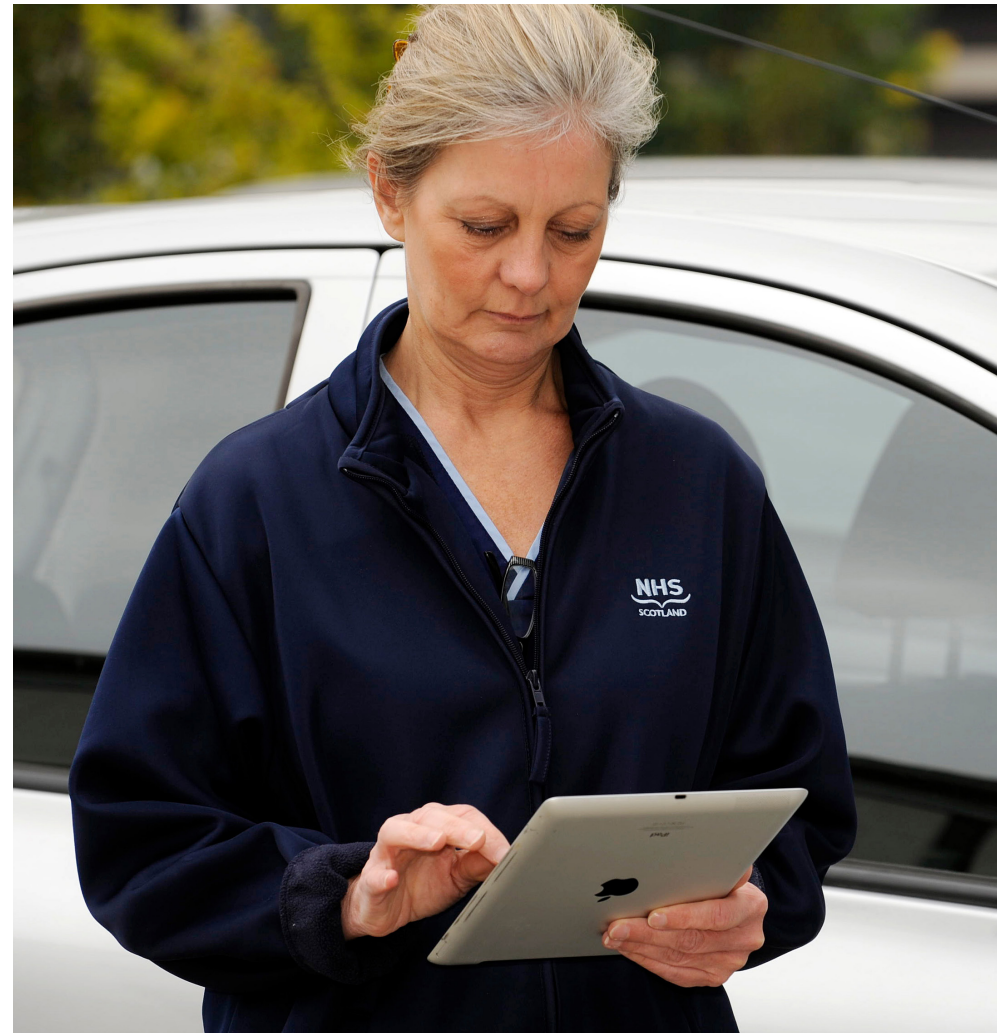
Our services consider national strategic needs in conjunction with emerging trends from climate and demographic change to prevent and reduce ill health reducing financial burden on NHSScotland.

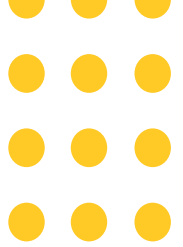
We work with industry to identify new and innovative solutions, supporting the research and development of these for all boards in Scotland.

Services continue to adapt to reduce greenhouse gases, waste and environmental pollutants from source to delivery of care. An important proponent of this is stewardship of resources and management of scarcity with reduction of pharmaceutical waste specifically.

## Aspirations

To deliver effective professional care that protects our planet and scalable to demographic change.





## NSS 2022

Community engagement is an explicit part of NSS Corporate Strategy 2019-2024, with NSS Assist performance reported on quarterly. We actively engage with partnership organisations, wider public sector, and government to synergise and improve collective delivery to the Scottish Public.

## Our Commitments

Our services will build on existing relationships to expand their sphere of influence to wider sectors of Scotland, embracing opportunities to share our expertise, provide signposting to resources and support the most impacted and vulnerable.

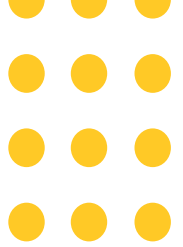
NSS acknowledges that poverty, self-worth, and education affect the health of communities across Scotland. As a key NHS board, we have a sustainable target through NSAT to work with employment agencies and charities to facilitate their work and provide opportunities that enable individuals and communities to change their lives, environments and improve health.

Our staff will be afforded time to volunteer in their local communities and influence positive change as well as 'giving something back'. Through engagement we will influence and promote sustainability in all areas, protect environments and work with our population to tackle the climate emergency.

## Aspirations

NSS is recognised as a central and key contributor with influence for the delivery of local to national delivery of services, with a willingness to support others achieve their goals.





## NSS 2022

Waste functions in NSS sit under the remit of our waste management officer who ensures that our organisation is compliant whilst driving down the levels of waste generated. Diligence to this over the last several years have seen NSS already meet their obligations on recycling targets and reduction in waste for 2025 achieved.

### Our Commitments

NSS will continue to drive down the total waste that the organisation produces. By working with suppliers and procurement colleagues we will endeavour to stop the generation of waste by removing / reducing packaging, minimising multiple deliveries in small quantities and obligating some contractors to remove waste as part of contract.

Our staff and services will continue to be educated in recycling segregation and correct disposal. We will also focus on renew, reuse, and reprovion to avoid the creation of waste and churn and increase financial sustainability.

On our estates and with our contractors we will continue to seek out new or existing technologies that reduce the climate impact of our waste such e.g., anaerobic digestors, accounting for wastewater as well as food waste. Synergies between new technologies for energy and useable waste by products such as biomass fuels will be evaluated as part of end-to-end systems where viable.

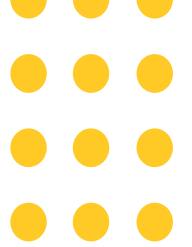
NSS will continue to assure that waste is reduced, removed, and disposed of to no detriment to the environment and in line with legislation, monitored through our environmental management system.

### Aspirations

NSS will provide an exemplar Waste and environmental management practises that support other National Boards in addition to itself by maximising the avoidance of waste at source. Where waste is created it will be evaluated for potential as use elsewhere or as a fuel source before final recycling.



# Appendix: Actions



Greenspace, Nature and Biodiversity

Environmental Management and Greenhouse Gases

Ethics and Welfare

Capital Projects and Adaptation

Transport and Active Travel

Awareness, Governance and Policy

Procurement

Care

Communities

Waste



## Actions - Greenspace, Nature and Biodiversity

### By 2025

- Creation of bee colonies on suitable sites, working with local community beekeepers, encouraging schools' education with visits, and providing any honey back to food banks (example at NHS Glasgow).
- Generate a greenspace plan for each site with focus on improved access, utilisation, biodiversity, and natural environmental defences.
- Research and development of enhancement potential for SUDS basin at NDC.

### By 2030

- Encourage green health and use of outdoor spaces by visitors and staff.
- Create aesthetically pleasing estate, making our premises a desirable environment to attend.
- Work with local partnerships and local communities to explore opportunities on local proximal greenspace areas.
- Develop accessible walking routes on, around and near all existing sites.

### By 2035

- Identify and promote local walkways and travel routes in greenspace areas both on and offsite.
- Establish a culture, where greenspace is valued and utilised across estate.
- Have established partnerships with communities, charities, and local public sector to promote shared greenspace.

### Reviewing Progress

- Annual audit of biodiversity across estate greenspaces or created 'nature havens' to assess gain.

- Monitor usage of greenspaces through survey and periodic physical review.
- Number of sites out of estate whole that have accessible greenspace.
- Number of sites with nature havens or specific biodiversity promotion.

### Opportunities to embed sustainability

- Appoint a green health champion on the board and within each SBU to promote the benefits of green health for all staff and support and drive strategy.
- Promotion of wildflower planting and fruit trees at verges at NDC.
- Review of gardening contracts, lease contracts and risk review to reduce mowing of verges and common areas on various sites to encourage biodiversity (participate in no-mow may).
- Creation and planting of 'green charging' spaces or car parks, removing asphalt / surface, and using planted grids.
- Creation of planted verge, central dividers, and boundaries to parking areas on all sites.
- Promote use of existing greenspaces at Gyle and JCC to whole workforce and invite them to identify opportunities in their area. Inter-building competition to develop their environment or similar concepts.
- Identify the requirement for greenspace and green health space as fundamental in the Property and Asset Management strategy.
- Conduct a greenspace and biodiversity audit of existing estate with a focus on identifying opportunities to promote and expand.



## Actions – Environmental Management and Greenhouse Gases

### By 2025

- Create and implement a Property and Asset Management Strategy 2023-2033 (PAMS).
- Decarbonise certain areas of fleet (captured under transport section).
- Generate a route map and project plan for NSS to achieve net zero by 2040 that is aligned with the PAMS.
- Making changes to infrastructure that support route map to net zero.
- Environmental management system to be fully reviewed against 2022 aspects and legislation with annual review in place and assessment against new or updated legislation.
- All new or planned property acquisitions must be heated by renewable source by 2038 and net zero by 2040 or have a credible route map to achieve the same end position.
- Ensure that use of resources is prioritised and minimised across estate.

### By 2030

- Record and influence the reduction of greenhouse gases in supply chain or from other sources out with control or ownership.
- Where 1990 baseline is known, NSS must reduce the emissions from that source by 75% - where not known it is recommended that NSS sets its own interim target against baseline 2013/2014.
- Install water loggers on all sites to monitor temperatures of water, identifying faults proactively and enabling reduction in flushing regimes to the minimum.
- Remove all systems and processes that utilise greenhouse gases internally.

### By 2035

- All NSS building should be transitioning to or have a plan to transition to heat from renewable source by 2038, this should be aligned with Property and Asset Management Strategy in place.
- Existing properties should be transitioning to net zero carbon or be imminent for removal as NSS property.

## Reviewing Progress

- Annual data capture including all carbon emissions and costs of associated services via Public Bodies Climate Change duties report.
- Quarterly review of energy and water consumption through EMT and Board.
- Maintain and monitor greenhouse gases registers and identify patterns and trends.

## Opportunities to embed sustainability

- Map out roles and responsibilities structure for NSS.
- Renew our environmental policy statement and re-publicise.
- In conjunction with hybrid working practices assess occupation of buildings and required ongoing demand.
- Increase awareness of energy and water consumption to all staff on all sites and campaign to switch off devices and save water.
- Seek a digital solution to ensure all equipment in premises is powered off rather than on stand-by.
- Capture commuter data pre Covid and assess annually for Board the ongoing reduction in commuter miles due to hybrid working practices is a carbon saving.
- Identify high emissions sites and focus on reduction for these sites.
- Install environmental loggers on a site as a trial as they measure air quality and temperature, to see if they can identify change to Building Management Systems to improve efficiencies.
- Identify new technologies and renewables that can replace existing infrastructure, e.g., Anaerobic digestion for waste.
- Apply resource to delivering and maintaining Energy Management System (EMS) to minimise risk and identify areas of the organisation where environmental gains can be achieved.
- Be the leading board in Scotland for % completion of EMS.
- Conduct an organisation review to assess system or processes that utilised greenhouse gases and create a register.
- Seek to identify improvement areas and financial savings through the completion of EMS.

## Actions - Ethics and Welfare

### By 2025

- Have cross board graduate placements schemes in partnership with educational establishments.
- Establish processes with local organisations and employment agencies to provide employment opportunities with focus on provision for long term unemployed, older persons or those with long term health conditions or disabilities.
- Have representation as an employer at the 'milk round' and careers fairs.
- Establish NSS as a lead and exemplar employer by improving life balance through new and innovative means – e.g., shorter working week for staff.
- Provide welfare advice on sustainable living choices and assistance available to staff facing cost of living crisis.

### By 2030

- Work with Scottish Government and partnership to develop new balanced paternity / maternity leave models that can be shared to suit prospective parents with fathers receiving similar considerations to mothers.

### By 2035

- Work with educational establishments and organisations to develop an NHS Services Scotland qualification.

### Reviewing Progress

- Annually review modern slavery statement.
- Monitor supply chain annually for risk of modern slavery.
- Work with agencies to detect and deter new forms of human trafficking and exploitation.
- Ensure public facing staff are regularly made aware of how to identify persons at risk and monitor the occurrences of this annually.

## Opportunities to embed sustainability

- Create a modern slavery risk assessment.
- Obtain a modern slavery statement from all supply chain partners and require an annual renewal of statement.
- Work with local charities and communities to identify where NSS can assist with the identification of persons at risk of slavery, food poverty or fuel poverty and provide signposting services for these.
- Create and publicise NSS Modern Slavery Statement.
- Further develop the hybrid working policy to allow for workplace of choice for employees where role does not confer their physical presence.
- Establish protected time policies that encourage a break from work, with protection from meetings, enabling staff to be active or relax and refresh.



## Actions – Capital Projects and Adaptation

### By 2025

- Identify low or zero carbon alternate and back-up solutions for infrastructure.
- Ensure that all NSS capital projects are delivered utilising Sustainable design and construction (SDaC) Guide (SHTN 02-01).
- Revise flood risk assessments for full estate.
- EMS to be complete with review, recommendations or new legislation forming actions.

### By 2030

- Scope 1 energy used across estate to be halved compared to 2021 baseline.

### By 2035

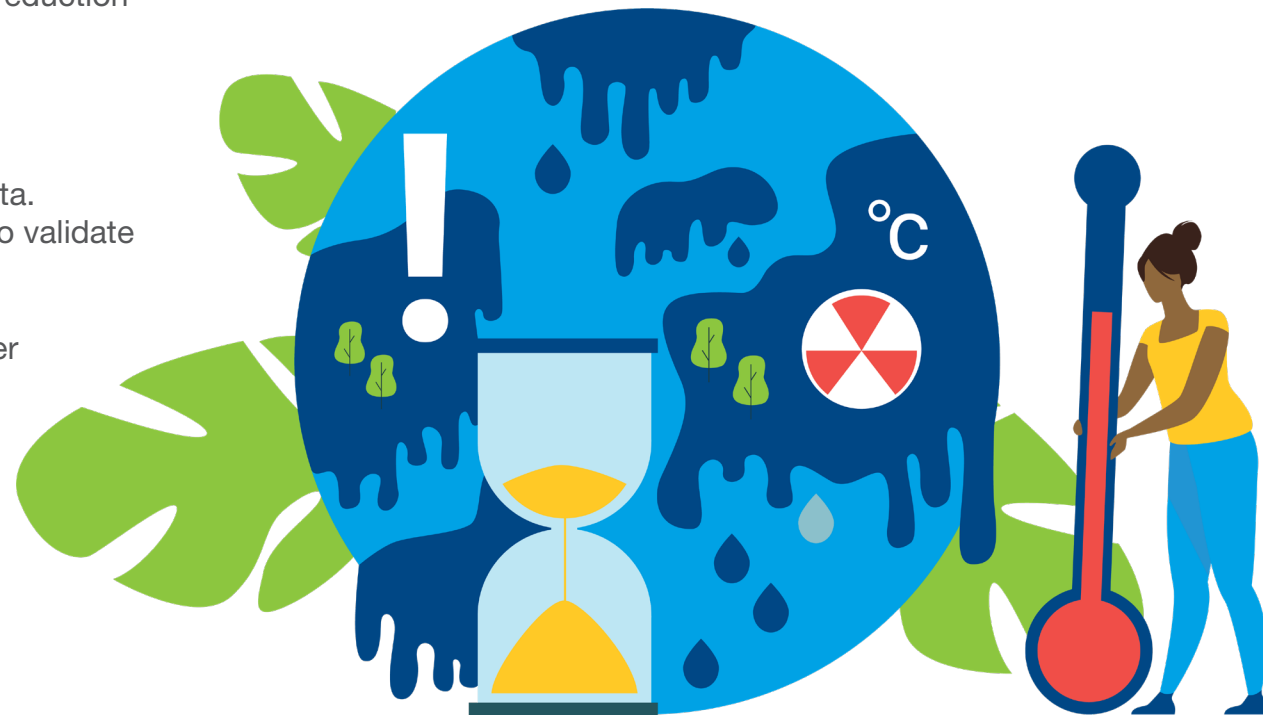
- Scope 1 energy to be eradicated or have route maps for reduction to zero by 2039.

## Reviewing Progress

- Produce annual energy reports against building usage data.
- Conduct at least one business continuity test each year to validate resilience plans.
- Review CCRA quarterly year one, then annually.
- Report on carbon emissions from energy consumption per building annually.

## Opportunities to embed sustainability

- Identify policies requirements / aspects in EMS that are covered by existing compliance groups or are not applicable to NSS estates or services.
- Identify poor utilised and high resource buildings in NSS portfolio and re-establish remit or divest.
- Incorporate requirement for sustainability and climate change consideration in all new projects.
- Promote focus on climate change risk assessment and adaptation. plan and build / refine starting position to create a strong base for ongoing maintenance.
- Conduct business continuity exercise that incorporates flood risk to main arterial routes in Scotland.





## Actions - Transport and Active Travel

### By 2025

- All petrol and diesel cars are removed from owned and leased fleet.
- Identify inclusive and equitable sustainable travel options.
- Increase the number of staff journeys made by bike.
- Ensure that there are active travel facilities available on all NSS sites.
- Engage with public transport providers to ensure that there is public transport available proximal to all NSS sites.
- Identify new sustainable travel options with emerging technologies e.g., e-scooters.
- Have a board active travel scheme with salary deductions and board contributions for active transport.
- Remove the need to purchase or lease diesel or petrol light commercial vehicles.

### By 2030


- Have a pool of staff bikes at several board locations that are managed as a pool fleet with repairing and maintenance provision
- Remove the need to purchase or lease any fossil fuelled vehicle
- Create plans to remove remaining fossil fuel vehicles
- Alter models of delivery to reduce the reliance on fleet

### Reviewing Progress

- Monitor travel modes via an annual survey reporting on shift changes from various modes
- Annually review %age NSS reasonably accessible by public transport and improve annually

## Opportunities to embed sustainability

- Appoint an active travel lead / champion for the board.
- Appoint an executive officer to implement and lead sustainable travel.
- Create a transport strategy underpinned by a travel policy with travel hierarchy implicit.
- Business travel flights will only be approved by exception. Circumstances, which must be approved by the CEO.
- Ensure that public transport and active travel options are available for all sites and shared with staff and visitors to inform choices.
- Promote a digital first response where physical meetings are by exception and irregular.
- Identify and promote active travel routes to NSS sites.
- Generate a road map for the removal of diesel or petrol cars in lease or pool fleet earlier than 2025.
- Ensure that fast charging EV facilities are planned for all NSS sites.



**47% of population  
live within 400 metres  
walking distance to  
open public spaces**

## Actions - Awareness, Governance and Policy

### By 2025

- Establish a sustainable framework reflecting and co-aligning with existing policies and processes.
- Develop mandatory training on Environmental management and sustainability for all staff.
- Update sustainability strategy, underpinning action plans and policies to benchmark, re-energise and expedite.

### By 2030

- SBUS will have their own sustainability service policies and aims driving embedded delivery through their service excellence.

### By 2035

- NSS will share several policies and processes around environment with partner organisations and other boards, aspiring to lead the way whilst working in collaboration.

### Reviewing Progress

- Assess the effectiveness of travel policy against business travel costs and emissions.
- Consider national partnership arrangement for collaborative delivery of environmental and sustainability targets.

### Opportunities to embed sustainability

- Ensure corporate strategy and annual operation plan reflects the sustainability and environmental management as a key deliverable.
- Assess and quantify the 'cost' of doing nothing.
- Foster and promote stewardship in staff.
- Include environmental awareness and sustainability in induction

processes.

- Include the requirement for sustainability assessment in all business cases.
- Appoint and publicise key EMT members as leads / owners for each subject of NSAT exceeding SG policy and lending focus and importance to the subject area.
- Include climate emergency, environmental management and sustainability piece in communications brief every month.
- Embed NSAT reporting in all SBUS.
- Create and publicise policies to support the delivery of net carbon zero, and subject areas of greenspace with particular focus on transport.



## Actions - Procurement

### By 2025

- Adopt renewable energy and energy-efficient measures in the manufacturing and transport of essential commodities.
- Adopt sustainable procurement standards for PPE, equipment, cooling devices, and medicines, including prioritising minimalisation of waste production.
- Avoid the purchase of products with high production carbon emissions, high global warming potential or high energy consumption.
- Focus on full lifecycle and renewability of products over cost.
- Source local solutions over National, and National over International for procurement within the realms of procurement legislation, promoting circular economy.
- Implement a traffic light system on goods for awareness – red, amber, green indicators for carbon, energy, water, and recyclability.

### By 2030

- Be transitioning to, or have a non fossil fuel logistics operation.
- Minimise or remove fossil fuels from logistic supply chain.
- Minimise waste in supply of procurement goods or ensure the removal / recycling of waste as a contract requirement.
- Proactively engage with suppliers to engineer out carbon, waste, water and energy usage in the supply and manufacture of goods.
- Remove the procurement of hazardous goods, especially those that can affect water systems.

### By 2035

- Provide end to end carbon neutral goods and products for NHSScotland and any other customers.

## Opportunities to embed sustainability

- Sourcing washable and reusable PPE.
- Appoint a sustainability and environmental finance, funding, and grant manager.
- Ensure stock rotation of goods to prevent waste.
- Ensure equitable storage and supply of items of scarcity to the wider market (where this practice does not pose a viable health threat).
- Identify other national or private procurement bodies where scales of economy can be applied to supply transport and ordering of goods to drive down shipments and carbon collectively.
- Arrange for deliveries with minimal packing and where that packaging can be reused for future deliveries or else recycled.

## Reviewing Progress

- Review carbon emissions, energy usage of goods procured annually.
- View transport miles associated with supplied goods.



## Actions - Care

### By 2025

- Deliver specialist functions alongside territorial board programs avoiding travel by using on-site resources.
- Promote low carbon telemedicine services through models for service providers.
- Utilise existing healthcare settings for delivery of cojoined services over taking additional space with leveraging of normal downtimes such as weekends, nights, and evenings. E.g., local healthcare premises for evening / weekend blood collection sessions and screening services.
- Combine care practises with screening to remove separate service provision and increased travel.

### By 2030

- Ensure mobile screening facilities are carbon neutral.
- Establish a range of therapeutic preventative care to reduce pharmaceutical and service demand.
- Provide fuel poverty and food poverty intervention programs to protect health.
- Ensure regular community and public engagement forms a part of care services development.

### By 2035

- Achieve full integration of NSS clinical direct / indirect provision with territorial HealthBoards sharing facilities, services, and staff with joint planning.

### Reviewing Progress

- Annual review of new services with lessons learned shared with clinical partners.
- Assess the environmental impacts of existing and new care models including these in reporting on their efficacy and performance.

## Opportunities to embed sustainability

- Deliver refresher training on realistic medicine for SIB, EMT and clinical leads to drive this as a key requirement for healthcare delivery.
- Create sustainable care medical planning team with representation on climate emergency and sustainability team (SIB) (per SG DL38 Nov 21).
- Improve efficiency of care pathways to ensure health provision, reduce emissions, and save costs.
- Adopt low-carbon and energy efficient technologies, as well as cooling practices, for health care provision.
- Engage with the research development and innovation program to embed sustainability at the development stage for emerging clinical innovation.



## Actions - Communities

### By 2025

- Provide training and apprenticeships for long term unemployed or those disadvantaged for access to work.
- Create training and guidance for staff working with communities / public, to identify persons at risk of food / fuel poverty, abuse or health concerns and guidance on how we can direct them to help.
- Work with Public Health Scotland to develop health promotion initiatives that can be shared through blood donor services.
- Develop agreement with Scottish Beekeepers Association to understand how NSS can support the bee population in Scotland, including hives on some sites.

### By 2030

- Develop an engagement programme with schools and communities to share in access to and greenspace development on NSS estate.
- Provide joint community education visits on site where bees are kept in association with the Scottish Beekeepers Association.
- Work with National partners to deliver solutions for communities affected by extreme weather events.

### By 2035

- Be a key partner in at least two communities to drive climate change risk awareness and share in mitigation solutions

### Reviewing Progress

- Analyse engagement events with communities quarterly (already in situ).
- Provide report on non NSS service provision / volunteering per annum that the board has delivered.

## Opportunities to embed sustainability

- Consider a quantity of paid time per annum for all staff / teams to volunteer.
- Engage with National charities e.g., social bite, to examine where NSS can add support or advice.
- Support and signpost to resources for those suffering food / fuel poverty.
- Promote confidential support mechanisms for staff that are impacted by food or fuel poverty eg signposting to resources.



## Actions - Waste

### By 2025

- Reduce domestic waste by 20% (minimum) to 2012/13 baseline (exceeds SG target).
- Ensure that less than 3% domestic waste goes to landfill (exceeds SG target).
- Reduce food waste by 50% to 2015/16 baseline (exceeds SG target).
- Ensure that 80% domestic waste is recycled (exceeds SG target).
- Reduce the volume of healthcare waste.

### By 2030

- Reduce paper and printing use across estate by 60% compared to 2018/2019 baseline.
- Strengthen the capacity and resilience of in country provision to manage healthcare waste using environmentally friendly and safe practises.

### By 2035

- Provide onsite recycling of some waste on at least two of our sites through anaerobic digestors or new technology.

### Opportunities to embed sustainability

- Reduce packaging on provided goods or obligate the removal of this as part of contract.
- Look at the use of Anaerobic digestors on estate or via contracts to reduce water and food waste as well as transportation and harness energy creation.
- Consider diversion of suitable food waste to local communities or compost providers.
- Examine products to see where reusable can be utilised instead of once use, e.g., washable and reusable PPE and face mask, refillable bottles (single use plastics already removed)

- Campaign for staff to use NSS recycling facilities or take their personal waste home.
- Promote the use of hybrid mail from Royal Mail for the production of mail shots, letters and pamphlets across NSS
- Reduce printing to minimal levels with printing by exception and digital solutions sought.
- Digitalise paper processes to remove paper coming in to NSS.
- Removing items from use on site which require specialist waste streams i.e., pharmaceuticals, hazardous chemicals, infectious waste.
- Minimise 'churn'. Change of areas or environment and furnishings creates waste, functional layouts and designs should be flexible but finite with restrictions on purchase whilst repair / reuse / reprovision can be considered.
- Reviewing Progress.
- Quarterly review of waste levels reported to board in sustainability paper.
- Review of food costs and waste through catering provision annually.
- Annual review of paper purchase (quantity) and paper waste disposal with trends highlighted.
- Diverted 'food waste' where through contract to be reported annually.
- Update of hybrid mail to be monitored.





## NHS National Services Scotland Equality and Fairer Duty Impact Assessment

This document sets out the questions that you need to consider when carrying out an impact assessment. As a public body in Scotland we need to fulfil the following to meet the Equality Act 2010 Section 149 of the Public Sector Equality Duty. Please do not include any personal identifiable data in the document.

A public authority must, in the exercise of its functions, have due regard to the need to:

1. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
2. advance equality of opportunity with persons who share a relevant protected characteristics and those who do not
3. Foster good relations between those who share a relevant protected characteristic and those who do not

Please read the staff guide before completing and speak to your SBU lead who can provide guidance

<https://www.nhsnational-hr.scot.nhs.uk/policy-process-and-terms-and-conditions/equality-and-diversity/94174>

to find out more check out the link to the Equality and Human Rights Commission here

<https://www.equalityhumanrights.com/en/corporate-reporting/public-sector-equality-duty>

1. what is the aim of the policy/ service redesign/project/programme that you are impact assessing?

NSS Sustainability Strategy

2. what data is available to you ? for example workforce data; patient data; \*

*please include any data and evidence that you have available and include this in the impact assessment paying particular attention to the protected characteristics and socio economic disadvantage. if this data is not available you must plan how this data will be sourced to inform the impact assessment.*

*the Scottish Government Evidence Finder does provide data and information which may prove helpful*

*<https://scotland.shinyapps.io/sg-equality-evidence-finder/>*

The NSS Sustainability Strategy will promote active travel, access to green space, quality of public services and will support signposting to other areas of benefit including but not limited to cost of living, loneliness, contractually secure work and places to interact.

3. Who will be impacted on? \*

*this questions asks you to consider staff; patients; donors; customers; wider public; stakeholders*

Consideration will be given to staff, patients, donors, customers, stakeholders and wider public



#### 4. Age \*

*Age covers the age spectrum from younger to older people*

- there is no unintended impact on Age and a positive impact is intended
- there is potential indirect impact on Age
- The impact is unclear and further work will be carried out to scope the impact on Age

#### 5. Disability \*

*Disability is defined in the Act You're disabled under the Equality Act 2010 if you have a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on your ability to do normal daily activities.*

- there is no unintended impact on disability and a positive impact is intended
- there is potential differential impact on disabled people
- there is a potential indirect impact on disabled people
- the impact is unclear and further work is needed to scope the impact on disabled people

#### 6. Marriage and Civil Partnerships \*

*In the Equality Act marriage and civil partnership means someone who is legally married or in a civil partnership. Marriage can either be between a man and a woman, or between partners of the same sex. Civil partnership is between*

*partners of the same sex. People do not have this characteristic if they are: single; living with someone as a couple neither married nor civil partners; engaged to be married but not married*

- there is no unintended impact on marriage and civil partnerships and a positive impact is intended
- there is potential indirect impact on marriage and civil partnerships
- the impact is unclear and further work is needed to scope the impact

## 7. pregnancy and maternity \*

*Discrimination which is against the Equality Act is unlawful. Pregnancy and maternity discrimination is when a person is treated unfairly because they are pregnant, breastfeeding or because they have recently given birth.*

- there is no unintended impact on pregnancy and maternity and the impact intended is positive
- there is potential indirect impact on pregnancy and maternity
- the impact is unclear and further work is required to scope the impact

## 8. Sex \*

*In the Equality Act, the protected characteristic of sex refers to men and women. There is currently no recognition of non-binary identities in the Equality Act. Under the Equality Act, sex discrimination applies at all ages and therefore covers girls and boys, as well as men and women.*

- there is no unintended impact on sex and the impact intended is positive
- there is potential indirect impact on sex
- the impact on sex is unclear and further work is needed to scope the impact

## 9. sexual orientation \*

*The Equality Act 2010 says you must not be discriminated against because: you are heterosexual, gay, lesbian or bisexual someone thinks you have a particular sexual orientation (this is known as discrimination by perception)*

- there is no unintended impact on sexual orientation and the impact intended is positive
- there is potential indirect impact on sexual orientation
- the impact on sexual orientation is unclear and further work is needed to scope the impact

## 10. religion/faith \*

*In law they will look at whether something has a clear structure and belief system to decide if it's a religion under the law. The Equality Act protects you against discrimination because of your religious beliefs. Religious belief means the belief in a religion's central articles of faith*

- there is no unintended impact on religion/faith and the intended impact is positive
- there is potential indirect impact on religion/faith
- the impact on religion/faith is unclear and further work is needed to scope the impact

## 11. race \*

*The Equality Act 2010 says you must not be discriminated against because of your race. In the Equality Act, race can mean your colour, or your nationality (including your citizenship). It can also mean your ethnic or national origins, which may not be the same as your current nationality*

- there is no unintended impact on race and the intended impact is positive
- there is potential indirect impact on race
- the impact on race is unclear and further work is needed to scope the impact

## 12. gender reassignment \*

*Gender reassignment is defined as someone who is proposing to undergo, is undergoing or has undergone a process (or part of a process) for the purpose of reassigning his or her sex by changing physiological or other attributes of sex. It is not necessary for the individual to be under medical supervision or undergoing surgery*

- there is no unintended impact on gender reassignment and the intended impact is positive
- there is potential indirect impact on gender reassignment
- the impact on gender reassignment is unclear and further work is needed to scope the impact

## 13. The fairer Scotland Duty requires us to consider the impact on socio economic status

<https://www.gov.scot/publications/fairer-scotland-duty-interim-guidance-public-bodies/pages/2/> \*

*It places a legal responsibility on particular public bodies in Scotland to actively consider ('pay due regard' to) how they can reduce inequalities of outcome caused by socio-economic disadvantage, when making strategic decisions. please provide evidence to show how you have considered the fairer Scotland duty.*

NSS Sustainability Strategy has taken into account the impact on socio economic status and will support the population through active travel, access to green space, quality of public services and will support signposting to other areas of benefit including but not limited to cost of living, loneliness, contractually secure work and places to interact.

14. Thinking about the wider determinants of health inequalities please provide evidence to show that you considered the impact on the following people.

<http://www.equalityevidence.scot/> \*

*homeless people*

*Gypsy Travellers*

*drug and alcohol dependency*

*asylum seekers and refugees*

All aspects of Health Inequalities are taken into account when producing NSS Strategies

## Mitigating action plan

where you have identified a potential indirect impact and/or you need to carry out further work to gather more data and/or scope the impact please provide details of your mitigating action plan.

15. Details of mitigating action plan and further work to be carried out ( Specific Measurable Achievable Report on progress Timescales) \*

Not applicable at this time

## Monitoring , reviewing and publication of the impact assessment

this section covers the plans to monitor progress on the impact assessment, review date and where the impact assessment will be published.

16. Who will be responsible for monitoring the impact assessment \*

NHS Scotland Assure Associate Director of FM - Via SIODG

17. Who will be responsible for the review of the impact assessment \*

NSS Sustainability Infrastructure Operational Delivery Group (SIODG)

18. Where will the impact assessment be published ( this can be a summary document of the findings and outcomes of the impact assessment. the impact assessment is a public document) \*

Via NSS Website

19. Please describe the governance route for the impact assessment \*

Via NSS Board meeting

20. Who is the senior responsible person for the equality impact assessment and any subsequent review? \*

NHS Scotland Assure Associate Director of FM

21. This impact assessment was carried out ( please provide the timescales) \*

July 2022

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<b>Meeting:</b>	<b>NSS Board</b>
<b>Meeting date:</b>	<b>29 July 2022</b>
<b>Title:</b>	<b>Committee Annual Reports</b>
<b>Paper Number:</b>	<b>B/22/15</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Keith Redpath, Chair</b>
<b>Report Author:</b>	<b>Lynsey Bailey, Committee Secretary</b>

## **1. Purpose**

The report is presented to board for approval.

## **2. Recommendation**

The Board is asked to approve this report.

## **3. Discussion**

Each Committee of the Board has prepared an annual report detailing the work carried out during 2021-2022, as part of our governance process.

The reports are prepared by the Committee Chairs to provide assurance to the Board that each Committee continues to adhere to the agreed Terms of Reference for that Committee.

## **4. Impact Analysis**

### **4.1 Quality/ Patient Care**

There are no specific quality/patient care implications.

### **4.2 Equality and Diversity, including health inequalities**

There are no specific Equality and Diversity implications.

### **4.3 Data protection and information governance**

There are no specific data protection or information governance implications.

## **5. Risk Assessment/Management**

Not applicable.

## **6. Financial Implications**

No specific financial implications

**7. Workforce Implications**

There are no workforce implications.

**8. Route to Meeting**

The annual reports have been discussed at their relevant Committees.

**9. List of Appendices and/or Background Papers**

Appendix A – Audit and Risk Committee Annual Report 2021-2022.

Appendix B – Clinical Governance and Quality Improvement Committee Annual Report 2021-2022.

Appendix C – Finance, Procurement and Planning Committee Annual Report to the Board 2021-2022.

Appendix D – Remuneration and Succession Planning Committee Annual Report 2021-2022.

Appendix E – Staff Governance Committee Annual Report 2021-2022.

**Audit & Risk Committee  
Annual Report to Board Members  
2021/22**

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## 1. Context

In accordance with the Terms of Reference and Standing Orders, the Audit and Risk Committee presents its Annual Report to the Board.

## 2. Audit and Risk Committee Meetings

The Audit and Risk Committee membership and representation during the year ending 31 March 2022 was as follows.

### Members:

Julie Burgess (Chair)	Non-Executive Director
John Deffenbaugh	Non-Executive Director
Gordon Greenhill	Non-Executive Director
Arturo Langa	Non-Executive Director
Alison Rooney	Non-Executive Director

### In attendance:

Mary Morgan	Chief Executive
Carolyn Low	Director of Finance and Business Services
	Interim Director Digital & Security (From 1 <sup>st</sup> February 2022)
Lee Neary	Director of Strategy, Performance and Service Transformation
Deryck Mitchelson	Director of Digital and Security (until 31 January 2022)
Eilidh McLaughlin	Associate Director Information Security and Governance
Patricia Ruddy	Data Protection Officer

### Auditor representation:

KPMG	Internal Audit
KPMG	Service Audit
Audit Scotland	External Audit

The Committee met in September, December 2021, February, May, June, July 2022 Members reviewed the annual audit plans, reports from auditors and management's progress in completing audit actions raised. Progress with fraud cases and counter fraud initiatives were also reviewed.

One in camera session was held during the year by the Committee with Audit Scotland.

## 3. Minutes of and Actions from Meetings

Minutes of Committee meetings were approved by the Committee and presented to the NSS Board. Any relevant issues or matters arising from the other NSS Committees were brought to the attention of the Audit and Risk Committee to ensure that relevant points were noted, and actions taken where appropriate.

The Committee maintained an action register to record and manage actions agreed from each meeting and reviewed progress at subsequent meetings.

## 4. Appointment of Auditors

The Auditors of NSS during the year were as follows:

<b>Audit Service</b>	<b>Auditor</b>	<b>Current Contract Ends</b>
Internal Audit	KPMG	March 2023
Service Audit: Payroll Services	KPMG	March 2023
Service Audit: Practitioner Services	KPMG	March 2023
Service Audit: National IT Contract	KPMG	March 2023
External Audit	Audit Scotland	March 2022

On 24<sup>th</sup> May 2022, and following a full tendering exercise, it was confirmed by the Auditor General that the appointed external auditor for 2022/23 to 2026/27 will be Audit Scotland.

## 5. Reports Reviewed

### 5.1 Internal Audits

The Committee approved the Internal Audit Plan for 2021/22 on 2 March 2021. During the year, the Committee was provided with updates on the progress made against the Internal Audit Plan, the key findings identified, and progress made by management with implementation of audit recommendations to address them.

A summary of the Internal Audit reports reviewed by the Committee during the year is provided in Table 1 overleaf. In total, ten audits were completed in the year and 30 findings were raised. Of the 30 findings requiring management action, one was categorised as 'high', 20 as 'medium' and 9 as 'low' in terms of risk.

The Internal Audit Plan was reviewed as being appropriate by the NSS Board to ensure it was still meeting NSS's requirements and minor changes had been made during the year.

Actions were agreed to address all recommendations during the 2021/22 audit cycle. As at 30th April 2022, all actions due for completion had been fully addressed on time, except for four actions relating to the audit of Office365. An approach for discharging these actions was agreed by management in discussion with Internal Auditors, KPMG. Ten actions from the 2021/22 audit will be completed during 2022/23.

Progress with completion of all actions due in 2021/22 was monitored and reviewed jointly by the Director of Strategy, Performance, and Service Transformation and Associate Director of Strategy, Performance, and Communications. This was reported to the Committee on a quarterly basis.

**Table 1 – Overview of Audit Reports in 2021/22**

<b>Review</b>	<b>Report classification</b>	<b>Number of findings</b>				<b>Total</b>
		<i>Critical</i>	<i>High</i>	<i>Medium</i>	<i>Low</i>	
Strategic Objectives	Significant Assurance with Minor Improvements			2	1	<b>3</b>
NITC Printed Outputs	Significant Assurance with Minor Improvements			1	1	<b>2</b>
COVID-19 Staff Safety	Significant Assurance				1	<b>1</b>

Review	Report classification	Number of findings				Total
		Critical	High	Medium	Low	
Office365	Significant Assurance with Minor Improvements		1	4		5
Third Party Supplier Management	Significant Assurance with Minor Improvements			2	1	3
Financial Controls: Payroll	Significant Assurance with Minor Improvements			2	1	3
Leadership and Management Development	Significant Assurance with Minor Improvements			3		3
Donor Services	Significant Assurance				3	3
Notification of Change and Protection Payments	Significant Assurance with Minor Improvements			2		2
Centre of Excellence – NHSScotland Assure	Significant Assurance with Minor Improvements			4	1	5
<b>TOTAL</b>		-	1	20	9	30






**Table 2 – Report Classifications**

Report classifications	Number of Reports with this classification
Significant Assurance	2
Significant Assurance with Improvements	8
Partial Assurance with Improvements Required	0
No Assurance	0

**Table 3 – Internal Audit Actions**

Risk Level	To be completed during 22/23 but audit report presented in 21/22	Implementation date(s)	Report Title
Medium	1	30/04/2022	Strategic Objectives
Medium	1	30/04/2022	Core Financial Controls - Payroll
High	1	30/06/2022	Office 365
Medium	1	30/06/2022	
Medium	1	30/06/2022	
Medium	1	30/06/2022	
Medium	1	30/06/2022	
Medium	1	31/03/2023	Third Party Supplier Management
Low	1	01/04/2022	

**Table 4 – Trends in Findings Raised**

Finding rating	Trend between current and prior year	Number of findings			
		2021/22	2020/21	2019/20	2018/19
Critical		-	-	-	-
High		1	3	2	4
Medium		20	13	17	23
Low		9	14	12	14
<b>Total</b>		<b>30</b>	<b>30</b>	<b>31</b>	<b>41</b>

## 5.2 Internal Audit Annual Report 2021/22

The Internal Audit Annual Report for 2021/22 from KPMG summarises the work carried out in the year. This was approved by the Committee in June 2022. In this report, the Head of Internal Audit reports an overall opinion for the period 1 April 2021 to 31 March 2022 of ‘Significant assurance with minor improvements’ can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.’

The Head of Internal Audit found that the Assurance Framework reflected NSS’s key objectives and risks and was regularly reviewed. The Executive reviews the Assurance Framework monthly and regular reporting to the Audit and Risk Committee provides assurance that NSS’s risk management procedures are operating effectively. No ‘partial assurance’ or ‘no assurance’ reports were raised in 2021/22.

As at 31 March 2022, Internal Auditors raised one high priority management action in the period relating to the Microsoft O365 programme. This did not prevent them from issuing ‘significant assurance with minor improvements’ overall as the organisation is implementing the management actions raised as a result of our work to address the issues identified.

The status of management actions was reported by Management to the Audit and Risk Committee.

## 5.2 Service Audits

A sub-group of Audit and Risk Committee, the Service Audit Steering Group (SASG) was constituted to provide additional scrutiny and oversight over management actions to address failings which resulted in qualified service audit opinions in two consecutive years.

SASG, comprising the NSS Board Chair, NSS ARC Chair, Chief Executive and Director of Finance, met monthly to review work underway across all three Service Audit areas, and to consider the findings from the Deloitte review of Primary Care Contractor payments and management’s responses to the recommendations made.

Minutes from the SASG were reported as part of Management’s Service Audit Update to ARC throughout the year.

The Service Audit reports for 2021/22 were reviewed and approved by the Committee at an ad-hoc meeting on 26 May 2022. The service areas audited were:

- National IT Services
- Payroll Services
- Payments to Primary Care Contractors



The Service Auditors have provided all three services with clean audit opinions. An Emphasis of Matter highlighted that the post payment verification service was suspended by Scottish Government due to Covid, impacting three of the Payments to Primary Care Contractor payment streams. The manual nature of controls in place to manage logical access to systems and changes made to systems managed by Atos was highlighted as an Emphasis of Matter in the National IT Services audit. The legacy nature of the systems concerned means that these controls cannot be system generated. Full reports have been made available to all relevant NHS Boards.

Service Audits will continue in 2022/23 for the service areas noted above. The SASG will continue to meet quarterly to provide oversight on behalf of ARC.

## **6. External Audit – Audit Scotland**

The Committee received all reports from the External Auditors (Audit Scotland). These included an annual assessment of the adequacy of the internal audit, the external audit annual audit plan, internal controls report and the annual audit report. The annual audit report included a report to those charged with governance on matters arising from the audit of the annual financial statements, as well as comment on financial sustainability, governance, and best value.

The Annual Report and Accounts for 2020/21 were laid before Parliament on 12<sup>th</sup> October 2021. The Auditor General included a S22 report into NSS's role in supporting the pandemic response

In addition, reports into PPE and Testing were produced by Audit Scotland, and featured the role played by NSS in the pandemic response.

The Chief Executive, Director of Finance and Director of National Procurement were called to give evidence at the Public Audit Committee on 2nd December 2021 to respond to questions regarding matters raised in the S22 report regarding NSS's role in the pandemic response.

Where appropriate, issues raised by the External Auditor as part of the Annual Accounts process are included in the Governance Statement in the Annual Accounts for the year to 31 March 2022.

The Draft Accounts were considered by the Committee on 11<sup>th</sup> July 2022 at a specially convened ARC Development Session to which all NSS Board members were invited.

The Director of Finance attended the clearance meeting for the Annual Accounts with the External Auditors on 5 July 2022. The final Annual Report and Accounts will be presented to the Committee on 25 July 2022 for approval and presented to the Board for adoption on 29 July 2022. Once signed, the Annual Report and Accounts would be submitted to the Scottish Government Health & Social Care Directorate (SGHSC) by 31 August 2022 before being laid before Parliament.

## **7. Risk**

All NHS Bodies are subject to the requirements of the SPFM (Scottish Public Finance Manual) and must operate a risk management strategy in accordance with the relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

NSS governance and management structures support risk management by embedding risk identification and assessment into their strategic reviews and day to day activities as follows:

- The risk management approach sets out the importance of risk management to the delivery of our objectives, our risk appetite statement, the responsibilities of staff across NSS, the supporting organisational arrangements for the identification, assessment and reporting of risks and the steps to be taken to develop and implement mitigating actions.
- SBUs identify and assess risks through their planning and performance processes, reviews of significant changes in NSS service or the environment in which it operates in, following a resilience incident, adverse event or near miss, data protection impact assessments, information security risk assessments, testing controls in place around NSS day to day activities, horizon scanning future events, stakeholder engagement, programme and project risk assessments, and through the internal controls assurance checklists. Monthly risk reviews are undertaken by SBUs.
- The Executive Management Team reviews the risk profile for the organisation, across all categories of risk and challenges key organisational risks and issues monthly. They also consider corporate and strategic risks at their Development Sessions throughout the year.
- Risks are assessed for the likelihood of an event occurring and the impact of the event. They are categorised under four headings: Business, Staff Clinical and Reputational. Management Groups review these risks by category for their areas of responsibility and challenge the actions being taken to address them. Information Governance risks across all the categories were also reviewed by the Information Governance Group.
- The NSS Committees: Finance Procurement and Performance, Staff Governance, Clinical Governance, and Audit and Risk met at least three times during the year and reviewed and challenged Business, Staff, Clinical, Information and Reputational risks respectively across NSS. This provided a comprehensive review of risks by risk category across the organisation. The Committees also reviewed respective strategic risks at least three times each year.
- The Audit and Risk Committee received quarterly reports on risk management across NSS, detailing the improvements being made to processes and procedures and key risks for the organisation. This provided the Committee with the assurance that risk management was operating effectively and that there was integration between organisational risks and audit activity. The Committee also reviewed the NSS risk appetite statement on an annual basis.
- Risks associated with information that NSS holds and are responsible for are subject to regular review and independent audit as part of overall governance and risk management arrangements.
- The Board received risk update reports every six months. The reports include details of risk management improvements; the risk profile for the organisation and the key risks being addressed. This gives the Board the opportunity to review and challenge risk management processes and the key risks NSS face. The Board reviews and approves NSS's appetite to risk annually. NSS has a flexible approach to its risk appetite in pursuit of its four principal objectives:
  - Customers at the Heart of Everything We Do,
  - Increase our Service impact,
  - Improving the Way, We Do Things
  - Be a Great Place to Work.

Where risks to new and on-going activities were identified, NSS will always attempt to mitigate the likelihood or impact of the risk to a level judged to be acceptable in the prevailing conditions. This is in line with the NSS Integrated Risk Management Approach (IRMA).

The NSS approach towards risk management is one of continuous improvement to develop an effective and consistent risk management culture across the organisation. Throughout 2021-22 risk management was improved through assessments and a development plan, including the annual review of the IRMA, to ensure it continued to be effective and meets the needs of staff, management groups and governance structure.

The IRMA was reviewed and is aligned to the ISO310009 (2018) international standard on Risk Management. NSS uses checklists to assess the internal controls in place for key day to day activities enabling NSS to identify where external assurance is provided, for the services it provides

NSS Risk Champions met quarterly to share risk management best practice and support continuous improvement to our risk management process and procedures. This has improved the implementation of our risk management approach across the organisation. All staff are required to complete the Risk and Resilience e-Learning as mandatory training.

NSS has sustainability impact assessed all corporate risks against threats from climate change as part of the NSS corporate commitment to address the social, economic, and environmental impacts of its products, services, projects and/or activities.

## **8. Fraud Prevention**

The Committee received quarterly fraud update reports during the year. These reports provided the Committee with updates on NSS fraud cases, counter fraud training delivered to staff, initiatives undertaken to identify and address fraud, and the work carried out by Practitioner & Counter Fraud Services in relation to detecting, deterring, disabling, and dealing with fraud in the NHS.

NSS has adopted the NHS Scotland Counter Fraud Standards and has agreed a Fraud Action Plan for 2022/23. Fraud risks have been reviewed in partnership with Counter Fraud Services and included in the Corporate Risk Register.

The NSS Fraud Champion and the Fraud Liaison Officer attended the annual meeting with Counter Fraud Services and were given an overview of their work during 2021/22 and plans for the coming year.

This provided the Committee with the assurance that the risk of fraud was being managed and addressed across NSS.

## **9. Information Governance**

The Committee received updates and sought assurance on NSS's compliance with relevant legislation, duties, and standards with regards to information governance. This covered Caldicott Guardianship and Confidentiality; Data Protection; Information Security; Freedom of Information and Records Management. Reports were provided at each meeting to allow the Committee to satisfy itself that appropriate progress was being made to improve the quality of information governance across NSS, and that any information incidents, risks, and complaints were being managed appropriately.

In particular, the Committee was updated on the outcome of the judgment from the Information Commissioner's Office on the COVID-19 Status App and the actions arising from it which were completed by the deadline of 28 March 2022.

Members were also updated on the outcome of the NSS 2022 Network & Systems Regulations (NISIR) (2018) audits for 2021 and 2022 – outcome.

## 10. Conclusion

The Audit and Risk Committee concludes that substantial attention is given by the organisation to its audit, risk, and information governance arrangements, that this is proportionate to the nature of each Strategic Business Unit's role, and that the Committee's monitoring responsibilities are being met as follows:

Key Duty	Evidence
Advise the Board and Chief Executive on the strategic processes for risk, control and governance and the governance statement, and how they support the achievement of the Board's strategies and objectives.	<b>Standing Items:</b> Each meeting – all audit reports and the risk management report.
Advise the Board and Chief Executive on the accounting policies, the accounts, and the Board's annual report. This includes the process for review of the accounts before they are submitted for audit, levels of error identified, and management's letter of representation to the external auditors.	<b>Standing Item:</b> June and August 2022 meetings.
Advise the Board and Chief Executive on the planned activity and results of both internal and external audit.	<b>Standing Item:</b> Each meeting – internal and external audit report.
Advise the Board and Chief Executive on the performance of the internal audit function;	<b>Standing Item:</b> Each meeting – internal and external audit report.
Advise the Board and Chief Executive on the adequacy of management response to issues identified by audit activity, including external audit's management letter or report.	<b>Standing Item:</b> Each meeting – internal audit actions report.
Advise the Board and Chief Executive on the effectiveness of the internal control environment.	<b>Standing Item:</b> Each meeting – internal and service audit reports/updates.
Provide assurances relating to the corporate governance requirements for the Board.	<b>Standing Item:</b> Each meeting – internal, external, and service audit reports/updates.
Advise the Board and Chief Executive on the appointment of the Chief Internal Auditor.	Extension of contract until 2023.
Advise the Board and Chief Executive on the purchase of non-audit services from contractors who provide audit services.	Deloitte was appointed to assist in some follow up work on Service Audit.
Advise the Board and Chief Executive on the Board's policies, procedures, and processes where they relate to risk management, governance, and internal control. Examples are the Board's Standing Orders, Standing Financial Instructions, Scheme of Delegation, risk management policy, ethical conduct, prevention of bribery and corruption, anti-fraud, and Whistleblowing.	Brought as required (e.g., IRMA review in June 2021).

Key Duty	Evidence
Advise the Board and Chief Executive on the skills required for committee effectiveness, to inform the selection of members of the committee.	Committee effectiveness survey delayed while awaiting advice from Scottish Government following the implementation of Active Governance.
Consider and scrutinise NSS's compliance with relevant legislation, duties under Common Law and performance against national standards with regards to information governance. This duty covers the following components of information governance: Caldicott Guardianship and Confidentiality; Data Protection; Information Security; Freedom of Information and Records Management.	<b>Standing Item:</b> Each meeting – Data Protection Officer's Report.
Review at each meeting reports on performance relating to information governance matters across NSS and satisfy itself that appropriate progress is being made to improve the quality of information governance across NSS.	<b>Standing Item:</b> Each meeting – Information Security and Governance Report.
Satisfy itself that each NSS SBU has processes in place to monitor and report information governance incidents, risks, and complaints.	<b>Standing Item:</b> Each meeting – Information Security and Governance Report.
Review at each meeting identified information governance risks, issues, and complaints, and satisfy itself that appropriate action has been taken, lessons learnt, and improvements implemented.	<b>Standing Item:</b> Each meeting – Information Security and Governance Report.
Review annually the risk appetite of NSS in relation to information governance.	<b>Standing Item:</b> Annual – risk appetite review in December.

**Ms Julie Burgess**  
**Chair of the Audit and Risk Committee**  
**dd.mm.yyyy**

# **NSS Clinical Governance and Quality Improvement Committee 2021/22 Annual Report to the NSS Board**

## **1. INTRODUCTION**

NSS has a duty to have in place appropriate arrangements to meet its clinical governance responsibilities. Clinical governance is the framework through which NHS organisations are accountable for continuously improving the quality of their services and safeguarding high standards of care, defined as "corporate accountability for clinical performance". It is not intended to replace professional self-regulation and individual clinical judgement, but to add an extra dimension that will provide the public with assurance that relevant, safe, and effective systems and processes are in place. Within NSS this serves to support NSS in delivering effective national and specialist services which enable and support improvements in the health and wellbeing of all the people of Scotland.

Clinical Governance within NSS is overseen by the Clinical Governance and Quality Improvement Committee, a committee of the NSS Board. The committee, chaired by a non-executive member of the Board, receives reports, questions and where appropriate challenges the executives in attendance on aspects of the quality assurance of services likely to have a direct or indirect impact on health and wellbeing and, through its minutes, reports to the NSS Board on all relevant issues.

The Committee met formally on four occasions during 2021-22, on 19 May 2021, 1 September 2021, 22 November 2021, and 16 February 2022. Development Sessions were also held on 26 April 2021, 5 July 2021, 21 October 2021, and 31 January 2022.

During the 2021-22 period, the following were Members and regularly In Attendance at meetings:

### Members:

Alison Rooney, Non-Executive Director and Committee Chair

Lisa Blackett, Non-Executive Director

Gordon Greenhill, Non-Executive Director

Arturo Langa, Non-Executive Director

Mark McDavid, Non-Executive Director

Keith Redpath, NSS Chair

### In Attendance:

Mary Morgan, Chief Executive

Lorna Ramsay, Medical Director and Executive Lead for Clinical Governance

Jacqueline Reilly, Director of Nursing and Executive Lead for Quality Improvement

Calum Thomson, Associate Director for Nursing, Clinical Governance and Quality Improvement

Marc Turner, Medical Director – Scottish National Blood Transfusion Service

## 2. COMMITTEE ACTIVITIES IN 2021-2022

### 2.1 Clinical Adverse Events, Risks and Complaints

Item	Description	Evidence
ToRs (a)	Establish and sustain such process and reporting arrangements as required in order to provide assurance that the clinical and related activities under NSS direction and control are at all times appropriately governed and monitored as to their safety, quality, and effectiveness	<b>Standing Items:</b> Medical Director's Report, Clinical Governance and Quality Improvement Plan; Clinical Adverse Events Report; Clinical Risks Report, HAI Report; Duty of Candour Annual Report; Blood and Tissue Quality, Safety and Sufficiency Report
ToRs (b)	Review and scrutinise reports on clinical adverse events, Duty of Candour events, clinical risks, and complaints (related to safety of services or clinical staff fitness to practice) including their identification, causes, management, lessons learnt and service improvement implementation.	<b>Standing Item:</b> Clinical Adverse Events Report; Clinical Risks Report; Duty of Candour Annual Report
ToRs (c)	Quarterly review of reports on blood and tissue safety to satisfy itself that appropriate action is being taken to provide an adequate and safe supply.	<b>Standing Item:</b> Blood and Tissue Quality, Safety and Sufficiency Report
ToRs (d)	Review compliance with clinical regulatory requirements.	<b>Standing Items:</b> Blood and Tissue Quality, Safety and Sufficiency Report; Clinical Staff Revalidation Report and the Medical Staff Revalidation Report; Medical Director Report and relevant Annual Reports; Also see detail under Section 2.2 – Additional Highlights
ToRs (e)	Review major NSS programmes in support of clinical services.	<b>Standing Items:</b> Medical Director's Report Also see detail under Section 2.2 – Additional Highlights
ToRs (f)	Review and monitor activity relating to national clinical governance functions delivered by NSS, e.g., screening, and dental.	<b>Standing Items:</b> Medical Director's Report Also see detail under Section 2.2 – Additional Highlights
ToRs (g)	Provide advice, as required, to the Board on the clinical impacts of any new service developments proposed for adoption by NSS.	<b>Standing Items:</b> Medical Director Report, Clinical Governance and Quality Improvement Plan
ToRs (h)	Review and challenge clinical activity from the perspective of inequality/equality and diversity.	<b>Standing Items:</b> Medical Director's Report
ToRs (i)	Produce an Annual report of the Committee's activities to provide assurance as set out in remit at 1 above for inclusion in NSS Annual Report and Accounts.	Undertaken by the Medical Director on behalf of the Committee
ToRs (j)	Review annual reports on:	Relevant Annual Reports provided

	<ul style="list-style-type: none"> <li>• Infection Prevention and Control</li> <li>• Duty of Candour</li> <li>• Research Governance</li> <li>• Clinical Professional Appraisal and Revalidation</li> <li>• Patient Group Directives Audit</li> </ul>	
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## 2.2 Additional Highlights

Over the course of the year, the development sessions covered the following topics:

- SNBTS's regulatory requirements and the clinical quality system in place;
- Development of the Clinical Governance and Quality Improvement Framework and Action Plan;
- NSS's role in the multi-organisational context (using clinical adverse events as an example);
- Clinical Governance blueprint for new services;
- National Screening oversight;
- Clinical Informatics in NSS;
- Development of NSS's Research, Development, and Innovation Workplan.

## 2.3 Relationships with other Board Committees

The Committee continues to recognise the overlap in its responsibilities in respect of certain matters with the Audit and Risk and Staff Governance committees and has in place an agreed memorandum of understanding with these two committees. Cross reference to matters of mutual interest discussed in other committees of the Board (particularly relating to Staff Governance or Audit and Risk) were addressed as necessary.

## 3. CONCLUSIONS AND ASSURANCE TO BOARD

The Clinical Governance Committee concludes that: Clinical Governance structures and processes continue to be reviewed and monitored across NSS by clinical leaders, executive directors, and the Clinical Governance Committee. Progress continues to be made in the understanding and reporting of clinical risks within the corporate risk register.

The committee feels able to assure the NSS Board that substantial attention is given by the organisation to its clinical governance arrangements, that this is proportionate to the nature of each Strategic Business Unit's role, and that the Clinical Governance and Quality Improvement Committee's monitoring responsibilities are being met.

**Alison Rooney**

**NSS Clinical Governance and Quality Improvement Committee Chair**

**July 2022**



## **Annual Report to NSS Board by NSS Finance, Procurement, and Performance Committee: 1 April 2021 – 31 March 2022**

### **1. INTRODUCTION**

- 1.1 The purpose of the annual report is to provide a summary of matters considered and to provide an assurance to the NSS Board that the Committee has fulfilled its remit.

### **2. MEMBERSHIP**

- 2.1 The Members of the Finance, Procurement, and Performance Committee are: -

- Mark McDavid Non-Executive Director and Committee Chair
- Lisa Blackett, Non-Executive Director
- Julie Burgess, Non-Executive Director
- Ian Cant, Non-Executive Director
- Gordon Greenhill, Non-Executive Director
- Keith Redpath, NSS Chair

- 2.2 The following are normally in attendance at meetings of the Committee: -

- Chief Executive
- Director of Finance and Business Services
- Director of Strategy and Governance
- Director of National Procurement

### **3. MEETINGS**

- 3.1 The Committee met on the following dates: -

- 11 May 2021
- 25 August 2021
- 18 November 2021
- 2 February 2022.

### **4. COMMITTEE ACTIVITIES**

- 4.1 The Committee discharged its key duties under its Terms of Reference as follows:

<b>Item</b>	<b>Description</b>	<b>Evidence</b>
ToRs (a)	Approve the draft NSS Annual Operating Plan for submission to the Scottish Government.	<b>Standing Item</b> AOP became Remobilisation Plan due to COVID-19 and reviewed at each meeting.
ToRs (b)	Approve the annual revisions to the NSS Standing Financial Instructions.	<b>Standing Item:</b> at 24 May 2022 meeting (slightly delayed).

Item	Description	Evidence
ToRs (c)	Approve any procurement contracts which the NSS Standing Financial Instructions require to be approved by the Board.	<p><b>Standing Item:</b> Contract Schedule reviewed at each meeting and picked up as appropriate.</p> <p><b>Specific Item:</b> Property Lease Extensions at 11 May 2021 meeting.</p>
ToRs (d)	At the request of the Board or the Chair and under delegated authority, to approve any procurements which require the authority of the Board or the Chair of the Board under NSS Standing Financial Instructions.	<p><b>Standing Item:</b> Contract Schedule reviewed at each meeting and picked up as appropriate.</p>
ToRs (e)	At the request of the Board or the Chair, at Outline Business Case and / or Full Business Case stage, to review the financial aspects and make recommendations for any Business Cases which need to be submitted to the Scottish Government for approval.	<p>PACS Reprovisioning and Plasma Business Cases presented in November 2021.</p> <p>Occult Hepatitis B Testing and SEER Upgrade Business cases were presented in February 2022.</p>
ToRs (f)	To review and recommend the annual 3-year or 5-year (as required) Annual Operating Plan (AOP) and Financial Plan, prepared consistent with statutory financial responsibilities.	<p><b>Standing Items:</b> AOP became Remobilisation Plan due to COVID-19 and reviewed at each meeting. Financial Plans were also under constant review due to the impact of COVID-19.</p>
ToRs (g)	To review quarterly any occurrences where the Standing Financial Instructions have not been followed	<p>Moved to reported by exception – none to report in 2021/22.</p>
ToRs (h)	Regularly review the forward service and financial plans, and both the current and planned management actions, of NSS.	<p><b>Standing Items:</b> Service and Finance plans were reviewed at each meeting due to the flexibility required in the COVID-19 pandemic response.</p>
ToRs (i)	Approve the National Procurement and NSS Procurement strategies and Annual Reports.	<p>National Procurement Annual Report approved at Aug 21 mtg and NSS Annual report approved at Nov 21</p>
ToRs (j)	<p>Regularly review and challenge as appropriate:</p> <ol style="list-style-type: none"> <li>1. Delivery against AOP targets</li> <li>2. NSS Property &amp; Estates strategy and action plan</li> <li>3. NSS Sustainable Development Action Plan</li> <li>4. Delivery of Best Value and Efficiency programmes</li> <li>5. The content of financial reporting and information presented to the Board</li> <li>6. The Business risks contained in the NSS corporate risk register and associated management actions as set out in the Integrated Risk Management Approach</li> <li>7. Overview of progress against the transformation deliverables</li> </ol>	<p><b>Standing Items:</b></p> <ol style="list-style-type: none"> <li>1. Remobilisation plan update provided at each meeting.</li> <li>2. Deferred this year and being picked up in 2022/23</li> <li>3. Updates at the May and November 2021 meetings.</li> <li>4. Covered by the Portfolio Management Group Report at each meeting.</li> <li>5. Financial reports provided at every meeting.</li> <li>6. Business risks reviewed at every meeting.</li> <li>7. TBC</li> </ol>

**5. ADDITIONAL HIGHLIGHTS**

- 5.1 The Committee continued to receive regular, focussed updates on the procurement and distribution of Personal Protective Equipment as part of the COVID-19 pandemic response.

**6. CONCLUSIONS AND ASSURANCE TO NSS BOARD**

- 6.1 The Members of the Finance, Procurement, and Performance Committee conclude that they have given due consideration to the effectiveness of the Business Planning, Performance Review, Risk Management, and Complaints Handling arrangements within NSS and can give assurance to the Board in line with their remit under the terms of the Standing Orders for NSS.

Mark McDavid  
Chair of the Finance, Procurement, and Performance Committee  
July 2022

### Annual Report to NSS Board and NSS Staff Governance Committee by the NSS Remuneration and Succession Planning Committee, April 2021-March 2022

#### 1. INTRODUCTION

- 1.1 The purpose of the annual report is to provide a summary of matters considered and to provide an assurance to the NSS Board and NSS Staff Governance Committee that the NSS Remuneration and Succession Planning Committee has fulfilled its remit.

#### 2. MEMBERSHIP

- 2.1 The Members of the Remuneration and Succession Planning Committee during the year were: -

**Members:**

Ian Cant	Employee Director and Chair of the Committee)
Julie Burgess	Non-Executive Director
John Deffenbaugh	Non-Executive Director
Keith Redpath	NSS Chair
Alison Rooney	Non-Executive Director

**In attendance:**

Jacqui Jones	Director of HR and Workforce Development
Mary Morgan	Chief Executive

#### 3. MEETINGS

- 3.1 The Remuneration and Succession Planning Committee met on the following dates:
- 15 June 2021
  - 30 November 2021
  - 16 December 2021 (ad-hoc)
  - 17 February 2022 (changed to a development session and deferred to April 2022)

#### 4. MINUTES OF AND ACTIONS FROM MEETINGS

- 4.1 Detailed and comprehensive minutes are prepared after each meeting to provide a clear audit trail and as evidence if required by the Scottish Government.

- 4.2 An action register is prepared to manage actions agreed from each Committee meeting and is reviewed at each meeting.

## **5. COMMUNICATION TO BOARD AND STAFF GOVERNANCE COMMITTEE**

- 5.1 The minutes of the Committee must be kept confidential because they contain details of named individuals. However, the following procedures are followed to ensure members of the NSS Board and NSS Staff Governance Committee are appropriately informed and assured: -
- (i) A verbal report is given to the Board meeting following the Committee meeting.
  - (ii) An anonymised summary is prepared after meetings and submitted to the Board.
  - (iii) A verbal report is provided to the Staff Governance Committee by the Chair of the Remuneration and Succession Planning Committee. Additional assurance can be given to the Committee if required by the NSS Chair, who is also a member of the Remuneration and Succession Planning Committee.

## **6. OBJECTIVES AND PERFORMANCE APPRAISALS**

- 6.1 The Committee is required to review the objectives set for members of the Executive Cohort and review their performance appraisals to satisfy itself that the performance management process and its application is transparent, rigorous, evidence-based, and fully documented. Information summarising final performance appraisals is then submitted to the National Performance Management Committee (NPMC) for their approval.
- 6.2 The Committee considered the year-end appraisals at its meeting in June 2021 and were satisfied that a rigorous performance management appraisal process had been applied in determining the scores and overall performance ratings for 2020/21. The NPMC confirmed in January 2022 it was content with the appraisal outcomes for NSS for 2020/21.
- 6.3 There was also a discussion around the 2021/22 performance plans for individuals in the Executive Cohort. Several points were highlighted in respect of individuals' objectives and the overall performance plans. The Committee confirmed its support for the plans. Members noted that it was the remit of the NSS Staff Governance Committee to provide assurance to the NSS Board that appraisals and performance plans were being carried out across the rest of the organisation and was therefore outside of the Terms of Reference of this report.
- 6.4 The Committee also received an assurance from the NSS Chief Executive that the 2020/21 year-end performance appraisals for individuals in the Senior Management Cohort had been reviewed and appropriately 'Grandparented'.
- 6.5 It is the Committee's responsibility to satisfy itself that a process has taken place to formally assess the performance of NSS staff based at the Scottish Government

Health and Social Care Directorates (SGHSC) at the end of the performance period. NSS only has one member of staff in this category and there were no issues with the assessment of their performance.

- 6.6 Mid-year reviews of performance for individuals in the Executive Cohort for 2021/22 were undertaken in November 2021 and the Committee was reassured that members of the senior team were delivering against objectives and remained on target. Having discussed several points in respect of individuals' performance, Members confirmed they were satisfied with the performance management process and overall mid-year results.

## **7. SUCCESSION PLANNING**

- 7.1 Succession planning was a key element in workforce planning within NSS and this fed through all items discussed at the meeting. All Senior Management completed their own succession plans as part of the review cycle and this was reflected in the annual appraisals reviewed by the Committee.

## **8. APPOINTMENTS AND TERMINATIONS**

- 8.1 As part of the process for authorising the recruitment of vacancies and salaries on appointment, the Committee received regular monitoring reports outlining recruitment to new/additional posts created for Executive and Senior Managers or Agenda for Change band 8d and 9. This included an overview of key trends of recruitment for all diversity strands. The Committee were assured that the NSS recruitment process was fair, robust, and recognised the significant ask on the recruitment team during the continuing pandemic response.
- 8.2 At their meeting in November 2021, the Committee received an update on the programme of work for enhancing leadership capability within NSS and were content to approve the recommendations set out.

## **9. REMUNERATION AND TERMS AND CONDITIONS**

- 9.1 The Committee was provided with the following NHS Circular during 2021/22 – PCS (ESM) 2020/3 Pay 2021-22 which announced the pay arrangements for 2021/22 in respect of the Executive and Senior Management Cohorts.
- 9.2 The Members of the Committee can give assurance to the NSS Board and NSS Staff Governance Committee that NSS is fully compliant with Government requirements on Pay and Terms and Conditions.

## **10. CONSULTANTS' DISCRETIONARY POINTS**

- 10.1 Members were provided assurance that the Discretionary Points process had been carried out appropriately and this was provided by a report discussed at the November 2021 meeting of the Committee.

## **11. COMMITTEE'S TERMS OF REFERENCE AND PROCEDURES**

- 11.1 The Committee reviewed its Terms of Reference as laid down in the NSS Standing Orders. Due to the February 2022 meeting being changed to a development session, this review was deferred to the June 2022 meeting.
- 11.2 A forward programme of work for the Committee was produced during the year and discussions during meetings covered all aspects of the duties of the Committee, including the following:
- Review of Recruitment Activity – standing agenda item for all meetings.
  - Homologation of decisions taken between Committee meetings.
  - Review of Performance Appraisals and Objectives for the Executive Cohort.

## **12. CONCLUSIONS AND ASSURANCE TO BOARD AND STAFF GOVERNANCE COMMITTEE**

- 12.1 The Members of the NSS Remuneration and Succession Planning Committee conclude that they have given due consideration to the effectiveness of the systems of control concerning remuneration, performance appraisal and succession planning within NSS and can give assurance to the NSS Board and NSS Staff Governance Committee that they have discharged their responsibilities on behalf of the Board and in line with their remit under the terms of the Standing Orders for NSS.

Ian Cant  
Chair of the NSS Remuneration and Succession Planning Committee  
July 2022

## Appendix E

### NSS STAFF GOVERNANCE COMMITTEE ANNUAL REPORT 2021-2022

#### 1. INTRODUCTION

1.1 The Staff Governance Committee, on behalf of the NSS Board, is charged with satisfying itself that NSS has processes in place to manage staff effectively and to comply with the Staff Governance Standard. As such, the Committee reviews NSS's performance in meeting the Staff Governance Standards, which require that staff are:

- Well informed;
- Appropriately trained and developed;
- Involved in decisions;
- Treated fairly and consistently, with dignity and respect, in an environment where diversity is valued;
- Provided with a continuously improving and safe working environment, promoting the health and well-being of staff, patients and the wider community.

1.2 The following are/were members of the Staff Governance Committee during the period 1 April 2021 to 31 March 2022.

- Mr John Deffenbaugh, Non-Executive Director (Staff Governance Committee Chair)
- Ms Lisa Blackett, Non-Executive Director
- Mr Ian Cant, Employee Director
- Mrs Susan Cook, Trade Union Representative
- Mr Tam Hiddleston, Trade Union Representative
- Professor Arturo Langa, Non-Executive Director
- Mr Gerry McAteer, Trade Union Representative
- Mr Mark McDavid, Non-Executive Director
- Mrs Suzanne Milliken, Trade Union Representative
- Mr Keith Redpath, NSS Chair

In addition Mrs Mary Morgan (Chief Executive) and Mrs Jacqui Jones (Director of HR and Workforce Development) attended meetings as required.

1.3 The Committee's meetings during 2021/22 were held on the following dates: 13 May 2021, 31 August 2021, 24 November 2021 and 3 February 2022.

#### 2. AIM

2.1 The aim of this report is to provide assurance to the Board that NSS complies with the Staff Governance Standard. In addition, this report summarises those matters which were considered and discussed by the Staff Governance



Committee. The format for the report this session will reflect the 'Key Duties' section from the Committee Terms of Reference as follows:

- a) Ensure an effective system of Governance and oversight for the management, safety and welfare of the workforce including a strategic workforce planning strategy.
- b) Oversee the development of frameworks which ensure delivery of the Staff Governance Standard.
- c) Review evidence of attainment and maintenance of the Staff Governance Standard through the Great Place to Work Plan (Staff Governance Action Plan). Where there is evidence of short falls the Staff Governance Committee will ensure that causes are identified and remedial action recommended.
- d) Oversee the development and monitoring of all Organisational policy related to workforce ensuring compliance with National Workforce Policies.
- e) Consider any policy amendment, funding or resource submission to achieve the Staff Governance Standard, providing support as required to drive forward.
- f) Establish detailed and timely staff governance data reporting standards, ensuring that information is provided to support both NSS operating activities and national monitoring.
- g) Provide staff governance information for the Statement of Internal Control.
- h) Review quarterly staff risks contained in the NSS Corporate Risk Register and set out in the Integrated Risk Management Approach, identifying and reporting on specific areas of concern.
- i) Review quarterly the NSS complaints report in the context of staff risk.
- j) Oversee the NSS values programme, ensuring that the values are embedded within NSS structures and processes.

Members are asked to note the evidence provided in the table overleaf which is mapped against the criteria above.

The NSS Staff Governance Action Plan forms part of the NSS Great Place to Work Plan and is based on the results of the outcomes of the NSS iMatter results.

NSS has adopted a different approach to Staff Governance reporting and no longer reports against the five strands of the Staff Governance Standard.

However, for the purposes of providing assurance to the NSS Board, the Staff Governance Committee have aligned the actions taken during the year with the five strands of the Standard and the outcomes will be measured on evidence submitted by SBUs.

A number of the Great Place to Work deliverables have still been achieved despite the challenges of working through the COVID-19 pandemic.

Staff governance standard strand	Action	Evidence	Expected outcome/current status
<b>1. Well Informed</b>	Overall iMatter score - well informed  Implement iMatter Staff Survey Team Action plans	2021/22 74% 2020/21 N/A 2019/20 79% 2018/19 80% 2017/18 80%  iMatter survey ran in Sept 21  2020/21 76% 2019/20 76% 2018/19 76% 2017/18 76%	2021/22 74%  NSS iMatter survey to be launched in June 22 iMatter Response Rate 74% Team Action plans 2021/22 90%  2022/22 76%
<b>2. Appropriately Trained and developed</b>	Overall iMatter Score – Appropriately Trained and Developed  Statutory Training & Mandatory for all Training	Statutory and Mandatory Training is monitored and reported regularly.	We have reached a 2-year compliance 89.4%, a 3-year compliance 92% and Statutory Compliance 94%. These will continue to be accountable to the SBU Director.  11 sessions of HR Managing absence, totalling 86 attendees and sessions of HR Policy, Awareness totalling 86 attendees.

	<p>Management development and management matters</p> <p>Project Lift and Leadership Programme</p> <p>Values Programme</p> <p>Review Corporate Induction</p> <p>Workforce Support Programme</p> <p>TURAS Appraisal</p> <p>Internal Coaching Matters Service</p>	<p>This has been mapped to the strategic aims and business requirements of NSS.</p> <p>Project Lift &amp; Leadership delivered.</p> <p>Values Programme</p> <p>Full re-design of workshops to ensure virtual/remote delivery</p> <p>Tailored workforce support programmes have been designed to support staff through the transformation change (NCTC)</p> <p>All staff are to use the TURAS appraisal platform to record their development planning reviews</p> <p>The coaching service has been delivered and successfully digitalised on Sharepoint.</p>	<p>Cohort 10 (12 participants) final event scheduled for May and Cohort 11 (10 participants) still currently running and also scheduled to finish in May. Leadership Programme still on track and events continue to be scheduled quarterly.</p> <p>Values Programme included as part of the new digital induction.</p> <p>Digital induction sessions completed.</p> <p>L&amp;D continue to respond to individual requests. The refresh to enhance this offer is currently on hold.</p> <p>69% appraisal completed; 69% PDP; 75% Objective setting</p> <p>The coaching programme has been delivered successfully with the NHS Coaching collaboration 27 uptake. The internal coaching matters requests are up by 36% from 2019/20. NSS and Public Health Scotland coaching services are integrated, branded and communicated on HR Connect. NSS/OD conducted a net producer survey (NPS) Customer satisfaction survey with</p>
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			+71%. NSS/OD have delivered 40+ hours of internal and cross board coach supervision services.
<b>Staff governance standard strand</b>	<b>Action</b>	<b>Evidence</b>	<b>Expected outcome/current status</b>
<b>3.Involved in Decisions</b>	<p>iMatter score – Involved in decisions</p> <p>Organisational Change &amp; TUPE consultations</p> <p>Partnership Forums</p> <p>Partnership Working/Training</p>	<p>2020/21 – 73% 2019/20 – 71% 2018/19 – 72% 2017/18 – 73%</p> <p>Organisational Change &amp; TUPE consultations</p> <p>Partnership working is embedded in NSS. Local Partnership Forums in each SBU meet regularly and the NSS Partnership Forum meet on a monthly basis.</p> <p>A new section on HR Connect dedicated to Partnership working has been developed. The role of the Employee Director has been promoted. Staff are signposted to Trade Union organisations and Professional bodies on HR Connect.</p>	<p>2020/21 73%</p> <p>SLWG currently reviewing the content of the Organisational Change toolkit and aim to complete this review during 22/23. Organisational Change &amp; TUPE toolkits will help make the processes for both more straightforward – they have been reviewed in Partnership and will proceed to WPTC in June for review and sign off.</p> <p>Partnership continues to work effectively.</p> <p>This module will promote an awareness of what partnership working is and how it is done. Creating a better working environment including employees in the decisions and achieving the best outcome for NSS as an organisation. By creating this content, we can help our organisation by encouraging trust, honesty, and openness.</p>

Staff governance standard strand	Action	Evidence	Expected outcome/current status
<b>4.Treated Fairly and Consistently</b>	<p>iMatter score – Treated fairly and consistently</p> <p>NSS Values</p> <p>Values based recruitment</p> <p>Equality &amp; Diversity Trainer Module</p> <p>Face to Face Equality &amp; Diversity Sessions</p> <p>Equality Impact assessments for all non- HR Policies</p> <p>Implement Race Equality Strategy</p>	<p>2020/21 79% 2019/20 77% 2018/19 77% 2017/18 78%</p> <p>The NSS values will continue to be promoted as part of the corporate induction programme and values based recruitment.</p> <p>Values based recruitment carried out for Executive and Senior Management recruitment</p> <p>The trainer module has been rolled out with PCF &amp; NSS Equality &amp; Diversity steering group members trained.</p> <p>On hold.</p> <p>The equality impact assessments process has been implemented.</p> <p>The Race Equality Plan</p>	<p>2020/21 –79%</p> <p>Values programme included as part of the updated digital induction.</p> <p>Moving to a values based process emphasises that recruitment is regarded as an important part of NHS Scotland’s workforce development and talent management strategy.</p> <p>Carry forward to 22/23.</p> <p>Carry forward to 22/23.</p> <p>All completed</p> <p>As part of the Race Equality Strategy, Scottish Government implemented a national staff forum in which NSS is represented. An NSS Equality Management Forum has been scoped and plans are in place to hold a virtual minority staff network meeting. Quarter 1 22/23.</p>

Staff governance standard strand	Action	Evidence	Expected outcome/current status
<b>5. Healthy, well and safe environment</b>     Training for managers on Bullying & Harassment Policy Implement Whistleblowing Policy, process and training	iMatter score – Healthy, Well and Safe	2020/21 – 79% 2019/20 – 78% 2018/19 – 78% 2017/18 – 78%	2020/21 – 79%
	Ensure Return to work process implemented effectively and on time & continue absence management	Advice and guidance provided on the return to work process through HR Assist and one to one case management. Managers and staff will also find support on the Return to Work process through HR Connect	Absence awareness/ education sessions available by HR advisors when required.
	Establish NSS Wellbeing Group to implement the new NSS Wellbeing Framework	The new Group has been established with first meeting scheduled for 5 April 2022. Membership agreed and TOR drafted	NSS Wellbeing Framework covering all areas to be embedded in NSS ways of working. Further outcomes will be determined by group during 2022-23.
	Implement Once for Scotland Workforce Policies	Complete implementation Once for Scotland workforce policies Annual and quarterly Whistleblowing Reports	Second phase of Once for Scotland will commence April 2022. Investigation Manager training delivered.
	Consistent and Effective Case management implementation	Scottish Partnership Forum statement implemented	Continuous review of quality improvement approach for case management.
	Policy Engagement and Training  Implement Whistleblowing Policy, process and training	E-learning packages delivered for three Once for Scotland policies and one at development stage. All training delivery is under review to move to a digital approach  Training provided on Turas.	All training delivery is under review to move to a digital approach.  TURAS Learning Programmes have been provided by Independent National

	iMatter team plans completed & storyboards implemented	Completed.	Whistleblowing Officer (INWO) data with a 68% compliance. Story boards were successfully implemented with a 90% response rate.
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<b>Meeting:</b>	<b>NSS Board</b>
<b>Meeting date:</b>	<b>29 July 2022</b>
<b>Title:</b>	<b>SFI Refresh 2022/23</b>
<b>Paper Number:</b>	<b>B/22/16</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Carolyn Low, Director of Finance</b>
<b>Report Author:</b>	<b>Laura Howard, Associate Director of Finance</b> <b>(Reviewed by: Carolyn Low, Director of Finance)</b>

## 1. Purpose

This report outlines the work carried out to review and amend the Standing Financial Instructions (SFIs). The document presented reflects the comments and feedback from the Finance, Performance and Procurement Committee and EMT, along with recommendations from internal audit and the new code of conduct of members of NSS issued by the Scottish Ministers.

## 2. Recommendation

The Board is asked to approve the NSS Standing Financial Instructions 2022/23.

## 3. Discussion

The SFIs and supporting policies and procedures detail the financial responsibilities adopted by NSS. Their purpose is to provide sound control of NSS' financial and related activities and are carried out in accordance with the law and Scottish Government policy.

The SFIs are reviewed and updated on an annual basis. This year there have been changes to the following sections:

<b>Section</b>	<b>Changes</b>
3. Code of Conduct	Introduction added to note the new code of conduct for members of NSS issued by Scottish Ministers (key principles already covered in this section)
4. Suspected Theft, Fraud and Other Irregularities	The role of the Counter Fraud Champion and Fraud Liaison Officer
6: Financial Planning and Budget Control	NSD Virements and FHS Payments



7: Staff Appointments, Remuneration and related matters	Payroll under/over payments, Salary protection and Trade Union Facility Time
9. Tenders, Quotations and Contracting Requirements	Updated to include recommendations from internal audit on NHSScotland Capital Expenditure Procurements and Contract and Supplier Management
10: Tenders, Quotations and Contracting Requirements for Research	New section as requirements for research are different to standard procurement.

To support staff with their understanding of the SFIs we have a number eLearning modules and handy guides for different staff groups and we will run spotlight sessions throughout the year in the Stay Connected staff communications to highlight responsibilities for specific sections.

This year we will also introduce a control framework to support the monitoring and reporting of compliance and will align reporting of non-compliance with wider adverse event reporting processes. Material breaches will continue to be reported to the Finance Procurement and Performance Committee on a quarterly basis.

## 4. Impact Analysis

### 4.1 Quality/ Patient Care

There is no impact on quality of care or service of this report. However, should any cases of fraud be discovered that did have an adverse effect on quality of patient care or service the Committee would be informed at the earliest opportunity.

### 4.2 Equality and Diversity, including health inequalities

An impact assessment is not required. However, should any of the occurrences in this paper require an assessment this would be carried out in line with appropriate Equality and Diversity regulations.

## 5. Risk Assessment/Management

The SFIs set out the expectations roles and responsibilities in respect of risk management for the organisation

## 6. Financial Implications

The SFIs set out the financial governance arrangements for the organisation and are an essential component of the system of financial control for the organisation

## 7. Workforce Implications

The SFIs set out the code of conduct for our staff and outline arrangements for managing the cost of the funded establishment, and making any extra-ordinary payments under terms and conditions of contract.

## **8. Route to Meeting**

The Draft SFIs were shared with EMT and FPP Committee simultaneously in February and reviewed again by the Committee in May. The final document for approval reflects the feedback from these reviews and includes reference to the new code of conduct and audit recommendations from procurement from a recent internal audit.

## **9. List of Appendices and/or Background Papers**

Appendix 1 – NSS Standing Financial Instructions 2022/23

# **Standing Financial Instructions**

**April 2022 – March 2023**

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# Section 1: Introduction

## General

### 1.01 Background

These Standing Financial Instructions (“SFIs”) replace all previous instructions and are issued for compliance by all officers of the Common Services Agency, more commonly known as NHS National Services Scotland (and referred to as NHS National Services Scotland or NSS throughout these Standing Financial Instructions) from 1 April 2022.

These SFIs and supporting policies and procedures detail the financial responsibilities adopted by NHS National Services Scotland. Their purpose is to provide sound control of NHS National Services Scotland’s financial and related activities and are carried out in accordance with the law and Scottish Government policy. They should be used in conjunction with the Standing Orders and in particular the Schedule of Decisions Reserved to the Board and the Scheme of Delegation therein.

All NSS policies referred to in this document can be found on geNSS or the ServiceNow portal.

### 1.02 The purpose of the scheme of control is:

- To ensure the NSS acts within the law and that financial transactions are in accordance with the appropriate authority
- To ensure that proper accounting records, which are accurate and complete, are maintained
- To ensure that financial statements, which give a true and fair view of the financial position of NSS and its expenditure and income, are prepared timeously
- To protect NSS against the risk of fraud and irregularity
- To safeguard NSS assets
- To ensure proper standards of financial conduct are maintained
- To enable the provision of appropriate management information
- To ensure that NSS seeks best value from its resources by making proper arrangements to pursue continuous improvement, having regard to economy, efficiency and effectiveness in NSS operation and
- To ensure that any delegation of responsibility is accompanied by clear lines of control and accountability, together with reporting arrangements

NSS shall exercise financial supervision and control by:

- Formulating the financial strategy

- Requiring the submission and approval of financial plans and budgets within approved allocations/overall income
- Defining and approving essential features of financial arrangements in respect of procedures and financial systems (including the need to obtain value for money)
- Defining specific responsibilities placed on directors and officers as indicated in the Scheme of Delegation.

## 1.02 Responsibilities & Application of the SFIs

These SFIs identify the financial responsibilities that apply to everyone working for NSS. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures and any consequent amendments must be approved by the Director of Finance.

Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance must be sought before you act.

## 1.04 Compliance

The Director of Finance is responsible for assisting the Chief Executive as Accountable Officer and therefore has ultimate responsibility ensuring that SFIs are in place, up to date and observed in NSS. The responsibilities of the Director of Finance are specified in the SFIs may be carried out by such other senior finance officers as he or she might specify.

Members and officers of NSS shall observe these SFIs. Directors of strategic business units shall be responsible for ensuring that the SFIs are made known within the services for which they are responsible and shall ensure they are adhered to.

Any breach or non-compliance with these SFIs must, on discovery, be reported immediately to the Director of Finance who will discuss the matter with the Chief Executive and/or Director of Strategic Business Unit in order to determine the proper action to be taken. The views of internal audit and/or Counter Fraud Services may also be taken depending on circumstances. All material breaches will be reported to the Finance, Procurement and Performance Committee.

Failure to comply with the SFIs shall be a disciplinary matter.

## 1.05 Variation and Revocation

These SFIs may only be varied or revoked in accordance with the Standing Orders.

## 1.06 Terminology

The following terminology applies throughout these Standing Financial Instructions:

- (a) "Accountable Officer" means the Scottish NHS Officer responsible and accountable for funds entrusted to NSS. The Accountable Officer will be responsible for ensuring the proper stewardship of public funds and assets. For NHS National Services Scotland it will be the Chief Executive

- (b) “Board” means the Board of NHS National Services Scotland
- (c) “Budget” means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of NSS
- (d) “Budget Holder” means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation
- (e) “Chief Executive” means the chief officer of NSS
- (f) “Contract” means any arrangement giving rise to right and obligations between NSS and any one or more third parties whether legally enforceable or otherwise
- (g) “Director of Finance” means the chief financial officer of NSS
- (h) “Executive Management Team (EMT)” means the committee of executive officers of NSS appointed by the Board and given authority by the Board to act in accordance with its remit
- (i) “Financial Services” means the central finance function of NSS
- (j) “Framework Agreement” means a framework agreement in terms of the Public Contracts (Scotland) Regulations 2015
- (k) “Director of Strategic Business Unit” means the chief officer of a Strategic or Support Business Unit or Directorate of NSS; “Legal Advisor” means the properly qualified person appointed by NSS to provide legal advice
- (l) “Officer” means employee of NSS or any other person holding a paid appointment or office with NSS
- (m) “NSS” means NHS National Services Scotland, the common name of the “Common Services Agency for the Scottish Health Service”
- (n) “SGHSC” means the Scottish Government Health and Social Care Directorates
- (o) Virement – the reallocation of budget authority

Wherever the title Chief Executive, Director of Finance, and Director of Strategic Business Unit is used in these instructions, it will be deemed to include such other directors or employees who have been duly authorised to represent NSS.

Wherever the term "employee" is used and where the context permits it will be deemed to include employees of third parties contracted to NSS when acting on behalf of NSS.

All references in these Instructions to the singular form will be read as equally applicable to the plural. Similarly, all references in these Instructions to the masculine gender will be read as equally applicable to the feminine gender.

## **Section 2: Responsibilities of Chief Executive, Director of Finance, Directors of Strategic Business Units and Employees**

### **2.01 Responsibilities of Chief Executive as Accountable Officer**

Under the terms of Sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer for the Scottish Government has designated the Chief Executive of NSS as Accountable Officer.

Accountable Officers must comply with the terms of the Memorandum to National Health Service Accountable officers, and any updates issued to them by the Principal Accountable Officer for the Scottish Government. The memorandum was updated in April 2006.

#### **2.01 (a) General Responsibilities**

The Accountable Officer is personally answerable to the Scottish Parliament for the propriety and regularity of the public finance for NSS.

The Accountable Officer must ensure that the Board takes account of all relevant financial considerations, including any issues of propriety, regularity or value for money, in considering policy proposals relating to expenditure, or income.

It is incumbent upon the Accountable Officer to combine his or her duties as Accountable Officer with their duty to the Board to whom he or she is responsible and from whom he or she derives his/her authority. The Board is in turn responsible to the Scottish Parliament in respect of its policies, actions and conduct.

The Accountable Officer has a personal duty of signing the Annual Report and Accounts for NSS. Consequently, he or she may also have the further duty of being a witness before the Audit Committee of the Scottish Parliament and be expected to deal with questions arising from the Accounts, or, more commonly from reports made to Parliament by the Auditor General for Scotland.

The Accountable Officer must ensure that any arrangements for delegation promote good management, and that he or she is supported by the necessary staff with an appropriate balance of skills. This requires careful selection and development of staff and the sufficient provision of special skills and services.

#### **2.01 (b) Specific Responsibilities**

Ensure that from the outset proper financial systems are in place and applied, and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes.

Ensure that the Board's financial obligations and targets are met. The Chief Executive shall be responsible for the implementation of the Boards financial policies and for co-ordinating any corrective action necessary to further these policies. In fulfilling this responsibility, the Chief Executive shall take account of advice given by the Director of Finance on all such matters. The Director of Finance shall be accountable to the Board for this advice.

Sign the Accounts assigned to him or her, and in doing so, accept personal responsibility for ensuring that they are prepared under the principles and in the format directed by the Scottish Ministers

Ensure that proper financial procedures are followed incorporating the principles of separation of duties and internal check, and that accounting records are maintained in a form suited to the requirements of the relevant Accounting Manual, as well as in the form prescribed by the published Accounts.

Ensure that public funds, and assets such as land, buildings or other property including stores and equipment for which he or she is responsible are properly managed and safeguarded, with the appropriate checks in place.

Ensure that, In the consideration of policy proposals relating to expenditure, or income, for which he or she has responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and where necessary brought to the attention of the Board.

Ensure that effective management systems appropriate for the achievement of the organisation's objectives, including financial monitoring and control systems have been put in place.

Ensure that risks, whether to achievement of business objectives, regularity, propriety or value for money, are identified, that their significance is assessed and that systems appropriate to the risks are in place in all areas to manage them.

Ensure that best value from resources is sought, by making proper arrangements to pursue continuous improvement having regard for economy, efficiency and effectiveness, and in a manner which encourages the observance of equal opportunities requirements.

Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs for performance in relation to those objectives.

Ensure that managers at all levels are assigned well defined responsibilities for making best use of resources, including a critical scrutiny of output and value for money.

Ensure that managers at all levels have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.

## **2.01 (c) Regularity and Propriety of Expenditure**

The Accountable Officer has a particular responsibility for ensuring compliance with Parliamentary requirements in the control of expenditure. A fundamental requirement is that funds should be applied only to the extent and for the purposes authorised by Parliament in the Budget Acts (or otherwise authorised by Section 65 of the Scotland Act 1998). Parliament's attention must be drawn to losses or special payments by appropriate notation of the organisation's Accounts. In the case of expenditure approved under the Budget Act, any payments made must be within the scope and amount specified in that Act.

All actions must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional Codes of Conduct. Care must be taken to avoid actual, potential, or perceived conflicts of interest when employing external consultants and their staff.

## **2.01 (d) Advice to the Board**

The Accountable Officer has a duty to ensure that appropriate advice is tendered to the Board on all matters of financial propriety and regularity, and more broadly, as to all considerations of prudent and economical administration, efficiency and effectiveness.

If the Accountable Officer considers that, despite their advice to the contrary, the Board is contemplating a course of action which they consider would infringe the requirements of regularity or propriety, and that they would be required to take action that is inconsistent with the proper performance of his or her duties as Accountable Officer, they should inform the SGHSCD's Accountable Officer, so that the Department if it considers is appropriate, can intervene and inform the Scottish Ministers. If this is not possible, the Accountable Officer should set out in writing his or her objection and the reasons, to the proposal. If their advice is overruled, and the Accountable officer does not feel that he or she would be able to defend the proposal to the Audit Committee of the Scottish Parliament, as representing value for money, he or she should obtain written instructions from the Board for which he or she is designated, and send a copy of his or her request for instruction and the instruction itself as soon as possible to the External Auditor and the Auditor General for Scotland.

It is the duty of the Chief Executive to ensure that the Directors of the Strategic Business Units, employees and all new appointees are notified of and understand their responsibilities within the SFIs.

## **2.01 (e) Absence of Accountable Officer**

The Accountable Officer should ensure that they are generally available for consultation, and that in any temporary period of unavailability a senior officer is identified to act on their behalf.

In the event that the Accountable Officer would be unable to discharge their responsibilities for a period of four weeks or more, NSS will notify the Principal Accountable Officer of the Scottish Government, in order that an Accountable Officer can be appointed pending their return.

Where the Accountable Officer is unable by reason of incapacity or absence to sign the Annual Report and Accounts in time for them to be submitted to the Auditor General, the Board may submit unsigned copies, pending the return of the Accountable Officer.

## **2.02 Responsibilities of the Director of Finance**

Provision of financial advice to the Board and its employees

Implementing the Board's financial policies and for co-ordinating any corrective action necessary to further those policies

Ensuring that sufficient financial records are maintained to show and explain the Board's transactions, in order to disclose, with reasonable accuracy, the financial position of the Board at any time

The design, implementation and supervision of systems of internal financial control incorporating the principles of separation of duties and internal checks

The preparation and maintenance of such accounts, certificates, estimates, records and reports as the Board may require for the purpose of carrying out its statutory duties and responsibilities

Setting accounting policies consistent with Scottish Government guidance and generally accepted accounting practice.

## 2.03 Responsibilities of all Directors and Employees

All directors and employees of the Board, severally and collectively, are responsible for:

- security of the Board's propriety
- avoiding loss
- exercising economy and efficiency in the use of NSS resources
- complying with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation
- reporting on discovery of any non-compliance of the SFIs to the Director of Finance.

All staff must be aware of the Fraud Management Policy (including the Fraud Action Plan) and the Whistleblowing Policy. The Counter Fraud Champion (also the Chair of the Audit and Risk Committee) is responsible for ensuring the requirements of Fraud Action 'Plan are met, and processes followed in every relevant situation.

The Director of Strategic Business Units should ensure that these SFIs and associated documents are made known to all staff within the Strategic Business Unit and ensure that they are adhered to.

Any contractor, or employee of a contractor, who is empowered by NSS to commit NSS to expenditure or who is authorised to obtain income will be covered by these instructions. It is the responsibility of the Director of Strategic Business Unit to ensure that such persons are made aware of this.

For any and all members of the Board and Executive Management Team and employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board and Executive Management Team and employees discharge their duties must be to the satisfaction of the Director of Finance.

## Section 3: Code of Conduct

### 3.01 Introduction

The new code of conduct for members of NSS was issued by the Scottish Ministers, with the approval for the Scottish Parliament, as required by the Ethical Standards in Public Life etc, (Scotland) Act 2000. Its purpose is to set out the conduct expected of those who serve on the Boards of public bodies in Scotland.

The Code has been developed in line with the nine key principles of public life in Scotland. The financial responsibilities are set out in this section. The code of conduct for members of NSS are discussed further in the NSS standing orders.

### 3.02 General Principles

There is a general presumption against the giving or receipt of gifts and hospitality by employees of NSS. All employees should:

- Not put themselves in a position where their official and private interests may conflict;
- To be aware off the presumption of influence on a potential purchasing decision or strategic decision relating to the business objectives of NSS; and
- Not make use of their official positions to further their private interests.
- These guidelines should be read in conjunction with section 3 on bribery

### 3.03 Activities involving the use of official information or experience

Any employee of NSS (other than medical or dental staff engaged in clinical practice) is required to obtain permission from the relevant Director of Strategic Business Unit, before undertaking any form of private work which involves the use of official NHS information, or his NHS experience.

All media broadcasts or television appearances by employees of NSS on matters relating to the work of NSS should be regarded as official duty, and no question of payment to individuals will normally arise. However, if the work of preparation for the media broadcast/television appearance involves private, as well as official time, the Chief Executive may, at his or her discretion, allow an employee to retain the whole or part of any fee as appropriate.

### 3.04 Outside Occupation

Employees of NSS are not allowed to accept any outside employment which would require their attendance at any time during their normal working hours with NSS. Employees should notify NSS if they propose to take up outside employment which would, when both or more employments are combined, result in their average working week exceeding the maximum working week laid down in the Working Time Regulations 1998, currently 48 hours per week.

Employees are advised not to engage in outside employment which may conflict with their NHS work or be detrimental to it.



### **3.05 Confidentiality**

No employee of NSS shall use for their own benefit or gain, or divulge to any persons, firms, companies or other organisation whatsoever, any confidential information belonging to NSS, or relating to its affairs or dealings, which may come to the employee's knowledge during the course of their duties.

Notwithstanding this, any employee who has genuine concerns about operational issues and service delivery, particularly if the concerns relate to health and safety, malpractice or fraud has a right and responsibility to raise these. Further details of how staff should raise concerns are outlined in the NSS Whistle blowing policy and the Fraud Management Policy.

### **3.06 Contracts and use of services of NSS contractors**

On starting employment, all NSS staff must declare any financial interests or relationships (e.g. Honorary positions held) with any manufacturer, supplier or contractor, with whom the NSS has, or is likely to enter into a contractual relationship, or any financial or other interests which may affect NSS's decisions. In addition, any employee engaged in ongoing activity or a project involving third parties must declare any relevant financial or other interests at the earliest opportunity to their SBU Director and comply with any consequent requests or instructions made by NSS. Any NSS staff leading activity or projects with third parties must, at initiation and at all meetings, thereafter, seek positive confirmation as to any such interests which those NSS staff present may have and take action accordingly. Any interests declared must be properly recorded in the minutes and records of the meetings.

In addition, Board Members, Directors of Strategic Business Units, Senior Managers and Senior Procurement staff of NSS will be asked quarterly to confirm their declarable interests.

No employee of NSS may purchase goods from, or use the services of, a contractor on preferential terms for private purposes, if these terms are given directly or indirectly because of the contractual or other official business relationship (whether potential or actual), between the contractor and NSS.

### **3.07 Acceptance of Gifts**

For the purpose of this section, a gift shall be taken to mean any personal, material and/or financial advantage or reward, which reward can include material items such as calendars, stationery etc.

Employees should not accept gifts. Where gifts are sent to an employee, these should only be accepted when the gift is of minimal or nominal value and in any case where the value is presumed to be less than £5. All other gifts should be returned to the sender.

It is recognised that, on occasion, a gift may be received from a patient or a donor as a "thank you" for services received. These gifts would be difficult to refuse without causing offence. If they are of low intrinsic value, the principles outlined above should be applied. Should they be expensive, the SBU Director should be consulted for a view on acceptance.

In all cases in relation to gifts, it is recognised that it is NSS who is the owner of the received gift and not the individual employee.

Casual gifts offered by contractors or others e.g., at Christmas time should be declined.

### **3.08 Acceptance of Hospitality**

For the purpose of this section, hospitality shall be taken to mean an offer of food, drink, invitations to events, travel and/or accommodation.

As a guiding principle, hospitality should be refused. Modest hospitality provided it is normal and reasonable in the circumstances, e.g. lunches in the course of working visits, may be acceptable when the scale of hospitality is similar to that which the NHS would be likely to offer in the circumstances. Where hospitality is provided at free events or conferences - where the object is to maintain knowledge or develop networks – this may be accepted, provided the hospitality is proportionate,

For the avoidance of doubt, tickets to national sporting events or similar should be refused.

### **3.09 Procedure for completing and recording forms**

Full guidance on accepting and recording of gifts and hospitality can be found on the Service Now portal.

### **3.10 Reporting**

An annual report of all accepted gifts and hospitality offered and accepted will be submitted to the EMT and Audit and Risk Committee for noting.

### **3.11 Use of official Accommodation, Equipment or Vehicles**

No employee of the NSS may make use of, or make available for use, official accommodation, equipment, supplies, services or vehicles, for private purposes, without the prior permission of the Chief Executive.

Employees should not make inappropriate or unauthorised use of IT systems e.g., email and Internet access. The NSS guidelines governing the use of IT systems should be referred to for further guidance.

### **3.12 Bribery**

The Bribery Act 2010 came into force on 1 July 2011 and makes it a criminal offence to take part in 'active' or 'passive' bribery or to fail to prevent bribery in an organisation:

- (a) Active bribery (section 1 of the Act) makes it an offence for a person to offer, give or promise to give a financial or other advantage to another individual in exchange for improperly performing a relevant function or activity.
- (b) Passive bribery (section 2 of the Act) makes it an offence for a person to request, accept or agree to accept a financial or other advantage in exchange for improperly performing a relevant function or activity.
- (c) Bribery of a foreign public official (section 6 of the Act) makes it an offence to offer, promise or give a financial or other advantage to a foreign public official with the

intention of influencing the official in the performance of his or her official function. Previously such payments may have been known as Facilitation Payments.

- (d) Corporate offence (section 7 of the Act) states that an organisation may be liable if it fails to have adequate procedures in place to prevent bribery.

Employees must be committed to the prevention of bribery and all forms of corruption. NSS operates a zero-tolerance approach to bribery committed by any person working at NSS and any person who provides services for or on behalf of NSS and that any allegation of bribery by a Board member or employee will be investigated in accordance with relevant processes and procedures and may be reported to the authorities, as appropriate.

The NSS approach to addressing fraud, which includes bribery, is set out in Section 4.

## Section 4: Suspected Theft, Fraud and Other Irregularities

### 4.01 Introduction

This section should be read in conjunction with the Fraud Management Policy and the Fraud Action Plan.

The following procedures should be followed, as a minimum, in cases of suspected theft, fraud, embezzlement, corruption, bribery or other financial irregularities to comply with the above guidance.

In addition, guidance and recommendations issued from time to time by NSS Counter Fraud Services to combat fraud should also be considered and implemented where necessary.

### 4.02 Theft, Fraud, Embezzlement, Corruption, Bribery and Other Irregularities

NSS has a Fraud Management Policy and Action Plan, in accordance with Scottish Executive HDL (2005)5. All NSS staff should be aware of the content of this plan and their responsibilities in relation to the prevention and detection of fraud including bribery and corruption and their duty to report any suspicious activity.

The Fraud Action Plan is reviewed annually, amended as appropriate, and submitted to the Audit and Risk Committee for re-endorsement annually.

The Fraud Action Plan will specify the form and content of NSS's Fraud and Other Illegal Acts Register, which is to be reviewed annually by the Audit and Risk Committee.

The Chair has the responsibility to designate a Non-Executive Member of the Board who is also a member of the Audit and Risk Committee as the Counter Fraud Champion (CFC). Their role is to raise the profile of counter fraud initiatives and publicity across the organisation. The CFC will support the Fraud Liaison Officer (FLO), whose role it is to co-ordinate action where there are reasonable grounds for believing that an instance of fraud, theft, embezzlement, corruption, bribery, or other financial irregularity has occurred. Contact details for the CFC and FLO can be found in the Fraud Management Policy and on the finance pages on geNSS.

It is the FLO's responsibility, supported by the CFC where appropriate, to inform as they deem appropriate, the Police, Counter Fraud Services (CFS), the appropriate director(s), the Appointed External and Internal Auditors, the Chief Executive and the Chair of the Audit and Risk Committee, where such an occurrence is suspected. It should be noted that CFS does not routinely investigate the crime of theft, unless systematic losses have occurred, and the use of covert surveillance is being considered.

Where any officer has grounds to suspect any of the above activities has occurred, they should report this to the FLO without delay. The FLO will ensure that there is consultation with CFS as set out in the Fraud Action Plan. It is essential that preliminary enquiries are carried out in strict confidence and with as much speed as possible. If the suspicion involves

an executive director the matter should be reported to the Chair of the Audit and Risk Committee, the Chairman of the Board, or to the Head of Internal Audit.

If, in exceptional circumstances, the CFC, the FLO and the Head of Internal Audit are unavailable the officer should report the circumstances to the Chief Executive who will be responsible for informing CFS. As soon as possible thereafter the FLO should be advised of the situation.

Where preliminary investigations suggest that prima facie grounds exist for believing that a criminal offence has been committed, CFS will undertake the investigation on behalf of, and in co-operation with NSS. At all stages the CFC, the FLO and the Head of Internal Audit will be kept informed of developments on such cases. All referrals to CFS must also be copied to the Appointed Auditor.

### **4.03 Remedial Action**

As with all categories of loss, once the circumstances of a case are known the CFC will be required to take immediate steps to ensure that so far as possible these do not recur. However, no such action will be taken if it would prove prejudicial to the effective prosecution of the case. It will be necessary to identify any defects in the control systems which may have enabled the initial loss to occur, and to decide on any measures to prevent recurrence.

### **4.04 Reporting to SGHSC**

While normally there is no requirement to report individual cases to SGHSC there may be occasions where the nature and/or scale of the alleged offence or the position of the person or persons involved, could give rise to national or local controversy and publicity. Moreover, there may be cases where the alleged fraud appears to have been of a particularly ingenious nature or where it concerns an organisation with which other public health sector bodies may also have dealings. In all such cases, SGHSC must be notified of the main circumstances of the case at the same time as an approach is made to CFS.

### **4.05 Responses to Press Enquiries**

Where the publicity surrounding a particular case of alleged financial irregularity attracts enquiries from the press or other media, the Chief Executive will ensure that the relevant officials are fully aware of the importance of avoiding issuing any statements, which may be regarded as prejudicial to the outcome of criminal proceedings or potential actions of CFS. Advice on such issues will be provided by CFS.

### **4.06 National Fraud Initiative**

NSS participates in the National Fraud Initiative coordinated by the Audit Commission for the prevention and detection of fraud and other financial irregularity. As part of this initiative NSS is required to share financial data including payroll data with the Audit Commission who will compare this data with other public sector bodies to highlight potential fraud. NSS through the FLO will investigate all queries arising through the initiative and take action in accordance with its findings.

## **Section 5: Audit and Financial Performance Arrangements**

### **5.01 Audit and Risk Committee**

In accordance with Standing Orders the Board will establish an Audit and Risk Committee, with clearly defined terms of reference, which will provide an independent and objective view of internal control.

### **5.02 Finance, Procurement and Performance Committee**

In accordance with Standing Orders the Board will establish a Finance, Procurement and Performance Committee, with clearly defined terms of reference, which will provide an independent and objective view on any financial matters referred to it by the Board.

### **5.03 Director Strategy, Performance and Service Transformation**

The Director of Strategy Performance and Service Transformation is responsible for:

- 1) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function
- 2) ensuring that the internal audit is adequate and meets the NHS best practice
- 3) ensuring that an Internal Audit Plan is prepared for the consideration of the Audit and Risk Committee. The plan must cover:
  - a) strategic audit plan covering the coming three years; and
  - b) a detailed plan for the coming year.
- 4) ensuring that an annual Internal Audit Report is prepared for the consideration of the Audit and Risk Committee. The report must cover:
  - a) a clear opinion on the effectiveness of internal control in accordance with current controls assurance guidance issued by SGHSC including for example compliance with control criteria and standards
  - b) major internal financial control weaknesses discovered
  - c) progress on the implementation of internal audit recommendations
  - d) progress against plan over the previous year

The Director of Finance, the Head of Internal Audit or their authorised representatives and CFS in relation to a fraud investigation will have authority, without necessarily giving notice, and on production of identification, to require and receive:

- 1) access at all reasonable times to any land, premises or employee of NSS

- 2) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature (in which case, he will have a duty to safeguard that confidential nature)
- 3) the production or identification by any employee of any NSS cash, stores, or other property under the employee's control and
- 4) explanations concerning any matters under investigation.

## 5.04 Irregularities

Whenever any matter arises which involves, or is thought to involve, irregularities concerning stores or other property of NSS or any suspected irregularity it will be notified immediately to the Fraud Liaison Officer (FLO) who will inform Counter Fraud Services and the Director of Finance. Where appropriate, the Director of Finance will inform the Chief Executive and the Head of Counter Fraud Services.

Any decision to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption will be taken by the Chief Executive and the Director of Finance. Such decisions will be taken after obtaining appropriate advice from NSS Counter Fraud Services.

Further details pertaining to suspected theft, fraud, embezzlement, corruption, bribery and other irregularities are contained at Section 4.

## 5.05 Audit Reporting

Annual and longer term audit plans will be prepared and laid before NSS's Audit and Risk Committee for approval by 31 March preceding the audit year commencing 1 April, or at such other time as the Committee may approve.

## 5.06 Internal Audit

Detailed Internal Audit Reports will be submitted to and agreed with management following all audit visits. Management must respond formally to audit reports within five working days of receipt of the final draft. The finalised report will be provided to the Director of Strategic Business Unit, Director of Finance and NSS's statutory auditor.

Each year NSS's Internal Audit Service provider will prepare and present to the Audit and Risk Committee an annual Internal Audit Report which summarises internal audit findings in the preceding year. This will be submitted before 30 June following the audit year in question.

Periodic review of the responses to agreed actions will be carried out by the Internal Auditors and the findings presented to the Audit and Risk Committee.

## 5.07 External Audit

The Public Finance and Accountability (Scotland) Act 2000 places responsibility on the Auditor General for Scotland to decide who is to undertake the external audit of each health body in Scotland.

The appointed External Auditor will conduct their audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland.

## **5.08 Service Audit**

Annual Service Audit Reports will be submitted to and agreed with management following audits of the key services we provide to NHS Boards. Management must respond formally to audit reports within three weeks of receipt. The finalised reports will be provided to the Director of Strategic Business Unit, Director of Finance, NSS's statutory auditor and to the Audit and Risk Committee.

Each Service Auditor Report will provide an opinion on the controls in place and how effectively they have been operating during the year under review. This will be submitted before 30 June following the audit year in question.

The report will also detail the exceptions that were identified during the course of the testing, and management's responses to these. Management will be required to ensure that action is taken to address the risks or issues identified by the agreed deadlines.

Periodic review of the actions taken will be carried out by the Service Auditors and the findings presented to the Audit and Risk Committee.

## **5.09 Risk Management**

The Audit and Risk Committee is responsible for overseeing the risk management framework for NSS.

The Chief Executive is responsible for reviewing the effectiveness of the system of internal control, which includes the maintenance of an NSS risk register. The NSS risk register should be reviewed by the Board, Board Committees and Executive Management Team and management teams as set out in the NSS Integrated Risk Management Approach (IRMA).

The Directors of Strategic Business Units are responsible for ensuring that risk registers are appropriately maintained and reviewed, and that appropriate risk management strategies and practices are adopted within their Strategic Business Units as outlined in the IRMA.



## Section 6: Financial Planning and Budget Control

### 6.01 Introduction

NSS has a responsibility to prepare and submit financial plans in accordance with the requirements of SGHSC to the Board and to SGHSC, ensuring that the budgets reconcile to such plans.

NSS will perform its functions within the total of funds allocated by Scottish Ministers and through income from other Health Boards and from other sources. All plans, financial approvals and control systems will be designed to meet this obligation.

NSS's income consists of four elements:

- the NSS baseline allocation which is to be treated as an aggregate sum
- specific additional allocations of funding for projects and services sponsored by SGHSC and managed by NSS on behalf of NHSScotland
- bottom sliced allocation from other Health Boards to fund National Services provided by NSS
- Income earned from trading with other Health Boards and other third parties.

NSS's financial planning cycle in respect of all income and expenditure will be co-ordinated with its business planning arrangements and timetables as approved by the Board. The financial plans will be reviewed in detail by the EMT and the Finance, Procurement and Performance Committee before being put to the Board for approval.

All requests for additional funding and income whether capital or revenue should be made using the Service Now Demand portal. Requests will be approved and prioritised on both an annual basis through the Resource Allocation Meetings and monthly at the EMT meetings.

The funding for specific ring-fenced projects will be agreed in advance of the projects commencement with NSS and SGHSC and will be supported by request through the Demand tool in the Service Now portal and an approved business case where required by SGHSC. The Director of Finance should be notified of any such projects at the earliest opportunity and will be responsible for ensuring funding is secured via additional allocations

Services funded through bottom slicing will agree the budget with those Health Boards involved. Retrospective adjustments will be made at the same time for any over/underspend from the previous period.

The financial planning cycle in respect all NSS functions, including projects, programmes and services managed by NSS on behalf of NHSScotland will be co-ordinated with SGHSC's planning cycle.

## 6.02 Preparation of budgets

The Directors of Strategic Business Unit will prepare and submit budgets, which reconcile to the approved financial plan to Director of Finance in line with the agreed timetable for NSS. Such budgets will:

- 1) be prepared within the limits of available funds as advised by the Director of Finance or SGHSC in the case of additional allocations
- 2) meet any requirements of the Board and SGHSC
- 3) be in accordance with the aims and objectives set out in the Annual Operating Plan and reflected in the Strategic Business Unit's Business Plan
- 4) accord with workload, workforce plans and funded establishment
- 5) identify potential risks and opportunities.

The Directors of Strategic Business Unit will be required to formally approve the delegated budget for their SBU on an annual basis.

## 6.03 New Funding Requests

The Director of Strategic Business Unit is responsible for securing additional revenue or capital funds for new projects, programmes or services for NSS or delivered by NSS on behalf of NHSScotland. All additional funding, whether through NSS or SGHSC allocations or income from health boards or third parties must be requested through the Business Case process in the Service Now Demand portal. This will ensure the Board have full visibility of all funds they are accountable for.

Once approved these additional funds will form part of the budget for the duration of the project, programme or service.

## 6.04 Systems of budgetary control

The Director of Finance will monitor financial performance against budget and will ensure that a performance management process is in place to periodically review the finance plan.

The Director of Finance will have a right of access to budget holders on budget-related matters and be entitled to promptly and fully receive relevant information accordingly.

The Director of Finance will devise, introduce and maintain systems of budgetary control, and all staff of NSS will ensure compliance with these systems.

Such systems will incorporate:

- 1) monthly financial reports to the EMT in a form approved by the Board containing:
  - a) income and expenditure to date showing trends and forecast year-end position
  - b) capital projects spend and projected outturn against plan on a monthly basis
  - c) comparison of the agreed annual workforce establishment to the actual in month, year to date and forecast position

- d) specific programme level reporting in respect of all major projects programmes and services managed by NSS on behalf of NHSScotland, in line with the specific requirements defined by the Finance, Procurement and Performance Committee.
  - e) explanations of any material variance from Strategic Business Unit's Finance Plans (material being defined as the higher of 10% and £100,000). For the purpose of reporting, materiality should be considered in relation to the total income, and the total pay and non-pay expenditure
  - f) details of corrective action where necessary and the Director of Finance's view of whether such actions are sufficient to correct the situation.
- 2) investigation and reporting of variances from financial, workload and workforce budgets, including a requirement for finance staff to escalate any significant changes to income and expenditure to both the Director of Finance and the Director of Strategic Business Unit
  - 3) monitoring of management action to correct variances
  - 4) arrangements for the authorisation of budget transfers in the case of NSS's general allocation
  - 5) arrangements for the return of specific additional allocations or proposed virement in line with agreed conditions of funding award for funds managed by NSS on behalf of NHSScotland (see section 4.24 for rules of virement).

The Director of Strategic Business Unit is responsible for ensuring that:

- 1) any likely overspending or reduction of income, which is not offset by corresponding reduction in expenditure, which cannot be met by virement within agreed limits is not incurred without the prior consent of the Director of Finance in respect of the general allocation, and the Director of Finance and SGHSC in respect of ring-fenced funds
- 2) the amount provided in the approved budget is not used in whole or in part for any other purpose other than that specifically authorised subject to the rules of virement

The monthly financial returns from Strategic Business Units will report actual results against a revised budget reflecting in year allocations.

## **6.05 Budget limits and Delegation**

The budgets adopted by NSS will be set so as to ensure that it meets the financial targets to contain its Revenue and Capital expenditure in each year within the limits approved by SGHSC and to meet the targets set by SGHSC regarding Cash Releasing Efficiency Savings (CRES) and cash requirement.

The Board will approve budget limits and set business performance targets for all Strategic Business Units except in respect of earmarked funds allocated for specific purposes by SGHSC. Overall responsibility for budgetary control will rest with the Chief Executive, who is the Accountable Officer of NSS.

The Chief Executive will, in turn, delegate this responsibility to senior officers in NSS within the context of an agreed performance management framework.

Each Director of Strategic Business Unit is the designated budget holder and is accountable to the Chief Executive and to the Board for the financial performance of his Strategic Business Unit.

The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board or SGHSC for NSD earmarked funding and other funds managed by NSS on behalf of NHSScotland (including eHealth) (see Appendix I).

Any budgeted funds within NSS's general allocation not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to authorised use of virement (see below). In relation to earmarked funds and other funds managed by NSS on behalf of NHSScotland, budgeted funds not required for their designated purpose revert to the immediate control of either SGHSC's Director of Finance or Health Board Chief Executives as appropriate, subject to the authorised use of virement (see below).

As part of monthly financial reporting arrangements, the Director of Strategic Business Unit with delegated authority to manage earmarked funds and other funds managed by NSS on behalf of NHSScotland, must report formally to the Director of Finance where budgeted funds are not required.

The Director of Finance will be responsible for making arrangements to return un-required funds to SGHSCD in line with agreed protocols.

Non-recurring budgets will not be used to finance recurring expenditure without the prior approval of the Chief Executive or Director of Finance, or SGHSC as appropriate.

Within NSS's general allocation, the Chief Executive, Director of Finance or the Board, as appropriate, must approve expenditure not covered by an approved budget in advance. Further details are contained at Appendix I.

Irrespective of the approved budget levels, commitment of expenditure by budget holders must comply with procurement rules (see section 6 to 9). In particular approval of any contract award should be in accordance with section 7 and the approval levels set out in 7.03 and 7.05 followed.

## 6.06 Virement

Virement is the re-allocation of budget authority. It involves reducing the level of budget at one or more Budget Centres and correspondingly increasing the level of budget at one or more other Budget Centres.

There is an over-riding requirement on the Board to contain expenditure within NSS's Revenue Resource Limit (RRL); it may, therefore, be necessary in certain circumstances for the Chief Executive to impose virement and vary the budget of an individual Budget Holder.

Subject to the foregoing rules, planned or fortuitous savings within delegated limits (see Appendix 1) may be redeployed within NSS's general allocation provided that the Director of Strategic Business Unit has verified that:

- (a) they do not arise from major alterations in service provision
- (b) they are not part of an efficiency savings initiative

- (c) the level of service defined in the Business Plan has been or will be achieved
- (d) details of the savings figures have been provided to the Director of Finance
- (e) non-recurring savings are not committed recurrently
- (f) the Budget Centre in total is expected to remain within budget by the end of the year
- (g) the alternative use does not conflict with NSS policy.

In the case of NSD's earmarked funding allocation, the Director of NSD has delegated authority from SGHSC to allocate revenue funds to national services, and to vire funds between individual national services. Such actions should be within the earmarked allocation for commissioning national healthcare and screening services to ensure that the actual costs of specialist and screening services needed by residents of Scotland are met, as far as possible, within the overall earmarked allocation made available by SGHSC, provided that:

- a) the level of service defined in National Healthcare and Screening Service Agreements has been or will be achieved
- b) waiting times are within the limits set by SGHSC
- c) funding shifts do not generate major service change unless prior approval by SGHSC has been granted
- d) use or application of savings across the total earmarked funds of NSD (subject to the virement reference above) should be agreed in conjunction with the relevant funding bodies, i.e. SGHSC for top sliced allocation for designated specialist and screening services, and NHS Boards for NHS Scotland financial risk share arrangements and
- e) savings against earmarked funds of NSD will not be used to support NSS activity
- f) NSS funds will not be used to support activity funded through NSD.

The Director of NSD must report significant virements to the Director of Finance in the first instance and to the National Corporate Finance Network.

Virement within earmarked capital / non-recurring funds and in respect of funding managed by NSS on behalf of NHSScotland is only permitted with prior approval of SGHSC.

For the avoidance of doubt, virement between projects and programmes within eHealth must be specifically approved by the Deputy Director (eHealth) in SGHSCD.

All virements must be recorded in the finance ledger against the appropriate service.

## 6.07 Family Health Service Payments

NSS are responsible for the payments to primary care practitioners, Scottish Infected Blood Scheme and MESH payments on behalf of the NHS Scotland territorial Health Boards. Cash is drawn down from Scottish Government on a monthly basis to ensure payment to all contractors under the Medical, Pharmacy, Dental and Ophthalmic contractor streams.

The Director of Practitioner and Counter Fraud Services Strategic Business Unit is responsible for the delivery of this service.

The Director of Finance is responsible for:

- a) all aspects of financial control, the management of cash requirements and the processing of payments
- b) setting the delegated authority limits for the authorisation of payments on a monthly basis
- c) regular reviews of financial controls and
- d) reviewing and approving changes to financial controls.

The Finance, Procurement and Performance Committee will receive regular reports from the Director of Finance on financial governance, control and performance in year.

## 6.08 Financial consequences of change

The Director of Finance will keep the Chief Executive and the Board informed of the financial consequences of changes in policy, pay awards and other events and trends affecting budgets and will advise on the financial and economic aspects of future plans and projects.

## Section 7: Staff Appointments, Remuneration and related matters

### 7.01 Remuneration Committee

In accordance with Standing Orders, the Board will establish a Remuneration and Succession Planning Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

### 7.02 Staff Appointments

The Board will delegate responsibility to a manager for:

- a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board; and
- b) dealing with variations to, or termination of, contracts of employment.
- c) both in a form which complies with employment legislation.

No officer of the Executive Management Team or employee may engage, re-engage, or regrade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- a) unless within the limit of his approved budget and funded establishment; or
- b) in exceptional circumstances if authorised to do so by the Chief Executive.

The Board will approve or delegate to a Board Committee the approval of procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

All employee contracts will conform to relevant standard NHS terms and conditions. Any variation from standard terms and conditions will require prior approval of the Director of Human Resources and Workforce Development.

The Remuneration Committee will approve all new or additional jobs created for AfC band 8d, 9 and Executive grades. In addition, they will agree all appointments where the lower half of the salary range will not secure the preferred candidate.

### 7.03 Processing of Payroll

The Director of Finance is responsible for ensuring that appropriate arrangements exist for:

- a) specifying timetables for submission of properly authorised time records, expense claims and other notifications
- b) the final determination of pay and allowances
- c) making payment on agreed dates and
- d) agreeing method of payment.

The Director of Finance will issue instructions regarding:

- a) verification and documentation of data
- b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances
- c) maintenance of subsidiary records for superannuation, income tax, national insurance contributions and other authorised deductions from pay
- d) security and confidentiality of payroll information
- e) checks to be applied to completed payroll before and after payment
- f) authority to release payroll data under the provisions of the Data Protection Act and National Fraud Initiative
- g) methods of payment available to various categories of employees and officers
- h) procedures for payment by bank credit to employees and officers
- i) procedures for the recall of cheques and bank credits
- j) pay advances and their recovery
- k) maintenance of regular and independent reconciliation of pay control accounts
- l) regular reconciliation of key standing data between the payroll system and the Human Resources Business Systems
- m) a system to ensure the recovery from leavers of sums of money and property due by them to NSS
- n) procedures for reclaiming expenses incurred wholly, necessarily and exclusively for business purposes
- o) procedures for the recovery of any over/under payments and
- p) procedures for the regular review of protection payments to ensure compliance with policy.

Appropriately nominated managers and EMT members have delegated responsibility for:

- a) completing and authorising time records, and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance
- b) submitting time records, and other notifications in accordance with agreed timetables
- c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement.
- d) Where an employee fails to report for duty or to fulfil Executive Management Team obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

Regardless of the arrangements for providing the payroll service, the Director of Finance will ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable



arrangements are made for the collection of payroll deductions and timely payment of these to appropriate bodies.

## **7.04 Termination Settlements**

In the case of a termination settlement, a cost/benefit statement must be prepared for submission to the Director of Finance to demonstrate the financial effect of the decision. This statement will be in a form approved by the Remuneration Committee. In all cases, the appropriate Director of Strategic Business Unit, the Director of HR and Workforce Development, and the Director of Finance must sign the statement in support.

Where the full cost of the settlement exceeds £75,000, the case must be submitted to the Chair of the Remuneration Committee for prior approval. The Chief Executive will be responsible for authorising settlements where the total cost is less than £75,000. An annual report of all such instances will be presented to the Remuneration Committee by the Chief Executive.

Approval from or notification to SGHSC of any settlement agreements will be done in conjunction with relevant guidance issued by SGHSC.

Prior to payment of any termination settlement the Head of Payroll Services will ascertain from the Director of Finance and the Director of HR and Workforce Development that the settlement has been duly authorised.

## **7.05 Organisational Change**

The Director of the Strategic Business Unit is responsible for setting out the requirements and following the Organisational Change Policy. A full financial appraisal must support the organisation change programme and be submitted to the Change Oversight Group (COG) for approval.

The financial budget for any established posts is removed from the SBU budget as a gross saving and reinvested within the NSS Workforce Resource Team as required.

## **7.06 Extension to Pay during periods of absence**

The line manager with support from HR advisors is responsible for requesting an extension to pay during extended periods of absence. The Section 14 Workforce review panel, chaired by the Director of Finance will assess the circumstances of the individual and where appropriate approve any extension to pay.

## **7.07 Ex-Gratia Payments**

All ex-gratia payments made to staff will be approved in line with section 17 on losses and special payments. An annual report of all such payments will be presented to the Remuneration Committee by the Director of Finance.

## 7.08 Trade Union Facility Time

All trade union representatives are required to submit the time spent on trade union activities on a biannual basis to the Head of Payroll Services. This information will be used to support the required disclosures for the Annual Report and Accounts and other regulatory disclosures.

## Section 8: Non-Pay Expenditure

### 8.01 Introduction

This section deals with obtaining goods, works or services solely for NSS own use.

All procurement activity must be undertaken in line with the [Scottish Government Procurement Journey](#) and all specific NHSScotland procurement policies.

The NSS procurement team will provide advice and support to the Strategic Business Units on all aspects of procurement to ensure compliance with all relevant Acts and regulations. The NSS procurement team will manage all route 2 and 3 procurement requirements as defined within the Scottish Government Procurement Journey.

Capital works must be undertaken in line with the requirements set out in the [Scottish Government Scottish Capital Investment Manual](#) and the [Construction Procurement Handbook](#) or any subsequent amendment or revision of those documents issued by Scottish Government.

It is the responsibility of everyone involved in the process of commitment of Non-Pay Expenditure to familiarise themselves with the requirements commensurate with their intended procurement. Guidance can be sought from and will be provided by the NSS procurement team.

### 8.02 Delegation of Authority

Each Director of Strategic Business Unit will designate an officer(s) who will be empowered, within defined limits, to authorise the creation of NSS's official purchase orders on behalf of their respective Strategic Business Unit. The authorisation of a Purchase Order commits expenditure on behalf of NSS and, following completion of the relevant procedures, the disbursement of NSS funds to the supplier.

### 8.03 Responsibilities

The Chief Executive is responsible for

- setting out procedures on the seeking of professional advice regarding the supply of goods and services in line with SGHSC guidance and recognised best practice.

The Director of Finance is responsible for:

- Issuing instructions for staff regarding the handling, checking and payment of accounts and claims within the Finance Operations team
- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained
- the account is arithmetically correct
- appropriate entries have been made in purchasing and payment systems, registers, inventories, stores or similar records as required
- the appropriate expenditure code numbers are charged with the cost

- payment for goods and services is only made once goods and services are received
- appropriate segregation of duties for placing orders, receipting goods and services and authorising payment of invoices
- ensure that appropriate arrangements are in place for the prompt payment of accounts and claims. Payment of contract invoices will be in accordance with contract terms, or otherwise, in accordance with national guidance
- only invoices with a valid purchase order number will be paid
- VAT has been appropriately applied and
- the account is in order for payment.

Director of Strategic Business Unit is responsible for:

- compliance with the guidance and limits specified by the Director of Finance/
- the purchase of goods be in accordance with Scottish Government Procurement Journey and NHSScotland procurement policies
- ensure the procedures are followed when placing an order and invoking competitive quotation or tendering arrangements are outlined in Section 8;
- where consultancy advice is being obtained, the procurement of such advice must be in accordance with Section 9;
- goods and services are received timeously and accurately;
- no contract will be entered into or purchase order issued for any item or items to any organisation or person which has made an offer of gifts, inducement, reward or benefit to directors or employees,
- no requisition/order or contract acceptance is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive.

## **8.04 Requisitioning of goods and services**

The requisitioner or officer placing the order, in choosing the goods to be supplied (or the service to be performed) and the procurement process to be followed must always seek to obtain the best value for money for NSS and NHS Scotland. In so doing, where deemed appropriate, the advice of NSS's procurement staff and where appropriate CLO shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance (and/or the Chief Executive) must be consulted. Details of any such occurrences should be reported quarterly as appropriate to the Finance, Procurement and Performance Committee

Full guidance for ordering and receipting of goods and services can be found on the knowledge base of the Finance and Procurement Service Now portal.

## Section 9: Tenders, Quotations and Contracting Requirements

### 9.01 Introduction

These Standing Financial Instructions define the arrangements for tendering or receipt of quotations and contracting requirements. They apply for procuring or ordering goods or services for which no applicable public sector contract or framework agreement currently exists that NSS can use.

The Director of Finance is responsible for ensuring the maintenance of systems for the invitation, receipt, safe-keeping and selection of tenders and quotations, which will include a register of tenders.

### 9.02 Thresholds for Purchasing of goods, services and works

The thresholds for the purchasing/ordering of all goods, services and works are as follows: -

Thresholds	Purchasing Process
Contract value < £10,000	Achievement of value for money should be demonstrated. Where possible, this will be through receipt of three competitive quotations from reputable suppliers. (In the absence of such quotes, the purchaser must be prepared to justify the procurement route chosen to the Director of Finance if asked to do so).
Contract value > £10,000 and < £50,000 (except public works)  Public Works <£2m	<a href="#">Procurement Journey Route 1</a>
Contract value £50,000 or more over its lifetime (4 years maximum) (except public works)  Public Works £2m or greater	<a href="#">Procurement Journey Route 2</a> . This must be done with full advice and guidance of NSS procurement, CLO and other technical advisers as required. The contract must be advertised on Public Contracts Scotland.
Contract with an estimated value equal to or greater than the published thresholds detailed within <a href="#">SPPN 08/2019</a> (valid until January 2022)(see 8.07 below)	<a href="#">Procurement Journey Route 3</a> This must be done with full advice and guidance of NSS procurement, CLO and other technical advisers as required. The contract must be advertised on Public Contracts Scotland.

In order to ensure that value for money is achieved it is essential that a sufficient number of competent, financially sound suppliers with adequate capacity to undertake the work or

provide the goods/service are identified. As part of value for money, due regard to other relevant organisational policies is important, for example, policies in relation to corporate social responsibility/sustainability and risk management.

In the case of Goods and Services, the estimated value of the contract must include all possible options under the contract. For example, if the contract allows NSS to aggregate requirements, purchase additional supplies or services or extend the contract period beyond its original duration, the financial implications of these must be included in the estimate of the potential contract value, even if the likelihood of taking up these options is small. This will assist in ensuring the appropriate best practice procurement route is chosen.

In the case of Works, purchasers are required to estimate the value of the whole works project, irrespective of whether or not it comprises a number of separate contracts for different activities, stages or phases of an individual project.

Any contract with an anticipated value of over £50,000 must be routed through the NSS procurement team. The NSS procurement manager will ensure that NSS procurement processes are followed and that NSS complies fully with regulations and SG policy.

In certain circumstances, public procurement regulations may not apply. This is permitted using the general exclusions and Specific Situations of the Public Contracts (Scotland) Regulations 2015 Sections 4 or 7 through 18 or by being a service listed in Schedule 3 of the aforementioned regulations. To ensure probity the Sole Source Justification form should be completed in these circumstances. If the purchase is of an ongoing nature, a single form for the requirement should be completed at the start of each financial year and attached to the initial Purchase Order for NSS Procurement records. All subsequent Purchase Orders should reference the initial Purchase Order number. The Sole Source Justification form can be found on Service Now (see Section 6). These exemptions require careful consideration and the advice of the NSS Head of Procurement must be sought at the earliest opportunity if circumstances may require their use.

No tender may be invited for goods, services or works unless the estimated expenditure is included in the Strategic Business Unit's Budget or Business Plan or has been previously approved by the Chief Executive.

Tender submissions should be sought by use of the SG supported e-Tendering system or the Public Contracts Scotland web portal or another approved Public Sector web portal.

All Tenders must be appraised against the Scottish Procurement Document (SPD). This is a statutory requirement that ensures all mandatory & discretionary exclusion criteria are appropriately assessed for each bidder. Where existing Framework Agreements are to be used, the procedures set out in that Agreement must be followed. Guidance on the use of the SPD should be sought at all times from the NSS Procurement Department.

Where, in exceptional circumstances, three competitive written quotations or tenders cannot be provided by reputable suppliers the tender process and selection must be approved by the Chief Executive or the Director of Finance via a sole source justification. The Director of Finance will present, on an annual basis, a report to the Finance, Procurement and Performance Committee detailing the nature and justification for any such circumstances.

The Director of the Strategic Business Unit:

- must be satisfied that all required processes and procedures in compliance with public procurement regulations have been adhered to prior to accepting a tender
- must ensure that all accepted tenders have the appropriate details entered onto the NSS contract register which will be maintained by the NSS Procurement Department
- ensure that all tender documentation, reports and records must be retained and stored in line with NSS document management and retention policy.
- ensure that every contract contains a clause entitling NSS to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or his representative, with or without his knowledge, has colluded in tendering for the contract or any other contract with NSS or has employed any corrupt or illegal practice in obtaining or executing that or any other contract with NSS.

An officer or executive having a pecuniary interest, whether direct or indirect, in any tender with NSS must declare this interest to the Director of Finance who must ensure such details are entered in the Register of Pecuniary Interest. Such officers must also disqualify themselves from any involvement in the tender procedures.

Except where otherwise agreed all contracts will be in writing and subject to the Law in Scotland.

### **9.03 NSS Contract / Framework Agreement**

Prior to award on behalf of NSS itself of any contract or Framework Agreement or call off by NSS of any Framework Agreement (or extension of any contract or Framework Agreement or call off same), where the annual amount (or amount relating to the extension period if shorter) which NSS is committing to pay is:

- less than £50,000, three quotes are required, and approval is required from Director of Strategic Business Unit
- £50,000 to £100,000 must follow formal procurement regulations and approval is required from the Director of Strategic Business Unit.
- more than £100,000 but less than £500,000 approval is required as above and the NSS Contracts Approvals Board (Director of Finance, Director of National Procurement, Head of Strategic Sourcing)
- more than £500,000 but less than £1 million approval is required from NSS Contracts Approvals Board (Director of Finance, Director of National Procurement, Head of Strategic Sourcing) and the Chief Executive
- more than £1 million approval is required from the NSS Board through the Finance, Procurement and Performance Committee, following approval by the NSS Contracts Approvals Board (Director of Finance, Director of National Procurement, Head of Strategic Sourcing) and the Chief Executive.

### **9.04 Contract Extensions**

Wherever practicable, approval for contract extensions should be sought on a timely basis so that should extension approval not be granted that there is sufficient time to run the

appropriate procurement process set out in these SFIs. For all contract extensions which require authorisation by the Chief Executive or the NSS Board, NSS procurement must seek CLO advice and ensure approval is sought in sufficient time to run an appropriate procurement process or an exemption must be agreed by the Chief Executive / NSS Board.

## 9.05 Contracts on behalf of Scottish Ministers, NHSS or combinations of public bodies

Prior to the new financial year, the PCF SBU Director will provide the Finance, Procurement and Performance Committee with a procurement strategy detailing all planned contracts/framework agreements awards. Based on an assessment of financial and reputational risk the Committee will identify those contracts/framework agreements which will require approval by the Board.

For contracts/framework agreements awards not identified as requiring Board approval by the Finance, Procurement and Performance Committee the following approval strategy will apply based on the estimated/expected **total annual value** or uptake under the Contract or Framework Agreement:

- less than £2 million, approval is required from the Director of National Procurement, Head of Strategic Sourcing and the Director of DaS Strategic Business Unit for an IT-related contract
- more than £2 million but less than £5 million, approval is required from the NSS Contracts Approvals Board (Director of Finance, Director of National Procurement, Head of Strategic Sourcing and for IT approvals the DaS SBU Director)
- more than £5 million, approval is required from the NSS Contracts Approval Board (Director of Finance, Director of National Procurement, Head of Strategic Sourcing and for IT approvals the DaS SBU Director) and the Chief Executive.
- No award or execution of a contract or a Framework Agreement shall be made by or on behalf of NSS without appropriate authority or in advance of an Approval Certificate being issued.

All NSS officers and employees should be aware of the importance of acting within statutory powers and functions and the requirement of written records.

Verbal contracts are not acceptable. Care must be taken to ensure Contracts and/or Framework Agreements are not concluded informally. Correspondence on contractual issues should contain a statement that the letter or e-mail is not intended to form a contract and that NSS will not be bound by any terms unless and until incorporated within a formal award or document entered into by NSS which satisfies Section 3 of the Requirements of Writing (Scotland) Act 1995.

No award or execution of a contract or a Framework Agreement shall be made by or on behalf of NSS without appropriate authority or in advance of an Approval Certificate being issued.



All NSS officers and employees should be aware of the importance of acting within statutory powers and functions and the requirement of written records.

Verbal contracts are not acceptable. Care must be taken to ensure Contracts and/or Framework Agreements are not concluded informally. Correspondence on contractual issues should contain a statement that the letter or e-mail is not intended to form a contract and that NSS will not be bound by any terms unless and until incorporated within a formal award or document entered into by NSS which satisfies Section 3 of the Requirements of Writing (Scotland) Act 1995.

## 9.06 NHS Scotland Health Board Capital Expenditure Procurements

Where Equipping Projects are performed by NSS either by direct engagement or under a Service Level Agreement (SLA) with Health Boards and under their own SFIs, with Purchasing Approvals on spend by the Health Board Project Teams under their Capital Expenditure Budget for the Project, with our Procurement Team operating as a proxy HB Procurement Team, the following approval levels will apply.

- less than £100,000, approval is required from the relevant procurement Category Manager
- more than £100,000 but less than £500,000, approval is required from the Head of Strategic Sourcing
- more than £500,000, approval is required from the Director of National Procurement

The above approval levels only apply to contracts where purchase orders are raised by Health Boards and there is no NSS financial commitment.

## General Requirements

### 9.07 Advertising

In accordance with the Procurement Reform Act (Scotland) 2014, any contract between £50,000 and threshold values set out in [SPPN 08/2019](#) (valid until January 2022) over its lifetime is considered a regulated contract. Guidance in tendering these contracts must be in accordance with the Procurement Reform Act (Scotland) 2014, any contract between £50,000 and threshold value over its lifetime is considered a regulated contract. Guidance in tendering these contracts must be sought from NSS Procurement.

### 9.08 Signing of contracts

The official signing of any contract or framework agreement that requires Board approval (as per sections 9.02 and 9.04 above) will be sealed with the Common Seal of the Common Services Agency.

The Director of Finance must ensure the segregation of duties between negotiating and the signing of contracts. Contracts entered into by NSS for services for NSS or provided on behalf of NHSScotland must be approved by the Director of Finance or the Chief Executive.

## 9.09 Record of contracts

To effect compliance with the Procurement Reform (Scotland) Act 2014, NSS' utilises the [Public Contracts Scotland](#) (PCS) web portal contract register functionality to maintain a public register of all contracts in excess of £50,000 in value.. The Director of Finance will receive a copy of the register on an annual basis.

## 9.10 Variations to contracts

All agreements with suppliers/contractors to vary contracts for supplies/works of a revenue or capital nature must be in-line with procurement regulations and will require approval should additional expenditure meet thresholds detailed in line with Section 9.

Claims from suppliers/contractors which are not clearly within the terms of the contract concerned will be referred to NSS procurement who will inform the Director of Finance and/or Chief Executive, before agreement is reached and any payments are made.

Where completion of a contract is delayed the matter will be referred to the Director of Finance for further action.

With regard to contracts for works (capital expenditure), the contract will specify the circumstances that will occur before a variation is appropriate. The officer authorised to supervise and control the work must ensure these conditions are observed before authorising any contract variation.

## 9.11 Interim and final payments

Officers authorised by Directors of Strategic Business Units to supervise and control work under contracts (including both revenue and capital contracts) will certify payments to suppliers/contractors. Directors of Strategic Business Units will provide the Director of Finance with a list of authorised signatures, together with specimen signatures and initials. These lists will be reviewed by senior Financial Services staff at least annually to ensure currency, completeness and accuracy.

## 9.12 Communications

All contracts (other than for a simple purchase permitted within the Scheme of Delegation and excluding Service Agreements for national specialist healthcare and screening services), leases, tenancy agreements and other commitments which may result in a liability must be notified to the Director of Finance in advance of any commitment being made.

## 9.13 Contract and Supplier Management

Each SBU is responsible for ensuring that strategic contracts and suppliers are managed effectively to ensure agreements meet performance requirements and provide value for money.

Strategic suppliers should be identified and managed on a quarterly basis utilising the segmentation tool and balanced scorecard within the Scottish Government Procurement Journey (<https://www.procurementjourney.scot/route-3/contract-and-supplier-management/planning-and-governance>).

Each SBU will be required to provide an annual report to the Finance Performance and Procurement Committee on supplier management activity.

## Section 10: Tenders, Quotations and Contracting Requirements for Research

### 10.01 Introduction

This section defines the arrangements for tendering or receipt of quotations and contracting requirements specifically for purchasing research services.

Research and development services, being a Specific Situation of the Public Contracts (Scotland) Regulations 2015, are generally considered an exclusion from the public procurement regulations.

The public procurement regulations only apply if: a) if the benefits of the research accrue exclusively to NSS for use in the conduct of NSS' own affairs; **and** b) NSS wholly fund the research from its own budget. If both conditions apply then the public procurement regulations apply – refer to Section 9 of the [Standing Financial Instructions](#). However, if only one or less of these conditions apply then the research is considered an exclusion and the arrangements, as set out below, apply. In such instances, the public procurement regulations do not apply as the research is not considered a commercial contract.

The SBU Director is responsible for ensuring that all research contracts comply with current legislation and the Standing Financial Instructions (SFIs), as appropriate.

### 10.02. Thresholds for Purchasing of Research Services

The thresholds for the purchasing all research services are as follows: -

Thresholds	Purchasing Process
Contract value < £10,000	By value for money. Where possible, through receipt of three competitive quotations from reputable providers. (In the absence of such quotes, the purchaser must be prepared to justify the rationale for not seeking three quotations to the Director of Finance (if asked to do so).
Contract value > £10,000 and < £50,000	By invitation – seeking three quotations from reputable providers without having to advertise the research contract.

<p>Contract value £50,000 or more over its lifetime (4 years maximum)</p>	<p>By advertisement – advertising the contract on the NSS site. This can be an open or restricted invitation to tender.</p>
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The other purchasing process that exists for research services:

- A non-competitive direct award process, used in exceptional circumstances, where three competitive written quotations or tenders cannot be provided. Notable reasons for awarding a research contract directly to a single, identified external research provider are extreme urgency or intellectual property rights.

In order to ensure that value for money is achieved a sufficient number of suitably qualified providers with adequate capacity to undertake the research services are identified.

The estimated value of the contract must include all possible options under the contract. For example, if the contract allows NSS to aggregate requirements, purchase additional supplies or services or extend the contract period beyond its original duration, the financial implications of these must be included in the estimate of the potential contract value; even if the likelihood of taking up these options is small. This will assist in ensuring the appropriate purchasing process is chosen.

No tender may be invited for research services unless the estimated expenditure is included in the Strategic Business Unit's Budget or has been previously approved by the Director of Finance. Estimated expenditure must be approved prior to the purchasing process commencing.

### 10.03 Research contract award approval

Prior to award on behalf of NSS of any contract, where the **total amount** (or amount relating to the variation if shorter) which NSS is committing to pay is:

- less than £50,000, three quotes are required and approval is required from Director of Strategic Business Unit;
- £50,000 to £100,000, research contract is advertised and approval is required from the Director;

- more than £100,000 but less than £500,000 approval is required as above and the Director of Finance;
- more than £500,000 approval is required from the Director of Finance and then from the Chief Executive.
- more than £1 million approval is required from the NSS Board through the Finance, Procurement and Performance Committee, following approval from the Chief Executive as above.

## General Requirements

### 10.04 Advertising and notification of research contracts

In accordance with the Public Contracts (Scotland) Regulations 2015, research contracts are considered excluded contracts. Research contracts above £50,000 over its lifetime are advertised on the NSS site.

All research tenders, above £50,000, are appraised against the Scottish Procurement Document (SPD). This ensures all mandatory & discretionary exclusion criteria are appropriately assessed for each bidder. Where existing Framework Agreements are to be used, the procedures set out in that Agreement must be followed.

A research contract with an estimated expenditure of more than £1million (in total) will be notified to the Finance, Procurement and Performance Committee, via the Director of Finance at the contract advertisement stage.

### 10.05 Research contract agreement signature

The official signing of any contract or framework agreement must follow the financial thresholds and associated personnel set out in section 3 above.

Except where otherwise agreed all contract agreements will be in writing and subject to the Law in Scotland.

### 10.06 Record of research contracts

The Strategic Business Unit must maintain a research contracts register for all commissioned research contracts. The Director of Finance shall receive a copy of the research contracts register as requested.

## **10.07 Interim and final payments**

Officers authorised by Directors to supervise and control work under contracts (including both revenue and capital contracts) will certify payments to suppliers/contractors. Directors of Strategic Business Units will provide the Director of Finance with a list of authorised signatories. This list will be reviewed by senior Financial Services staff at least annually to ensure currency, completeness and accuracy.

## **10.08 Research contract variations**

Where research contract variations including extensions require additional expenditure, approval for the variation must be sought before agreement is made with the external research provider. For contract variations where the original contract was routed through the Research Office, the Research Office must be notified in the first instance. Approval shall be in line with the financial thresholds and associated personnel set out in section 3 above.

Contract variation agreement signature shall be in line with section 3 above.

Wherever practicable, approval for contract variations including extensions should be sought on a timely basis so that should approval not be granted there is sufficient time to run a purchasing process as appropriate.

Claims from external research providers which are not clearly within the terms of the contract concerned will be referred to the Head of NSS Procurement if necessary, before agreement is reached and any payments are made. Where completion of a contract is delayed the matter will be referred to the Director of Finance for further action.

## **10.09 Research collaboration agreements**

Where research collaboration agreements require expenditure (including staff time) by NSS, approval for the collaboration must be sought before agreement is made with the other collaborators.

Collaboration agreement signature shall be in line with section 3 above.

## **10.10 Communications**

All research contracts which may result in a liability must be notified to the Director of Finance in advance of any commitment being made.

## Section 11: Appointment of advisers and non-permanent staff

### 11.01 Introduction

These Standing Financial Instructions define the procedures to be followed in the selection and appointment of Advisers and staff not on open-ended contracts and should be read in conjunction with Sections 8 and 9.

Provider	Process
Legal Advisers	CLO must act as appointed legal advisers on all legal matters unless approval has been granted by Chief Executive
Management Consultants/ Contractors (individuals and companies)	This section 9. The authority limits in section 9 also apply.
Agency staff	In line with all establishment posts, agency and contractor staff will be recorded on the relevant NSS Business Systems to ensure compliance with the National Directory and NHS Mail access for all members of staff and to allow for effective monitoring of all staff across NSS. Agency staff must be appointed in line with the NSS Agency Workers Process including a requirement to utilise any national procurement framework or contract in place for such staff within NHSS. Completion of an online “check of employment status for tax” must also be carried out prior to the start of any engagement.  The authority limits in section 9 also apply
Secondees	Before appointing any Secondees to work in NSS, the relevant Director of Strategic Business Unit must be consulted and their approval to proceed should be given prior to proceeding with any appointment
Temporary/Fixed Term Employees	Normal HR recruitment

### 11.02 Definition

Contractors are used by NSS

- a) to provide specific expertise which may not be readily available within NSS
- b) to perform a task within a defined time span or



- c) to provide an outside objective view on a particular matter.

## 11.03 Specification of need

In considering the need for Management Consultants/Contractors it is essential that the following processes are adhered to: -

- 1) Define assignment to be undertaken: The nature of the task requires to be identified and a specification with the timescale prepared. This will enable the quantity and quality of professional skill required to be assessed.
- 2) Consider alternative means of undertaking assignment: Having prepared the specification it should be possible to consider whether the Strategic Business Unit's own staff can undertake the assignment, within normal working hours, in overtime hours or on a secondment basis. If this is not possible the option of involving other Strategic Business Units' staff on a secondment or chargeable basis should be explored before any consideration of an outside source is made. Should outside support be necessary the suitability of temporary staff should be considered before finally deciding to progress to the process leading to the appointment of Management Consultants/Contractors.
- 3) Define the basis of the consultancy: It is necessary to decide the appropriate method of appointment, for example if the end date of the assignment and timescale can be clearly identified a block fee would be appropriate. However, it is recognised that it is not always possible to do this and in such circumstances a day rate basis would be appropriate.

## 11.04 Procedures for appointment

The applicable procurement procedures and limits set out in sections 8, 9 and 10 must always be followed.

## 11.05 Appointment considerations for the Director of the Strategic Business Unit

- SBU Directors must provide their approval to proceed prior to any appointment
- An online assessment through HMRC must be completed to determine the employment status for tax purposes for the engagement
- Contract of employment and fee must be aligned to an established job description, any departure from this must be approved by the Director of HR and Workforce Development and the Director of Finance
- Appropriate consideration is given to the particular experience and reputation of the individual(s)/organisation
- The individual(s)/organisation is competent to undertake the assignment and retain documentary evidence of their consideration

- Professional competence is vetted, and evidence retained
- Where appointment is made due to lack of specific expertise being available within NSS, arrangements should be made for knowledge or skills transfer into NSS. The anticipated knowledge or skills transfer should be documented, and its delivery tracked.
- A review of the work delivered by the consultant/contractor should be undertaken prior to the end of the assignment, or as soon as practicably possible thereafter. This review will confirm that the work has been carried out satisfactorily, ensure the fee charge is correct and allow invoices for work done to be receipted and authorised for payment.
- Throughout the whole procurement process of developing need, specification, tendering, appointment and payment the officers involved in the exercise are responsible for ensuring that best value for money is obtained.

## **11.06 Tendering Arrangements**

In all circumstances, the arrangements for tendering set out in Section 9 will be followed.

## **11.07 Functional continuity**

Where it is decided to extend the appointment of a Management Consultant/Contractor and this will increase the value of the initial or current assignment sufficient to move it into a higher value band (see Section 9) the materiality of any such extension should be measured and appropriate legal advice sought from CLO prior to the approval of the Chief Executive and/or the Director of Finance must be obtained before proceeding to extend the appointment.

Similarly, CLO advice should be sought and the Chief Executive's and/or the Director of Finance's approval must be obtained in all cases where the value or timescale of the extension cannot be estimated.

## **11.08 Audit and Risk Committee Reporting Requirements**

NSS's Audit and Risk Committee can, at any time, call for the justification of expenditure on Management Consultants.

The Director of Finance will present, on an annual basis, a report to the Audit and Risk Committee detailing the nature of and expenditure incurred by each Strategic Business Unit on the employment of Management Consultants in the preceding year.

## Section 12: Income Generation and Intellectual Property

### 12.01 Introduction

This Standing Financial Instruction refers to all income generation (excluding SGHSC allocations) entered into by NSS, whether or not contractually binding, for the supply of goods and/or services by it to another party and for which money will be receivable by NSS. It applies to “contracts” with NHSScotland bodies, other public sector bodies and to all arrangements with private sector bodies.

Contracts with SGHSC are not subject to this section of the Standing Financial Instructions.

### 12.02 Authority Levels

Strategic Business Units may enter into income generating activities with outside parties on their own authority provided that:

- 1) the limits set out in Appendix III are adhered to
- 2) NSS’s standard terms and conditions of business/service level agreement apply
- 3) if denominated in a foreign currency, approval has been obtained from Director of Finance as described below
- 4) section 10.19 on legal entity participation or investment is not relevant.

Any income agreement which does not meet all of the criteria above requires prior approval by the Director of Finance and/or Chief Executive.

Income agreements are frequently negotiated over a period of time which may be prolonged and often require to be ratified as soon as terms and conditions are agreed in order to avoid financial loss through further delay. Where authority from a higher level is required, officers should plan for and provide prior warning to all officers whose authority may be required.

### 12.03 Determination of charges

Each Director of Strategic Business Unit will review on at least an annual basis the charges for services provided by the Strategic Business Unit. Unless such charges are fixed externally or are governed by specific SGHSC regulations and/or legislation, the SBU income strategy, including charging principles and proposals for the revision of charges, will be submitted to the Chief Executive and Director of Finance for consideration and approval in advance of such revised charges being published. This will be formally approved as part of the annual business planning process.

In setting the level of fees and charges, Directors of Strategic Business Units should ensure the full recovery of all costs including capital costs represented by capital charges. For recurring income streams there should be a yearly review as part of the budget process to ensure that full recovery of costs is being achieved.

Where day rates form the basis of any fees and charges the approved NSS day rates should be used. Any variation from the approved day rates must be agreed with the Director of Finance.

Planned cross subsidisation is not permitted and marginal costing may only be used when unplanned spare capacity arises during the year.

Charges to the private sector may be set at any level that the market will bear, provided the price covers all direct and indirect costs.

In order to preserve the real value of income, increases recommended should have regard to at least the current rate of inflation.

## **12.04 Foreign Currency**

Business should normally be conducted in sterling. Any Sales which are to be denominated wholly or in part in a foreign currency must be pre-notified to the Director of Finance at the earliest opportunity.

Foreign currency transactions will normally only be acceptable in “hard” currencies such as US dollars, the Euro or Swiss Francs. Other major world currencies will be acceptable where business is conducted with the appropriate country.

Foreign currency transactions in excess of £2million require to receive advance authorisation through the Government Banking Service. Such transactions will be referred to the Director of Finance for arrangement. Government accounting regulations require NSS to minimise the cost of its overseas (banking) transactions while protecting public funds against loss and uncertainty due to foreign exchange movements. NSS will therefore take steps to minimise its exposure to foreign exchange risks, for example by entering into forward exchange contracts, but must not speculate on foreign exchange movements.

## **12.05 Third party contracts and agreements**

Under certain circumstances NSS may enter into non-financial contracts and agreements with third parties. All such agreements should be approved by the relevant Director of Strategic Business Unit. The Director of Strategic Business Units should ensure that an appropriate approval process is followed prior to “sign off” in line with Scottish National Blood Transfusion Service Business Development Execution of Agreement Checklist.

## **12.06 Intellectual Property and Other Guidance**

Strategic Business Units must comply with MEL (2000)13: “Fund Raising, Income Generation and sponsorship within the NHSS” at all times.

The registration, other forms of protection, management and exploitation of Intellectual Property Rights (e.g., a brand, patent, domain name, etc.) is subject to compliance with current NSS Intellectual Property Policy and Scheme of Delegation.

Consideration should be given to using the services of Scottish National Blood Transfusion Service’s Business Development Department which has particular expertise and experience in providing services necessary for the identification, protection and exploitation of IP as this is a frequent occurrence within Scottish National Blood Transfusion Service R&D

programmes and third-party collaborations. Any such requests should be made via the office of the Director, Scottish National Blood Transfusion Service. An annual report on all relevant IP activity facilitated by Scottish National Blood Transfusion Service Business Development Department will be provided to the NSS Board/ Chief Executive via the NSS Clinical Governance Committee.

NSS participation or investment in any legal entity (e.g., joint venture) is subject to prevailing legislation and SGHSC guidance and is subject to approval by the Minister. Before proceeding, legal and procedural advice is required, and any activity in this area must be advised to and approved by the Director of Finance.

## **12.07 Notification of income to the Director of Finance**

All accounts for income due to NSS will be raised under arrangements approved by the Director of Finance.

The Director of Strategic Business Unit is responsible for the new projects, programmes or services for NSS or delivered by NSS on behalf of NHSScotland. All new income streams from health boards or third parties must be entered through the Business Case process in the ServiceNow Demand portal for approval by the appropriate authority.

## **12.08 Recovery of outstanding debt**

The Director of Finance will ensure that appropriate systems are maintained for the recovery of outstanding debts in line with the Debt Management Policy.

The Director of Finance is responsible for the recovery of outstanding debts and will ensure agreed credit control procedures are exercised to minimise any loss to NSS.

Outstanding debts that are not recoverable and are to be written off will be dealt with in accordance with the approved procedures for losses (see Section 17 below).

## Section 13: Capital Investment, Private Financing, Fixed Asset Registers

### 13.01 Capital Investment

The Director of Finance will ensure that:

- a) there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans
- b) adequate arrangements are in place for the effective management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost
- c) capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences, including capital charges
- d) All capital programme requests are agreed and prioritised by the Sustainability & Infrastructure Board.
- e) For all capital expenditure a proposal should be produced in line with the NSS Business Case Process.

The Director of Strategic Business Unit is responsible for securing capital funds for new projects, programmes or services for NSS or delivered by NSS on behalf of NHSScotland. New projects must be requested through the Business Case process in the ServiceNow Demand portal. Funding will be approved and prioritised on an annual basis through the Resource Allocation Meetings, and any new requirements in year will be approved by the EMT at the monthly meeting. This will ensure the Board have full visibility of all funds they are accountable for.

The Director of Finance will issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

The Chief Executive, Director of Finance or the Board, as appropriate, must approve capital expenditure not covered by an approved budget in advance. Further details are contained at Appendix I.

The approval of a capital programme will not, of itself, constitute approval for expenditure on any scheme. The Director of Finance will issue to the manager responsible for any scheme:

- a) specific authority to commit expenditure
- b) authority to proceed to tender and
- c) approval to accept a successful tender.

The Director of Finance will ensure procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes are issued. These procedures will fully take into account the delegated limits for capital schemes included in guidance from SGHSC.

## 13.02 Asset Registers

Director of Finance is responsible for the maintenance of registers of assets, including the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted at least once a year.

The minimum data set to be held within these registers will be as specified in the Scottish Capital Accounting Manual as issued by SGHSC.

Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

- a) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties
- b) Stores, requisitions and wages records for own materials and labour including appropriate overheads
- c) Lease agreements in respect of assets held under a finance lease and capitalised.

Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

The Director of Finance will approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

The value of each asset will be indexed to current values in accordance with methods specified in the Scottish Capital Accounting Manual issued by SGHSC.

The value of each asset will be depreciated using methods and rates as specified in the Scottish Capital Accounting Manual issued by SGHSC.

The Director of Finance will ensure that capital charges are calculated and accounted for as specified in the Scottish Capital Accounting Manual issued by SGHSC.

A small equipment register as specified by the Director of Finance will be maintained within NSS. This register will incorporate high value and portable items of equipment, e.g., IT equipment, that do not fall within the scope of Capital Expenditure. The register will be in a format approved by the Director of Finance and a full count of identified items will occur at a time period specified by the Director of Finance. Any discrepancies will be noted in writing to the Director of Finance who will investigate as appropriate.

## 13.03 Security of assets

The overall control of fixed assets is the responsibility of the Chief Executive.

The Director of Finance must approve asset control procedures (including fixed assets and donated assets). This procedure will make provision for:

- a) Recording managerial responsibility for each asset
- b) Identification of additions and disposals

- c) Identification of all repairs and maintenance expenses
- d) Physical security of assets
- e) Periodic verification of the existence of condition of, and title to, assets recorded
- f) Identification and reporting of all costs associated with the retention of an asset

All discrepancies revealed by verification of physical assets to fixed asset register will be notified to the Director of Finance.

Whilst each employee and officer have a responsibility for the security of the property of NSS, it is the responsibility of the Board and Executive Management Team members and senior employees in all disciplines to apply such appropriate routine security practices in relation to NSS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with instructions.

Any damage to NSS's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board and Executive Management Team members and employees in accordance with the procedure for reporting losses. (See Section 17)

Where practical, assets will be marked as NSS property.

Upon the closure of premises or transfer of functions a physical check of all items will be conducted. All items held will be detailed on a list certified by the responsible officer, together with their disposition.

## **13.04 Treatment of receipts**

The Director of Finance is responsible for ensuring appropriate arrangements are in place for:

- a) approving the form of all agreement forms, or other means of officially acknowledging or recording monies received or receivable
- b) ordering and securely controlling any such stationery.

All electronic receipts received on behalf of NSS will be recorded and deposited in accordance with the arrangements authorised by the Director of Finance. No deduction may be made from such money to meet expenditure of any kind.

The Chief Executive may delegate to nominated officers, authority to make ex-gratia payments below approved thresholds in line with procedures pertaining to such payments, e.g. compensation payments. All such payments must be notified to the Director of Finance and reported to the Audit and Risk Committee on at least an annual basis and reported in the Annual Accounts in accordance with the approved procedure for losses (see Section 17).



## Section 14: Banking arrangements

### 14.01 General

The Director of Finance is responsible for the management of NSS's banking arrangements and for advising NSS on the provision of banking services and operation of accounts.

NSS will operate the bank accounts in accordance with all relevant guidance issued by SGHSC.

The Government Banking Service (GBS) will hold NSS's main bank account. Where necessary, subsidiary bank accounts will be held with a commercial bank. All such bank accounts should be authorised by the Director of Finance.

### 14.02 Banking Procedures

The Director of Finance must agree in writing with NSS's bankers the conditions under which each account will be operated.

The Director of Finance will ensure that detailed instructions on the operation of bank and GBS accounts are prepared which must include:

- a) the conditions under which each bank account is to be operated
- b) those authorised to sign cheques or other orders drawn on NSS's accounts
- c) the arrangements to be made for payments that may be required in other currency denominations (see also section 10).

### 14.03 Bank balances

All NSS accounts must be kept in positive balance. Any instance of an account being overdrawn, no matter how temporary, should be reported to the Audit and Risk Committee.

### 14.04 Provision of Imprests

The Director of Strategic Business Unit may request the Director of Finance to provide imprest accounts for the purposes of defraying minor expenses. The request will be in the form of a statement of case and will be by exception where existing processes cannot meet the requirement.

All imprest accounts will be reviewed annually for appropriateness.

### 14.05 Corporate Purchasing Cards

The Director of Strategic Business Unit may request the Director of Finance to provide the use of a corporate purchase card for the purposes of procuring goods and services, where

only card payment method is available. The request will be in the form of a statement of case and will be by exception where existing processes cannot meet the requirement.

It is the responsibility of the Director of the Strategic Business Unit to nominate a card holder or card user for their own area.

All corporate purchase card transactions will be reviewed annually for appropriateness by the Associate Director of Finance with the Director of the Strategic Business Unit.

Daily and single transaction limits will be set by the Director of Finance based on the expected use of the card. Increases to those limits must be submitted by the card holder and approved by the Director of Finance.

## **Section 15: Stocks and Stores**

### **15.01 Introduction**

Stocks and stores are those goods normally utilised in day-to-day activity but which at any point in time have not yet been consumed (excluding capital assets).

### **15.02 Custody of stocks**

The management, control and safe custody of stocks will be the responsibility of Directors of Strategic Business Units who may delegate responsibility for specific items to appropriate managers.

The Directors of Strategic Business Units will institute a system, approved by the Director of Finance, for the management, control and safety of stocks. Any stock loss should be considered for further investigation under Section 4 and any subsequent write off be dealt with in accordance with Section 17.

### **15.03 Stores records**

The Director of Finance will specify the form of stores records to be utilised, in conjunction with the control systems in place.

### **15.04 Movement of stocks**

The Director of Finance will ensure appropriate arrangements are in place to control the receipt and issue of stocks designed to safeguard the assets of NSS.

### **15.05 Valuation of stock**

Stock will be valued in line with agreed accounting practice. The use of average purchase price is deemed to represent cost where appropriate. Cost includes an appropriate allocation of overheads. Work in Progress will be valued at the cost of direct materials plus other conversion costs.

### **15.06 Slow moving and / or obsolete stock**

Directors of Strategic Business Units will institute a system, approved by the Director of Finance, for the identification of slow moving and obsolete stock and for the condemnation, disposal and replacement of all unserviceable items.

Those stocks that have deteriorated or are no longer suitable for their intended purposes or usable for any other reason, or may become obsolete or deteriorate before all of the stocks can be used, will be written down to their net realisable value. Where this is considered necessary, a report giving full reasons for the write down will be sent to the Director of Finance in such a form to enable a report to be prepared for the Chief Executive and the Board of the National Services Scotland. Details of all write downs will be included in the Annual Accounts of NSS and reported in accordance with the losses procedures (see Section 17 and Appendix II).

Any stocks disposed of must be recorded and advised to the Director of Finance for inclusion in such a form to enable a report to be prepared for the Chief Executive and the Board. The report will include details of the method of disposal employed, and the costs and/or income accruing.

## **15.07 Stock levels**

Directors of Strategic Business Units will ensure that excess stocks are not held unnecessarily in any part of the supply chain.

Optimum levels of stock must be established by Directors of Strategic Business Units and subjected to continuous monitoring and review as part of the management process.

Unless operational circumstances dictate otherwise, suppliers should be encouraged to hold goods until they are required by direct delivery.

## **15.08 Stock taking**

In order to monitor the effectiveness of measures taken to control stock, a regular programme of stock taking must be established. All stocks will be counted and recorded at least once during each financial year. Unless a programme for 'perpetual inventory' exists, all stocks will also be counted, valued and reported as at 31 March each year.

## **15.09 Stock certificates**

At each year-end it will be the Directors of Strategic Business Units' responsibility to supply the Director of Finance with a certificate for each store that details the value of stock held. The Director of Finance will agree the precise format of this certificate.

## **15.10 Stocks held on behalf of SGHSC**

### **15.11 Delegation of authority**

The Scottish Government Health Resilience Unit (SGHRU) team have delegated authority to purchase replenishment stock and issue stock from their Pandemic Stock to National Procurement for the following sectors:

- Healthcare Sector
- Acute Hospital Sector
- Independent Sector GP
- Scottish Ambulance Service
- Social Care Sector

### **15.12 Reporting**

The Director for National Procurement will maintain an accurate and up-to-date record of stock balances, issues and replenishment order status. Weekly status reports and areas of risk will be provided

### **15.13 Escalation**

In the event there is a dispute over the management of the stock this will be initially resolved at an operational level and if required escalated to the National Procurement Director and the lead manager of the SGHRU.

## Section 16: Annual Report and Accounts

### 16.01 Introduction

Statutory Annual Report and Accounts will be completed each year for submission to the Board, prior to onward submission to SGHSC. These will be prepared in accordance with the provisions of the National Health Service (Scotland) Act 1978 and other related regulations in force.

### 16.02 Basis for preparation

The Annual Report and Accounts will comply with:

- International Financial reporting standards, as applied to the NHS
- The accounting and disclosure requirements of the Companies Act
- The requirements of the Annual Accounts Manual.

The Annual Report and Accounts shall give a true and fair view of the income and expenditure, total recognised gains and losses, balance sheet and the cash flow statement.

### 16.03 Chief Executive Responsibilities

Preparation of the Governance Statement, which he or she shall seek appropriate assurances from the Directors of the Strategic Business Units and that of the Chief Internal Auditor, with regard to the adequacy and effectiveness of internal control throughout the organisation.

### 16.04 Director of Finance Responsibilities

- Will ensure the maintenance of such detailed financial records as are required under relevant statute and regulations that will form the basis for the preparation of the Annual Accounts of NSS. (see also Section 16 – Information Governance);
- Issue an Annual Report and Accounts completion timetable to Strategic Business Units and Financial Services detailing requirements and associated responsibilities for the provision of information in support of the Annual Accounts process.
- Agree with the External Auditors the timetable for production, audit and approval by the Board of the Annual Report and Accounts by for the Auditor General for Scotland and SGHSC.

## **16.05 Approval of Annual Report and Accounts**

The Annual Report and Accounts will be reviewed by the Audit and Risk Committee, which has responsibility of recommending approval of the Accounts by the Board.

Following the formal approval by the Board, NSS will submit to SGHSC the approved Annual Report and Accounts and such reports prepared in accordance with the requirements of SGHSC and any relevant guidance contained in the Scottish Accounting Manual.

## Section 17: Information Governance

### 17.01 Financial Information Systems

The Director of Finance, who is responsible for the accuracy and security of the financial data (both electronic and paper formats) of NSS, will:

- a) devise and implement any necessary procedures to ensure adequate protection of NSS's financial data, and related computer hardware and software, for which s/he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for Data Protection principles
- b) ensure that adequate controls exist over financial data access, entry, processing, storage, transmission, deletion, disposal and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system
- c) ensure that adequate controls exist such that the computer operation used in relation to financial procedures is separated from development, maintenance and amendment
- d) ensure that a secure, adequate, management (audit) trail exists through the computerised system used in relation to financial procedures and that such computer audit reviews as s/he may consider necessary are being carried out. All audit data will be held securely and only accessed by those authorised to access it in line with their business duties
- e) all policies and procedures will be in line with NSS corporate information governance related policies, procedures and guidelines.

The Director of Finance will ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Development, test and live financial systems shall be appropriately segregated to reduce the risk of unauthorised access to and corruption of live data. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation. Any new financial systems or amendments to existing financial systems must be implemented in line with NHS Scotland Information Security Policy and Standards including HDL (2006) 41 and DL(0215)17. Where the new system or amendment involves the processing of personal data then the development will follow appropriate assessment of any data protection risks.

In the case of all computer systems which are to be utilised by the majority of the Strategic Business Units, the Director of DaS Strategic Business Unit will be responsible for maintaining:

- a) details of the outline design of the system



- b) in the case of packages acquired either from a commercial organisation, from the NHS Scotland, or from another public sector organisation, the operational requirement.

The Director of Finance will ensure that contracts for computer services for financial applications with another health organisation or any other agency will clearly define the responsibility of all parties for the security, data protection, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes and that all applications and/or systems are purchased, developed, implemented, operated and decommissioned in line with the NHS Scotland Information Policy and Standards. Where the contract includes the processing of personal information it will be set in compliance with Data Protection principles and NHS CEL 25 (2011).

Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance will periodically seek assurances that adequate controls are in operation and they conform to the NHS Scotland Information Security Policy and Standards. If this other organisation is processing personal data as part of the financial application, the assurances sought should, as a minimum, include those set out in NHS CEL 25 (2011).

Where computer systems have an impact on corporate financial systems the Director of Finance will satisfy them self that:

- a) systems acquisition, development and maintenance are in line with corporate policies such as NHS Scotland Information Security Policy and Standards
- b) data produced for use with financial systems is secure, adequate, accurate, complete and timely, and that a management (audit) trail exists
- c) staff authorised by/on behalf of the Director of Finance staff have authorised appropriate access to such data in line with their job duties; and
- d) such computer audit reviews as are considered necessary are being carried out.

## **17.02 Data Protection Act**

NSS must comply with provisions and principles of data protection law, including, but not restricted to, the EU General Data Protection Regulation, the Data Protection Act 1998 and the Data Protection Act 2018 including any amendments, subsequent orders under the said Acts or revisions thereto.

NSS's nominated Data Protection Officer (i.e. the Head of Data Protection) is responsible in overall terms for promoting and advising on compliance with the Acts. All staff members must act in compliance with the Acts by observing the NSS Data Protection Policy and approved Information Governance policy and guidelines.

## **17.03 Freedom of Information**

NSS must comply with provisions and principles of the Freedom of Information (Scotland) Act 2002.

NSS's nominated Freedom of Information Officer is the Associate Director, Corporate Affairs and Compliance. Recognising the principal accountability of the Chief Executive, the Associate Director, Corporate Affairs and Compliance is responsible in overall terms for compliance with the Act. All inquiries made under the Freedom of Information (Scotland) Act 2002 should be dealt with in accordance with NSS's Freedom of Information Policy and Information Request Protocol.

## **17.04 Management, Retention and Disposal of Administrative Records**

NSS must comply with the Public Records (Scotland) Act 2011 and the records management guidance set out in the Code of Practice on Records Management issued under Section 61 of the Freedom of Information (Scotland) Act 2002. CEL 31 (2010) Records Management: NHS Code of Practice (Scotland) provides guidance on the retention and disposal of administrative records.

Policies in relation to the above will be approved by the NSS Board in accordance with Standing Orders.

## Section 18: Losses and Special Payments

### 18.01 General

SGHSC has delegated authority to NSS to write-off losses and make special payments up to certain limits. Details are given in Appendix II. For payments to be made above the levels specified SGHSC prior approval must be obtained.

The Board in turn will delegate its responsibility to the Chief Executive and Director of Finance to approve write-off and authorise special payments.

On a regular basis and at least annually, the Director of Finance on behalf of the Chief Executive will submit a report to the Audit and Risk Committee detailing all losses written off and special payments made.

The Director of Finance is responsible for ensuring the maintenance of a Losses and Special Payments Register for recording: -

- the circumstances
- the amount / value involved
- the action taken
- the date of write-off authority

This Register will form the basis of NSS's Annual Scottish Financial Return (SFR 18) which is included in NSS's Annual Accounts.

The Director of Finance will be authorised to take any necessary steps to safeguard NSS's interests in bankruptcies and company liquidations.

## Section 19: Non-Public Funds

### 19.01 General

All receipts of non-public funds must be vested with the Trinity Park Foundation (“the Foundation”) which has its own Board of Trustees, one of which must be a member of the NSS Board.

All gifts, donations and proceeds of fund raising activities which are intended for the Foundation’s use will be passed immediately to the Treasurer of the foundation to be banked directly in the Foundation’s bank account.

All gifts accepted will be received and held in the name of the Foundation and administered in accordance with the Foundation’s policy subject to the terms of any specific trusts.

The Director of Finance is responsible for the consolidation of the Trinity Park Foundation accounts with the NSS Annual Report and Accounts, where the transactions of the foundation are material.

# Appendix I

## Protocol for the commitment of resources

### Level of Authority

### Delegated Limit

## 1.01 Capital Expenditure within NSS's Baseline Allocation

- |                         |   |
|-------------------------|---|
| (a) Director of Finance | The commitment of funds in respect of projects having a total gross cost of up to £500,000 in value which accord with the agreed Strategic Business Unit strategy approved by the Board.    |
| (b) Chief Executive     | The commitment of funds in respect of projects having a total gross cost of up to £1.0million in value which accord with the agreed Strategic Business Unit strategy approved by the Board. |
| (c) The Board           | The commitment of funds in respect of projects having a gross total cost exceeding £1.0million.   |

These arrangements are also subject to delegated capital limits as specified by SGHSC in the Scottish Capital Investment Manual, where the delegated limit for all capital projects is £1m. For capital projects greater than £1m approval is also required from the Capital Investment Group of SGHSC.

## 2.1 Revenue Expenditure within NSS's Baseline Allocation

- |   |   |
|---|---|
| (a) Director of Strategic Business Unit | All expenditure contained in the Annual Financial Plan, including developments and the specified use of non-recurring funds, subject to the executive approval procedures contained in Standing Financial Instructions and in accordance with agreed policies on, for example, recruitment. |
|---|---|

- |                         |   |
|-------------------------|---|
| (b) Director of Finance | <ul style="list-style-type: none"><li>a) The commitment of pre-planned individual developments where funds become available up to £500,000 in value which accord with the agreed Strategic Business Unit Strategy but are not included in the Annual Financial Plan for that year.</li><li>b) The utilisation of non-recurring funds not in the Financial Plan or covered by the delegated arrangements detailed above up to a total of £500,000 per development.</li></ul>   |
| (c) Chief Executive     | <ul style="list-style-type: none"><li>a) The commitment of pre-planned individual developments where funds become available up to £1million in value which accord with the agreed Strategic Business Unit Strategy but are not included in the Annual Financial Plan for that year.</li><li>b) The utilisation of non-recurring funds not in the Financial Plan or covered by the delegated arrangements detailed above up to a total of £1million per development.</li></ul> |
| (d) NSS Board           | <p>The bringing forward of pre-planned individual Revenue developments over £1million in value and the commitment of non-recurring resources not in the plan in excess of the limits specified above.</p>   |

## **2.2 Revenue Expenditure for specific projects funded through separate SGHSC allocation**

Project Director	The commitment of funds up to the total gross cost of the agreed revenue budget as specified in the approved Business Case.
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## **2.3 Revenue Expenditure for Services provided by NSS on behalf of other Health Boards**

Director of Strategic Business Units	The commitment of funds up to the total gross cost of the revenue budget set in agreement with the relevant Health Boards.
--------------------------------------	--

## Appendix II

### Losses: delegated limits

The delegated limits are as per SGHSC circular CEL (2010) 10 are as follows:

		<b>Delegated Authority (per case) £</b>
	<b>Theft / Arson / Wilful Damage</b>	
1	Cash	15,000
2	Stores/procurement	30,000
3	Equipment	15,000
4	Contracts	15,000
5	Payroll	15,000
6	Buildings & Fixtures	30,000
7	Other	15,000
	<b>Fraud, Embezzlement &amp; other irregularities (inc. attempted fraud)</b>	
8	Cash	15,000
9	Stores/procurement	30,000
10	Equipment	15,000
11	Contracts	15,000
12	Payroll	15,000
13	Other	15,000
14	<b>Nugatory &amp; Fruitless Payments</b>	15,000
15	<b>Claims Abandoned</b>	
	(a) Private Accommodation	15,000
	(b) Road Traffic Acts	30,000
	(c) Other	15,000
	<b>Stores Losses</b>	
16	Incidents of the Service –	

	- Fire	30,000
	- Flood	30,000
	- Accident	30,000
17	Deterioration in Store	30,000
18	Stocktaking Discrepancies	30,000
19	Other Causes	30,000

**Losses of Furniture & Equipment**

**And Bedding & Linen in circulation:**

20	Incidents of the Service - Fire	15,000
	- Flood	15,000
	- Accident	15,000
21	Disclosed at physical check	15,000

**Delegated  
Authority  
(per case) £**

22	Other Causes	15,000
----	--------------	--------

**Compensation Payments - legal obligation**

23	Clinical	250,000
24	Non-clinical	100,000

**Ex-gratia payments:**

25	Extra-contractual Payments	15,000
26	Compensation Payments - Ex-gratia - Clinical	250,000
27	Compensation Payments - Ex-gratia - Non Clinical	100,000
28	Compensation Payments - Ex-gratia - Financial Loss	25,000
29	Other Payments	2,500

**Damage to Buildings and Fixtures:**

30	Incidents of the Service	
----	--------------------------	--



	- Fire	30,000
	- Flood	30,000
	- Accident	30,000
	- Other Causes	30,000
31	<b>Extra-Statutory &amp; Extra-regulatory Payments</b>	Nil
32	<b>Gifts in cash or kind</b>	15,000
33	<b>Other Losses</b>	15,000

## Appendix III

### Sales contracts and income generation

#### AUTHORITY LIMITS

1. All income generation requires the prior approval of the Director of Finance or Chief Executive if the total lifetime value of a sales contract or Service Level Agreement (SLA) is or could be in excess of the undernoted limits.

Strategic Business Unit	SG Funding, Income Generated from NHSScotland and Third Parties	Grant Income
	(£)	(£)
Scottish National Blood Transfusion Services	100,000	500,000
Central Legal Office	100,000	100,000
Procurement, Commissioning and Facilities	100,000	500,000
Practitioner and Counter Fraud Services	100,000	100,000
Digital and Security	100,000	100,000
Finance	100,000	100,000
HR	100,000	100,000
	100,000	100,000

2. Third Party contracts, SLAs new sources of income generation and grant income whose value is or could exceed £500,000 and grant income whose value is or could exceed £1m requires the approval of the Finance, Procurement and Performance Committee prior to entering into any commitment with the customer. Conditional approval may be intimated in writing by the Director of Finance.

## Appendix IV

### Director of Finance Checklist

Reference	Requirement	Frequency	Committee
1.06	Breaches of SFIs.	Earliest opportunity	Finance, Procurement and Performance Committee
5.14	Ex Gratia payments to staff.	Annual	Remuneration Committee
6.12	Exceptions to procurement guidelines.	Quarterly	Finance, Procurement and Performance Committee
6.28	Advance payment (non-contractual) for goods/services.	Annual	Finance, Procurement and Performance Committee
8.12/9.14	Sole Source Justification report.	Annual	Finance, Procurement and Performance Committee
9.23	Spend on Management Consultancy.	Annual	Audit and Risk Committee
13.06	Any instance of being overdrawn with bank.	Earliest opportunity	Audit and Risk Committee
18.03	Report of losses and special payments made.	Annual	Audit and Risk Committee

<b>Meeting:</b>	<b>NSS Board</b>
<b>Meeting date:</b>	<b>29 July 2022</b>
<b>Title:</b>	<b>Standing Orders</b>
<b>Paper Number:</b>	<b>B/22/17</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Keith Redpath</b>
<b>Report Author:</b>	<b>Karen Nicholls, Committee Services Manager</b>

## **1. Purpose**

The Standing Orders are presented to board for approval.

## **2. Recommendation**

Members are asked to approve the Standing Orders.

## **3. Discussion**

The Board is required to review the Standing Orders on an annual basis.

The Standing Orders agreed in 2021 have been reviewed and no changes made.

## **4. Impact Analysis**

### **4.1 Quality/ Patient Care**

There are no direct quality/patient care implications from the adoption of the Standing Orders.

### **4.2 Equality and Diversity, including health inequalities**

There are no direct equality and diversity implications from the adoption of the Standing Orders.

### **4.3 Data protection and information governance**

There are no direct data protection or information governance implications from the adoption of the Standing Orders.

## **5. Risk Assessment/Management**

No formal risk assessment was carried out on the Standing Orders.

**6. Financial Implications**

There are no direct financial implications from the adoption of the Standing Orders.

**7. Workforce Implications**

There are no direct workforce implications from the adoption of the Standing Orders.

**8. Route to Meeting**

The Standing Orders have been reviewed with the NSS Chair.

**9. List of Appendices and/or Background Papers**

Appendix 1 - NSS Standing Orders.



# **STANDING ORDERS**

**(NHS National Services Scotland (NSS) is the common name for the Common Services Agency (CSA) for the Scottish Health Service)**

**June 2022**

**STANDING ORDERS FOR THE PROCEEDINGS  
AND BUSINESS OF NHS NATIONAL SERVICES SCOTLAND NHS BOARD**

**1 General**

These Standing Orders for regulation and the conduct and proceedings of the Common Services Agency (more commonly known as NSS) Board in line with its own membership and procedure regulations (1991 No.564 (S.49)) <https://www.legislation.gov.uk/ukxi/1991/564/made> . However, NSS has agreed to take into account the legislation below (1.1) where appropriate to better align with the Health Boards that it serves.

- 1.1 Terms of The Health Boards (Membership and Procedure) (Scotland) Regulations 2001 (2001 No. 302), as amended up to and including The Health Boards (Membership and Procedure) (Scotland) Amendment Regulations 2016 (2016 No. 3).

The NHS Scotland Blueprint for Good Governance (issued through DL 2019 02) has informed these Standing Orders. The Blueprint describes the functions of the Board as:

- Setting the direction, clarifying priorities, and defining expectations.
- Holding the executive to account and seeking assurance that the organisation is being effectively managed.
- Managing risks to the quality, delivery, and sustainability of services.
- Engaging with stakeholders.
- Influencing the Board's and the organisation's culture.

Further information on the role of the Board, Board members, the Chair, Vice-Chair, and the Chief Executive is available on the NHS Scotland Board Development website (<https://learn.nes.nhs.scot/17367/board-development> )

- 1.2 The Scottish Ministers shall appoint the members of the Board. The Scottish Ministers shall also attend to any issues relating to the resignation and removal, suspension, and disqualification of members in line with the above regulations.
- 1.3 Any statutory provision, regulation, or direction by Scottish Ministers, shall have precedence if they conflict with these Standing Orders.
- 1.4 Any one or more of these Standing Orders may be varied or revoked at a meeting of the Board by a majority of members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly states the extent of the proposed repeal, addition, or amendment. The Board will annually review its Standing Orders.

## NSS Standing Orders

- 1.5 Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances. The Scottish Ministers may by determination suspend a member from taking part in the business (including meetings) of the Board. Paragraph 5.4 sets out when the person presiding at a Board meeting may suspend a Board member for the remainder of a specific Board meeting. The Standards Commission for Scotland can apply sanctions if a Board member is found to have breached the Board Members' Code of Conduct, and those include suspension and disqualification. The regulations (see paragraphs 1 and 1.1) also set out grounds for why a person may be disqualified from being a member of the Board.

### Board Members – Ethical Conduct

- 1.6 Members have a personal responsibility to comply with the Code of Conduct for Members of the NSS Board. The Code has been issued by the Scottish Ministers, with the approval of the Scottish Parliament, as required by the Ethical Standards in Public Life (Scotland) Act 2000 and is included at Appendix 1. Complaints of breaches of the Code of Conduct are investigated by the Commissioner for Standards in Public Life and adjudicated upon by the Standards Commission for Scotland.
- 1.7 The Board have appointed a Standards Officer. This individual is responsible for carrying out the duties of that role, however he or she may delegate the carrying out of associated tasks to other members of staff. The Board's appointed Standards Officer shall ensure that the Board's Register of Interests is maintained. When a member needs to update or amend his or her entry in the Register, he or she must notify the Board's appointed Standards Officer of the need to change the entry within one month after the date the matter required to be registered.
- 1.8 The Board's appointed Standards Officer shall ensure the Register is available for public inspection at the principal offices of the Board at all reasonable times and will be included on the Board's website.
- 1.9 Members must always consider the relevance of any interests they may have to any business presented to the Board or one of its committees. Members must observe paragraphs 5.6 - 5.10 of these Standing Orders and have regard to Section 5 of the Code of Conduct (Declaration of Interests).
- 1.10 In case of doubt as to whether any interest or matter should be declared, in the interests of transparency, members are advised to make a declaration.
- 1.11 Members shall make a declaration of any gifts or hospitality received in their capacity as a Board member. Such declarations shall be made to the Board's appointed Standards Officer who shall make them available for public inspection at all reasonable times at the principal offices of the Board and on the Board's



## NSS Standing Orders

website. The Register of Interests includes a section on gifts and hospitality. The Register may include the information on any such declarations or cross-refer to where the information is published.

- 1.12 The Board's Committee Services Manager shall provide a copy of these Standing Orders to all members of the Board on appointment. A copy shall also be held on the Board's website.

### **2 Chair**

- 2.1 The Scottish Ministers shall appoint the Chair of the Board.

### **3 Vice-Chair**

- 3.1 The Chair shall nominate a candidate or candidates for vice-chair to the Cabinet Secretary. The candidate(s) must be a non-executive member of the Board. A member who is an employee of a Board is disqualified from being Vice-Chair. The Cabinet Secretary will in turn determine who to appoint based on evidence of effective performance and evidence that the member has the skills, knowledge and experience needed for the position. Following the decision, the Board shall appoint the member as Vice-Chair. Any person so appointed shall, so long as he or she remains a member of the Board, continue in office for such a period as the Board may decide.
- 3.2 The Vice-Chair may at any time resign from that office by giving notice in writing to the Chair. The process to appoint a replacement Vice-Chair is the process described at paragraph 3.1.
- 3.3 Where the Chair has died, ceased to hold office, or is unable for a sustained period to perform his or her duties due to illness, absence from Scotland or for any other reason, then the Board's Committee Services manager should refer this to the Scottish Government. The Cabinet Secretary will confirm which member may assume the role of interim chair in the period until the appointment of a new chair, or the return of the appointed chair. Where the Chair is absent for a short period due to leave (for whatever reason), the Vice-Chair shall assume the role of the Chair in the conduct of the business of the Board. In either of these circumstances references to the Chair shall, so long as there is no Chair able to perform the duties, be taken to include references to either the interim chair or the Vice-Chair. If the Vice-Chair has been appointed as the Interim Chair, then the process described at paragraph 3.1 will apply to replace the Vice-Chair.

## NSS Standing Orders

### **4 Calling and Notice of Board Meetings**

- 4.1 The Chair may call a meeting of the Board at any time and shall call a meeting when required to do so by the Board. The Board shall meet not less than once in every three months in any given year and will annually approve a forward schedule of meeting dates.
- 4.2 The Chair will determine the final agenda for all Board meetings. The agenda may include an item for any other business; however, this can only be for business which the Board is being informed of for awareness, rather than being asked to make a decision. No business shall be transacted at any meeting of the Board other than that specified in the notice of the meeting except on grounds of urgency.
- 4.3 Any member may propose an item of business to be included in the agenda of a future Board meeting by submitting a request to the Chair. If the Chair elects to agree to the request, then the Chair may decide whether the item is to be considered at the Board meeting which immediately follows the receipt of the request, or a future Board meeting. The Chair will inform the member which meeting the item will be discussed. If any member has a specific legal duty or responsibility to discharge which requires that member to present a report to the Board, then that report will be included in the agenda.
- 4.4 In the event that the Chair decides not to include the item of business on the agenda of a Board meeting, then the Chair will inform the member in writing as to the reasons why.
- 4.5 A Board meeting may be called if one third of the whole number of members signs a requisition for that purpose. The requisition must specify the business proposed to be transacted. The Chair is required to call a meeting within 7 days of receiving the requisition. If the Chair does not do so, or simply refuses to call a meeting, those members who presented the requisition may call a meeting by signing an instruction to approve the notice calling the meeting provided that no business shall be transacted at the meeting other than that specified in the requisition.
- 4.6 Before each meeting of the Board, a notice of the meeting (in the form of an agenda), specifying the time, place and business proposed to be transacted at it and approved by the Chair, or by a member authorised by the Chair to approve on that person's behalf, shall be circulated to every member to be available to them at least three clear days before the meeting. The notice shall be distributed along with any papers for the meeting that are available at that point.
- 4.7 With regard to calculating clear days for the purpose of notice under 4.6 and 4.9, the period of notice excludes the day the notice is sent out and the day of the meeting itself. Additionally, only working days (Monday to Friday) are to be used

## NSS Standing Orders

when calculating clear days; weekend days and public holidays should be excluded.

Example: If a Board is meeting on a Wednesday, the notice and papers for the meeting should be distributed to members no later than the preceding Thursday. The three clear days would be Friday, Monday, and Tuesday. If the Monday was a public holiday, then the notice and papers should be distributed no later than the preceding Wednesday.

- 4.8 Lack of service of the notice on any member shall not affect the validity of a meeting.
- 4.9 Board meetings shall be held in public. A public notice of the time and place of the meeting shall be provided at least three clear days before the meeting is held. The notice and the meeting papers shall also be placed on the Board's website. The meeting papers will include the minutes of committee meetings which the relevant committee has approved. The exception is that the meeting papers will not include the minutes of the Remuneration Committee. The Board may determine its own approach for committees to inform it of business which has been discussed in committee meetings for which the final minutes are not yet available. For items of business which the Board will consider in private session (see paragraph 5.22), only the Board members will normally receive the meeting papers for those items, unless the person presiding agrees that others may receive them.

## **5 Conduct of Meetings**

### Authority of the Person Presiding at a Board Meeting

- 5.1 The Chair shall preside at every meeting of the Board. The Vice-Chair shall preside if the Chair is absent. If both the Chair and Vice Chair are absent, the members present at the meeting shall choose a Board member who is not an employee of a Board to preside.
- 5.2 The duty of the person presiding at a meeting of the Board or one of its committees is to ensure that the Standing Orders or the committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.
- 5.3 The person presiding may direct that the meeting can be conducted in any way that allows members to participate, regardless of where they are physically located, e.g., video-conferencing, teleconferencing. For the avoidance of doubt, those members using such facilities will be regarded as present at the meeting.

## NSS Standing Orders

- 5.4 In the event that any member who disregards the authority of the person presiding, obstructs the meeting, or conducts himself/herself inappropriately the person presiding may suspend the member for the remainder of the meeting. If a person so suspended refuses to leave when required by the person presiding to do so, the person presiding will adjourn the meeting in line with paragraph 5.12. For paragraphs 5.5 to 5.20, reference to 'Chair' means the person who is presiding the meeting, as determined by paragraph 5.1.

### Quorum

- 5.5 The Board will be deemed to meet only when there are present, and entitled to vote, a quorum of at least one third of the whole number of members, including at least two members who are not employees of a Board. The quorum for committees will be set out in their terms of reference, however it can never be less than two Board members.
- 5.6 In determining whether a quorum is present the Chair must consider the effect of any declared interests.
- 5.7 If a member, or an associate of the member, has any pecuniary or other interest, direct or indirect, in any contract, proposed contract or other matter under consideration by the Board or a committee, the member should declare that interest at the start of the meeting. This applies whether that interest is already recorded in the Board Members' Register of Interests. Following such a declaration, the member shall be excluded from the Board or committee meeting when the item is under consideration and should not be counted as participating in that meeting for quorum or voting purposes.
- 5.8 Paragraph 5.7 will not apply where a member or an associate of theirs, interest in any company, body or person is so remote or insignificant that it cannot reasonably be regarded as likely to affect any influence in the consideration or discussion of any question with respect to that contract or matter. In March 2015, the Standards Commission granted a dispensation to NHS Board members who are also voting members of integration joint boards. The effect is that those members do not need to declare as an interest that they are a member of an integration joint board when taking part in discussions of general health & social care issues. However, members still must declare other interests as required by Section 5 of the Board Members' Code of Conduct.
- 5.9 If a question arises at a Board meeting as to the right of a member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting be referred to the Chair. The Chair's ruling in relation to any member other than the Chair is to be final and conclusive. If a question arises about the participation of the Chair in the meeting (or part of the meeting) for voting or quorum purposes, the question is to be

## NSS Standing Orders

decided by the members at that meeting. For this latter purpose, the Chair is not to be counted for quorum or voting purposes.

- 5.10 Paragraphs 5.6-5.9 shall equally apply to members of any Board committees, whether they are also members of the Board, e.g., stakeholder representatives.
- 5.11 When a quorum is not present, the only actions that can be taken are to either adjourn to another time or abandon the meeting altogether and call another one. The quorum should be monitored throughout the conduct of the meeting in the event that a member leaves during a meeting, with no intention of returning. The Chair may set a time limit to permit the quorum to be achieved before electing to adjourn, abandon or bring a meeting that has started to a close.

### Adjournment

- 5.12 If it is necessary or expedient to do so for any reason (including disorderly conduct or other misbehaviour at a meeting), a meeting may be adjourned to another day, time, and place. A meeting of the Board, or of a committee of the Board, may be adjourned by the Chair until such day, time and place as the Chair may specify.

### Business of the Meeting

#### The agenda

- 5.13 If a member wishes to add an item of business which is not in the notice of the meeting, he or she must make a request to the Chair ideally in advance of the day of the meeting and certainly before the start of the meeting. The Chair will determine whether the matter is urgent and accordingly whether it may be discussed at the meeting.
- 5.14 The Chair may change the running order of items for discussion on the agenda at the meeting. Please also refer to paragraph 4.2.

#### Decision-Making

- 5.15 The Chair may invite the lead for any item to introduce the item before inviting contributions from members. Members should indicate to the Chair if they wish to contribute, and the Chair will invite all who do so to contribute in turn. Members are expected to question and challenge proposals constructively and carefully to reach and articulate a considered view on the suitability of proposals.
- 5.16 The Chair will consider the discussion, and whether a consensus has been reached. Where the Chair concludes that consensus has been reached, then the Chair will normally end the discussion of an item by inviting agreement to the outcomes from the discussion and the resulting decisions of the Board.

## NSS Standing Orders

- 5.17 As part of the process of stating the resulting decisions of the Board, the Chair may propose an adaptation of what may have been recommended to the Board in the accompanying report, to reflect the outcome of the discussion.
- 5.18 The Board may reach consensus on an item of business without taking a formal vote, and this will be normally what happens where consensus has been reached.
- 5.19 Where the Chair concludes that there is not a consensus on the Board's position on the item and/ or what it wishes to do, then the Chair will put the decision to a vote. If at least two Board members ask for a decision to be put to a vote, then the Chair will do so. Before putting any decision to vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.
- 5.20 Where a vote is taken, the decision shall be determined by a majority of votes of the members present and voting on the question. In the case of an equality of votes, the Chair shall have a second or casting vote. The Chair may determine the method for taking the vote, which may be by a show of hands, or by ballot, or any other method the Chair determines.
- 5.21 While the meeting is in public the Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting.

### Board Meeting in Private Session

- 5.22 The Board may agree to meet in private to consider certain items of business. The Board may decide to meet in private on the following grounds:
- The Board is still in the process of developing proposals or its position on certain matters and needs time for private deliberation.
  - The business relates to the commercial interests of any person and confidentiality is required, e.g., when there is an ongoing tendering process or contract negotiation.
  - The business necessarily involves reference to personal information and requires to be discussed in private to uphold the Data Protection Principles.
  - The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.
- 5.23 The minutes of the meeting will reflect when the Board has resolved to meet in private.

## NSS Standing Orders

### Minutes

- 5.24 The names of members present at a meeting of the Board, or of a committee of the Board, shall be recorded in the minute of the meeting. The names of other persons in attendance shall also be recorded.
- 5.25 The Board's Committee Services Manager (or his/her authorised nominee) shall prepare the minutes of meetings of the Board and its committees. The Board or the committee shall review the draft minutes at the following meeting. The person presiding at that meeting shall sign the approved minute.

## **6 Matters Reserved for the Board**

### Introduction

- 6.1 The Scottish Government retains the authority to approve certain items of business. There are other items of the business which can only be approved at an NHS Board meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.
- 6.2 This section summarises the matters reserved to the Board:
- a) Standing Orders
  - b) The establishment and terms of reference of all its committees, and appointment of committee members
  - c) Organisational Values
  - d) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
  - e) The Annual Operational Plan for submission to the Scottish Government for its approval. (Note: The Board should consider the draft for submission in private session. Once the Scottish Government has approved the Annual Operational Plan, the Board should receive it at a public Board meeting.)
  - f) Corporate objectives or corporate plans which have been created to implement its agreed strategies.
  - g) Risk Management Policy.
  - h) Financial plan for the forthcoming year, and the opening revenue and capital budgets.
  - i) Standing Financial Instructions and a Scheme of Delegation.
  - j) Annual accounts and report. (Note: This must be considered when the Board meets in private session. To respect Parliamentary Privilege, the Board cannot publish the annual accounts, or any information drawn from it before the accounts are laid before the Scottish Parliament. Similarly, the Board cannot publish the report of the external auditors of their annual accounts in this period.)

## NSS Standing Orders

- k) Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the Scottish Capital Investment Manual.
  - l) The Board shall approve the content, format, and frequency of performance reporting to the Board.
  - m) The appointment of the Board's chief internal auditor. (Note: This applies either when the proposed chief internal auditor will be an employee of the Board, or when the chief internal auditor is engaged through a contract with an external provider. The audit committee should advise the Board on the appointment, and the Board may delegate to the audit committee oversight of the process which leads to a recommendation for appointment.)
  - n) Arrangements for the approval of all policies.
  - o) The system for responding to any civil actions raised against the Board.
  - p) The system for responding to any occasion where the Board is being investigated and / or prosecuted for a criminal or regulatory offence.
- 6.3 The Board itself may resolve that other items of business be presented to it for approval.

### **7 Delegation of Authority by the Board**

- 7.1 Except for the Matters Reserved for the Board, the Board may delegate authority to act on its behalf to committees, individual Board members, or other Board employees. In practice this is achieved primarily through the Board's approval of the Standing Financial Instructions (NSS SFI's) and the Scheme of Delegation.
- 7.2 The Board may delegate responsibility for certain matters to the Chair for action. In such circumstances, the Chair should inform the Board of any decision or action subsequently taken on these matters.
- 7.3 The Board and its officers must comply with the NHS Scotland Property Transactions Handbook, and this is cross-referenced in the Scheme of Delegation.
- 7.4 The Board may, from time to time, request reports on any matter or may decide to reserve any particular decision for itself. The Board may withdraw any previous act of delegation to allow this.

### **8 Execution of Documents**

- 8.1 Where a document requires to be authenticated under legislation or rule of law relating to the authentication of documents under the Law of Scotland, or where a document is otherwise required to be authenticated on behalf of the Board, it shall be signed by an executive member of the Board, or any person duly authorised to sign under the Scheme of Delegation in accordance with the Requirements of Writing (Scotland) Act 1995. Before authenticating any



## NSS Standing Orders

document, the person authenticating the document shall satisfy themselves that all necessary approvals in terms of the Board's procedures have been satisfied. A document executed by the Board in accordance with this paragraph shall be self-proving for the purposes of the Requirements of Writing (Scotland) Act 1995.

- 8.2 Scottish Ministers shall direct which officers of the Board can sign on their behalf in relation to the acquisition, management, and disposal of land.
- 8.3 Any authorisation to sign documents granted to an officer of the Board shall terminate upon that person ceasing (for whatever reason) from being an employee of the Board, without further intimation or action by the Board.

### **9 Committees**

- 9.1 Subject to any direction issued by Scottish Ministers, the Board shall appoint such committees (and sub-committees) as it thinks fit. NHS Scotland Board Development website will identify the committees which the Board must establish.

As of April 2022, the NSS Board has established the following Committees:

NSS Audit & Risk Committee  
NSS Finance, Procurement & Performance Committee  
NSS Clinical Governance & Quality Improvement Committee  
NSS Remuneration & Succession Planning Committee  
NSS Staff Governance Committee

- 9.2 The Board shall appoint the chairs of all committees. The Board shall approve the terms of reference and membership of the committees. The Board shall review these as and when required and shall review the terms within 2 years of their approval if there has not been a review.
- 9.3 The Board shall appoint committee members to fill any vacancy in the membership as and when required. If a committee is required by regulation to be constituted with a particular membership, then the regulation must be followed
- 9.4 Provided there is no Scottish Government instruction to the contrary, any non-executive Board member may replace a committee member who is also a non-executive Board member, if such a replacement is necessary to achieve the quorum of the committee.
- 9.5 The Board's Standing Orders relating to the calling and notice of Board meetings, conduct of meetings, and conduct of Board members shall also be applied to committee meetings where the committee's membership consist of or include all the Board members. Where the committee's members include some of the Board's members, the committee's meetings shall not be held in public and the associated committee papers shall not be placed on the Board's website, unless

## NSS Standing Orders

the Board specifically elects otherwise. Generally, Board members who are not members of a committee may attend a committee meeting and have access to the meeting papers. However, if the committee elects to consider certain items as restricted business, then the meeting papers for those items will normally only be provided to members of that committee. The person presiding the committee meeting may agree to share the meeting papers for restricted business papers with others.

- 9.6 The Board shall approve a calendar of meeting dates for its committees. The committee chair may call a meeting any time and shall call a meeting when requested to do so by the Board.
- 9.7 The Board may authorise committees to co-opt members for a period up to one year, subject to the approval of both the Board and the Accountable Officer. A committee may decide this is necessary to enhance the knowledge, skills, and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of National Services Scotland NHS Board and is not to be counted when determining the committee's quorum.

## NSS Standing Orders

### SCHEME OF DELEGATION

This appendix should be read in conjunction with the Standing Financial Instructions

Areas of Responsibility	Approved Officer/s	Approved Alternate Officers
Risk Management	Director Strategy Performance and Service Transformation	Head of Planning & Performance
Statutory and Regulatory Compliance	Director Strategy Performance and Service Transformation	Associate Director Strategy, Performance & Communications
Business Continuity and Emergency Planning	Director Strategy Performance and Service Transformation	Head of Planning & Performance
Information Management	Director of Digital & Security	Head of Information & Cyber Security
Data Protection Scheme	Director of Digital and Security	Head of Information & Cyber Security
Public Participation, Engagement and Complaints	Director Strategy Performance and Service Transformation	Associate Director Strategy, Performance & Communications
Standing Financial Instructions	Director of Finance	Associate Director (Finance Operations)
Internal Audit and Service Audit	Director Strategy Performance and Service Transformation	Associate Director Strategy, Performance & Communications
External Audit	Director of Finance	Associate Director (Finance Operations)
Fraud	Director of Finance	Associate Director (Finance Operations) / Fraud Liaison Officer
Fire Safety	Director of NHS Scotland Assure	Head of Estates & Facilities
Health and Safety	Director of HR & Workforce Development	Head of Healthy Working Lives
Legal	Director of Central Legal Office	Head of Contracts Department at Central Legal Office
Information Governance	Director of Digital and Security	Head of Information & Cyber Security
Equality and Diversity	Director Strategy Performance and Service Transformation	Associate Director Strategy, Performance & Communications

## NSS Standing Orders

Whistleblowing	Director of Nursing	Director Strategy Performance and Service Transformation
Quality Improvement	Director of Nursing	Director Strategy Performance and Service Transformation
Research Governance	Medical Director	Director of Healthcare Sciences
Caldicott Guardian	Medical Director	NSS Deputy Caldicott Guardian
Clinical Governance	Medical Director	Director of Nursing
HAI	Director of Nursing	Infection Control Manager
Professional Regulatory Compliance	Medical Director	Director of Nursing
Scottish Infected Blood Support Scheme	Director of Practitioner and Counter Fraud Services	Associate Director Contractor Finance
Practitioner Payments	Director of Practitioner and Counter Fraud Services	Associate Director Contractor Finance
CNORIS Scheme	Director of Practitioner and Counter Fraud Services	Associate Director Contractor Finance
ATOS (non eHealth) Services	Director of Digital & Security	Director of Cloud Engineering & Operations
eHealth Services	Director of Digital & Security	Director of Cloud Engineering & Operations
Logistics Services	Director of National Procurement	Operations Manager
Logistics Service Charge	Director of National Procurement	Operations Manager
National Screening Directorate	Director, National Services Division	TBC
Rebates	Director of National Procurement	Head of Strategic Sourcing & Commercial
Home Oxygen Service	Director of NHS Scotland Assure	Head of Facilities Management
Children's Dental Hygiene Scheme (Child	Director of National Procurement	Head of Strategic Sourcing & Commercial

## NSS Standing Orders

Smile)		
Uniforms Support Business	Director of National Procurement	Head of Strategic Sourcing & Commercial
IHI/IHO	Director of National Procurement	Head of Strategic Sourcing & Commercial
Flu Vaccinations	Director of National Procurement	Head of Strategic Sourcing & Commercial

# **TERMS OF REFERENCE FOR NSS BOARD COMMITTEES**

**(As at June 2022)**

## AUDIT AND RISK COMMITTEE CONSTITUTION AND TERMS OF REFERENCE

### 1. Introduction, Remit, and Authority

The [Scottish Public Finance Manual](#), the [Scottish Government Audit and Assurance Committee Handbook \(3 April 2018\)](#), and the NHS Scotland model Standing Orders have informed these terms of reference.

The remit of the Committee is to provide independent advice and support the Chief Executive (as the Board's Accountable Officer) and the Board in formulating and meeting their assurance needs.

Given its independent advisory role, the Committee has no executive authority, and is not charged to make or endorse any decisions. The Committee may draw attention to strengths and weaknesses in internal control and make recommendations for how such weaknesses might be dealt with. To enable it to do so, the Committee may:

- Investigate any activity which is within its terms of reference, and in doing so, is authorised to seek any information it requires from any Board member or employee. All members and employees are directed to co-operate with any request made by the Committee.
- Obtain specialist ad-hoc advice at the expense of the organisation, subject to the budgets agreed by the Board and the Chief Executive.
- Co-opt additional members for a period not exceeding one year to provide specialist skills, knowledge, and experience.

### 2. Arrangement for Conduct of Business

The Audit Committee will operate as a committee of the Board as described in the Board's Standing Orders.

### 3. Meetings and Membership

#### Number of Meetings and Quorum

The Committee will have at least four meetings in a year. The chair of the Committee may convene additional meetings as they may deem necessary.

The committee will be deemed to have met when it has been organised in line with the terms of the Board's Standing Orders, and its quorum of three members are present.

#### Membership

The Committee's membership shall consist of at least three independent non-executive members of the Board. The Board must ensure that at least one member has recent and relevant financial experience. The Board will appoint one of these members to be the chair of the committee. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

A non-executive Board member who is also an employee of an NHS Board will not be regarded as independent. The Chair of the Board and any employee of the Board may not be a member of the Committee.

The Board may appoint independent external members if there is an insufficient number of non-executive Board members to form the Committee.

## NSS Standing Orders

The Board will appoint Committee members for a period of no more than three years but may re-appoint a member if the Board is satisfied the member is independent.

### Attendees

The Committee will normally invite the Chief Executive, Director of Finance, Chief Internal Auditor, and a representative of the external auditor to attend its meetings. The Committee may invite other officers to attend meetings to support the consideration and discussion of agreed items of business.

### Private Meetings

The Committee may meet without any non-members present. The Committee may also meet in private with the internal auditors and external auditors as required but this should happen at least once a year at a minimum.

#### **4. Key Duties of the Committee**

The Committee will generally discharge its remit by:

- Helping the Chief Executive and the Board identify and formulate their assurance needs regarding risk management, governance, and internal control.
- Reviewing and constructively challenging the assurances that have been provided as to whether their scope meets the needs of the Chief Executive and the Board.
- Reviewing the reliability and integrity of those assurances, i.e., considering whether they are founded on reliable evidence, and that the conclusions are reasonable in the context of that evidence.
- Drawing attention to weaknesses in systems of risk management, governance, and internal control, and making suggestions as to how those weaknesses can be addressed.
- Commissioning further assurance work for areas that are not being subjected to sufficient review.
- Seeking assurance that management are remedying previously identified areas of weakness.
- Monitor and review NSS's performance and compliance in respect of Information Governance and Data Protection legislation and processes.

The Committee will specifically advise the Board and Chief Executive on:

- the strategic processes for risk, control, and governance and the governance statement, and how they support the achievement of the Board's strategies and objectives.
- The accounting policies, the annual accounts, and the Board's annual report. This includes the process for review of the accounts before they are submitted for audit, levels of error identified, and management's letter of representation to the external auditors.
- The planned activity and results of both internal and external audit.
- The performance of the internal audit function.
- The adequacy of management response to issues identified by audit activity, including external audit's management letter or report.
- The effectiveness of the internal control environment.
- Assurances relating to the corporate governance requirements for the Board.
- The appointment of the Chief Internal Auditor.



## NSS Standing Orders

- The purchase of non-audit services from contractors who provide audit services.
- The Board's policies, procedures, and processes where they relate to risk management, governance, and internal control. Examples are the Board's Standing Orders, Standing Financial Instructions, Scheme of Delegation, risk management policy, ethical conduct, prevention of bribery and corruption, anti-fraud, and Whistleblowing.
- The skills required for committee effectiveness, to inform the selection of members of the committee.

The Committee will develop a work plan to discharge its remit and duties, which will determine the information that it requires at meetings and consequently the agenda for those meetings. The Committee will normally require at every meeting:

- A report on the risk register which summarises any changes.
- Progress reports from the internal and external auditors, including details of any work they have performed and the key issues that have emerged.

The Committee will also annually review its performance and its terms of reference and reflect the outcome from this in its annual report to the Board. The content of the annual report will reflect the requirements set out in paragraphs 5.5 and 5.6 of the [Scottish Government Audit and Assurance Committee Handbook \(3 April 2018\)](#).

In addition, the work of the former NSS Information Governance Committee will now be done by the NSS Audit & Risk Committee as follows:

- Consider and scrutinise NSS's compliance with relevant legislation, duties under Common Law and performance against national standards with regards to information governance. This duty covers the following components of information governance: Caldicott Guardianship and Confidentiality; Data Protection; Information Security; Freedom of Information and Records Management.
- Review at each meeting reports on performance relating to information governance matters across NSS and satisfy itself that appropriate progress is being made to improve the quality of information governance across NSS.
- Satisfy itself that each NSS SBU has processes in place to monitor and report information governance incidents, risks, and complaints.
- Review at each meeting identified information governance risks, issues, and complaints, and satisfy itself that appropriate action has been taken, lessons learnt, and improvements implemented.
- Review annually the risk appetite of NSS in relation to information governance.

### 5. Reporting Arrangements

The Committee Chair will provide a report to the Board and the Chief Executive after each meeting of the committee.

This report summarises the business taken by the Committee, explaining, if necessary, why that business was regarded as important. The report will also offer the views and advice from the Committee on issues that it considers the Chief Executive, and the Board should act on. The Chief Internal Auditor and the external auditor should receive a copy of the report.

The Board will receive the minutes of the Committee's meetings only when the Committee has reviewed and approved them, and the Committee Chair has signed the approved minutes. The above report will ensure that the Board is informed in a timely manner of any relevant issues.

## NSS Standing Orders

The Committee will provide an annual report to the Board which is timed to support the preparation of the Governance Statement.

### 6. **Supplementary Information for Boards and Committee Members**

The [Scottish Government Audit and Assurance Committee Handbook \(3 April 2018\)](#) includes further advice on audit committees as follows:

[Annex A: The role of the Chair: Good Practice](#)

[Annex B: Committee support: good practice](#)

[Annex C: Model Letter of Appointment](#)

[Annex D: Model Terms of Reference](#)

[Annex E: Example Annual Core Work Programme](#)

[Annex F: Key Lines of Enquiry](#)

[Annex G: Competency Framework](#)

[Annex H: Self-Assessment Checklist](#)

The NHS Scotland Board Development website also has a wealth of material on NHS Scotland which is relevant to governance, risk management, and internal control.

<https://learn.nes.nhs.scot/17367/board-development>

## **CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE CONSTITUTION AND TERMS OF REFERENCE**

### **1. Introduction and Remit**

The National Services Scotland (NSS) Clinical Governance and Quality Improvement Committee (CGQIC) is established in accordance with the guidance given in MEL (1998) 75, reinforced by MEL (2000) 29.

The purpose of the Committee is to provide assurance to the NSS Board that the clinical activities of NSS are appropriately governed and monitored as to their safety, quality and effectiveness and that Quality Improvement and Realistic Medicine are at the core of its work.

### **2. Meetings and Membership**

#### **Membership**

Membership shall comprise 6 non-executive members of the Board, including the Board Chair. The Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

#### **Attendees**

The Medical Director and Director of Nursing shall be the lead executive officers to the Committee and will arrange for such other officers to attend as required by the business of the committee.

#### **Frequency of Meetings**

The Committee shall meet as required but not less than four times a year.

#### **Minutes of Meetings**

Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.

The Minutes of the Committee may be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

#### **Reporting**

The CGQIC is to report activities and progress annually to the NSS Board as described in these terms of reference. The CGQIC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.

#### **Quorum**

The Committee must have at least three members present to be quorate.

3 **Key Duties**

The CGQIC will produce an Annual Report of the Committee's activities to provide assurance as set out in remit at 1 above for inclusion in NSS Annual Report and Accounts.

The CGQIC shall assure that:

- a) Process and reporting arrangements are in place, as required, to provide assurance that the clinical and related activities under NSS direction and control are always appropriately governed and monitored as to their safety, quality, and effectiveness.
- b) All aspects of Quality Management are reflected including Quality Planning, Quality Improvement and Quality Control and the application of the principles of Realistic Medicine.
- c) Advice is provided, as required, to the Board on the clinical impacts of any new service developments proposed for adoption by NSS.
- d) Clinical activity is challenged from the perspectives of equity, inequality/equality, diversity, and value (expressed as triple value).
- e) Services compliance with clinical regulatory requirements is in place.

To assure themselves, the CGQIC will review and scrutinise reports on:

- Clinical adverse events, Duty of Candour events, clinical risks, and complaints (related to safety of services or clinical staff fitness to practice) including their identification, causes, management, learning identified and service improvement and implementation.
- Blood and tissue safety to satisfy itself that appropriate action is being taken to provide an adequate and safe supply.
- Healthcare Acquired Infection in NSS as per required national policy on HAI, using the HAI reporting template.
- Major NSS programmes in support of clinical services.
- Activity relating to national clinical governance functions delivered by NSS, e.g., screening, and dental.
- Annual reports on:
  - Infection Prevention and Control
  - Duty of Candour
  - Research, Development, and Innovation
  - Clinical Professional Appraisal and Revalidation
  - Patient Group Directions Audit

## **FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE - CONSTITUTION AND TERMS OF REFERENCE**

### 1. **Introduction and Remit**

The NHS National Services Scotland (NSS) Finance, Procurement and Performance Committee (FPPC) is established, as a committee of the Board, to keep under review the financial position of NSS and procurement activity to ensure that suitable arrangements are in place to secure economy, efficiency, and effectiveness in the use of all resources, and that the arrangements are working effectively.

### 2. **Meetings and Membership**

#### **Membership**

Membership shall comprise six non-executive members of the Board, including the Board Chair. A Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

#### **Attendees**

The Director of Finance shall be the lead executive officer to the Committee and will arrange for such other officers to attend as required by the business of the committee. The Chief Executive and Directors of National Procurement (NP) and Strategy, Performance, and Service Transformation (SPST) will also be in attendance.

#### **Frequency of Meetings**

The Committee shall meet as required but not less than four times a year.

#### **Minutes of Meetings**

Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.

The Minutes of the Committee may be presented FOR INFORMATION to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

The FPPC is to report activities and progress annually to the NSS Board as described in these terms of reference. The FPPC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.

#### **Quorum**

The Committee will need to have at least three non-executive Board members present to be quorate.

## NSS Standing Orders

### 3 **Key Duties**

The key duties of the Committee are

#### **To review and recommend to the Board for approval**

- a) Annual 3-year or 5-year (as required) Operational Delivery Plan (ODP) and Financial Plans prepared consistent with statutory financial responsibilities.
- b) Draft NSS Annual Operating Plan for submission to the Scottish Government.
- c) NSS Property and Asset Management Strategy and action plan.
- d) NSS Climate Sustainability Strategy and action plan.
- e) NSS Standing Financial Instructions, Standing Orders and Scheme of Delegation.

#### **At the request of the Board or the Chair**

- f) Under delegated authority, to approve any procurements which require the authority of the Board or the Chair of the Board under NSS Standing Financial Instructions.
- g) To review the financial aspects and make recommendations for any Business Cases beyond the scope of delegated financial authority before it is presented to the Scottish Government for approval. All business cases shall comply with the Scottish Capital Investment Manual.

#### **To approve**

- h) At Outline Business Case or Full Business Case stage property transactions undertaken in accordance with the NHS Scotland Property Transactions Handbook.
- i) NHS Scotland Procurement Strategy, Workplan and Annual Report.
- j) NSS Procurement Strategy, Workplan and Annual Report.

#### **To regularly review**

- k) Financial and operational performance against plans and delivery against AOP targets, and to consider the appropriateness and effectiveness of current and planned management actions.
- l) Any occurrences where the Standing Financial Instructions have not been followed.
- m) The performance of programmes delivered by NSS on behalf of NHS Scotland.
- n) Delivery against the NSS Financial Sustainability Plan.
- o) The Business risks contained in the NSS corporate risk register and associated management actions as set out in the Integrated Risk Management Approach.
- p) To regularly review, and challenge as appropriate, the content of financial reporting and information presented to the Board.

## REMUNERATION AND SUCCESSION PLANNING COMMITTEE TERMS OF REFERENCE

1.

### Introduction and Remit

Each NHSScotland Board, through its Standing Orders, is required to establish a Remuneration Committee, whose main function is to ensure the application and implementation of fair and equitable pay systems on behalf of the Board, as determined by Ministers and the Scottish Government and described in MEL (1993)114 and subsequent amendments. The Committee is also, through the Staff Governance Committee, required to provide assurance that systems and procedures are in place to manage the issues set out in MEL (1993)114 so that the overarching staff governance responsibilities can be discharged.

The Remuneration and Succession Planning Committee is established as a committee of the NSS Board. The Committee is to submit an annual report to the NSS Board and the NSS Staff Governance Committee to give assurance around the detail of the remuneration and succession planning arrangements and monitoring process and that the Committee's aims are being met.

2.

### **Meetings and Membership**

#### *Membership*

The Committee shall comprise the Chair of the NSS Board and at least three Non-Executive Members of the NSS Board, of which one must be the Employee Director, and one of whom shall act as Chair.

#### *Attendees*

Attendees are as follows: -

- The Chief Executive
- The Director of Human Resources and Workforce Development

The Committee may require others to attend specific meetings.

#### *Frequency of Meetings*

The Committee shall meet as required but not less than three times a year.

#### *Minutes of Meetings*

Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary, NSS, and submitted by its Chair for approval to the next meeting of the Committee. A report on the proceedings of the Committee shall be drawn up by or on behalf of the Committee Services Manager and submitted for information to the first ordinary meeting of the Staff Governance Committee held after the meeting of the Committee and to the NSS Board.

## NSS Standing Orders

### **Key Duties**

- a) Conduct a regular review of the NSS Board's policy for the remuneration and performance management of members of the Executive and Senior Management Cohorts in the light of any guidance issued by the Scottish Government Health and Social Care Directorates and the National Performance Management Committee remaining in force.

A direction order or specific Scottish Government Health and Social Care Directorates instruction will be required for any payments which fall outwith the terms of the guidance.

- b) Agree all the terms and conditions of employment of members of the Executive Cohort, including job description, basic pay, performance pay and bonuses (individual and team) and benefits (including pension, removal arrangements & cars), with reference to Scottish Government Health and Social Care Directorates guidance, Ministerial directions, and protocols.
- c) Agree objectives for members of the Executive Cohort in the light of any guidance issued by the Scottish Government Health and Social Care Directorates and the National Performance Management Committee remaining in force and ensure that their performance and potential is rigorously assessed throughout the year against these objectives; objectives may, by agreement with the individual being assessed, be revised in the year to reflect changes in circumstances.
- d) Ensure that effective arrangements are in place for carrying out b) and c) above in respect of members of the Senior Management Cohort.
- e) The Chair of the Committee on behalf of the NSS Remuneration and Succession Planning Committee, will agree appointments, terminations, and early retirement settlements in line with the Protocol below.
- f) The Committee must submit the remuneration arrangements for members of the Executive and Senior Management Cohorts to the External Auditor for scrutiny, in accordance with normal audit requirements.
- g) To review and approve annually the Discretionary Points awarded by the NSS Committee on Consultants' Discretionary Points, for reporting to the NSS Board and to provide confirmation of the process followed in the allocation of the points.
- h) The Committee will give full consideration to succession planning, taking into account the challenges and opportunities facing the organisation and the skills and expertise required.



## NSS Standing Orders

### REMUNERATION AND SUCCESSION PLANNING COMMITTEE RESPONSIBILITIES PROTOCOL FOR MANAGING APPOINTMENT, PERFORMANCE AND TERMINATION OF STAFF

- ◆ The Chair of the Committee will approve all new or additional jobs created on a range with a salary maximum over £75,000. In addition, they will agree all appointments where the lower half of the range, with a salary maximum over £75,000, will not secure the preferred candidate.

When making appointments, consideration should be given to any agreed position between the National Boards on recruitment.

- ◆ A report on decisions will be submitted to the next meeting of the Committee. The Committee will also receive monthly reports on new posts with salaries up to £75,000.
- ◆ Director of Human Resources and Workforce Development to submit a yearly report analysing trends for all salaries equivalent to the minimum salary of the Executive Cohort grades.
- ◆ Chair of the NSS Board to undertake the performance appraisal of Chief Executive.
- ◆ Chair of the NSS Board to review the Chief Executive's performance assessment of other members of the Executive Cohort.
- ◆ Committee to satisfy itself that the performance management process and its application is transparent, rigorous, evidence-based, and fully documented in respect of the Chief Executive and other members of the Executive Cohort prior to individuals being informed of the performance appraisal ratings.

**STAFF GOVERNANCE COMMITTEE - CONSTITUTION AND TERMS OF REFERENCE**

1. **Introduction and Remit**

The National Services Scotland (NSS) Staff Governance Committee (SGC) is established in accordance with the guidance given in the Staff Governance Standard 4<sup>th</sup> Edition published by the Scottish Government in June 2012.

The SGC is established as a committee of the NSS Board to which the SGC is to submit an annual report to give the Board assurance around the detail of staff governance arrangements and monitoring process and to assure the Board that the SGC's aims are being met.

The NSS Partnership Forum has a key role in the delivery and implementation of the Staff Governance Standards through the Staff Governance Action Plan. Regular reports from the Partnership Forum will be provided to SGC to provide the necessary evidence and assurance.

2. **Meetings and Membership**

**Membership**

Membership shall comprise six non-executive members of the Board (including the Board Chair and Employee Director) and four trade union representatives. A Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

**Attendees**

The Director of Human Resources shall be the lead executive officer to the Committee and will arrange for such other officers to attend as required by the business of the committee.

**Frequency of Meetings**

The Committee shall meet as required but not less than four times a year.

**Minutes of Meetings**

Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.

The Minutes of the Committee may be presented FOR INFORMATION to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

The SGC is to report activities and progress annually to the NSS Board as described in these terms of reference. The SGC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.

**Quorum**

The Committee will need to have at least three non-executive Board members and one trade union representative present to be quorate.

## NSS Standing Orders

### 3 **Key Duties**

The SGC shall support and maintain a culture within NSS where the delivery of the highest possible standard of staff management is understood to be the responsibility of every employee and is built upon partnership working and collaboration.

The specific responsibilities of the Committee are to:

- a) Ensure an effective system of Governance and oversight for the management, safety and welfare of the workforce including a strategic workforce planning strategy.
- b) Oversee the development of frameworks which ensure delivery of the Staff Governance Standard.
- c) Review evidence of attainment and maintenance of the Staff Governance Standard through the Great Place to Work Plan (Staff Governance Action Plan). Where there is evidence of short falls the Staff Governance Committee will ensure that causes are identified, and remedial action recommended.
- d) Oversee the development and monitoring of all Organisational policy related to workforce ensuring compliance with National Workforce Policies.
- e) Consider any policy amendment, funding, or resource submission to achieve the Staff Governance Standard, providing support as required to drive forward.
- f) Establish detailed and timely staff governance data reporting standards, ensuring that information is provided to support both NSS operating activities and national monitoring.
- g) Provide staff governance information for the Statement of Internal Control.
- h) Review quarterly staff risks contained in the NSS Corporate Risk Register and set out in the Integrated Risk Management Approach, identifying, and reporting on specific areas of concern.
- i) Review quarterly the NSS complaints report in the context of staff risk.
- j) Oversee the NSS values programme, ensuring that the values are embedded within NSS structures and processes.
- k) Review Quarterly and Annual Whistleblowing Reports.

<b>Meeting:</b>	<b>NSS Board</b>
<b>Meeting date:</b>	<b>29 July 2022</b>
<b>Title:</b>	<b>Q1 Integrated Performance Report</b>
<b>Paper Number:</b>	<b>B/22/18</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Lee Neary, SPST Director</b>
<b>Report Author:</b>	<b>Caroline McDermott, Head of Planning</b>
	<b>Reviewed by Lee Neary, SPST Director, Aileen Stewart, HR &amp; Workforce Associate Director, Carolyn Low, Director of Finance, Julie Critchley, Assure Director.</b>

## 1. Purpose

This report is presented to the Board for scrutiny.

## 2. Recommendation

The Board is asked to scrutinise this Integrated Performance as at 30 June 2022 (M3) and to confirm that the data presented in the report meets their needs.

## 3. Discussion

This paper summarises our performance as at end June (M3). Reports on service excellence, finance, people, and a baseline report on climate sustainability measures are set out in Appendix A. The data presented within reflects our new strategic objectives.

Overall, performance is positive with several indicators tracking positively against targets. We have identified a range of actions to bring those areas under target on track. However, a challenging operating and financial environment remains as NHS Scotland learns to live with and recover from the COVID-19 pandemic.

At the end of Q1, we are forecasting full achievement of all statutory financial targets despite our overall underlying risk increasing due to rising inflation (pay and non-pay) as well as funding constraints across NHS Scotland in FY22/23.

We will continue to focus our efforts on delivering the identified actions in the Financial Sustainability plan, with a particular focus on service costing to support evidence-based

decision making. All SBUs are required to ensure that the financial management of their budgets follows the Finance Charter.

As at June 2022, our sickness absence rate is 3.93%, which is a decrease from the previous month's figure of 3.95%. Long term year to date absence is at 2.66% and short-term absence is 1.27% as at June 2022. These rates have the potential to rise as the COVID special leave arrangements end later this month. HR continues to monitor and report sickness absence rates via the People Report monthly, including highlighting absence reasons that are particularly prevalent in the data.

We continue to engage with SBU Directors to drive improvements to their workforce position through the Executive Management Team, and the NSS Partnership Forum.

The NSS draft Annual Delivery Plan is subject to ratification by the Board and approval by Scottish Government. However, we continue to work towards delivery of the actions that have been agreed.

We have achieved an NHS Scotland Sustainability Assessment Tool (NSAT) self-assessment score of 69% against a target of 65%. Board approval of the NSS Climate Sustainability Strategy will enable performance indicators to be finalised.

We have a rich amount of data on which to draw on to provide an integrated view of performance at SBU level and in-depth analysis of specific issues. We have established a joint working group to help us interrogate the data further, understand what this means for NSS; ensuring key issues identified through data analysis and experienced through working practice continue to be identified to the Board and are built into future planning.

## **4. Impact Analysis**

### **4.1 Quality/Patient Care**

The Clinical Governance Committee provides oversight for all quality and patient care performance.

### **4.2 Equality and Diversity, including health inequalities**

Projects and services associated with the measures covered by this paper are required to carry out an equality impact assessment. There are no specific issues arising from this performance paper.

### **4.3 Data protection and information governance**

All projects and programmes of work covered by this paper are reviewed for any data protection or information governance risks or implications and are therefore reported at a programme/project level. These are therefore not reported in this document.

## **5. Risk Assessment/Management**

All risks discussed in this report are being managed in line with the Integrated Risk Management Approach.

## **6. Financial Implications**

We are forecasting full achievement of all statutory financial targets despite significant underlying risk. The Finance Report appendix provides further detail with a summary included within the introduction to the Integrated Performance Report.

## **7. Workforce Implications**

We are currently operating within standards and areas of note highlighted within the introduction section of the Integrated Performance Report and the People Report.

## **8. Route to Meeting**

The Integrated Performance Report has been created by a wide range of people across the organisation and has been discussed at EMT.

## **9. List of Appendices and/or Background Papers**

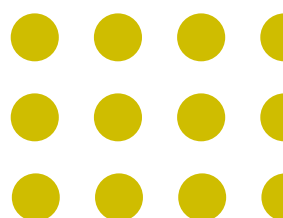
Appendix A - Integrated Performance Report including reports on service excellence, finance, people, and climate sustainability.



# Integrated Performance Report June 22 (M3)

**NSS Planning and Performance**

NSS Board – 29 July 2022



Section	Page
Integrated Performance Summary Report	3
Service Excellent Report	11
Finance Report (Financial Sustainability)	21
People Report (Workforce Sustainability)	33
Climate Sustainability Report	52



# Integrated Performance June 2022 (M3/Q1)

**NSS Planning and Performance**

**NSS Finance**

**NSS HR & Workforce**

**NSS Facilities**











# June M3 Performance Position

- The NSS draft **Annual Delivery Plan** is subject to ratification by the Board and approval by Scottish Government.
- **Service user assessment** scores are above their agreed standards but remain below pre-pandemic levels and a number of surveys were delayed as health boards focused on COVID-19 (C19) and recovery priorities.
- NSS is **forecasting full achievement** of all **statutory financial targets** despite significant underlying risk:
  - SG has offered Agenda for Change staff a 5% pay increase compared to the planning assumption of 2%;
  - Non-Pay inflation continues to increase with pressures expected across a number of operational budgets;
  - NSS is expected to contain costs and remain within a reduced funding envelope given overall NHS Scotland outlook;
  - SG will only be allocated 65% of the original C19 forecast after modelled savings and the application of an 85% cap;
  - There is an increased risk around non-recurring SG allocations upon which NSS is heavily reliant.
- **Sickness absence** is at 3.93% and below the 4% target. June 2022 recorded a Long Term sickness rate of 2.66%, with Short Term recording 1.27%.
- **Appraisal, personal development plan (PDP) and objectives compliance rates** are at 74%, 72% and 74%. SBUs, supported by HR Business Partners, are using monthly employee level data to achieve the 90% target.
- Both 3 Year **Mandatory Training and Statutory Training Compliance** are above the 90% target with 94% (+1% from last month) and 95% (-1% from last month) respectively.
- **Turnover** has a year end forecast of 16%. The previous year and this year's turnover figures have been impacted by high turnover in NCTC, with 21 out of 101 leavers this year from NCTC.
- NSS achieved a **NHS Scotland Sustainability Assessment Tool (NSAT) self-assessment score** of 69% against a target of 65% and will shortly agree its new environmental and sustainability strategy and targets.

# June M3 Improvement Actions

A range of actions are underway to ensure NSS performance remains on track and to address areas of challenge or concern.









- To help improve **service user satisfaction and effort scores**, an improvement group involving key stakeholders has been established and focus groups have been run with users to identify where changes can be made to our approach. The team will also be exploring how 'live' user scores, such as those used by HR and DAS service centres, can be accounted for.
- There will be an increased focus on delivering the identified actions in the **Financial Sustainability plan**, with a particular focus on **service costing** to support evidence-based decision making. All SBUs are required to ensure delegated Financial Management of budgets is in-line with the approach set out in the **Finance Charter**.
- Areas requiring improvement to their **workforce position** continue to be raised with individual SBU Directors, through the Executive Management Team, and the NSS Partnership Forum.
- HR continue to closely monitor a number of issues including, **appraisal/PDP/objective completion and statutory and mandatory training**. SBU level insights are provided in the People Report to highlight areas of improvement for all compliance rates.
- HR monitor and report **sickness absence** rates via the People Report on a monthly basis, including highlighting absence reasons that are particularly prevalent in the data.
- A new **climate sustainability report** tracking performance against NSAT and key performance indicators will be developed and agreed with the appropriate governance groups.

Key Performance Indicators	Latest	Target	Variation	Assurance	Comment
NSS Service User Satisfaction Score (Annual as at 31 March 2022)	79%	70%			An improvement group involving key stakeholders has been established and focus groups have been run with users to identify where changes can be made to our approach. The team will also be exploring how 'live' user scores, such as those used by HR and DAS service centres, can be accounted for.
NSS Service User Effort Score (Annual as at 31 March 2022)	76%	62%			As above.
NSS Net Promoter Score (Annual as at 31 March 2022)	17%	0%			As above.
NSS Complaints – Responded to Within 3 Days (Quarterly as at Q1 2022/23)	98%	90%			The acknowledgement rate remains high at 98%. In some areas of NSS this will be 100% as an automated acknowledgement email is in place to ensure complainants know that their complaint has been received and handled within the NHS model complaints handling procedure. Further work is required to improve the information system to assess compliance with 5 day and 20 day targets as this is done manually and takes considerable time to replicate.
NSS Complaints – Staff behaviour and attitude (Quarterly as at Q1 2022/23)	15	10			The Donor & Transport Services in SNBTS delivered unconscious bias training and the customer standards training was refreshed.

# Financial Sustainability

Key Performance Indicators	Latest	Target	Variation	Assurance	Comment
Revenue Outturn	£(845)k over	Break Even	N/A	N/A	Despite a YTD overspend and underlying financial risk, NSS stills projects a break-even position for 2022/23.
NSS CRES Savings Total	£1.3m	£7.4m	N/A	N/A	As part of the Financial Planning process, 5% of SBU baseline funding is retained centrally to fund cost pressures; corporate priorities; and prioritised developments. £2.6m is currently 'unidentified' with Business Controllers working with SBUs to evidence savings delivery and confirm levels of risk.
NSD CRES Savings Total	£0	£10.4m	N/A	N/A	Although the YTD position is nil, savings are planned and are being delivered prior to confirmation of the delivery detail from NSD.
Capital Outturn	Break Even	Break Even	N/A	N/A	Formal allocations of £2.9m has been confirmed by SG, with £0.4m currently unallocated.

# Workforce Sustainability

Key Performance Indicators	Latest	Target	Variation	Assurance	Comment
Sickness Absence	3.93%	4%			The total year to date sickness absence rate is 3.93%. Last month it was 3.95%.
Staff Turnover (Cumulative)	3.16%	7-10%			The year-end forecast for Turnover is 16% due to high turnover in NCTC which is presently accounting for around 20% of all NSS leavers this year.
Annual Leave Utilisation (Cumulative)	41%	100%			
Appraisal Compliance	74%	90%			Compliance increased by 6% from May to June. SBU directors and line managers continue to be supported by HR Business Partners and are sent monthly employee level TURAS data to identify gaps in TURAS compliance for all 3 TURAS KPIs – Appraisal, Objective, PDP.
Objective Compliance	74%	90%			Compliance decreased by 1% from May to June.
PDP Compliance	72%	90%			Compliance increased by 1% from May to June.
Statutory Training Compliance	95%	90%			Compliance increased by 1% from May to June.
Mandatory Training Compliance	94%	90%			Compliance decreased by 1% from May to June.

# Climate Sustainability

Key Performance Indicators	Latest*	Target	Variation	Assurance	Comment
Domestic Waste Total (tonnes)	218.4	Achieved	N/A	N/A	2025 SG target already achieved.
Domestic Waste to Landfill	9%	Below 5%	N/A	N/A	Office clear outs in January have added to non-recyclate waste. Property disposals will affect.
Domestic Waste Recycled or Composted	91%	70% or above	N/A	N/A	
Fuel NP fleet CO2 (tonnes)	1,365.86	Reduce	N/A	N/A	A trial with hydro treated vegetable oil (HVO) will be undertaken this year. CO2 emissions from HVO are <10% diesel.
Fuel SNBTS fleet CO2 (tonnes)	371.72	Reduce	N/A	N/A	May consider HVO dependent on trial.
Gas CO2 (tonnes) (metered sites only)	2029.90	Reduce	N/A	N/A	Data set may be incomplete and is being reviewed.
Electricity CO2 (tonnes) (metered sites only)	2058.13	Reduce	N/A	N/A	Data set may be incomplete and is being reviewed.
Water M3 (volume) (metered sites only)	13,712.83	Reduce	N/A	N/A	Data set may be incomplete and is being reviewed.

\* All data is from the the end of March 2022 and shows rolling performance for the last 12 months.

# SBU Performance Summary

SBU	Service Excellence Satisfaction*	Financial Sustainability Revenue*	Workforce Sustainability Turnover (YTD)*	Climate Sustainability
CLO	99%	£(98)k over	0%	We are exploring the potential for a climate sustainability measure for each SBU with the NSS Sustainability team.
SNBTS	92%	£(133)k over	2.23%	
DaS	55%	£(765)k over	2.49%	
P&CFS	100%	£14k under	0.87%	
PCF^	-	£(435)k over	2.40%	
SPST^	-	£124k under	3.29% (NCTC 3.52%)	
Finance	57%	£48k under	1.36%	
HR	86%	£44k under	2.94%	
Clinical^	-	£370k under	0%	















\* These indicators are recommended by SPST, Finance and HR as the key ones with which to consider SBU performance against strategic objectives.

^ User surveys for these SBUs were suspended during critical waves of the pandemic and are being rescheduled.



# Service Excellence June 2022 (Q1)

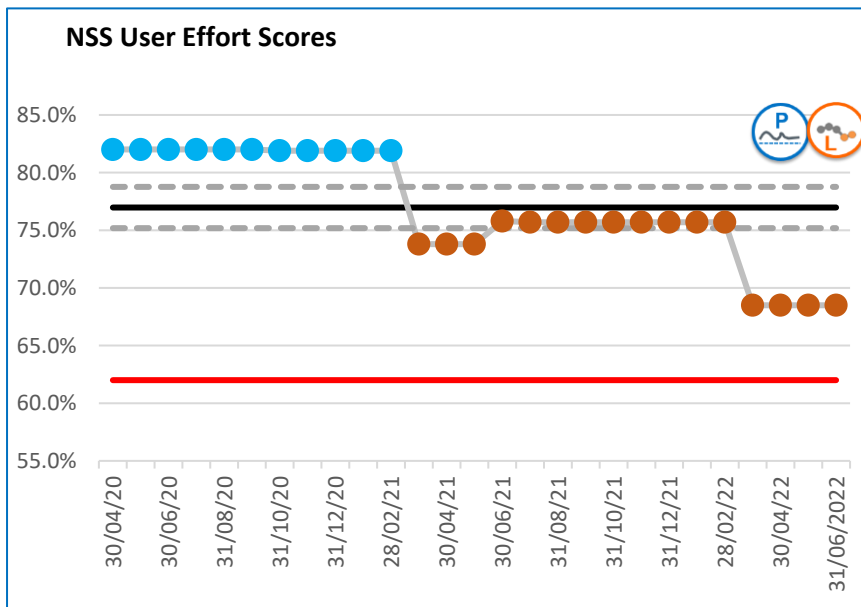
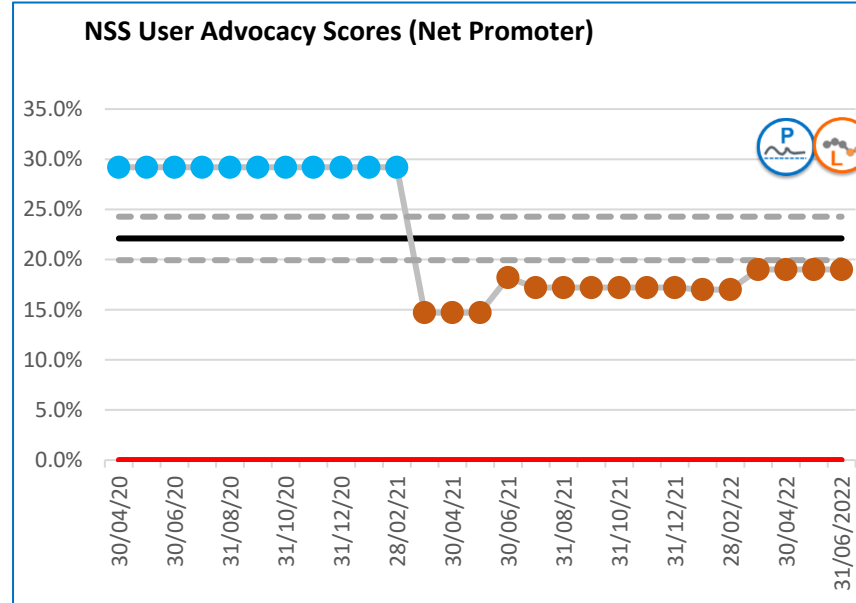
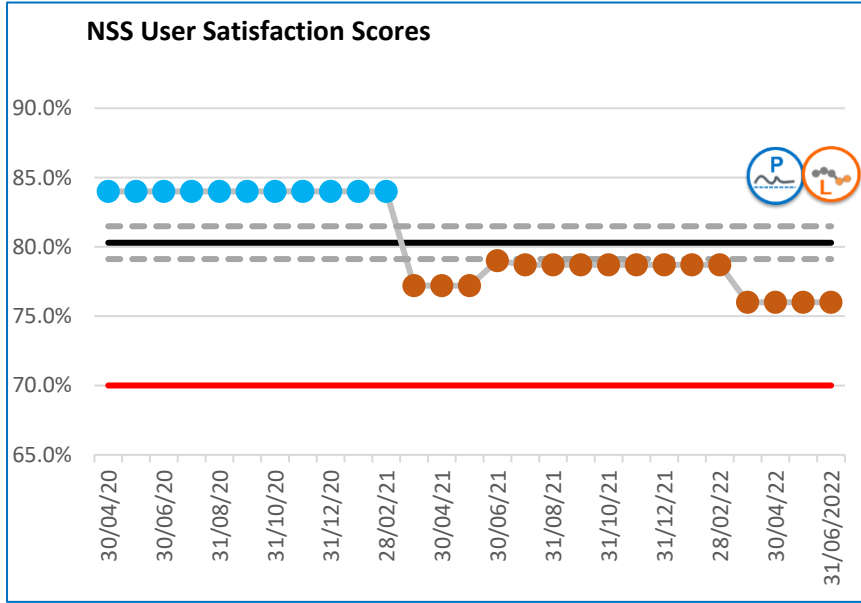
# NSS Performance – June 2022 (Q1)

Key Performance Indicators	M3 Results	Standard	Variation	Assurance	Q1 Performance
NSS User Satisfaction Score (Rolling)	<b>79%</b>	70%			<b>Exceeded</b>
NSS User Effort Score (Rolling)	<b>76%</b>	62%			<b>Exceeded</b>
NSS Net Promoter Score (Rolling)	<b>17%</b>	0%			<b>Exceeded</b>
NSS Complaints – Responded to Within 3 Days (Quarterly: Q4 FY22 position)	<b>98%</b>	90%			<b>Exceeded</b>
NSS Complaints – Staff Behaviour & Attitude (Quarterly: Q4 FY22 position)	<b>15</b>	10			<b>Below expected</b>
NSS FOI – Requests Acknowledged Within 3 days	<b>100%</b>	100%			<b>Achieved</b>
NSS FOI – Responses Greater than 20 Days	<b>0</b>	0			<b>Achieved</b>

## Performance position

To reduce complaints in relation to staff behaviour and attitude, The Donor & Transport Services in SNBTS delivered unconscious bias training and the customer standards training has been refreshed.

# User Engagement



## Performance position

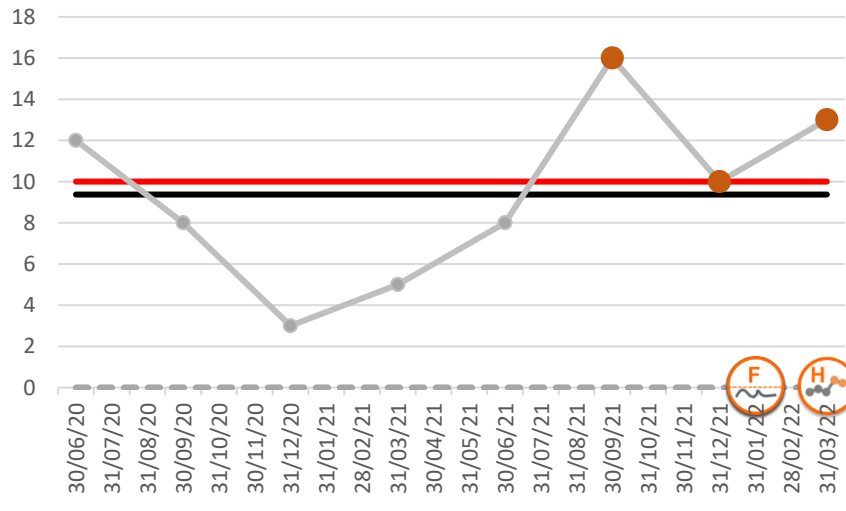
Trends in customer satisfaction and effort scores have reduced over time but remain above target.

The overall trend in Net Promoter Scores has improved and remains above target.

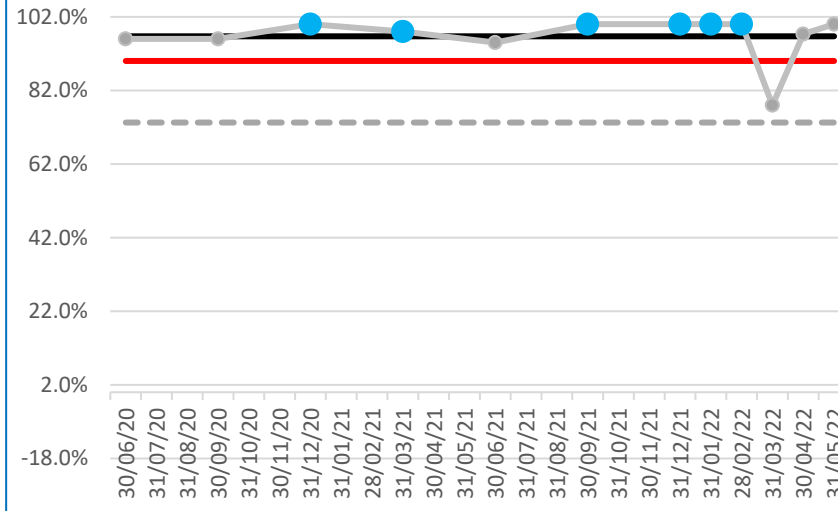
An improvement group involving key stakeholders has been established and focus groups have been run with users to identify where changes can be made to our approach. The team will also be exploring how 'live' user scores, such as those used by HR and DAS service centres, can be accounted for.

# Complaints

NSS Complaints - Staff Behaviour & Attitude



NSS Response to Complaints

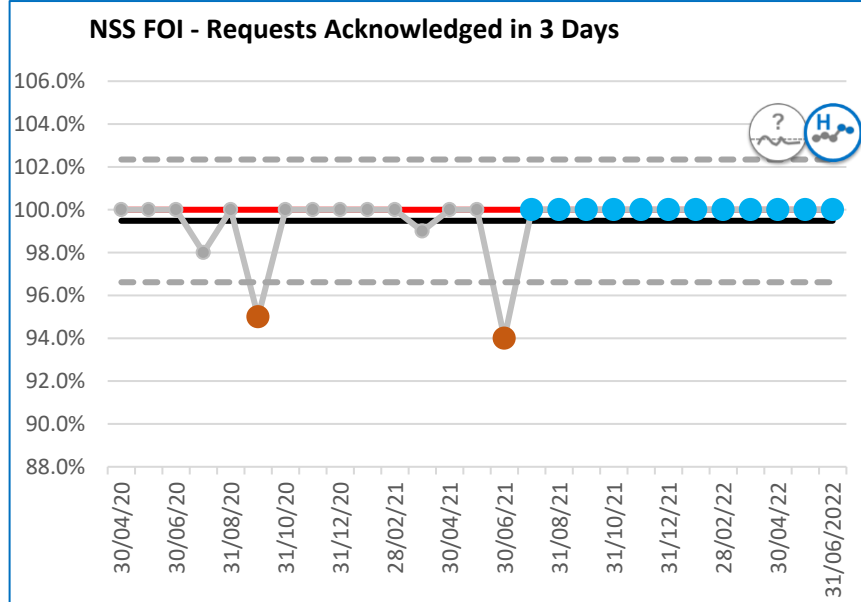
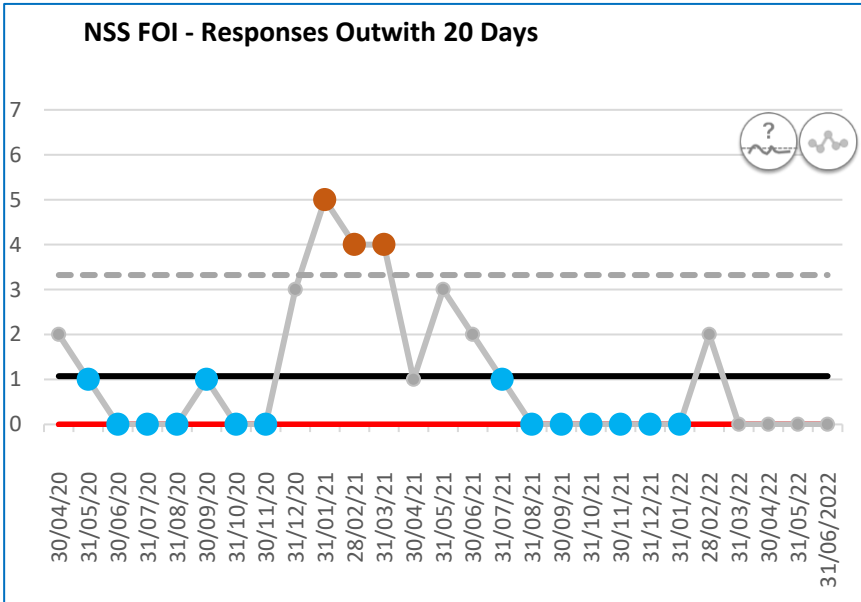


## Performance position

Number of complaints related to staff attitude and behaviour is 15 in Q1 an increase of 1 from the previous quarter. In response and to improve our service delivery, the Donor & Transport Services in SNBTS have undertaken unconscious bias training and the customer standards training has been refreshed.

The acknowledgement rate remains high at 98%. In some areas of NSS this will be 100% as an automated acknowledgement email is in place to ensure complainants know that their complaint has been received and handled within the NHS model complaints handling procedure which NSS adopted.

# Freedom of Information



## Performance position

FOI response outwith 20 days and requests acknowledged in 3 days remain on target and are showing consistent levels of high performance over the last few months.

# Remobilisation Plan 2021/22 – performance update on actions

At the end of March 2022 we had completed 90% of measures.

Of the remaining 6 Amber measures (10%): 1 is complete, 4 have extended deadlines and 1 is closed.

Deliverable 2021/22	Activity 2021/22	Target 2021/22	Update June 2022
We will support the COVID-19 response and the recovery in relation to estates, facilities and infrastructure	Refresh PAMS in conjunction with national Boards.	Review regional Property and Asset Management Strategy (PAMS)	<b>Review date extended to December 2023.</b>
We will build suitable and effective solutions and technology enabled processes to deliver data, driven insights, leveraging areas of expertise in integration and business analytics.	Complete minimum viable product and migration. Deliver business case to fund final migration requirements.	100% delivery of data platforms within NSS Seer to enable screening services and primary care reform.	Migration extended to December 2022.
We will build suitable and effective solutions and technology enabled processes to deliver data, driven insights, leveraging areas of expertise in integration and business analytics.	Complete minimum viable product and migration. Appoint Chief Data Officer. Establish data as a service across NSS.	100% implementation of additional technical products to improve predictive analytics service.	Data as a Service migration extended to March 2023.
We will increase our national public cloud hosting capability to underpin health and social care integration and deliver service improvements and cost efficiencies.	Review of child health component. Agree future plan with programme board.	100% hosting of HEPMA and CHI/Child Health systems on the secure cloud platform.	Test environment delivered. CHI on track and CH exploration work ongoing. HEPMA phase 1 complete and rollout underway.
We will increase our national public cloud hosting capability to underpin health and social care integration and deliver service improvements and cost efficiencies.	Complete pilot review and propose roadmap.	100% approval of legacy system replacement roadmap.	<b>Closed</b> Public cloud hosting is not progressing at this time.
We will establish a framework that enables positively evaluated innovations to be successfully and rapidly scaled and portal of resources to improve oversight on all health and social care innovations in Scotland. These will assist in improving the pace of delivery and adoption of health and care innovations in Scotland.	Road test assessment delivery on several ANIA projects. Complete technical development of the Navigator and playbook MVP.	Deliver the national service adoption readiness framework by March 2022. Deliver innovation playbook by March 2022. Delivery innovation navigator portal by March 2022.	Scotland Innovates platform BETA version to be released end July 2022 with plans being developed for future releases.

# Statistical Process Control

This report assesses NSS performance using statistical process control (SPC) methodology.

SPC charts are plotted in chronological order and display how a measure has performed over time. The charts show a target performance line in red, a control line (the mean value) in black, and an upper control limit (UCL) and lower control limit (LCL) in grey.

Improving trends are shown in blue while those causing concern are displayed in orange. This is known as special cause variation and are the main focus of the assessment. They help us understand what is driving improvement so we can capture best practice. And to identify areas of concern so improvements can be made.

Where the data is shown as grey, this indicates that there is no significant change, known as common cause variation.

Where there are insufficient data points or the metric does not suit an SPC chart, a run chart is used.

Our performance assessment for areas of concern is based on four questions:

- What is the data telling us?
- Why is that the case?
- What actions are being taken?
- What learning is being applied?

Variation		
Variance Type		
Common Cause Variation- no significant change	Special Cause Variation of Concerning Nature	Special Cause Variation of Improving Nature

**Are we improving, declining or staying the same?**

**Grey** No significant change

**Orange** Emerging concern or high pressure

**Blue** Significant improvement or low pressure

Assurance		
Target vs Achievement		
Metric is experiencing variable achievement vs target	Metric is consistently passing the target	Metric is consistently failing the target

**Can we reliably hit the target?**

**Grey** Unclear if we will hit or miss target

**Orange** Change required to hit target

**Blue** Will reliably hit target

# User Engagement Measures

Satisfaction Score	
Description	Annual Satisfaction Score achieved by NSS Services
Calculation Method	User Ratings of 4 & 5/ Total Responses (Ratings on a scale of 1 to 5)
Frequency	Annually

Effort Score	
Description	Annual Effort Score achieved by NSS Services. Used to measure the ease of service experience of the user with the NSS.
Calculation Method	User Ratings of 4 & 5/ Total Responses (Ratings on a scale of 1 to 5)
Frequency	Annually

Net Promoter Score	
Description	Percentage of users who would recommend the NSS to a friend or a colleague. Also known as User Advocacy
Calculation Method	% of Promoters (Rating of 5)- % of Detractors (Rating of 1 to 3) [On a scale of 1-5]
Frequency	Annually



# Complaints Measures

## < Complaints staff behaviour & attitude

Description	Part of Model Complaints Handling Procedure (MHCP). Tracks complaints received regarding staff attitude and behaviour. Feeds into training requirements based on identified issues.
Calculation Method	Count of Staff Complaints received
Frequency	Quarterly

## Response to Complaints

Description	Part of Model Complaints Handling Procedure (MHCP). Tracks % of complaints received which are acknowledged and responded to within 3 working days. [Target- 90%]
Calculation Method	% responded within 3 working days/total complaints received
Frequency	Quarterly

# Freedom of Information Measures

## FOI responses >20 days

Description	Freedom of Information (FOI) requests received from the General Public for which the response time was greater than 20 working days. Requests are received in writing, through email on nss.foi mailbox or through social media. Requests for any information held by NSS
Calculation Method	Count of requests with response time > 20 working days
Frequency	Monthly

## FOI Requests acknowledged in 3 days %

Description	Percentage of Freedom of Information (FOI) requests received from the General Public acknowledged within 3 working days. Requests are received in writing, through email on nss.foi mailbox or through social media. Requests for any information held by NSS
Calculation Method	$\text{FOI Requests acknowledged within 3 working days} / \text{Total FOI requests received in the period}$
Frequency	Monthly

# Financial Sustainability June 2022 (Q1)



# NSS Financial Performance

June 2022

# NHS National Services Scotland Board

## Financial Performance – June 2022

### Executive Summary



### Performance Summary

At the end of Q1, NSS is **forecasting full achievement of all statutory financial targets** despite significant underlying risk.

The reported revenue deficit for month 3 of **£0.8m** reflects the net SBU trading position. This is largely due to a **£0.7m deficit** in DaS (where expenditure to be recharged have not been processed due to a lack of information from the business). **It is forecast that this budget will be brought back into line** when recharge information is provided and processed. **Finance is working closely with DaS** to ensure this process is automated using Service Now as a key feed.

In terms of NSD CRES, although the reported YTD position is nil, **savings are planned and are being delivered** but the actual delivery detail has not been provided by NSD for confirmation and quantification.

### Key Messages

The **overall underlying risk for NSS has increased** due to rising inflation (pay and non-pay) as well as funding constraints **across NHS Scotland** in FY22/23.

At present an assumed 2% allowance has been planned for pay inflation. NHS unions are currently consulting their members on a 5% rise – **with a 3% increase resulting in £5.6m additional cost for NSS (SG has recently advised Boards should assume full funding up to 5% level)**. Current charging rates remain at 2% until decisions are made and central funding is confirmed.

Given the macro-economic position and resultant financial challenges within NSS and across NHS Scotland, **there is an increased emphasis on our key strategic objective: Financial Sustainability. It is imperative that we maximise value within existing budgets and baseline funding.**

NSS received its **first formal allocation letter** for FY22/23 from SG during June – this was limited to baseline funding (revenue) and formula allocation (capital)

NSS Targets	Year to Date £m	Forecast Outturn £m	RAG
Revenue Outturn	(0.845)	0	A
NSS CRES Savings Total	1.294	7.394	G
NSD CRES Savings Total	0	10.445	A
Capital Outturn	0	0	G

**Risks and Issues** As highlighted by Audit Scotland, NSS is reliant **on non-recurring funding** which has inherent risk (which is exacerbated by COVID). The financial plan **continues to assume that where costs cannot be controlled or reduced, NSS will receive full funding to cover its costs** (for both C-19 and non C-19 services)

In terms of C-19 funding, SG has advised it **will only be allocating 65% funding of the original forecast** – after modelled savings and the application of an 85% cap. **An initial assessment has confirmed that projected expenditure will be accommodated within this reduced funding envelope** (but some follow up queries remain around DaS and T&PV specifically).

More widely, there is an **increased risk on other non-recurring funding** – with SG looking to reduce certain allocation by either an absolute of % reduction. Modelling continues to look at the financial impact based on a range of scenarios.

If agreement is reached to settle pay increases for FY22/23 at 5% - **this will increase NSS' cost base recurrently by c£5.6m** – with cover from SG assumed but any settlement above 5% will likely result in a recurring cost pressure for NSS

Given this uncertainty, NSS is unable fund its prioritised developments from SBUs – but SBUs are encouraged to highlight where any delay is adversely impacting on service delivery

# NHS National Services Scotland Board

## Financial Performance – June 2022

### SBU Operational Performance



#### Main Movements by SBU

SBUs are reporting a total operating over spend of **£0.845m**

**Clinical** – £369k underspend driven by vacancies in SG funded programmes and outstanding YTD recharges. FY assumed as breakeven non pay will need to be tightly managed and any unutilised budget for SG funded programmes will need to repurposed within the programme or handed back.

**CLO** – Behind budget by £(98k) driven by vacancies in fee earning roles. This small variance to budget is not expected to persist, however CLO should still manage to cover costs later in the year as there was some uncertainty in timing and value of expenditure and the full year forecast for CLO is breakeven

**DaS** – Month 3 deficit of £(765k) with year-end forecast of breakeven. The main drivers for consideration are actual recharge information was not available for a number of teams for end of Q1. Variances to budget in income recovery for the Projects and Programme team and Digital Office total £780K to the end of June 22.

**Finance** – YTD £48k underspend - predominantly driven by an underspend in pay due to vacancies. Currently assumed as breakeven however is dependent on non pay being tightly managed and adherence to the agreed workforce plan.

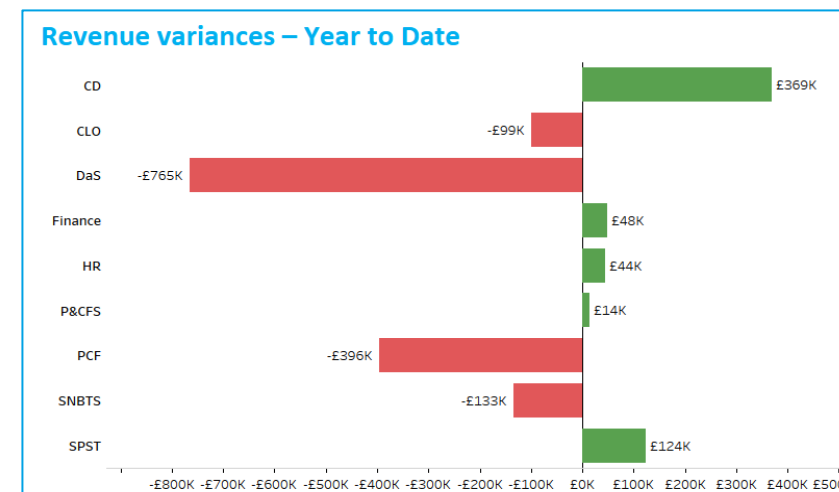
**HR** – YTD £44k underspend - predominantly driven by an underspend of £34k on pay due to vacancies whilst one service moves to a new model. Forecast currently assumes as breakeven however non pay will need to be tightly managed.

**P&CFS** – Month 3 position is showing a small underspend of £14k. This is due to additional income received late for work provided in 21/22 which is masking an pressure of £38k for work currently taking place in the Digital Enablement Programme (budget for this programme is to be funded centrally from NSS Finance). At this stage of the financial year P&CFS are reporting a breakeven year end position as long as all funding is received, this position will be monitored closely throughout the financial year, and any change will be reported.

**PCF** – Reporting an overall combined overspend of £(435)k for June 2022 and year-end forecast breakeven. Areas of overspend contributing to this net position relate to NSD £216k however are forecast breakeven. Logistics is currently £1.1m overspend with high agency costs, however these may be partly due to COVID related costs which is being investigated in advance of month 4. Strategic Sourcing £37k overspend and close monitoring around pay and covid related costs required. Projects £72k overspend due to unbudgeted costs and review being carried out to ensure costs remain valid. BDD £43k overspend which is due to in month phasing and will be reviewed as it's anticipated that vacancies in other areas offset any overspend. All other areas reporting underspends totalling £819k.

**SNBTS** - YTD position deficit of (£133)k of which (£222)k is due to CRES shortfall. A full year forecast deficit position is projected of £(819)k which reflects further pressures on achieving CRES targets set. Work will continue to mitigate this risk.

**SPST** - (including TP&V) YTD underspend of £124k. This underspend position is driven by vacancies in SPC and CX offset by expenditure in the FMS Programme not currently funded. The PGMS position will be monitored closely over the next few months, and any underspend in baseline funding will be returned to NSS Finance. £75k underspend relating to COVID testing however budgets are being revised and an updated position presented M4.



# NHS National Services Scotland Board Financial Performance – June 2022 Revenue Analysis

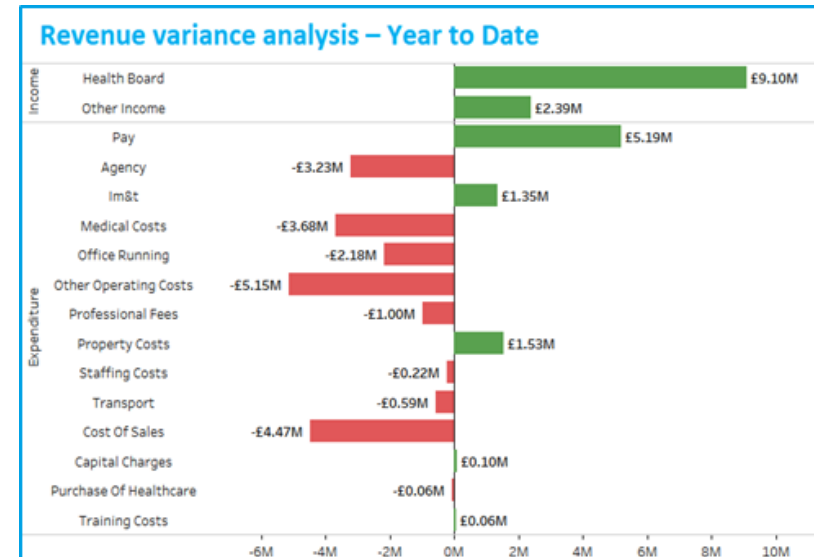


## Full Year

The variance across **Health Board Income** includes a number of favourable positions - most of which are offset by corresponding expenditure overspends as below. Some of the key variances are plasma income; maintenance pass through; oxygen concentrator income; Logistics Income; and also DaS Project Income (PAC's, eRostering, Azure Hosting)

**Other Income** - PASAG rebates have now been transferred and held in NSS Balance Sheet due to changings in accounting treatment, leaving higher income in year from the new medicines pricing agreement for Vertex and maintenance pass through costs £2.4m.

**Total Pay** – the overall payroll underspend of £2m includes £5.2m through payroll with a number of vacancies, with £3.2m spend on agency in filling some of these gaps. The pay position includes £0.9m which has been accrued in relation to the planned pay increase of 2% (which is now likely to settle much higher)



**Medical costs** relate to maintenance pass through costs offset against income above.

**Other Operating Costs** The majority of the adverse position relates to DaS recharge variances which are offset by a corresponding favourable income variance as above.

**Cost of Sales** relates to plasma products higher costs and increased oxygen concentrator costs, both of which are recharged in full to Boards with no impact to NSS bottom line for FY22/23

# NHS National Services Scotland Board Financial Performance – June 2022 COVID-19



## Summary

- C-19 costs are expected to significantly reduce in 22/23 with the cessation of certain services and a clear message from SG on severely limited funding (c65%) compared to original plans
- The table shows expenditure over the last 2 years and also the initial budget approved by the NSS Board and included in the NSS Annual Budget submitted to SG in March. This has not yet been approved and is subject to ongoing discussions.
- A revised 22/23 forecast position is shown where SG have 'agreed' a revised forecast. The only areas agreed to date are PPE and warehousing. For PPE a reduction in volumes has reduced the required funding – and there is a focussed national work stream looking to reduce costs further.
- TP&V costs will be funded once service levels are agreed and costed, but **NSS needs to urgently review and agree the "Other" costs** which were detailed in the opening budget and are currently being incurred.

Covid-19 Expenditure	20/21	21/22	22/23	22/23	Capital
	YTD	Forecast	YTD	Forecast	Capital
	£000	£000	£000	£000	£000
Additional PPE	213,370	102,976	13,398	56,049	-
Contact Tracing	27,099	37,297	(0)	(0)	-
Testing	59,742	64,551	9,126	77,860	1,077
Covid-19 Vaccination	16,133	52,922	12,182	30,778	-
Flu Vaccination	3,754	20,332	3,598	21,141	-
Scale up of Public Health Measures	0	0	100	400	-
Freight costs / Temporary Staffing	5,745	4,480			-
Add'l Equipment and Maintenance	21,199	11,658	2,824	10,971	
Other Additional Staff Costs	329	137	66	305	-
Loss of Income	542	628	45	160	-
Other (inc NHS Louisa Jordan)	72,748	21,364	2,314	4,215	-
Offsetting Cost Reductions	(2,170)	0			-
<b>Total</b>	<b>418,489</b>	<b>316,344</b>	<b>43,651</b>	<b>201,879</b>	<b>1,077</b>

## Test, Protect and Vaccinate Update

Expenditure to the end of June 2022 (Period 3) for Test, Protect and Vaccinate is **£25.5m with a forecast break-even position**.

The start of the new financial year has brought much change in this area as SG transition to an endemic model and there are still operational delivery questions that remain unanswered. **A budget for 22/23 has therefore not been finalised with SG**. Questions largely pertain to NCC staffing levels and the position SG wishes to accommodate on the risk / service continuum.

- National contact tracing came to a close at end of April with NCC staff moving to support Flu and Covid Vaccine programmes.
- Although general public symptomatic and asymptomatic testing has ceased, targeted testing pathways including health and social care are set to continue, requiring continuing NSS supply chain and logistics support.
- PHS are in the latter stages of designing a surveillance model and a Variant and Mutations (VAM) action plan. Both will require NSS activity in areas such as National Procurement support and NCC readiness.

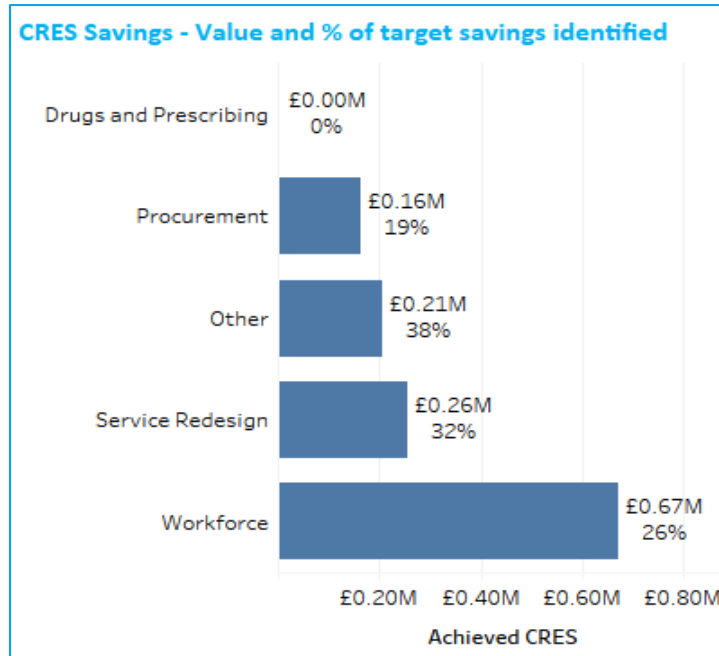
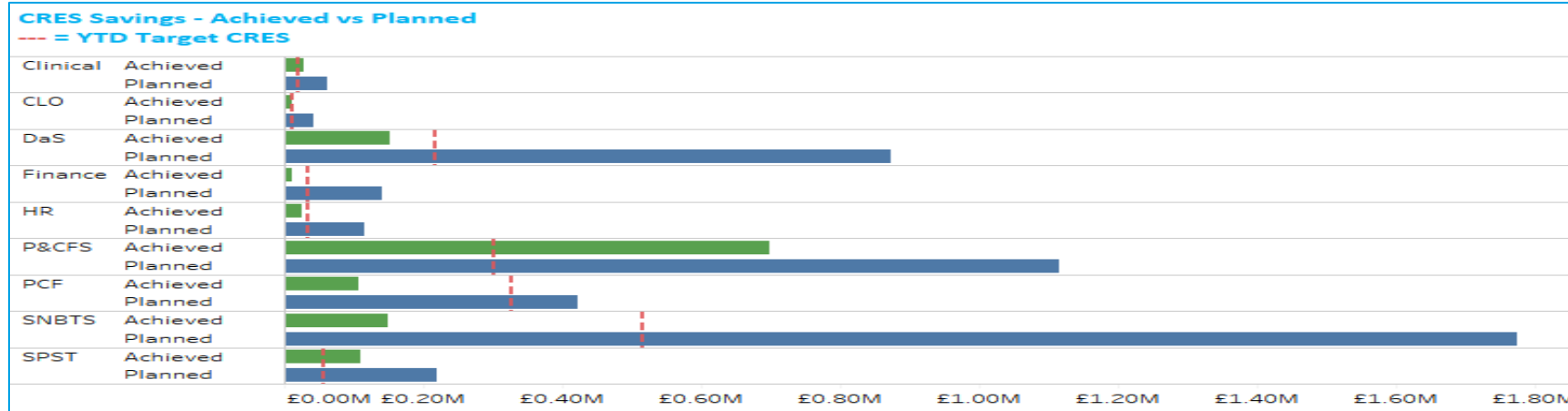
**Test & Protect funding allocations will be issued following Q1 FPR submission to SG (due 29<sup>th</sup> July).**



# NHS National Services Scotland Board

## Financial Performance – June 2022

### Delivery of Cash Releasing Efficiency Savings



The NSD annual savings target is £10.45m – whilst savings are planned and being delivered, the YTD actual delivery is reported as nil pending receipt of the detail from NSD.

The SBU CRES target is £7.4m – including £4.8m planned savings and £2.6m savings to be identified which Business Controllers are working with SBU to evidence. Despite this, it should be noted that **5% SBU baseline funding is removed from budgets and retained centrally (to fund cost pressures and priority developments) at the start of the year.** A level of non-recurring savings is required to achieve the overall recurring target.

A **particular risk has been identified within SNBTS in terms of the delivery of the recurring CRES target**, including the adverse impact of unmet balances carried forward from previous years. This is driving the current and forecast deficit reported by SNBTS. Further work is on-going between Finance and SNBTS to mitigate this risk – both in-year and longer term.

### FY22/23 Outturn

- NSS manages services on behalf of NHS Scotland with a **full year budget of £761m**.
- eHealth SLA, PACS, ATOS, Scotcap, SIBBS, Rebates, O365, ATOS and GPIT are all delivering within plan or small underspends.
- CHI has an over spend of £14k, expect full year breakeven.
- NDC is showing a **YTD deficit position of £1.1m with a forecast over spend for the year**. A initial paper proposing an increase to the NDC Service Charge in-line with volumes and inflationary pressures as been prepared, for discussion at the next Corporate Finance Network in late July.
- Due to agency relationship which impacts accounting treatment, Rebates have been transferred to the balance sheet and are no longer impact Outturn position.

### Services delivered on behalf of Scotland - YTD Position



### NSD

NSD are showing an underspend of £217k at the end of P3. This is because Q1 funding is based on agreed SLA values.

Q1 forecasts are beginning to come in from the HBs, so the ledger will reflect actual costs for many commissioned services by the close of P4.

At this early stage, **NSD are forecasting a breakeven position** for the year – but this is underpinning by various key assumptions such as levels of funding and activity levels

# NHS National Services Scotland Board

## Financial Performance – June 2022

### Scottish Government Funding Allocation Tracker



#### Outstanding

On the June allocation letter from SG, the Baseline Allocation and transfers to Baseline were received, but all non-recurring allocations (C-19 and non C-19) are still outstanding

Business Controllers are working with SBUs to understand levels of risk – considering national programmes and the specific impact to NSS. Current projected risk is shown on the table below. The red risks are low: SNBTS £149k relates to Covid Staff Costs and P&CFS £104k relates to Orthodontist, but there remains uncertainty over most allocations, with NSS being asked to work with a reduced C-19 funding envelope

SG has introduced an additional control where more scrutiny is applied to non-recurring allocations, including all allocations over £1m requiring formal approval from the NHS Scotland CE

NSS still awaits £1.5m NBC savings return into baseline – this will be allocated to NSS upon confirmation and quantification of full £15m delivery

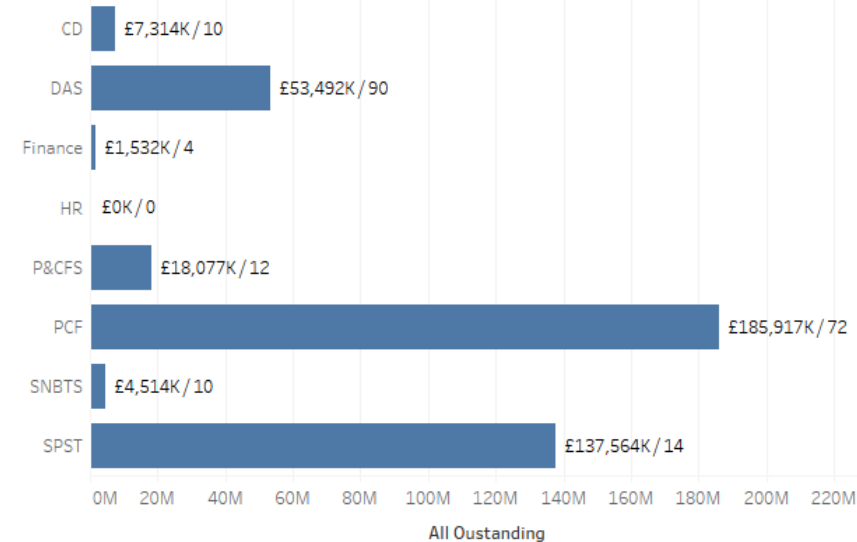
#### Review of Recurring allocations to baseline

During FY21/22, Finance drafted a paper on transfer of recurring allocations to baseline, in response to Audit Scotland's recommendation on NSS' reliance on non recurring funding.

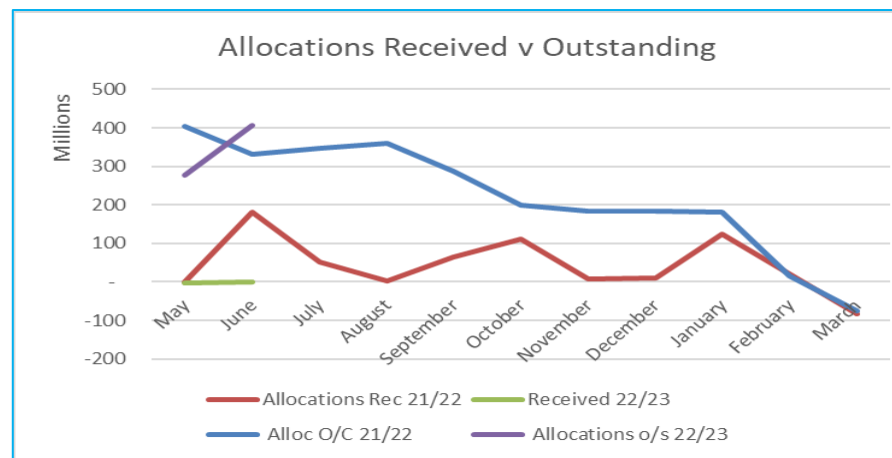
It is likely that the significant and increasing macro-economic pressures, as highlighted in the Resource Spending Review, will adversely impact on SG's appetite and ability to increase NSS' baseline funding

However, recent dialogue with SG Finance has been positive and indicated there is still appetite to transfer certain allocations into NSS baseline

#### SG Allocations - Outstanding - Total Amount / No. of Allocations



SBU	Green	Amber	Red	Total
SNBTS	1,425	2,941	149	4,514
PCF		185,917		185,917
Reserves	356			356
DaS		53,492		53,492
P&CFS	14,146	3,827	104	18,077
SPST		137,543		137,543
Clinical	3,680	3,634		7,314
Finance	70	1,462		1,532
	19,677	388,815	253	408,745



# NHS National Services Scotland Board Financial Performance – June 2022 Capital Programme Delivery



## FY22/23 Outturn

Budget comprising **NSS formula allocation of £2.927m** of which £2.531m has been allocated to recurring requirements/projects £1.610m and slippage from 21/22 of £0.920m. This **leaves funding of £0.396m available**.

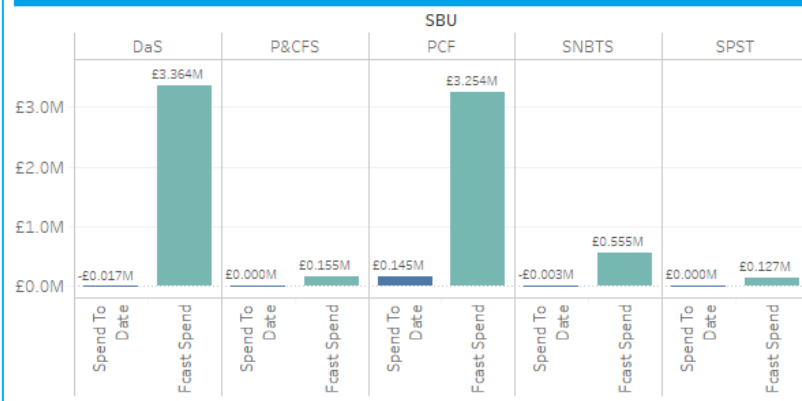
Capital Core allocation of £2.927m has been received in M3.

Additional funding for equipment is likely to be available via the National Infrastructure Board (NIB). SG have confirmed agreement to allocate capital funding for additional costs of replacing SNBTS blood grouping analysers due to regulatory changes at £1m and the service are currently assessing contract options – including formal lease v buy appraisal

**SG additional capital of £5.3m** is still to be confirmed and includes slippage on warehousing fitout of £1.1m.

**Capital Developments** – If funding is confirmed from NIB as above, this will allow release of the remaining NSS funding to cover capital developments.

## CAPITAL EXPENDITURE - YTD SPEND vs FORECAST SPEND



NSS CAPITAL DEVELOPMENT FUNDING		Budget	FY	Movement
Opening position	Opening AOP	2,927	2,927	0
	<b>Opening position total</b>	<b>2,927</b>	<b>2,927</b>	<b>0</b>
Critical projects approved	nDCVP	-155	-155	0
	SNBTS Equipment Rolling Replacement	-450	-450	0
	SNBTS Fleet Modernisation	-105	-105	0
	Breast Screen Unit	-630	-630	0
	DaS Network Replacement	-175	-175	0
	FM CAFEM System	-87	-87	0
	Gartnaval Water Replacement	-514	-514	0
	Curtain Wall Air System Upgrade	-70	-70	0
	Racking & MHE Charging Alterations	-144	-144	0
	eProgesa Semester Patch	-200	-200	0
	<b>Committed</b>	<b>-2,531</b>	<b>-2,531</b>	<b>0</b>
<b>Available for Developments</b>		<b>396</b>	<b>396</b>	<b>0</b>
Projects to be confirmed	eDRM Donor Relationship Mangement Tool		-170	170
	Development of three discreet equipment/eProge		-60	60
	Order comms bi-directional interface to eTraceline		-30	30
confirmed	Hybrid Working - Building changes		-324	324
<b>Capital Funding Remaining</b>		<b>396</b>	<b>-188</b>	<b>170</b>

SG CAPITAL DEVELOPMENT FUNDING		Budget	FY	Movement
Awaiting Confirmation	CHI	3,189	3,189	0
	Radiology	127	127	0
	Breast Screen Unit - additional	135	135	0
	Covid - Warehousing	1,077	1,077	0
	Blood Group Analysers x2	1,000	1,000	0
	NSD Capital Funding - to Health Boards	800	800	0
<b>Total SG Funding</b>		<b>6,327</b>	<b>6,327</b>	<b>0</b>

Action	RAG	Comments
Reduce reliance on non-recurring funding		Despite Financial Climate, SG Finance has advised it is still keen to explore opportunities to convert non-recurring funding into baseline. Discussions will continue next quarter.
10 Year Capital Investment Plan		Finance Business Partner (Assets & Infrastructure) is assessing the current asset register in terms of future reinvestment requirements, working with SBUs to develop a robust forward plan
Business Intelligence and Analysis – Financial and Non-Financial Information		<p>Work continues to harness the power and value of NSS Data Sets in-line with NSS’ agreed Data Strategy – but this continues to be difficult with more time finding and collating data, rather than analysis and interpretation.</p> <ul style="list-style-type: none"> <li>• Cost and Commercial Steering Group – operational delivery group established (Finance &amp; Procurement)</li> <li>• Integrated Performance Reporting – this report is in its infancy and is constrained currently by the way certain data and indicators are unlinked.</li> </ul>
Activity Based Costing		<p>“Synergy” software has been procured and Finance Project Team established, currently undertaking training, developing an implementation plan.</p> <p>Strong SBU interest from SNBTS; DaS; SPST (PgMS) to date.</p>

Action	RAG	Comments
Increased “Grip & Control” <ul style="list-style-type: none"> <li>• Systems &amp; Processes</li> <li>• Roles &amp; Responsibilities</li> </ul>		This is a very broad action, but progress has been made, with a particular focus on improving support and engagement for budget holders.: <ul style="list-style-type: none"> <li>• SBU Finance Charters for FY22/23 issued to SBUs, defining roles and responsibilities, and financial management support</li> <li>• Corporate Joiners, Movers, Leavers (CJML) – joint work with HR and DaS</li> <li>• Budget Holder Hub – to be launched imminently</li> </ul>
Business Finance PMO		An initial plan on how this approach to track financial performance against plan and savings has been prepared – but progress has been delayed due to changes in the Head of Business Finance role. Collaboration with PgMS developing Benefits Framework
SBU Service Transformation		Our Business Finance Team are in place and available to support Service Transformation across SBUs. In particular recently, there have been a number of rich discussions with SBUs to develop Financial Management arrangements under the Financial Sustainability agenda – with both Finance and Business Areas accepting that certain roles and responsibilities have to change from historic practice to what is currently required (as summarised in the ‘Finance Charter’).

# Workforce Sustainability June 2022 (Q1)

## NSS People Report – June 2022



# Summary



## Headcount

The current headcount for NSS is 3,621 and the total WTE is 3,335.3, last month there were a total of 3,621 staff with a WTE of 3,336.8. Please note the headcount on the dashboard does not include agency/bank staff.

## Agency Staff and Fixed Term

There are currently 205 agency employees across NSS, the majority of these are within PCF (103), SPST (45) and DaS (35). There are a total of 657 employees on fixed term contracts. There were 662 fixed term staff last month. The majority of these are within NCC (427), DaS (68), PCF (45) and SNBTS (42).

## Sickness Absence

The year to date sickness absence rate as at June is 3.93%, which is a decrease from the previous month's figure of 3.95%. Long term year to date absence is at 2.66% and short term absence is 1.27% as at June 2022. Absence cost was £299.2k in June 2022. May 2022's cost was £338k. Anxiety/stress/depression remains the most common reason for absence, making up 32% of the total hours lost for June. 'Other known causes' and 'cold, cough, flu' were the second and third most common reasons.

## Statutory Training

Compliance with 3 Year Mandatory Training is at 94% (+1% from last month) and Statutory Training is at 95% (-1% from last month).

## Appraisal/PDP/Objectives

The compliance rates are currently at 74% for Appraisal, 72% for PDP and 74% for Objective. Appraisal **increased by 6%** and PDP increased by 1%. Objective compliance **decreased by 1%**. Historical TURAS data shows that the majority of TURAS completions occur between March and June each year, therefore during these months the rolling year compliance can vary as employee compliance lapses prior to this year's appraisal.

## Turnover

NSS Turnover at the end of June 2022 is 3.16%. Using historical data to predict future turnover, the turnover year end forecast is 16.11%, well above the agreed target of 7%. The previous year's turnover was significantly impacted by the National Contact Centre (NCC) and therefore their inclusion will inflate the forecast.

## COVID-19 Special Leave

As at the end of June 2022 there has been a total of 3,009 staff absences due to COVID-19 related reasons since the beginning of the pandemic. 1,113 of these absences are due to the 'Covid Positive' reason. There were 175 Special Leave requests relating to Covid in June 2022, 92% of which were due to the 'Covid Positive' absence reason. The cost of COVID-19 special leave in June was £112k with a total of 6,821 hours lost. May 2022 recorded an absence cost of £69k and 4,065 hours lost. 139 of the 175 absent staff belonged to SNBTS and PCF, equating to 79% of June's absences.

# Statistical Process Control

The total year to date sickness absence rate for June was 3.93%. Last month it was 3.95%. Sickness Absence is currently sitting above the mean of 3.61%. Based on the previous three years of absence data, it is forecast to finish the year at 3.20%. However the actual figure is likely to be higher than this as the 2020/21 fiscal year saw much lower than average absence rates.

June 2022 recorded a Long Term sickness rate of 2.66%, with Short Term recording 1.27%. Absence data continues to be below pre-pandemic levels. Year to date figures will be monitored in each month's report and any emerging trends will be noted.

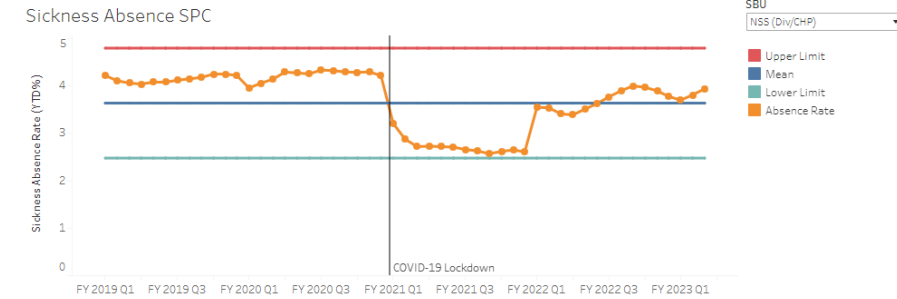
**HR** and **P&CFS** are sitting between the Lower Control Limit and Mean.

**CLO, Clinical, DaS, Finance, PCF, SNBTS** and **SPST** are sitting between the mean and the upper control limit. Despite being above average, there are no causes for concern (statistically speaking).

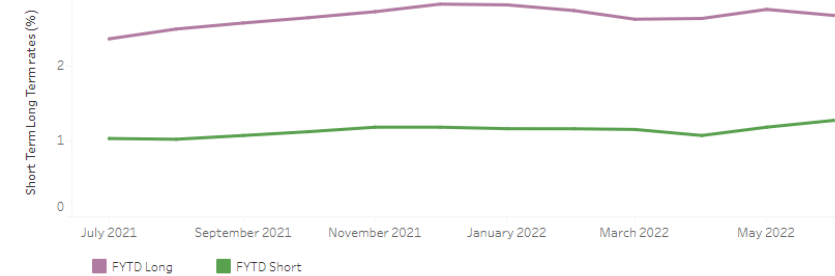
## 5 Year Comparison

June 2022's Year to Date absence figures in comparison with the previous four years data show that the absence rates have not reached pre-pandemic levels. On average NSS are still achieving a 0.43% reduction on year to date sickness absence levels post COVID-19.

## NSS Year to Date Total Sickness Absence SPC



## NSS Long and Short Term Year to Date Absence Rates



## Year to Date Absence Data, 5 Year Comparison

		Long Term YTD %	Short Term YTD %	Total YTD %
18/19	June	2.30%	1.62%	4.05%
19/20	June	2.62%	1.51%	4.13%
20/21	June	1.87%	0.84%	2.71%
21/22	June	2.32%	1.08%	3.40%
22/23	June	2.66%	1.27%	3.93%

■ Covid 19 Pandemic 
 ■ Previous Year 
 ■ This Month

# Sickness Absence Cost

June's cost of absence was £299.2k for NSS. May 2022 recorded costs of £338k. June 2021 recorded a cost of £262k. Retrospective absences entered onto the system account for an average increase of 15-25% in cost and hours lost, which impacts the current month reporting figure.

Sickness absence steadily increased between August 2021 and November 2021 of the last fiscal year, when COVID-19 restrictions were lifted. However, since then sickness absence levelled off and the cost has reduced. This trend has continued into the new fiscal year. Absence levels will continue to be monitored and trends shall be noted.

The top three absence reasons for June make up 47% of the cost of absence for the month, they were:

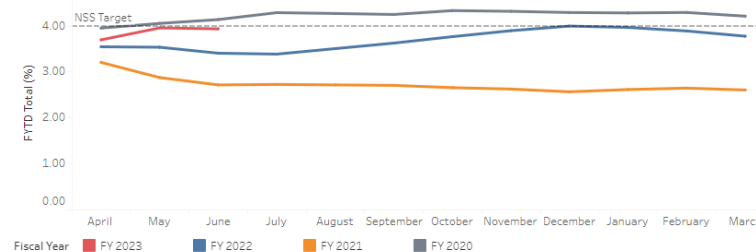
- **Anxiety/Stress/Depression** - a cost of £95.9k (32% of monthly cost) and 5,888 hours lost (30% of monthly total).
- **Other known causes** - £27.9k (9% of monthly cost) and 1,401 hours lost (7% of monthly total).
- **Cold, cough, flu** - £25.2k (8.5% of monthly cost) and 1,595 hours lost (8% of monthly total).

**Other Musculoskeletal Issues** was previously a top three absence reason, however between October 2021 and this month the monthly average cost has reduced by 37%, down from £38k to £24k in this month.

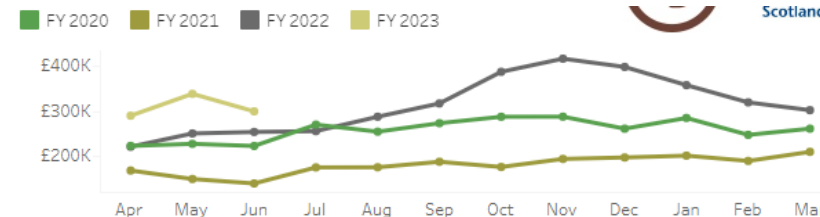
The SBUs with the highest cost and number of hours lost this month are those with the highest proportion of frontline workers (% total of this month):

- **PCF** - £96.1k cost (32%) and 7,133 absence hours (36%).
- **SNBTS** - £90.3k (30%) and 6,004 absence hours (30.5%).

## Absence rate by month and year



## Absence Cost by year/month



## Absence Cost summary

Current month	Current FY	Previous FY	
£299,167	£927,037	£723,036	Cost of absence
19,651	60,000	43,747	Hours lost

## Absence Cost for current month by cost

1	Anxiety/stress/depression/other psychiatric illnesses	£95,911	32.06%
2	Other known causes - not otherwise classified	£27,932	9.34%
3	Cold, cough, flu - influenza	£25,244	8.44%
4	Other musculoskeletal problems	£23,506	7.86%
5	Iniurv. fracture	£19,907	6.65%

# COVID-19 Special Leave

## Monthly Special Leave

There were 175 Special Leave requests relating to Covid in June 2022. 92% (162) of the requests were due to 'Covid Positive' requests. In May 2022 there were 103 requests in total, with 85 due to the 'Covid Positive' reason. Therefore this month's total requests equates to an increase of **69%**.

139 of the 175 absence episodes were from staff in SNBTS and PCF, equating to 79% of June's absences. Please note that each month's figure is impacted by retrospective manager data input.

Since December 2021 the reason 'Covid Positive' has had the biggest majority share in Covid Special Leave requests, as displayed by both bar charts showing total requests and 'Covid Positive' requests alone.

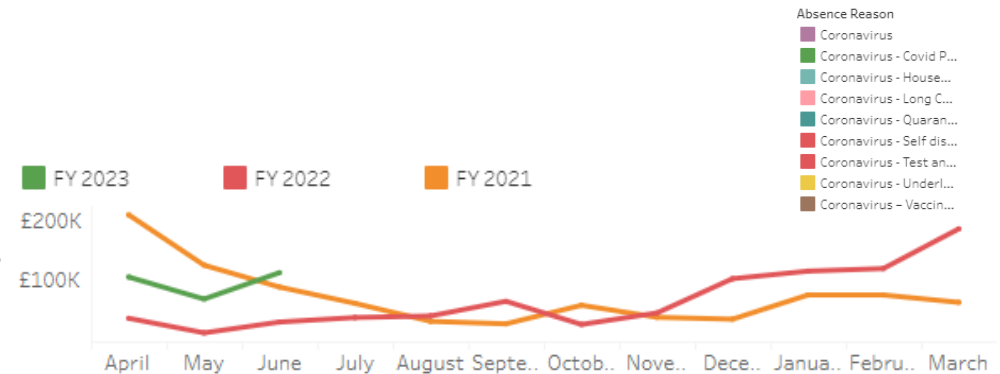
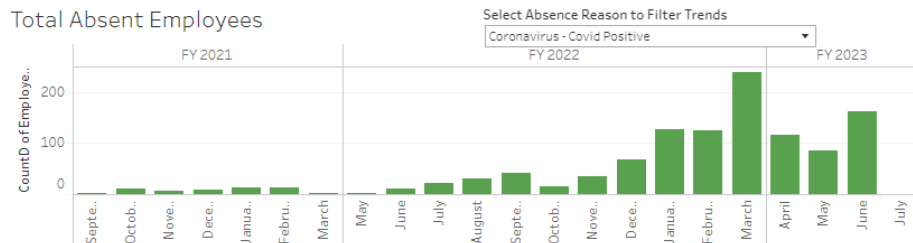
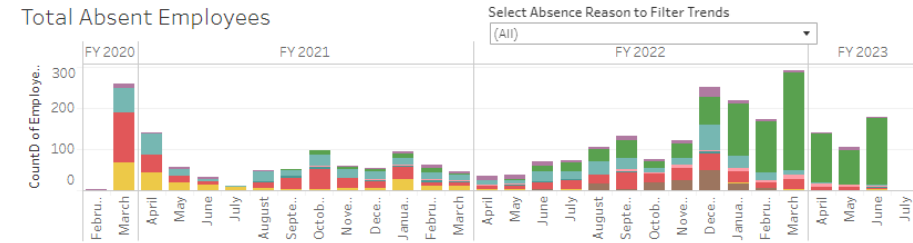
There are currently six employees on COVID-19 Special Leave, five due to a positive Covid test and one to Long Covid.

## Pandemic Summary

As at the end of June 2022 there has been a total of 3,009 staff absences due to COVID-19 related reasons since the beginning of the pandemic. 1,133 of these absences are due to the 'Covid Positive' reason.

## Absence Cost

The cost of COVID-19 special leave in June is £112k with a total of 6,821 hours lost. May 2022 recorded an absence cost of £69k and 4,065 hours lost. June's costs are 62% higher than last month and 27% higher than June 2021. Costs and hours lost are expected to rise after retrospective manager data input. With COVID-19 'Positive Result' being the most common reason for absence, the absence cost equated to 83% of this month's £112k total costs.



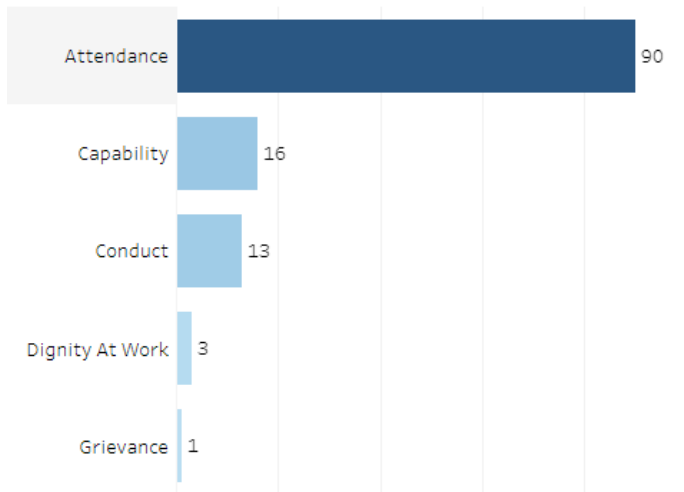
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- Coronavirus - Long C...
- Coronavirus - Quaran...
- Coronavirus - Self dis...
- Coronavirus - Test an...
- Coronavirus - Underl...
- Coronavirus - Vaccin...

# Case Management

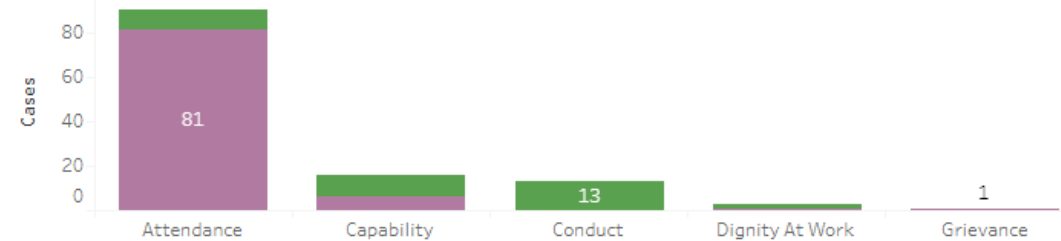
There are currently 139 active cases, with three cases opened and 10 cases closed in June 2022. There were 140 cases active in June, therefore the active caseload has reduced by one case. Case data is updated retrospectively on a frequent basis, for example cases that ended in March, April or May could have been updated in June for this month's report. This explains the change in case numbers, in addition to new opened and closed cases.

There are a total of 210 employees who have breached sickness absence triggers this month, of which 44 (21%) have active cases with HR. A total of 530 employees have reached an absence trigger in the rolling year, of which 121 (23%) have active cases with HR.

Case Category Breakdown



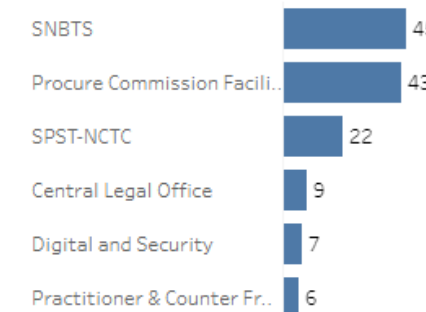
Category Informal/formal



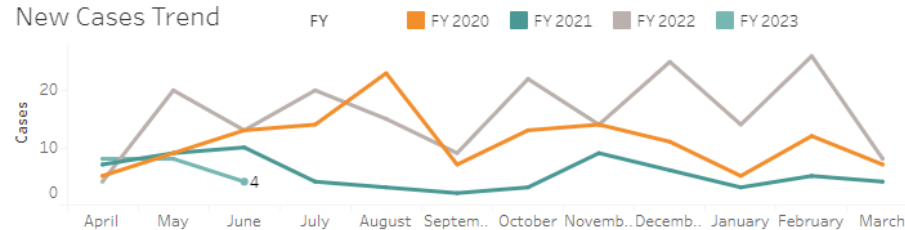
**113** employees have reached a **28+ day** trigger in the current month

**98** employees have reached a **4+ episode** trigger in the current month

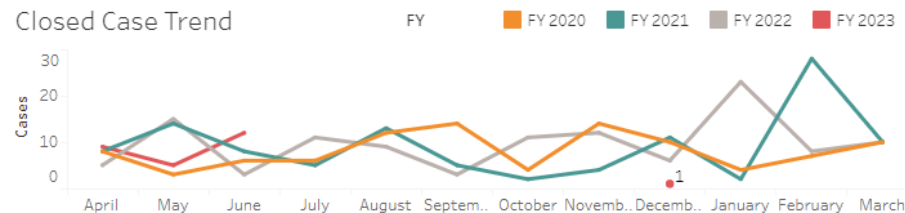
Active Cases per SBU



New Cases Trend



Closed Case Trend



# Turnover

NSS turnover year to date position is 3.16% as at June. Turnover currently indicates a year end forecast of 16.11%, above the agreed target of 7%. The turnover prediction has been significantly impacted by the National Contact Centre (NCC) and the impact on the turnover trend last year, with NSS recording a year end position of 17.8%. Turnover will be monitored in line with the forecast and any trends shall be noted. Turnover by SBU is noted below.

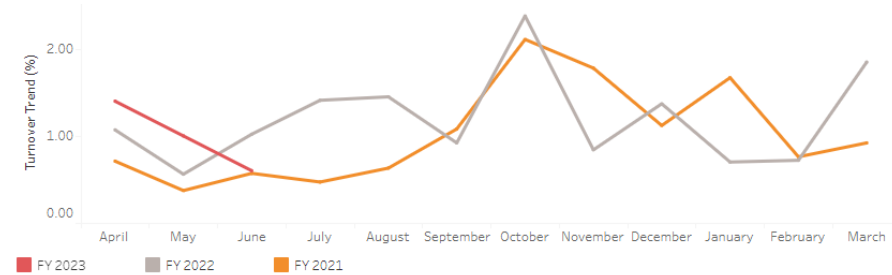
## Turnover by SBU

SBU	Current month Turnover	Current Turnover YTD
Central Legal Office (Div/CHP)	0.00%	0.00%
Clinical (Div/CHP)	0.00%	0.00%
Digital and Security (Div/CHP)	0.90%	2.49%
Finance (Div/CHP)	0.00%	1.36%
HR & Workforce Development (Div/CHP)	2.93%	2.94%
Practitioner & Counter Fraud (Div/CHP)	0.00%	0.87%
Procure Commission Facilities (Div/CHP)	0.64%	2.40%
SNBTS (Div/CHP)	0.85%	2.23%
SPST-NCTC (Div/CHP)	1.61%	3.51%
Strategy Performance & Service Transformation (Div/CHP)	1.09%	3.29%
NSS (Div/CHP)	0.91%	2.40%

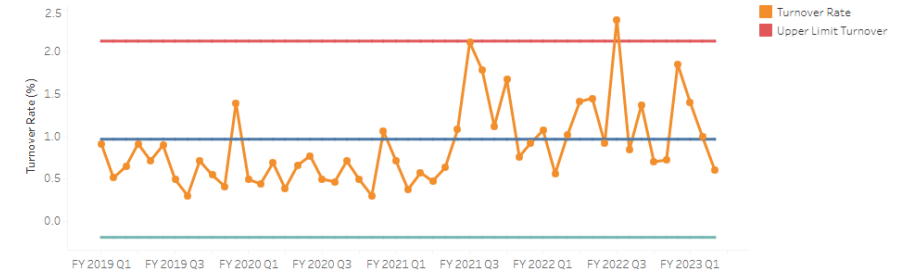
Of the 101 employees who left this financial year, 76% were on a Permanent contract and 24% were on a Fixed Term contract.

## New starts and leavers by SBU

Division	Count leavers in FY (overall)	Count leavers in current month (overall)	Count new starters in FY (overall)	Count new starters in current month (overall)
Central Legal Office (Div/CHP)	1	1	4	2
Clinical (Div/CHP)	0	0	6	0
Corporate & Clinical Affairs (Div/CHP)	0	0	0	0
Digital and Security (Div/CHP)	9	0	15	5
Finance (Div/CHP)	1	0	2	0
HR & Workforce Development (Div/CHP)	4	1	1	1
NSS Workforce Resources (Div/CHP)	0	0	0	0
Practitioner & Counter Fraud (Div/CHP)	6	1	10	4
Procure Commission Facilities (Div/CHP)	21	2	16	4
Public Health Scotland (Div/CHP)	0	0	0	0
SNBTS (Div/CHP)	32	7	30	10
SPST-NCTC (Div/CHP)	21	4	0	0
Strategy Performance & Service Transformati..	6	0	6	2
Grand Total	101	16	90	28



## Turnover SPC



## Reason for leaving

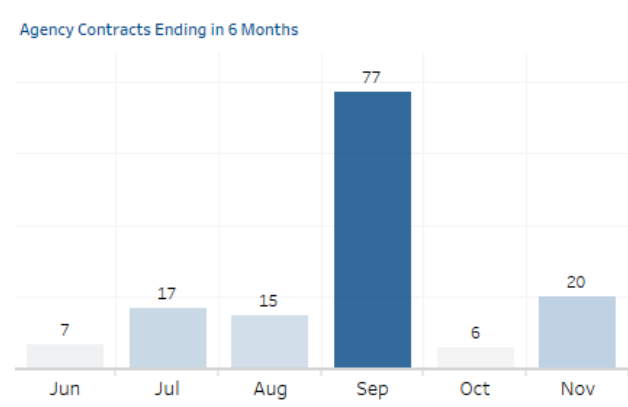
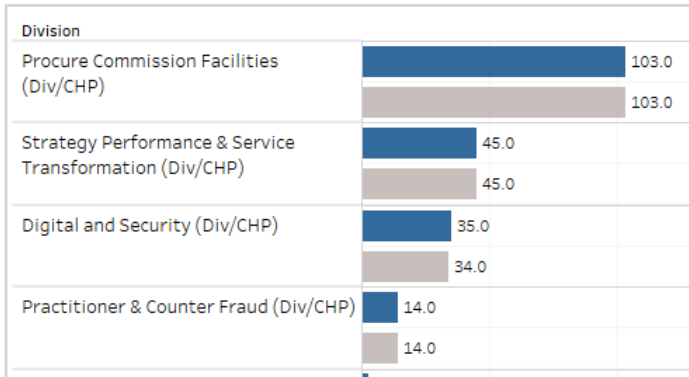
Leaving Reason	Count leavers in FY (overall)	Count leavers in current month (overall)
Death In Service	2	0
End of FTC	1	0
New Employment with NHS outwith Sc..	3	1
New Employment with NHS Scotland	20	5
Other	20	1
Retirement - Age	14	1
Retirement Other	8	1
V.E Retirement+Actuarial red.	1	0
Vol. Resignation - Lack of Opps.	1	0
Vol. Resignation - Other	29	7
Vol. Resignation - Promotion	4	0

# Agency & Fixed Term Length of Service

## Agency

There are currently **206 (205 WTE)** agency employees across NSS. There were **207** agency staff last month. The majority of these are within **PCF (103), SPST (45) and DaS (35)**.

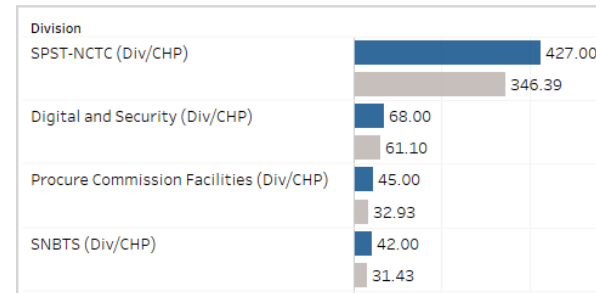
**142 (69%)** of agency contracts are due to end within the next six months with 77 expiring in September alone. 13 fixed term employees have been with NSS for more than four years.



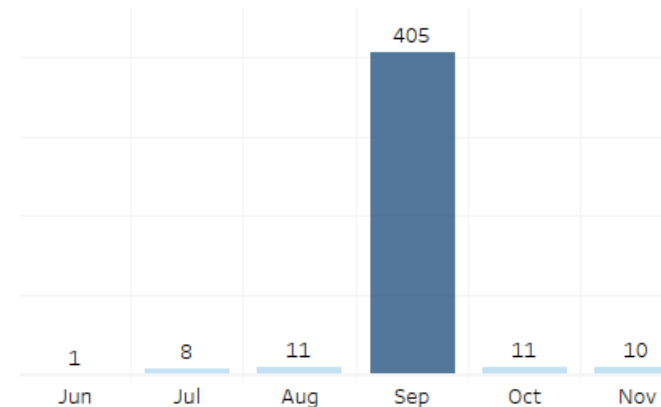
## Fixed Term

There are a total of **657 (538 WTE)** employees on fixed term contracts. There were **662** fixed term staff last month. The majority of these are within **NCC (427), DaS (68), PCF (45) and SNBTS (42)**.

**446 (67%)** of fixed term contracts are due to end within the next six months. 405 (62%) are due to end in September. 34 agency employees have been with NSS for more than four years.



Fixed Term Contracts Ending in 6 Months



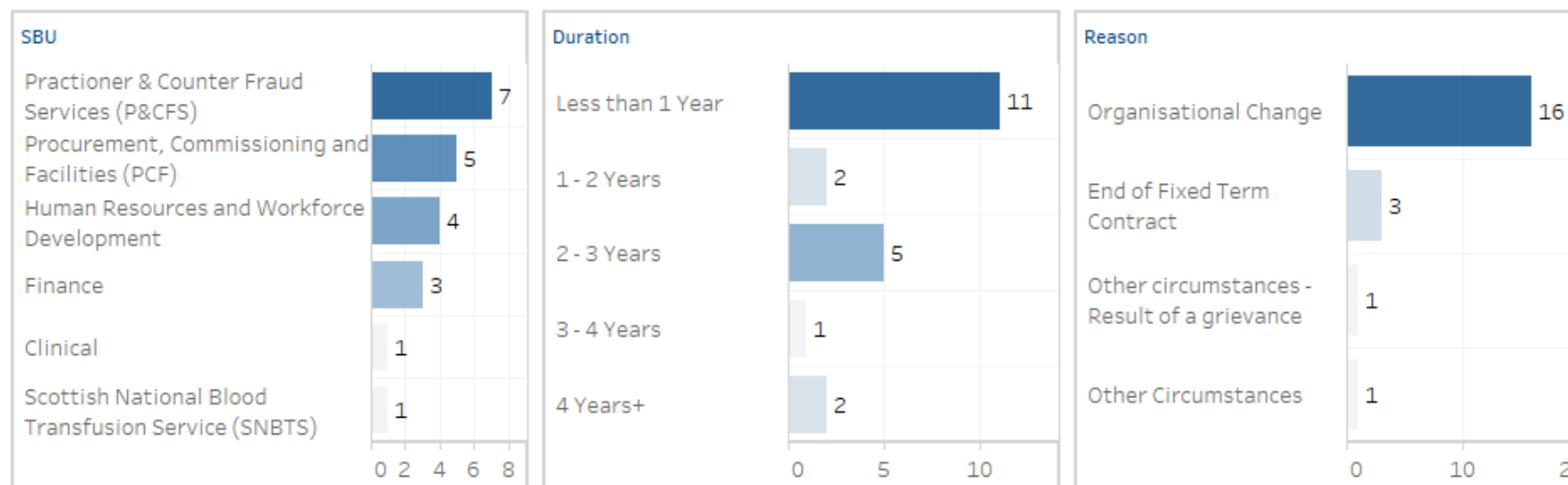
# Redeployment

Currently there are **21** Active Redeployments within NSS (two more than last month). Of those on active redeployments:

- **Eight** staff are on temporary work assignments.
- **Six** are on secondment.
- **Six** seeking opportunities
- **One** on a trial period.

An additional **27** staff have been successfully redeployed since the beginning of the new SharePoint Redeployment Register in early 2021.

52% of employees on the redeployment register have been there for less than a year, whereas 9% have been on the register for over four years.





# Recruitment

The New Job Approval feature launched in JobTrain on 1 June, this replaced the eRAF Process. This will allow for more meaningful reporting on the end to end process for Job approval and time to hire. Dashboards are currently in development and will be launched for Q2 Reporting.

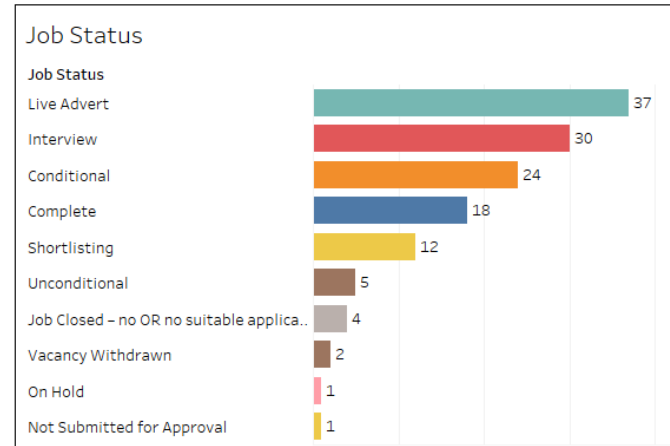
There have been **134** jobs advertised year to date (based on a closing date within the current fiscal year), with **45** new jobs posted in June. There has been a total of **178** vacancies – 67% of vacancies relate to permanent posts, 9% fixed term and 22% fixed term or secondment. SNBTS and PCF account for **116** of the **178** vacancies (65%).

The current average time to hire inclusive of HR and Hiring Manager involvement remains at **67** working days (not including NCC). Including NCC, the NSS average was **81** days.

Of the **67** average time to hire, included within this timeframe is:

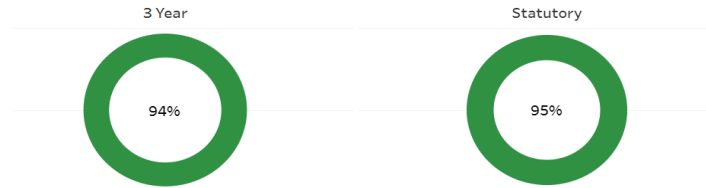
- **18** working days for time to advert (+1 from last month).
- **16** working days for pre employment checks to be completed (no change from last month).
- **15** working days between the candidate’s interview notification email to manager offering the job to successful candidates (accounts for full interview process - no change from last month).

Job Division	Number of Jobs	Number of Vacancies
Central Legal Office (Div/CHP)	4	7
Clinical (Div/CHP)	1	1
Digital and Security (Div/CHP)	17	25
Finance (Div/CHP)	1	1
HR & Workforce Development (Div/CHP)	5	7
Practitioner & Counter Fraud (Div/CHP)	12	12
Procure Commission Facilities (Div/CHP)	45	59
SNBTS (Div/CHP)	44	57
SPST-NCTC (Div/CHP)	1	1
Strategy Performance & Service Transformation (Div/..)	4	8



# Mandatory/Statutory Training

At NSS level, both 3 Year Mandatory Training and Statutory Training Compliance are above the 90% target with 94% (+1% from last month) and 95% (-1% from last month) respectively. Last month there were two SBUs with compliance rates below 90% in both categories, however this month there are zero.



At course level within the 3 year category:

- **Clinical** are compliant in two out of eight courses. Compared to zero last month. They are 1% off being compliant in five out of eight courses. This is encouraging for next month's report.
- **SPST** and **SPST NCC** are compliant in an impressive seven out of eight courses compared to one out of eight courses last month.
- **SPST, SPST NCC** and **Clinical** have made great progress in June.
- **DaS** are compliant in five out of eight courses.

The tables show compliance rates by category and course for each SBU.

Bank Staff (**NCC Bank**) Learning is at 76% for 3 Year Compliance (no change) and 84% for Statutory Compliance (no change), eight out of nine courses are non compliant and have a compliance rate of less than 80%.

- Central Legal Office
- Clinical
- Digital and Security
- Finance
- HR & Workforce Development
- Practitioner & Counter Fraud
- Procure Commission Facilities
- SNBTS
- SPST-NCTC
- Strategy Performance & Service Transformation

	Statutory	3 Year
Central Legal Office	97%	94%
Clinical	93%	90%
Digital and Security	92%	90%
Finance	100%	95%
HR & Workforce Development	95%	94%
Practitioner & Counter Fraud	97%	96%
Procure Commission Facilities	93%	94%
SNBTS	98%	95%
SPST-NCTC	96%	93%
Strategy Performance & Service Transformation	93%	91%

	NSS: Equality and Diversity	NSS: Freedom of Information ..	NSS: Health and Safety Induction	NSS: Information Governance ..	NSS: Manual Handling Passport Int..	NSS: NHS Scotland Counter Fra..	NSS: Risk and Resilience	NSS: Standing Financial Ins..
Central Legal Office	93%	92%	93%	96%	96%	95%	92%	95%
Clinical	89%	86%	86%	89%	97%	97%	86%	89%
Digital and Security	91%	89%	89%	91%	91%	91%	87%	90%
Finance	94%	92%	90%	95%	100%	97%	94%	97%
HR & Workforce Devel..	92%	94%	94%	94%	94%	93%	93%	95%
Practitioner & Counter ..	96%	96%	97%	97%	94%	97%	93%	97%
Procure Commission F..	94%	94%	94%	95%	94%	94%	91%	96%
SNBTS	95%	94%	94%	96%	95%	97%	92%	97%
SPST-NCTC	94%	92%	91%	99%	93%	93%	89%	90%
Strategy Performance ..	93%	90%	90%	91%	93%	92%	89%	92%

## Whistleblowing

Please see the table for current compliance figures for employees and managers combined. Please note that the headcount is the Turas Headcount figure. Completions relate to the number of staff who have completed all applicable modules.

Whistleblowing	TURAS Headcount	Complete	Compliance %
Employee/Managers	3,516	2,842	81%

# Turas Appraisal

The compliance rates are currently at 74% for Appraisal, 72% for PDP and 74% for Objective.

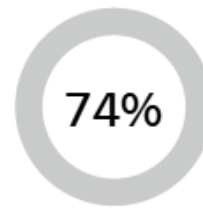
Appraisal compliance **increased by 6%** and **PDP increased by 1%**. Objective compliance **decreased by 1%**.

- **Zero SBUs** have an **appraisal** compliance above **90%**. **HR** has the highest appraisal compliance at **87%**. **CLO, SNTBTS, PCF** and **SPST** all have an appraisal compliance above 75%.
- **CLO, Clinical, DaS, Finance** and **P&CFS** have **Objective** compliances below **75%**.
- **Clinical** and **DaS** have all three compliances below 60%.

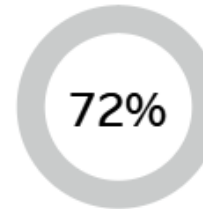
## Context of average total compliance rates

The increase in Appraisal compliance was expected as many employees rolling year compliance had lapsed over the last couple months and therefore completions were forecasted this month. Within the last four months there have been 2,351 Appraisal sign offs.

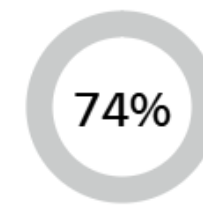
Appraisal Compliance



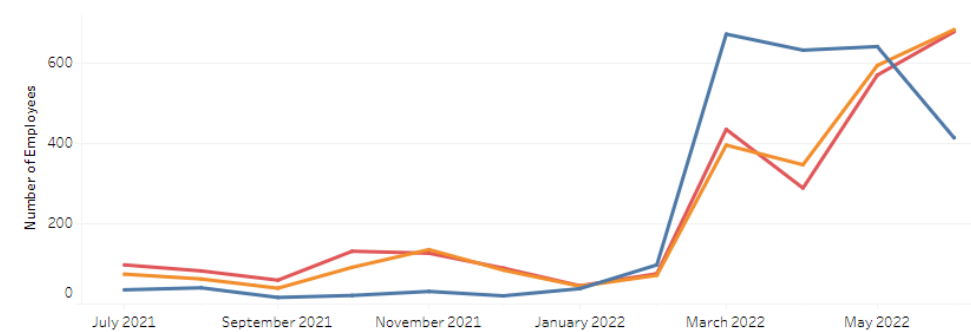
PDP Compliance



Objective Compliance



Trend



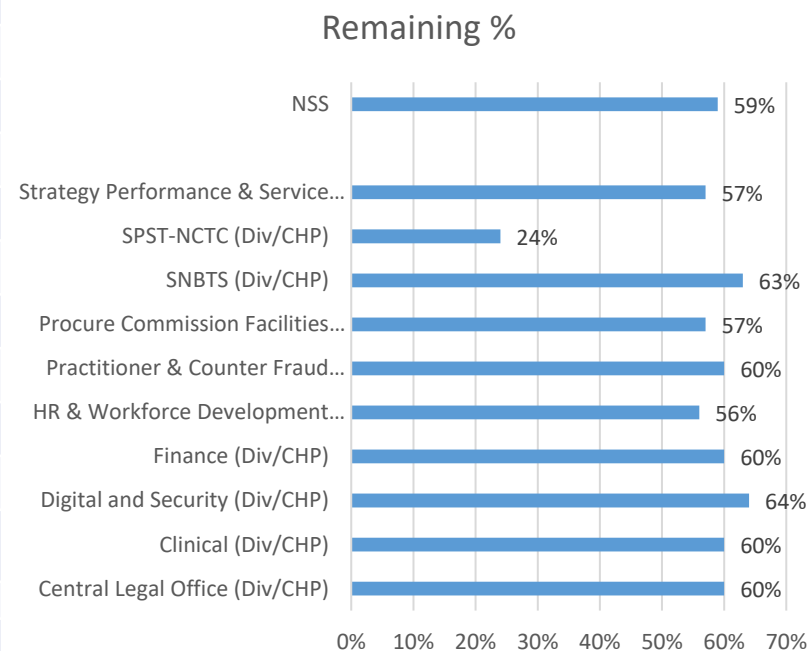
Compliance Categories by SBU

	% Appraisal Compliance Switch	% Objective Compliance Switch	% PDP Compliance Switch
Central Legal Office	80%	63%	69%
HR & Workforce Develop..	87%	88%	90%
Digital and Security	52%	51%	56%
SNBTS	79%	82%	82%
Procure Commission Facili..	78%	77%	76%
Practitioner & Counter Fr..	72%	71%	88%
Finance	68%	71%	72%
SPST-NCTC	73%	76%	46%
Clinical	58%	58%	47%
Strategy Performance & S..	77%	76%	73%

# Annual Leave

The current position indicates that approximately 15% annual leave has been planned, 26% already taken and 59% remaining for this fiscal year.

SBU	Planned %	Taken %	Remaining %
Central Legal Office (Div/CHP)	21%	19%	60%
Clinical (Div/CHP)	3%	37%	60%
Digital and Security (Div/CHP)	19%	16%	64%
Finance (Div/CHP)	24%	16%	60%
HR & Workforce Development (Div/CHP)	22%	22%	56%
Practitioner & Counter Fraud (Div/CHP)	20%	20%	60%
Procure Commission Facilities (Div/CHP)	14%	30%	57%
SNBTS (Div/CHP)	7%	30%	63%
SPST-NCTC (Div/CHP)	1%	74%	24%
Strategy Performance & Service Transformation (Div/CHP)	25%	19%	57%
NSS	15%	26%	59%



\*Information collated in this exercise is at 3 June 2022 and is a combination from Crown Flexi and eESS/SSTS. This is only an estimate of employees of NSS and excludes Bank Staff, contingent workers, honorary contracts and secondees. Where employees don't use Flexi, eEES system data is used.

# Health & Safety - Accident / Incident Management

## RIDDOR

There were no new RIDDORs submitted in June to the Health & Safety Executive (HSE). There has been one lost time accident reported totalling three days to date. There have been no RIDDORs this financial year.

## Accidents

A total of two accidents have been submitted in June. There were no absence days in relation to accidents in June. The accident rate is **3.01** for the year. The average time to close is 10 days.

The main cause of accidents for June are:

- Lifting/handing/carrying an object (50%)
- Cut with sharp object or material (not needlestick) (50%)

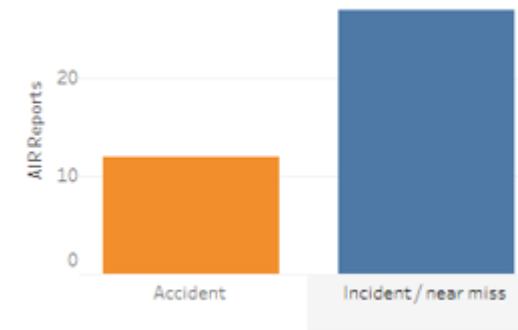
## Incidents

A total of seven Incidents/Near Misses were submitted in June. There have been no absence days in relation to Incidents in June. Average time to closure is currently 21 days.

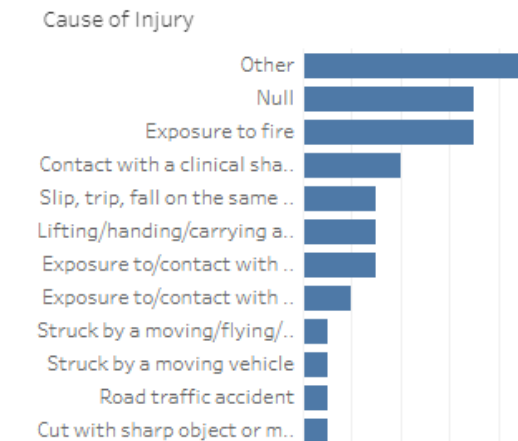
The main cause of incidents in June were:

- Slip, trip, fall on the same level (28.5%)
- Other (28.5%)
- Exposure to fire (28.5%)
- No reason (14%)

AIR report accident category trend



Cause of injury trend against all reports submitted – Fiscal year to date



# Occupational Health Activity

## Appointments

In June there have been a total of 82 appointments arranged of which:

- 63 were virtually delivered
- 5 were DNA appointments
- 6 are future appointments
- 12 were rescheduled
- 6 were cancelled

SNBTS account for 25% of appointments arranged in June, while PCF makes up 12% and SPST NCC account for 15%.

## Management and Self Referrals

During June there have been 42 new referrals received.

- Management Referrals: 33 (79%)
- Self Referrals: 9 (21%)

The main reason for referrals is in relation to anxiety/stress/depression and other psychiatric illness equating to 35% of referrals received in June. Other musculoskeletal and back problems is also an area of concern making up 26% of total referrals, double the proportion of last month's figures.

The average time taken to triage is two days with the average time from referred to discharged at 14 days (for this fiscal year).

## Pre-Placements

35 pre-placements have been received in June with 34 cleared (97%). PCF, SNBTS and SPST-NCC account for 72% of the pre placements received.

On average for this fiscal year pre-employments are taking two days on average to clear from date received (+1 day from last month's report).

## Attended Appointment Status June 2022

Total Pending Appointments	Total Attended Appointments	Total Cancelled Appointments	Total Rescheduled Appointments	Total DNA Appointments
6	63	4	4	5

## Referrals Received/Discharged/Triaged June 2022

Referrals Received	Referrals Discharged	Referrals Triaged
42	7	42

## Pre-Placements Received Fiscal Year 2021/22

Pre-Placements Received	Pre-Placements Cleared
35	34

# Quarterly Organisation Insight

## Clinical

### **Workforce Planning**

- Session scheduled to take place over the summer in preparation for submission to HR in October.

### **TURAS & Training**

- Working with HR to remove anomalies and ensure correct structure via eESS and implications on current completion rates.

## DaS

### **Transformation**

- The DaS Transformation Programme has restarted – first of the Steering Group sessions took place on 7 June. ER&R are up to date with progress and appropriate documents have been shared. The final teams to be realigned have been agreed both with the Steering Group and with Partnership colleagues, with a view to having these completed over the summer. Impacted teams will be fully engaged in the process with both outgoing and receiving pillar leads leading on these discussions. A request has gone into the WIS team to understand the new bulk change process on systems and this can be applied to the first round of moves.

### **Youth Employment**

- DaS are looking to partner with New College Lanark for student placements and possibly some graduate apprenticeships. DaS have had four student placements in for a two week period to look at how they could support further placements. In addition to this a graduate scheme is being considered.

### **Recruitment Challenges**

- Challenges in recruiting Business Analysts – quantity of candidates is no issue, however quality is. Hiring manager speaking with recruitment managers to re-assess strategy. These roles are critical and in-demand for DaS' work. Band 6 entry level jobs are being considered in order to attract and develop staff who can operate at band 7 level. This ties with DaS' ambition to develop own staff. Jobs in the data field see similar issues.

# Quarterly Organisation Insight

## DaS cont.

### **Workforce Planning**

- Sessions to continue after summer. SMT and management teams to be more engaged and accountable. Much of what was previously agreed will be suitable, however timelines need re-adjusting.

### **Statutory & Mandatory Training/Turas**

- Pushing to stay compliant and re-enforcing need to be pro active with expiring LearnPro compliances. TURAS rates fallen however reviews are being booked in as expected which should see rates go up. Further training and refresher support will be provided.

## SPST

### **Recruitment**

- PgMS in particular has grown significantly due to increasing demand and growth will continue throughout the three year planning period but on a much lesser scale. The collaborative approach with HR to the design and improvement of approaches to recruitment campaigns has had a positive effect and this work will continue. In order to meet demand at pace PgMS have utilised Agency staff of up to approximately 25% of the overall workforce and this is anticipated to continue. This has proven to be an excellent workforce supply for PgMS and through recruitment Agency staff are converted to permanent or fixed term staff.

### **Organisational Change**

- The Strategy, Performance and Communications Directorate have received a small number of staff into the Directorate as a result of organisational change in Practitioner & Counter Fraud Services. This change was transacted without any staff issues.

### **Own House In Order (OHIO)**

- There is a monthly focus on the review and monitoring of people management performance and an ambition that the organisational culture becomes one where there is a consistent belief in the value and importance of achieving compliance; and staff take ownership of their contribution where it's appropriate.
- **Health and Wellbeing**
- There has not been any significant challenges in this area at an SBU level. There has however been overall sickness absence rates in excess of 4% in particular within Strategy, Performance & Communication primarily due to long term sickness. More information on initiatives is available on request.



# Quarterly Organisation Insight

## P&CFS

### **Absence**

- Absence Management has continued to be a focus and following a review of absence data have been engaging on a 1:1 basis with managers where absence levels are above the 4% level in order to understand their issues, concerns and feedback.

### **Youth strategy**

- Apprentice opportunities have been loaded onto JobTrain. Agreed Mentor in the SBU to support the early careers workforce and now looking at agree manager who will support in the selection process. Target start date for the MA is September 2022.

### **Staff Development**

- SBU are currently working with Develop Global to deliver workshops to managers. This will focus on developing manager skills to manage emotive/challenging interactions with staff, to ensure they are responding to concerns appropriately and creating psychological safety.

## SNBTS

### **Culture & Wellbeing**

- A cultural improvement plan was developed within an area of Donor Services & Transport. A working group was established to understand the areas of concern and to create an action plan to improve culture across this area. Working in partnership with management and OD it was agreed that we would work to support managers to lead their teams.
- Working in partnership SNBTS created a wellbeing group that was established as a pilot in Donor Services & Transport. The group consists of champions across the directorate and have focused on current successes and challenges both pre and post pandemic.

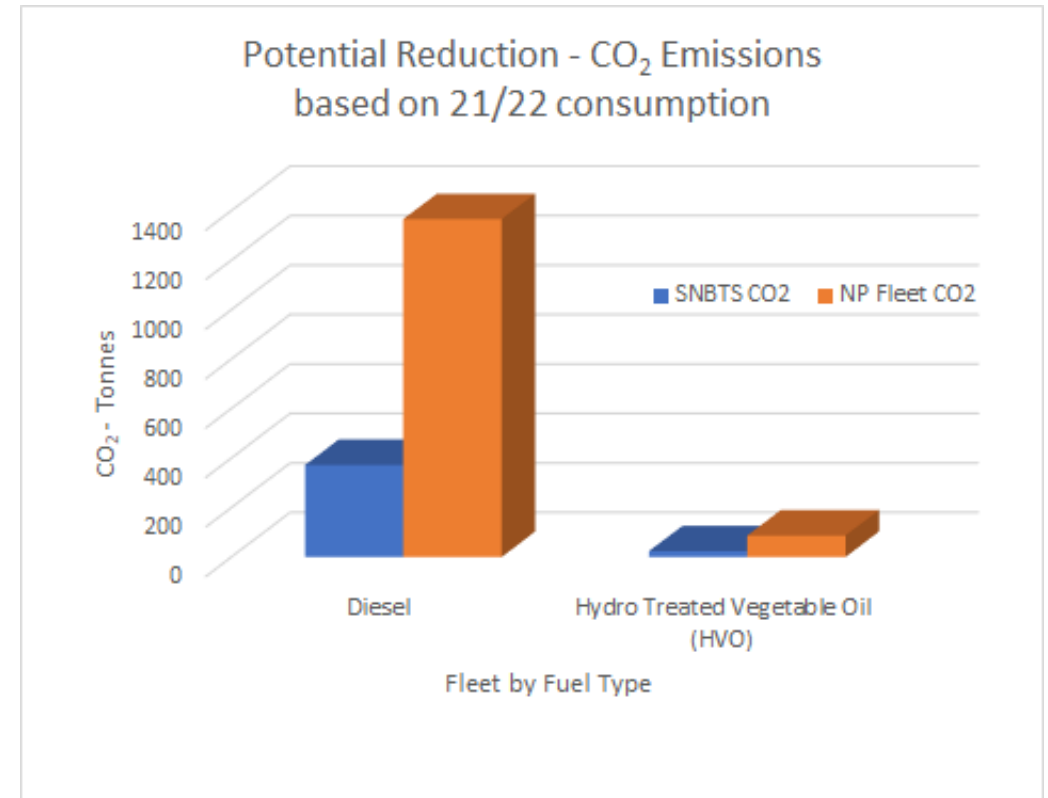
### **Strategy, Business Planning & Workforce Planning**

- SNBTS have developed an operational implementation plan bridging the gap between the SNBTS strategy and local business plans. This work links directly to the SNBTS workforce plan and transformation programme. Quarterly review sessions are scheduled to keep pace. Workforce planning meetings will take place across July and August in preparation for the SNBTS workforce plan to be submitted to HR in October.
- Through workforce planning it has been identified that staff in biomedical roles (staff across processing and testing) in manufacturing are not working to the maximum potential of their job descriptions which is impacting on workforce and operational planning and delivery. A project group has been set up to review the service.

# Climate Sustainability June 2022 (Q1)

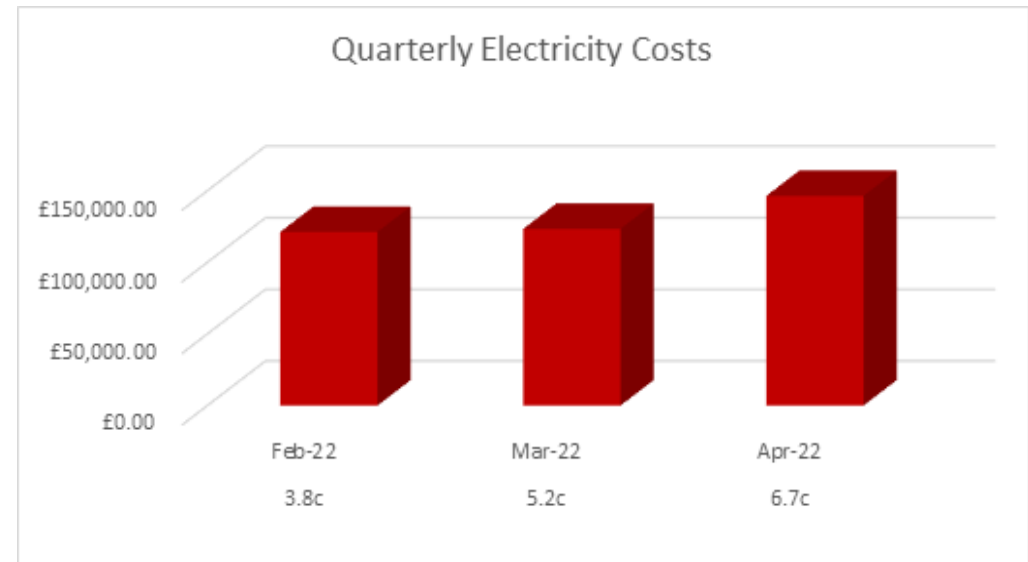
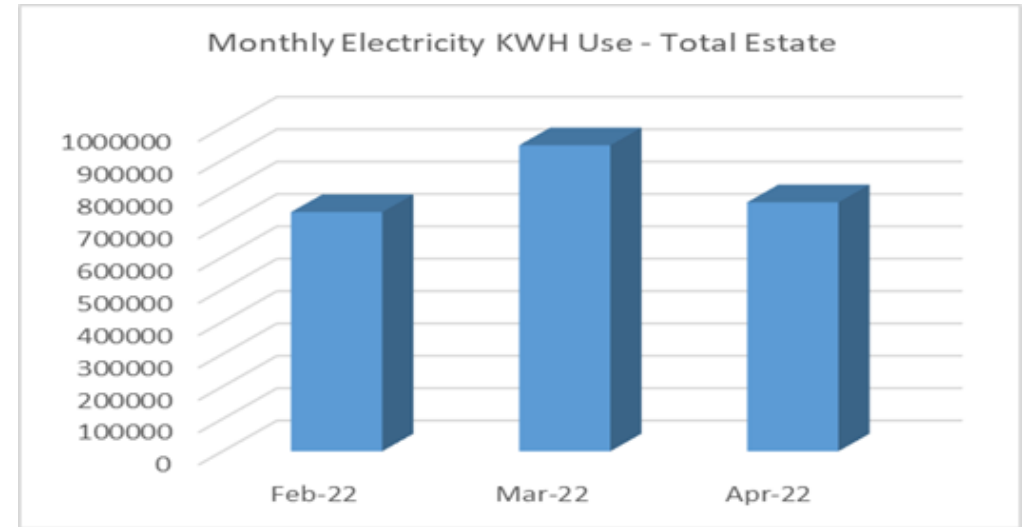
## Development Updates

- A draft strategy for the next 15 years has been completed and will be presented to the Board for approval in July 2022.
- The sustainability and infrastructure operational delivery group (SIODG) will determine the workplan for achieving the strategy during workshops in July 2022.
- Attainment of gold in the national sustainability assessment tool (NSAT) is an organisational priority and under the direction of the SIODG a data collection share point has been established. Aspects of the NSAT, such as creation of a modern slavery policy, are not reflected in the targets.
- A trial of the use of Hydro Treated Vegetable oil (HVO) for the National Procurement fleet is in its planning phase. Use of HVO could reduce CO2 emissions by >90%. If adopted fully, a move to HVO would be low cost, high impact and allow electric technology, which is not currently a feasible option for much or our larger fleet, to catch up. The potential adoption of HVO by the Scottish National Blood Transfusion Service fleet will be considered at the same time. Together, this could offer NSS a ~1,000 tonne CO2 saving per annum; equivalent to 10% or more of the total NSS CO2 emissions.



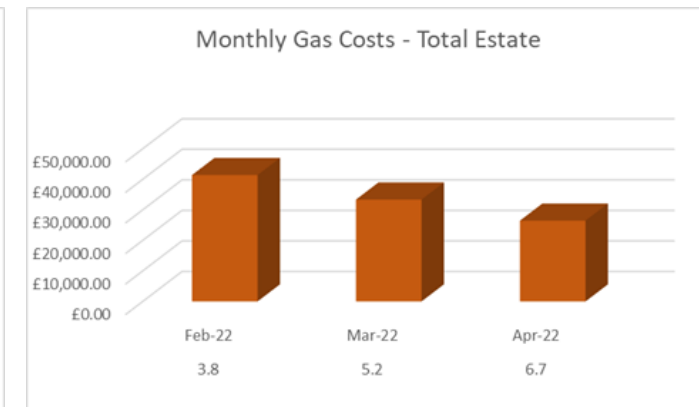
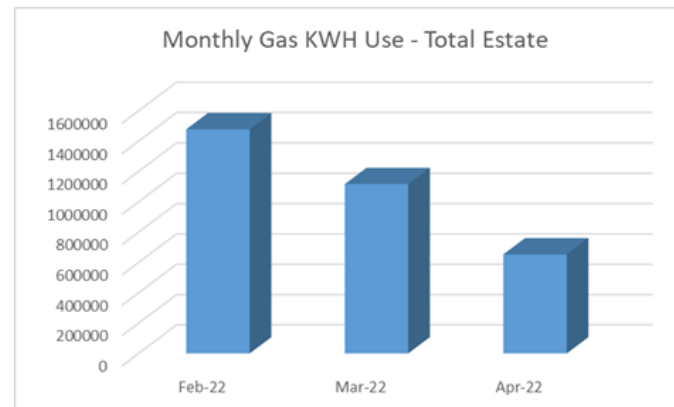
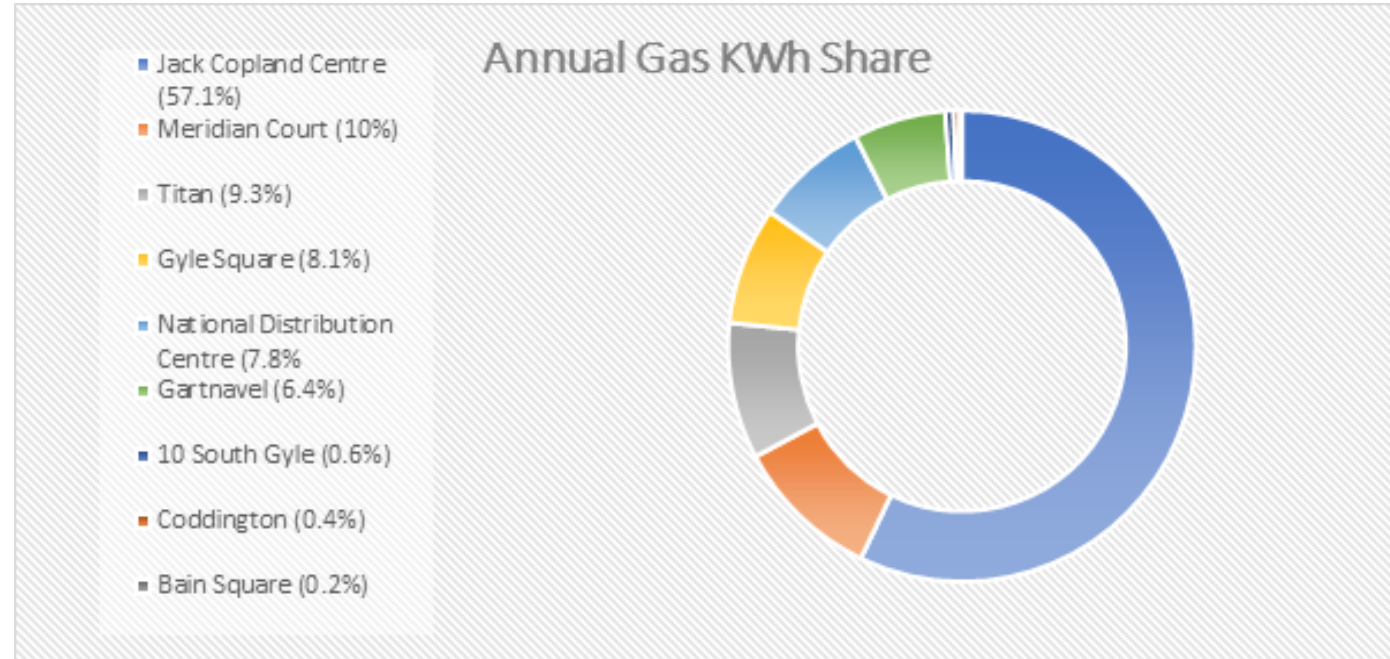
## Electricity Report – example

- It is vital for financial and climate sustainability that there is a focus on energy reduction in our estate.
- The graphs highlight the effect of the energy cap removal introduced in April 2022.
- In April 2022 , we used 173,000 kwh less than the previous month, but our costs increased by £2,300. With another price rise of between 46% and 65% expected in October, it is vital that we have increased vigilance in monitoring our energy use to help reduce usage and costs.
- Property utilisation is a key influencing factor and rationalising our estate will support this. It will be of benefit to NSS to consider the full benefits of having staff at home or in offices from a climate, HR and financial perspective.



## Gas Report – example

- Focus on gas reduction at our largest consumer site should be a priority.
- The Jack Copland Centre is our largest gas consumer site. Gas imported to this site is used to produce additional electricity via 2 combined heat and power (CHP) units. The CHP's capture the heat generated through this process and allows for the reuse of the heat across the site.
- The graph for gas costs includes the average daily Scottish temperature for the month, which influences when the building management system calls for heating and for however long it takes to bring a building up to normal temperature. We expect to see some financial impact with gas costs set to increase in November 2022.



<b>Meeting:</b>	<b>NSS Board</b>
<b>Meeting date:</b>	<b>29 July 2022</b>
<b>Title:</b>	<b>Risk Report as at 30 June 22</b>
<b>Paper Number:</b>	<b>B/22/19</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Lee Neary, SP&amp;ST Director</b>
<b>Report Author:</b>	<b>Clairinder Clark Planning &amp; Performance Manager / Caroline McDermott Head of Planning</b>
	<b>(Reviewed by: Lee Neary, Director)</b>

## 1. Purpose

This report is presented to the Board for scrutiny.

## 2. Recommendation

The Board is asked to scrutinise this risk and issues report as at 30 June 2022.

## 3. Discussion

This report considers the overall corporate risk profile and pays particular attention to all corporate red risks, strategic risks, issues, and the risk management approach. As of 30 June, there were 7 red risks on the corporate risk register and two corporate Issues.

One new red risk 6799 Industrial Action was added to the risk register on 7 July 2022. The management of the red risks and issues are detailed within **Appendix A**.

Currently, 7 Strategic Risks are reported to the Board. The management and performance of these risks is detailed in **Appendix B**. Two strategic risks previously reported to the Board have been closed.

## 4. Impact Analysis

### 4.1 Quality/ Patient Care

Of the 7 red risks, one has a clinical primary category 6544 Patient Services Lab Cover and one has a clinical secondary category 3816 Staffing Levels in Manufacturing. None of the strategic risks has a clinical primary or secondary category and none are new in this reporting period.

#### **4.2 Equality and Diversity, including health inequalities**

There are no specific issues arising from this risk paper, however individual programmes of work are required to impact assess the outcomes of that work.

#### **4.3 Data protection and information governance**

No Data protection or information Governance risks have been identified.

### **5. Risk Assessment/Management**

All risks discussed in this report are managed in line with the Integrated Risk Management Approach.

### **6. Financial Implications**

All risks in NSS are assessed for their financial impact. The financial implications of the seven corporate risks and the two corporate Issues and details of the actions to address these risks and issues are contained in Appendix A.

### **7. Workforce Implications**

Workforce capacity is being flagged up throughout the risks mentioned in this paper, for example

- 6554 - Skilled Resource DCVP Replacement
- 6544 - Patient Services Lab Cover
- 3816 - Staffing Levels in Manufacturing
- 6799 - Industrial Action
- 6528 - Skills Gap

Workforce sustainability risks are also being experienced across the NHS in Scotland. Workforce remains a national priority. Workforce sustainability is one of our strategic objectives. Our workforce strategy is being refreshed and our workforce planning approach is being revisited.

Staff Risks are considered by the Staff Governance Committee. The new corporate risk considered within this report has identified staff impact as a secondary risk category, 6799 industrial action.

The three strategic risks have identified staff impact as a secondary risk category.

- 6528 - Skills Gap
- 6679 - Property and estates operational requirements
- 6680 - Level of scrutiny and litigation

## **8. Route to Meeting**

Senior SBU teams regularly review risk ratings and action plans, to ensure risks are being managed effectively. The EMT also reviews corporate risks and issues monthly.

Corporate red and new amber risks are considered quarterly at:

- Finance, Procurement and Performance Committee - 24 May 2022
- Staff Governance Committee – 12 May 2022
- Clinical Governance Committee – 30 May 2022
- Audit and Risk Committee -17 May 2022.

## **9. List of Appendices and/or Background Papers**

Appendix A – Corporate red risks and issues (including a summary of strategic risks)

Appendix B – Further detail on strategic risks



## Appendix A

### NSS Corporate Red Risks

As of 30 June 2022, 7 Corporate Red Risks are being managed by NSS. These are shown below.

#### 6554 - Skilled Resource DCVP Replacement

<b>Escalation</b>	Existing
<b>RAG score</b>	16
<b>Primary Category</b>	Business
<b>Mitigation Strategy</b>	Reduction
<b>Financial Implication</b>	£100K - £250K
<b>Risk Owner</b>	Christopher Leonard

**Summary:** As a result of the current climate there is a risk that should additional skilled IT resources be required to support the programme (P&CFS: SI032 DCVP Replacement); they cannot be sourced from the marketplace.

**Impact:** On programme developments; timescales and costs.

**Update:** Available resources and recruitment continue to be a significant challenge, particularly as we experience the summer holiday period. Continuing to closely manage through dialogue and escalation with PHS and DaS with a regular review of resource requirements, prioritisation of workload and to identify people within exiting resource who could assist.

#### 6544 - Patient Services Lab Cover

<b>Escalation</b>	Existing
<b>RAG score</b>	16
<b>Primary Category</b>	Clinical
<b>Mitigation Strategy</b>	Reduction
<b>Financial Implication</b>	£100K - £250K
<b>Risk Owner</b>	Anne Thomson

**Summary:** There is a risk to service delivery within Patient Services Laboratories, Blood Banks, and Histocompatibility and Immunogenetics (H&I), due to the number of available suitable trained staff who can participate on rosters that provide 24/7 service cover. Challenges are being experienced across all sites but in particular; the Inverness and Aberdeen sites where poor responses to recruitment initiatives, is contributing to the problem.

**Impact:** In the event of being unable to staff shifts in blood banks or H&I on call rotas, there would be disruption in service making it challenging to respond to emergency care and major trauma which would have an unacceptable impact to patients.

**Update:** Weekly meetings with staff and action plan now in place and progressing. Continued discussions with Trade Union representatives to find solution; a risk-based approach has been taken to prioritise tasks within Blood Banks, therefore maximising staff resource available on shift.

### 6208 - Hosted Desktop Expiry

<b>Escalation</b>	Existing
<b>RAG score</b>	16
<b>Primary Category</b>	Business
<b>Mitigation Strategy</b>	Reduction
<b>Financial Implication</b>	£250K - £1,000K
<b>Risk Owner</b>	Nelson Kennedy

**Summary:** The current hosted desktop solution was due to expire in September 2022 with the risk that Pharmacy processing from home working will not be possible and processing will not complete according to schedule.

**Impact:** This could result in delays to the service with the result that estimated payments are made until a solution is implemented, causing reputational damage.

**Update:** DaS have agreed an extension with the supplier for a further 12 months (October 2023). Proposals and costs are being discussed.

### 3816 - Staffing Levels in Manufacturing

<b>Escalation</b>	Existing
<b>RAG score</b>	15
<b>Primary Category</b>	Business
<b>Mitigation Strategy</b>	Prevention
<b>Financial Implication</b>	£100K - £250K
<b>Risk Owner</b>	Alan Smith

**Summary:** There is a risk that there is insufficient staffing resource within Manufacturing to support business as usual, new developments and the Modernising Manufacturing Programme.

**Impact:** Business as usual routine service provision could be adversely affected and deteriorate. There could be delays in the implementation of new developments and safety measures. The Modernising Manufacturing Programme may not achieve agreed timescales.

**Update:** There is routine monitoring and management of turnover rates, staffing levels, and the filling of vacancies, however recruitment remains a challenge with further changes to staff numbers. Further joint recruitment has taken place between test and processing services, with interviews in June and successful candidates selected, however week to week challenges remain high with staff leaving for promotion and the need to train new staff. The ratio of trainee to qualified BMS remains high. Both services continue to work together to manage workload and recruitments.

#### **6249 - P&CFS Bespoke System (Oracle 12C & Windows 7/XP)**

<b>New / Existing</b>	Existing
<b>RAG score</b>	16
<b>Primary Category</b>	Business
<b>Mitigation Strategy</b>	Prevention
<b>Financial Implication</b>	£100k - £250k
<b>Risk Owner</b>	Nelson Kennedy

**Summary:** Oracle began removing support for their Oracle 12C in April 2022 and Microsoft will remove support by September 2022 and Windows 7 goes out of support in January 23. There is a risk that business critical applications used by P&CFS such as Midas, Optix, PMSPS, Medex, EDI, the Pharmacy Adjustments system and up to 40 other applications will be unsupported from this date unless they are moved onto supported platforms such as Oracle 19C and Windows 10.

**Impact:** Systems failing or not working properly could impact on delivery of payment cycles (P&CFS pay 2.78bn to primary care practitioners annually) along with additional costs to update the system, estimated at approximately £2 million)

**Update:** NSS continue to work with ATOS to mitigate emerging vulnerabilities because there is no extended support for Microsoft or Oracle systems. We have confirmed that changes are required to a significant number of systems and associated peripheral applications.

A complex and detailed workplan started in FY21 of all the systems which sit under the remit of ATOS. Last year it was decided that all required NSS systems upgrades would be done through DaS with a Tech Refresh board established to facilitate the work. NSS have expanded the P&CFS Apps Compliance Board to provide oversight for all the tech refresh work. The Board meets monthly to review actions and updates coming out of the NSS/ATOS Tech Refresh board.

ATOS has undertaken detailed assessment work and change control notes (CCN) have been received. The supplier has provided Statements of work for P&CFS dot.net Windows applications which are now due to be reviewed by the stakeholders prior to approving the CCNs. Once the CCNs are approved, it is expected that Atos will provide a detailed implementation roadmap. The impact assessment of Tech Refresh on peripheral applications is ongoing. (There is a technical review of Statement of Works required prior to upgrade work being commissioned, when completed, a development roadmap and delivery dates will be submitted to the NSS Tech Refresh Board).

#### 6282 - Devices with Win10 v1709 Build

<b>New / Existing</b>	Existing
<b>RAG score</b>	15
<b>Primary Category</b>	Business
<b>Mitigation Strategy</b>	Reduction
<b>Financial Implication</b>	N/A
<b>Risk Owner</b>	Margaret Gibson

**Summary:** Devices with Win10 v1709 builds no longer receive Microsoft Security updates until upgrade to latest version is completed.

**Impact:** This increases our exposure to cyber-attacks.

**Update:** This continues to be managed to reduce potential exposure with ongoing activity and plans to replace or upgrade devices. More detail on the month-on-month reduction in exposure can be provided as required.

#### 6072 - Overarching Risk for CHI/Child Health

<b>New / Existing</b>	Existing
<b>RAG score</b>	15
<b>Primary Category</b>	Reputational
<b>Mitigation Strategy</b>	Reduction
<b>Financial Implication</b>	£100k - £250k
<b>Risk owner</b>	Stephen Flockhart

**Summary:** This generic risk 'there is a risk that the overall CHI/Child Health Programme cannot be delivered on time, to cost and specification'. was created to give oversight on the programme risks and is now being reviewed. Following the end of the contract with the supplier, the CHI and Child Health programmes are under review to ensure they are adequately resourced and there is full separation. Consideration is being given to closing this overarching risk and whilst managing the programme risks, escalating specific programme risks as and when required.

## New Red Risk raised on 7 July

(Note: Whilst this report notes red risks as of 30 June, one additional red risk 6799 Industrial Action has been added to the risk register on 7 July).

### 6799 – Industrial Action

<b>Escalation</b>	New
<b>RAG score</b>	16
<b>Primary Category</b>	Business
<b>Mitigation Strategy</b>	Acceptance
<b>Financial Implication</b>	£100K - £250K
<b>Risk Owner</b>	Jacqui Jones

**Summary:** There is a risk because of the latest pay offer that NSS may be faced with industrial action taken by its staff which will impact on the way it delivers and receives its services.

**Impact:** on service delivery, on staff relations and on reputation.

**Update:** Actions have been identified on developing a communications strategy; preparing managers on policies; updating policies and procedures; reviewing business continuity plans and identifying key services that may qualify for exemption for industrial action.

### Corporate Issues

There are 2 NSS Corporate Issues.

### 6622 - Budgetary Pressure - Dependency (DPDP)

<b>New / Existing</b>	Existing
<b>Issue Priority</b>	5
<b>Primary Category</b>	Business
<b>Mitigation Strategy</b>	Prevention
<b>Financial Implication</b>	>£1,000k
<b>Issue Owner</b>	Martin Bell

**Summary:** The £1m efficiencies built into the P&CFS RAM assumptions for 2023-24 as prescription paper is removed from use across GP practice-generated prescribing. will not be delivered within that timescale. The original efficiencies timeframe was based on programme and business dependency that timescales could be aligned for delivery of nDCVP (Data Capture Validation and Pricing) and the introduction of end-to-end digital prescribing from the then emerging DPDP Programme. Although the expected efficiencies will still be delivered, this will not

be within the timeframe originally envisaged by the business for the benefits to be realised.

**Impact:** P&CFS RAM assumptions have built £1m of efficiencies into FY2023-24 with the removal of 90% of prescription paper requirement as the prescribing process for in-GP practice prescribing was originally expected to be fully digitised by that timeframe. This timeframe will not be realised, requiring remodelling of financial forecasts.

**Update:** Discussions have taken place to ensure the financial pressure occasioned by clearer delivery timescales are recorded within the accounts. This issue will remain live until alternate solutions can be found to mitigate the gap or central funding found to add back into the service, i.e., to pay for the prescription paper. DPDP development will continue over 2022/23, however solution development / build is not expected to start before FY2023/24.

### 6661- Supply – Russia Ukraine Conflict

<b>New / Existing</b>	Existing
<b>Issue Priority</b>	3
<b>Primary Category</b>	Business
<b>Mitigation Strategy</b>	Reduction
<b>Financial Implication</b>	£100k-£250k
<b>Issue Owner</b>	Stevie McLaughlin

**Summary:** We have reviewed our supply chain and have not identified any specific supply chain exposure to Russia. We continue to work closely with the Four Nations and the DHSC to identify and mitigate risks before they become issues.

**Impact:** Current supply issues relate to raw materials however these have not materialised as manufacturing problems within our supply chain to date. We remain vigilant with horizon scanning. Price challenges are being seen across a wide portfolio of commodities, whilst this can be mitigated to an extent, pricing pressure is likely to be seen or several months.

**Update:** We maintain constant vigilance on any impacts and work on a 4 Nations basis to manage.

### Strategic Risks

Strategic Risks have been defined by NSS as those that if materialised would impact the long-term vision and success of NSS. These risks are owned by the Board and as new risks emerge the Board Members can discuss these risks at the

sub-committee meetings within their area of responsibility and decide whether they should be flagged as strategic for their ongoing consideration.

As our Strategic Risks can be Red, Amber or Green this allows the Board the opportunity to focus on all Strategic Risks, and not just the Red and new Amber Risks.

The following 7 Strategic Risks are reported to the Board:

<b>Risk</b>	<b>RAG</b>	<b>Financial implications</b>
5671 nDCVP Programme	RAG 12	> £1,000k.
5114 Infected Blood Inquiry	RAG 8	£100 - 250k.
5523 National Security Operations Centre	RAG 5	Not applicable
6528 Skills Gap	RAG 12	£100 - 250k.
6205 Financial sustainability in the medium / long term	RAG 12 as of 30 June but updated to Red (16 as of 11 July).	> £1,000k.
6679 Property and estates operational requirements	RAG 12	Not applicable
6680 Level of scrutiny and litigation This is a SBU level risk	RAG 15	£100 - 250k.

Details on the management and performance of these risks can be found in **Appendix B.**

5636 PGMS Service Delivery and 5881 Coronavirus previously reported to the Board have been closed.

Risks for Entered IDs 19/07/2022

Risk ID(s) Entered 5671;5114;5523;6528;6205;6679;6680

6680

Level of Scrutiny and Litigation

Last Update 12/07/2022

Date Raised	Division	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
03/03/2022	CLO	There is a risk the level of scrutiny required of SBUs could affect NSS's ability to fulfil its strategic objectives due to an increase in the workload of a number of teams in NSS, including CLO, SNBTS, HFS, ARHAI and NSD, who will need to comply with the legal requirements of inquiries.	Teams are stretched by the requirements placed on them by independent inquiries and scrutiny. As a result, they find it difficult to deliver on their objectives and/or inquiry commitments effectively. Litigation arising from inquiries could lead to financial costs to NSS.	lois bourletsika	3	5	15	9	Contingency	Business	Staff



ID	Action Created Date	Action Plan	Updated On	Update Description
6680	03/03/2022	Assess potential for funding with SG to cover additional resource requirements.		
	03/03/2022	Review resilience plans to account for inquiry needs.		
	03/03/2022	Prepare decision-making and actions timeline before inquiry commences.		
	03/03/2022	Increase SBU operational capacity to support the delivery of service.		
	03/03/2022	Establish corporate resource to manage and support inquiry activity.	25/05/2022	A specific role is in the process of being recruited in order to fully support the SBUs during the Inquiry and overview the processes.
			25/05/2022	An NSS COVID 19 Inquiry team has been established since March 2022. Terms of reference have been created for the duration of the project team.

6679

**Properties and Estates Operational Requirements**

**Last Update 28/06/2022**

Date Raised	Division	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
02/03/2022	PCF	There is a risk that NSS estate does not meet the strategic and operational requirements of the service resulting in a reduction in efficiency and associated property costs.	Business: Disruption to service delivery. Current funding spent on maintaining current NSS properties in good state of repair with lower occupancy rates. Future workforce working to a hybrid model of home/ office working leaving large properties underutilised during the remainder of the lease periods. Need to meet climate change targets. Staff: Sites are not able to meet hybrid-working requirements. Disruption resulting from change to base locations should staff need to relocate to new sites. Ongoing concerns about travel and parking to existing and new sites.	julie critchley	4	3	12	6	Prevention	Business	Staff

ID	Action Created Date	Action Plan	Updated On	Update Description
6679	02/03/2022	Agree hand back and disinvest approach (if approved) with building partners.	28/06/2022	FM and future ready are working with each SBU to ascertain the hybrid working requirements and build this into a strategic direction for each site
	02/03/2022	Consider alternative availability and potential public sector partners with SG.		
	02/03/2022	Review and agree future requirements for each property before the end of the lease period.	13/05/2022	Corporate memo issued on hybrid working may impact number of staff returning and will be considered as part of the review and future requirements. (JC)
	02/03/2022	Develop strategy and business case for each NSS property.		
	02/03/2022	Review NSS property strategy with EMT, Board and NSS Partnership Forum.		

6528

**Skills Gaps**

**Last Update 27/06/2022**

Date Raised	Division	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
15/09/2021	NSS	There is a risk that there are unidentified skills gaps in the organisation and the workforce planning processes are not robust enough to identify these gaps. Failure to address this could impact service delivery and meeting our strategic objectives.	<p>Clinical - Clinical workforce not working to current best practice which could have a detrimental impact on patient/service user health outcomes. This could also result in the breach of clinical governance standards.</p> <p>Business - The effectiveness of services delivered could be reduced meaning that NSS is unable to meet strategic objectives and stakeholder expectation. Failure to deliver services/ strategic objectives could lead to increased scrutiny and legal challenge. Potential increased costs in relation to recruiting in additional staff to address skills gaps. Staff - Disengaged workforce resulting in detrimental impact on staff wellbeing. Potential impact on staff attrition in sickness absence and presenteeism. Increase in staff turnover. Staff are disenfranchised of opportunities in relation to new ways of working resulting in requirement to recruit new skill sets into the organisation. Increase in capability cases. Reputation - Failure to deliver services and strategic objectives could negatively impact on NSS's credibility with stakeholders and the public. NSS not seen as an employer of choice.</p>	jacqui jones	3	4	12	4	Prevention	Business	Staff

ID	Action Created Date	Action Plan	Updated On	Update Description
6528	15/09/2021	Raising the profile of pension changes through a variety of communication channels.	10/01/2022	Communications is about to go out in relation to the pension consultation. We are delivering a joint presentation later this week with TUs(Willie Duffy) and HR on the pension changes
			11/11/2021	Planned in for Q4 due to other priorities.
15/09/2021	15/09/2021	Enhance Performance Reporting in relation to Learning and Development and to understand the make up of our workforce based on the skills.	31/05/2022	This is planned for delivery this year, however other corporate reporting priorities have taken precedence.
			10/01/2022	Work is currently being scoped to build future reporting in relation to L&D insights.
			11/11/2021	Planned in for Q4 due to other priorities.
15/09/2021	15/09/2021	Robust approach to performance management in particular PDPs. Link with Risk 6452.	31/05/2022	Real drive from EMT to ensure we met our 90% compliance rates on appraisals, objectives and PDPs. Along with support on HR Connect and through HR Business Partners on general performance management. L&D have been running sessions on the Management Hub.
			10/01/2022	W still continue to provide regular people insights in relation to the performance of our organisation.
			11/11/2021	Risk 6452 has been closed, however regular data insights is provided to the EMT to performance their people.
15/09/2021	15/09/2021	Training and development for managers on workforce planning	05/05/2022	We have been delivering podcasts on workforce planning with SMEs and we are currently developing our own in-house elearning material to publish on HR Connect and no longer using the NHS England approach due to technical issues.
			10/01/2022	We have access to an elearning package from NHS England that will be made available to managers, with a view to developing our own content longer term.

6528	15/09/2021	Training and development for managers on workforce planning	11/11/2021	eLearning tool on workforce planning will be part of phase one of the new management development programme and is currently being developed.
	15/09/2021	Skills gap analysis framework to be introduced across NSS	10/01/2022	Framework developed, and digital will be developed during 2022/23.
			11/11/2021	Skills matrix framework developed however looking to develop a digital tool in 2022-23.
	15/09/2021	Skills assessment framework to be developed	10/01/2022	Framework has been developed, and digital framework is planned in for delivery during 2022/23.
			11/11/2021	Skills assessment framework has been developed but looking to develop a digital tool in 2022-23.

6205

Financial Sustainability in the medium - long term

Last Update 12/07/2022

Date Raised	Division	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
27/11/2020	NSS	NSS is unable to deliver financially sustainable services in the longer term due to an increased cost base, reduced funding in-line with economic position - and cessation of COVID funding post 2021-22 financial year	Business - Unable to meet financial targets.As an organisation we will need to generate further efficiencies, reduce costs and make savings in order to achieve financial targets for NSS and support the wider system. Underlying financial risks have intensified: o A4C Pay Inflation √ original planning assumption was 2% (fully funded by SG) but the current √final√ SG offer is 5% - creating a c£300m pressure across NHS Scotland (taking the overall gap in FY22/23 to c£1bn) o Non-Pay Inflation √ rising prices across all goods and services is resulting in significant levels of inflation beyond budgeted levels √ resulting in limited savings opportunities and mostly cost avoidance at best o Greater Uncertainty over non-recurring funding (C-19 and non C-19) √ with NSS having to deliver financial balance within a reduced funding envelope Reputation - damage to reputation if unable to continue to deliver services.	andrew mclean	4	4	16	8	Reduction	Business	Reputational

ID	Action Created Date	Action Plan	Updated On	Update Description
6205	27/11/2020	NSS to develop and refine its Financial Sustainability Plan to continue to meet its statutory financial targets and address the current deficit in later years of the financial plan.	12/07/2022	Likelihood raised to 4 to make RAG red. This scoring has been revised to reflect increasing macro-economic pressures with pay (e.g. A4C 5%) and non-pay inflation (e.g. gas 70%) much higher than original planned, as well as reduced SG funding available with an overall current deficit of c£1bn forecast across NHS Scotland in FY22-23
			11/07/2022	Our Financial Sustainability Action Plan, approved by the Board in March underpins our objective to have an organisational financial stewardship culture that will drive effective use of assets, infrastructure and value for money with a variety of on-going developments with regular updates into EMT and FPPC
			06/01/2022	Following on from SBU RAM meetings in December the financial sustainability action plan will be presented and discussed at EMT on 17th January 2022.
			07/06/2021	The financial budget has been agreed and uploaded for 2021/22. this still includes significant non recurring COVID funding. Early in 2021/22 financial planning will commence for 2022 onwards with a focus on financial sustainability through service transformation, and in line with the future ready programme. COG continue to review and prioritise the service transformation programme
			09/04/2021	NSS Board signed of the Financial Plan on 24th March and Scottish Government formal approval is imminent. Financial planning and sustainability of services remains a priority for NSS moving forward.
			03/03/2021	Financial AOP submitted to SG on 26th Feb with a balanced plan for 21/22. Work continues to drive sustainability across NSS in the longer term, including a focus on new ways of working; transformed services; and 'One NSS'
			05/02/2021	NSS Finance continues to drive forward financial planning across all SBUs areas working closely with HR BPs and Planning leads to join financial, workforce and business planning as required. A Budget update paper was presented to FPPC on 3rd February, highlighting the impact of the SG budget on 28th January and the detailed work that was being progressed during February at an SBU level to ensure the overall plan reflects the latest position and additional savings, with a Balanced Position presented to the Board and SG in March

5671

nDCVP Programme

Last Update 27/06/2022



Date Raised	Division	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
12/09/2019	PCFS	There is a risk that New DCVP (Data Capture Validation and Pricing) will not be delivered to agreed costs and timescales.	Business - financial - loss of £1.8m of current investment in the programme and projected loss of £75K per month of expected benefits. Reputational - damage to reputation with stakeholders.	kennedy nelson	3	4	12	6	Reduction	Business	Reputational

ID	Action Created Date	Action Plan	Updated On	Update Description
5671	12/09/2019	Review of nDCVP current delivered products to be undertaken	27/06/2022	UAT has been extended to end July 2022 and supporting CCN has been consequently extended to provide commercial cover over the period.
			27/05/2022	Current UAT activity is running behind schedule (estimated at 4 weeks) Estimated completion of UAT is June 2022. The impact of this on programme activities and overall programme plan is being reviewed and will be published by 15/06/22.
			29/04/2022	Risk of UAT overrunning is being managed on an intensive basis with engagement escalation with contractor. Required resources (business and contractor) being reviewed on weekly basis and response to identified UAT defects being monitored on a weekly basis.
			23/03/2022	Following resignation of a key member of the Sopra Steria team, the risk of UAT overrunning due to the impact on Sopra's ability to turn around defects, changes and fixes is increased. There will be a knock-on impact to parallel run, implementation and go live. Likelihood increased to 4.
			25/02/2022	Final versions of specifications received, will continue to be updated as changes arise.
			26/01/2022	Still on track for finalised requirements.
			17/12/2021	Programme still on track to deliver for Autumn 22
			19/11/2021	Delivery to UAT successfully completed. Costs for future phases to be defined and agreed.

5671	12/09/2019	Review of nDCVP current delivered products to be undertaken	22/10/2021	On track for delivery on fixed price basis to UAT. However, conversations on UAT support cost required. Meeting for proposals 27th October, Programme delivery meeting 4th November.
			17/09/2021	On track currently to delivering within the fixed price model. However, a number of CRs have been approved to support identified enhancements / changes to system functionality or support other programmes.
			31/08/2021	On track currently. One final payment on fixed price model remaining on drop to UAT.
			03/08/2021	Item planned on a fixed price basis by end of October. All change requests actively considered for progression and funding.
			28/06/2021	core development items have been identified and will be included in the RAM submission for SBU in August2021.
			21/05/2021	Core development covered, future development stages still to be clarified. Engaged with finance to make them aware of need to fund the next stages.
			28/04/2021	Working to completion of core development by end of July 2021. A period of system testing to end of August 2021. NSS to receive completed system for UAT testing in September 2021. UAT will continue to end March 2022. Implementation activities start May 2022 and complete in September 2022. Early life support monitoring in production will start October 2022.
			14/04/2021	Progress of the development by Atos/Sopra Steria towards completion has now reached the final phase (Milestone 4) which is due for completion in July. Milestone 3 was completed at end of March. The System Test phase which runs until September is currently 2-3 behind schedule (due to last year's cyber attack), which is a 2 week recovery from the last reported position. It is expected that this delay will be fully recovered within the next couple of months. Budget for 21-22 programme delivery secured. At present overall programme plan for go live in autumn 22 is on schedule.
			19/03/2021	Continuing to monitor new change requests and have factored contingency to support those. Nothing noted at the moment outside of contingency. Atos are on course to deliver the core produced to the agreed CCN value on the fixed price basis.

5671	12/09/2019	Review of nDCVP current delivered products to be undertaken	22/01/2021	<p>The process to reconnect all internal Sopra Steria development servers and the Atos managed data centre commenced on 9th December and was ongoing throughout December 2020. This process has been completed and Sopra Steria have been able to undertake a full impact assessment and advise the recovery process. The Sopra team are on track to deliver the full Milestone 2 demo to the revised date at the end of January, and to deliver the first release into system test. The development itself remains on track to deliver Milestones 3 and 4, and the release into UAT on plan. The System test was due to commence in November, this is now approximately 1 month behind schedule, but Sopra plan to recover this through adding additional resources into the test team throughout January and February. Sopra will be updating the relevant plan and PID documents this month to reflect this. In addition, a Work Package Breakdown similar to that used to monitor progress of the development, will be created for the System Test. This will enable close monitoring of the progress and recovery of the system test phase. The programme remains in AMBER until the stage 2 demo is done and signed off. The following outlines key dates and high level timescales for the key phases of the programme: nDCVP Initiation: complete May 2020 nDCVP Definition/Elaboration: complete July 2020 nDCVP Development/Unit Test: in progress until Jul 2021 (phase 1 complete) nDCVP System Test: scheduled to run Nov 2020 - Aug 2021 nDCVP UAT: scheduled to run Sep 2021 - Feb 2022 Pre-implementation Assurance: scheduled to run Jan 2022 - May 2022 nDCVP Implementation: scheduled to run Jun 2022 - Aug 2022 nDCVP Go Live: scheduled to run Aug 2022 - Oct 2022 nDCVP Early life Support: scheduled to run Dec 2022 - Mar 2023</p>
			18/12/2020	<p>ATOS and Sopra Steria have established connectivity on the leased line. An impact assessment will be carried out to assess the impact on the overall plan.</p>
			02/12/2020	<p>ATOS and Sopra Steria have established some connectivity on the leased line. further evaluation is under way and if successful the plan is to establish full connectivity by w/b 07/12/20 and full development activities will recommence. An impact assessment will be carried out to assess the impact on the overall plan.</p>

5671	12/09/2019	Review of nDCVP current delivered products to be undertaken	27/11/2020	<p>The nDCVP Programme is currently in the development phase. The early phases of the programme (initiation, definition and elaboration) were completed in April and June 2020 respectively. Initiation, Definition &amp; Elaboration The initiation phase included completion of a suite of functional specifications, agreement of fixed price commercial terms with the prime contractor, and high level planning activities. The definition and elaboration phase primarily involved translating the functional specifications into the formal design and completing the detailed planning as to how the development will be executed. The key deliverables from this phase included: - System Architecture Design - Technical Specifications - Requirements Traceability Matrix - Work package breakdown - Plan The Work Package Breakdown now forms a key reporting tool, tracking progress of individual elements of the development, and forms part of the fortnightly progress report issued to NSS. Development - Stage Gate 1 All aspects of the development agreed for delivery within milestone 1 have been achieved, and a successful demonstration of the development to date was delivered on schedule on 6th October. All scenarios/tests that were agreed to be demonstrated were successfully done so. Following completion of the demonstration and all associated assurance activities, stage gate 1 was formally approved and the payment associated with the 25% milestone approved. Development - Stage Gate 2 Following conclusion of Stage 1, focus has moved to Stage 2. Early activity has included a second screens workshop for end users and programme team members. This ensures we have meaningful user input to the design and "usability" of nDCVP. The 25% invoices have been issued by contractor and paid for and the next payment milestone will be at 50%. There has been no change in projected programme costs.</p>
			19/11/2020	<p>A cyber-attack on the Sopra Seteria network has affected development and testing since 21st October 2020. Development progress has been impacted and recovery actions are on-going. All development tasks under Milestone 1 are complete and the stage demo was completed on the 6th of October. The demo scheduled for 18th of December is now at risk and the ODB have requested an impact assessment report from ATOS by the 30th of November 2020. A re-baseline plan is being looked into by the programme.</p>
			15/06/2020	<p>The view from the programme is that Impact 5, which is over £1m is too high after all the work that has been done. Translated this impact assumes the programme was cancelled/not delivered at all or we suffered an extremely lengthy delay to go live (years). Our assessment is that the impact is now 4, this is on the basis that we have an agreed commercial position, EMT approved budget, detailed functional specs, assurance activities, timelines and better understanding by the contractor and sub-contractor on our requirements. Also any change that is encountered now along the way will be managed through change control and anything that we deem to be a necessary change would be envisaged to be in £1000s or £100s rather than £millions. If we ended up with a change that resulted in an impact of &gt;£1m then something has gone catastrophically wrong! Also the likelihood remains 3 as the risk is being pro-actively managed to reduce/mitigate the risk.</p>
			10/06/2020	<p>Detailed specifications agreed, governance and assurance work in place. this should reduce additional cost requirement through change going forward. Process for clarification of issues to be agreed.</p>

5671	12/09/2019	Review of nDCVP current delivered products to be undertaken	22/05/2020	Following the completion of baselining work a revised fixed price has been agreed with contractor Atos to deliver a fully developed system to user acceptance testing (UAT). The increase in cost has been offset by MTS waivers from Atos for current DCVP covering 2020/21 and 2021/22. Change control to be tightly managed and any major change to be scheduled as phase 2 work.
			14/05/2020	Increased costs and timescales due to change identified throughout the development and life of the programme to be monitored. NK to confirm if the EMT have confirmed costs for nDCVP.
			01/05/2020	Sopra have submitted a high level plan but would need to identify when key parts of the development will be happening, and provide an indication of what elements wrap up into each milestone. i.e what are the key elements of the development that make up each 25%, 50% and 75% milestone
			30/04/2020	Review completed and all functional requirements signed off. Awaiting completion of impact assessment by contactor.
			21/02/2020	Ongoing discussions indicate that there could be an increase in costs as the supplier better understands the level of complexity involved in the development. Proposal expected by mid March 2020.
			04/02/2020	The work on baselining of functional specifications has now completed, except for final checks on the validation rules. The contractor has requested 3 weeks to carry out an impact assessment including a review of the fixed price proposal issued in August 2019. The impact assessment is expected to complete by 19th/2/2020. Assuming that the impact assessment will lead to an acceptable fixed price proposal and the Oversight Delivery Board and Programme Board approves a go decision, Initiation Phase will start with joint planning and completion of a project delivery PID and high level plan in March 2020.
			31/12/2019	Business review of all the responses to functional requirements will be completed on the week beginning 6th of January 2020. On the 13th of January 2020 a final workshop between contractor and programme team will be held for the formal signoff and baselining of requirements.
			29/11/2019	6 of the 11 functional requirements documents ready for sign off, awaiting minor clarifications on the remaining 5 and a review of the NFQ and system interface with data and warehouse. Review expected to complete by the 20th of December 2019 to allow a programme restart in January 2020.
	12/09/2019	Costing of upgrading current DCVP to be undertaken		
	12/09/2019	Contingency plans to be reviewed to ensure that payments can still be made		

Date Raised	Division	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
31/05/2019	DaS	There is a risk that the NSS Cyber Centre of Excellence (CCoE) is not adopted by the majority of Health and Social Care organisations as per DHC Tech Enablement Board recommendation. The CCoE provides a National Health Security Operations Centre (SOC) as recommended by SG and Gartner review	There will be no national dashboard managing vulnerabilities and incidents increasing the likelihood and impact of a security breach or incident	scott barnett	4	1	4	3	Prevention	Reputational	Business
31/05/2019	DaS	There is a risk that the NSS Cyber Centre of Excellence (CCoE) is not adopted by the majority of Health and Social Care organisations as per DHC Tech Enablement Board recommendation. The CCoE provides a National Health Security Operations Centre (SOC) as recommended by SG and Gartner review	There will be no national dashboard managing vulnerabilities and incidents increasing the likelihood and impact of a security breach or incident	scott barnett	4	1	4	3	Prevention	Reputational	Projects

ID	Action Created Date	Action Plan	Updated On	Update Description
5523	18/07/2022	Revise risk given current committed investment and imminent launch of the CCoE	18/07/2022	Downgrading of risk given the commitment from SG Digital Health & Care. CCoE launch formally is expected Autumn 22.
	01/02/2022	CCoE soft launched in April 2021. Year Two and Three recruitment plan, technology adoption roadmap and service catalogue to be ratified by CCoE Governance Board	01/02/2022	CCoE Governance Board now established with several Boards, Abertay Uni, Scottish Govt, Skills Development Scotland and NCSC all represented. New roles not previously provided by NSS to be ratified at Job Evaluation panel and recruited to post.

5523	31/05/2019	Working on a proposal with costings for National SOC for health. It is possible that we may have funding for year 1 and year 2 through Atos extension opportunity -- to be confirmed by contract board	01/02/2022	Action completed - year one funding fully secured, CCoE launched, North Region and PHS, HIS and NSS all initial adopters.
			12/04/2021	SG is promoting and NSS is funding the effort and a phase approach to rollout being planned with the health Boards. A 3 years fully funded programme is in place. The risk will remain until the rollout plan with the Boards is fully signed up .
			16/02/2021	A 6 year fully SG funded business case is with Chief Executives and Digital Health and Care Technology Enablement Board for approval. This details an NSS provided Cyber Security Centre of Excellence (CCoE) which will include at its heart a national security operations centre. As part of the CCoE, appropriate governance and management reporting as well as operational KRIs and KPIs will be established and real time information will be made available to decision makers to identify, detect, protect and respond to cyber attacks on our national systems.
			01/09/2020	Head of IS now recruited and business case will be pushed forward
			05/06/2020	the SOC is part of a 3 year SG funded programme and is midway through. This risk was raised a long time ago prior to the programme that is underway and hence why the risk should be downgraded. Eilidh will be reviewing this again in the next month as part of the ISG team risk review and will monitor as appropriate.
			04/06/2020	SOC: working to onboard NCSC's vulnerability disclosure programme. Target model work with Capgemini complete and business case being developed
			01/05/2020	Capgemini engaged and on site preparing a SOC Target Operating Model (TOM) SIEM POC commercial proposal received via Softcat √ progressing PO NCC Group to provide an on-call rapid incident response capability √ PO raised and commercials progressed via G Cloud
			23/03/2020	Update 23/03/20 - Tender awarded to Cap Gemimin to complete design work around SOC. Design expected to be completed early April which should feed into proposal for National Service
			10/01/2020	Include review of backups regime monitoring and ref to Information Security Framework
			06/01/2020	SIEM POC progressing with supplier (currently setting up Softcat on boarding) Requirements for national CSOC business case drafted and submitted through procurement Other CSOC services continue to be developed including ATP and security scanning service

5523	31/05/2019	Working on a proposal with costings for National SOC for health. It is possible that we may have funding for year 1 and year 2 through Atos extension opportunity -- to be confirmed by contract board	26/11/2019	Proposal received, working with procurement to progress
			30/10/2019	No further update at this time.
			26/09/2019	We are awaiting a proposal from a supplier to implement a small POC of a SIEM service to support the development of the CSOC. Funding is likely to still be a constraining factor on the scale and extent of services that can be provided. I need to seek an update on the status of the Atos contract funding.
			26/08/2019	Atos contract has been extended and are exploring options to utilise spare capacity/ funding and how much is available for cyber initiatives. There are other delays, however, regarding funding from SG perspective and significant pressure on HBs. This is a threat to realising the national Health SOC which depends on health boards receiving funding to implement local SOC technologies.
			12/08/2019	Aug 19 work ongoing further update to be obtained prior to next eHealth meeting
			22/07/2019	27/June 2019 Further SG meetings held around this initiative. SG recieved info from Gartner that mirrored our proposals.27th May 2019: Proposal developed around National SOC. Proposal costings have been benchmarked. Work is continuing with various suppliers over options
			31/05/2019	27th May 2019: Proposal developed around National SOC. Proposal costings have been benchmarked. Work is continuing with various suppliers over options

5114

**Infected Blood Inquiry - NSS**

**Last Update 18/07/2022**



Date Raised	Division	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
17/07/2018	SNBTS	There is a risk the Infected Blood Inquiry may lead to additional cost and adverse reputational impact for SNBTS/NSS.	Reputation -There is a risk of National media interest with the potential for adverse publicity, with associated loss of public confidence in the blood service and a risk of adverse effect on staff morale. Business - There is a risk of additional cost to NSS (£100k - £250k per annum). There is a risk that SNBTS will not be able to achieve its CRES relating to sample archive destruction (£40k per annum) Staff - Limited, although current and previous employees may be called to submit or give evidence to the Inquiry. Clinical -Limited - patient impact is time limited.	marc turner	4	3	12	8	Prevention	Reputational	Business
17/07/2018	SNBTS	There is a risk the Infected Blood Inquiry may lead to additional cost and adverse reputational impact for SNBTS/NSS.	Reputation -There is a risk of National media interest with the potential for adverse publicity, with associated loss of public confidence in the blood service and a risk of adverse effect on staff morale. Business - There is a risk of additional cost to NSS (£100k - £250k per annum). There is a risk that SNBTS will not be able to achieve its CRES relating to sample archive destruction (£40k per annum) Staff - Limited, although current and previous employees may be called to submit or give evidence to the Inquiry. Clinical -Limited - patient impact is time limited.	marc turner	4	3	12	8	Prevention	Reputational	Projects

ID	Action Created Date	Action Plan	Updated On	Update Description
5114	17/07/2018	Engage CLO	18/07/2022	Likelihood increased to 3 due to current suggestions by politicians of corporate manslaughter
			16/06/2022	Recommendations have been submitted as scheduled. Formal submissions will be prepared for submission in October.
			28/03/2022	SNBTS testimony is now complete, awaiting recommendation from core participants in June 2022
			27/10/2021	2 x Rule 9 enquiries have been submitted. Order of Statements: NHSBT, SNBTS, WBS and NIBS - NHSBT advised their statement will be in early 2022
			17/03/2021	To date the costs have been recovered so have reduced the likelihood to 2 therefore overall score to 8 green. Will review in 6 months
			27/11/2020	Weekly dialogue between CLO and SNBTS Director and Medical Director is ongoing
			20/04/2020	Engagement on track
			28/08/2019	Progressing on track
			17/01/2019	Relationship build and open communication channels with Inquiry Legal Team working well and to mutual benefit
			25/09/2018	CLO (Susan Murray) engaged. Counsel (Simon Bowie) appointed and will be present at preliminary hearings

<b>Meeting:</b>	<b>NSS Board</b>
<b>Meeting date:</b>	<b>29 July 2022</b>
<b>Title:</b>	<b>Register of Interests</b>
<b>Paper Number:</b>	<b>B/22/20</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Keith Redpath, Chair</b>
<b>Report Author:</b>	<b>Lynsey Bailey, Committee Secretary</b>

## 1. Purpose

The Register of Interests is presented to board for approval.

## 2. Recommendation

The Board is asked to approve the Register of Interests.

## 3. Discussion

Under Section 1.6 of NSS Standing Orders, we are required to maintain an up-to-date Register of Members Interests, which publicly available on our website.

The Register is reviewed on a six-monthly basis, or more frequently if there are any material changes.

## 4. Impact Analysis

### 4.1 Quality/ Patient Care

There is no impact on quality of care or service in this report

### 4.2 Equality and Diversity, including health inequalities

An impact assessment is not required

### 4.3 Data protection and information governance

The Board is required to provide this information on a public platform as part of its Standing Orders and any data protection or information governance implications are reviewed as required.

## 5. Risk Assessment/Management

There are potential reputational and governance risks if this process is not carried out in line with the requirements of the Standing Orders.

**6. Financial Implications**

There are no direct financial implications resulting from this report.

**7. Workforce Implications**

There are no direct workforce implications to resulting from this report.

**8. Route to Meeting**

This register is brought to Board directly as the most appropriate governance route.

**9. List of Appendices and/or Background Papers**

Register of Interests



<b>Meeting:</b>	<b>NSS Board Meeting</b>
<b>Meeting date:</b>	<b>29 July 2022</b>
<b>Title:</b>	<b>2021/2022 Whistleblowing Annual Report</b>
<b>Paper Number:</b>	<b>B/22/21</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Jacqui Reilly</b>
<b>Report Author:</b>	<b>Lynn Morrow</b>

## 1. Purpose

This paper is presented to board for information. In line with the National Whistleblowing Standards launched on 1 April 2021, NHS National Services Scotland was required to publish an Annual Report by 30 June 2022.

## 2. Recommendation

The Board is asked to note the Annual Report.

## 3. Discussion

Since the launch of the standards in April 2021, NSS has been contacted, either through the Whistleblowing helpline or the Confidential Contacts Service on 21 occasions, seven of these concerns were raised under the auspices of whistleblowing.

The number of whistleblowing concerns NSS received in 2021-22 increased from previous years. In the preceding five years, NSS was contacted on only four occasions with concerns relating to whistleblowing.

NSS sees the increase in concerns being raised as a positive indicator that staff are aware of and using the service and that it has helped inform service improvements.

## 4. Impact Analysis

### 4.1 Quality/ Patient Care

Lessons learned from managing cases will continue to be used to ensure the whistleblowing process within NSS is improved and the outcomes from cases are used for organisational learning. Lessons learned will continue to be reported to the Staff Governance Committee.

### 4.2 Equality and Diversity, including health inequalities

An impact assessment has been completed on Whistleblowing and has been subject to review during within the last 6 months.

### 4.3 Data protection and information governance

A Data Protection Assessment has been undertaken and signed off by the NSS Data Protection Officer. A review of the assessment will be carried out in 2022/23.

**5. Risk Assessment/Management**

There are no risks identified within this annual report.

**6. Financial Implications**

There are no financial implications directly associated with this paper.

**7. Workforce Implications**

There are no workforce implications directly associated with this paper.

**8. Route to Meeting**

This report was endorsed and signed off by the Staff Governance Committee and published on the NSS website by the deadline set by the Independent National Whistleblowing Officer (INWO).

**9. List of Appendices and/or Background Papers**

Appendix 1 – Annual Report



# Whistleblowing Annual Report



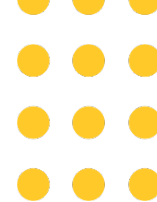
April 2021 to March 2022



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## 1. Introduction

This is our first annual report on whistleblowing concerns since the new Independent National Whistleblowing Officer (INWO) National Standards came into force on 1 April 2021.

The launch of the new standards provided an opportunity for NHS National Services Scotland (NSS) to review and update internal processes given the low number of concerns previously received. (Between 2015 and 2020, NSS received only four concerns classed as whistleblowing).

NSS supports and encourages an environment where employees, both current and former, bank and agency workers, contractors (including third sector providers), trainees and students, volunteers, non-executive directors, and anyone working alongside NSS staff can raise concerns.

Our aim in this report is to be transparent about how we handle whistleblowing concerns, highlight actions taken and improvements to our services as a result of whistleblowing concerns raised and lessons learned during the first year of implementation of the new INWO standards.

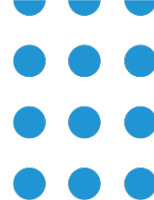
In line with the national standards requirements, details are shared at a level which ensures we protect the whistleblower's identity and to make sure the report does not identify anyone who has contributed to an investigation.

The reporting period includes activity between 1 April 2021 and 31 March 2022.

## 2. Background

Whistleblowing is an important process to enable a person to speak up about any whistleblowing concerns they may have in the organisation with respect to quality and safety in patient care and our service delivery. The way we respond to whistleblowing concerns raised is important, so that individuals feel that their concerns will be valued and handled appropriately and that the organisation will take on board what they have to say.

In line with the organisation's values, NSS encourages whistleblowing concerns to be dealt with at the earliest opportunity and where possible in real time within the management structures that our staff work in within the organisation. Alternate routes for raising whistleblowing concerns include with more senior managers, trade unions and other staff. In support of providing alternate routes, NSS has recruited Confidential Contacts in the last year as an additional source of support for colleagues to talk about any workplace concerns or issues. NSS also has in place a dedicated whistleblowing telephone and email line. The whistleblowing telephone



line is supported by the Whistleblowing Support Team and monitored daily during office hours.

As part of the process to implement the new National Whistleblowing Standards, NSS established a working group in February 2020 to co-ordinate and support implementation inclusive of: governance reporting, HR policy and process implementation, training and communications. The group established an action plan and delivered on those actions in advance of publication of the INWO standards. Delivery was supported by the Non-Executive Whistleblowing Champion; Chief Executive; whistleblowing named contact in NSS; Employee Director; Director of HR and Workforce Development and other Directors who all played a role in ensuring communication with staff to successfully implement the Standards and raise awareness of the new INWO role.

Throughout, the Executive Management Team, NSS Partnership Forum; Staff Governance Committee and NSS Board were kept fully informed of progress.

The NSS Staff Governance (SG) Committee, together with the NSS Whistleblowing Champion (WBC), who is a member of the Staff Governance Committee, scrutinised this report, including performance against the requirements of the National Whistleblowing Standards, key performance indicators (KPIs) and lessons learned as part of the Board's ongoing work to promote a 'Speak Up' culture. The WBC has been proactive in engaging with the organisation and raising awareness of the Standards and in providing critical oversight of governance mechanisms for reporting on and dealing with whistleblowing concerns, to complement the oversight provided by the Board. The WBC has received assurance on and supported the production of the annual whistleblowing report as well as the Quarterly reports that feed into this and is satisfied that the reports meet the required National Whistleblowing Standards and associated key performance indicators.

### 3. Concerns Raised

Since 1 April 2021, the Confidential Contact service and the whistleblowing helpline within NSS, has been contacted on 21 occasions, seven of these concerns were raised under the auspices of whistleblowing. Three of these were assessed as not meeting the whistleblowing definition and referred to HR or the complaints process. Of the remaining four, all were from NSS employed staff. There were no reports received from students, trainees volunteers or contractors.

Contractors (both NSS specific and those with national contracts) were all contacted to ensure policies were in place within their organisations for whistleblowing and that quarterly reporting of concerns would be sent by them proactively. No quarterly



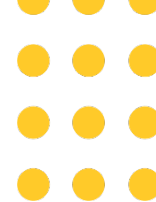
reports were received. NSS has also written to all contractors at year end to confirm the nil return to date.

Over the relevant reporting period in the year to 31 March 2022, four whistleblowing concerns were investigated; this compares to four in the previous five years. In reviewing this we believe this is because of the raised awareness of the new standards and the introduction of the confidential contact service in NSS. Feedback from our confidential contact service and our analysis of the range of concerns raised in the organisation, indicates that there have been no anonymous concerns raised and staff feel able to speak up in using the confidential contact service, particularly so once they have spoken to their confidential contact. Further, of the seven concerns which came to the whistleblowing service, all staff chose to identify themselves. Only one wished to raise an unnamed concern and then once the protections of the standards were explained, was content to use this protection.

One concern was investigated as a Stage 1 initially and proceeded to Stage 2 and the remaining three concerns were investigated as Stage 2 concerns from the outset due to their complexity. One of the concerns was handled as an unnamed concern as the member of staff raised the concern and then withdrew it, however the organisation decided to investigate the matter, nonetheless. Two of these concerns had been raised with managers under business as usual, but the members of staff raising the concerns had lost trust in the management response and escalated to the whistleblowing helpline therein.

The outcomes from these four concerns were that three concerns were not upheld, and one was partially upheld. In addition to this, recommendations were made in one of cases not upheld, based on findings during the investigation. In both these cases, where there were recommendations, an action plan was created by the NSS Strategic Business Units (SBUs) involved to follow through on the actions arising to improve the service. All these actions were reported on a quarterly basis to the Staff Governance Committee (SGC) and the actions have been completed during this financial year. Key improvements made to services arising from these actions include:

- Continuously improving and expediting planned training process changes in a service
- Ensuring recruitment processes are in line with the policy requirements within a service, inclusive of the development of local escalations processes for when these are challenged;
- Introduction of a management development programme to support best practice covering people management skills to enable issues between employees and the employer to be resolved informally, where at all possible;
- In support of Once for Scotland Policies, e-learning modules developed by Learning and Development (L&D) to bring policies to life and link to systems and processes;



- Ongoing work with Organisational Development (OD) and Communications colleagues on innovative ways to share the NSS values culture.

The details of the Key Performance Indicators (KPIs) associated with the concerns reported in their totality, those which were raised as whistleblowing concerns and those which were investigated as whistleblowing concerns are given in section 4.

## 4. Key Performance Indicators

	Q1	Q2	Q3	Q4	Total
Total number of concerns received	3	3	4	11	21
Number of potential whistleblowing concerns	3	3	1	0	7
No. classed as whistleblowing	2	1	1	0	4
No. reviewed at Stage 1 (5 days)	1*	0	0	0	1*
No. reviewed at Stage 2 (20 days)	2^	1	1	0	4^
No. classed as anonymous/unnamed	0	1	0	0	1
Number not classed as Whistleblowing	1	2	3	11	17

\*This case was investigated as a stage 1 and proceeded to a stage 2.

^ Includes stage 1 case moved to stage 2

The introduction and promotion of the NSS Confidential Contact service in November 2021, with associated corporate communications, is considered to have positively impacted the number of concerns being raised. In the main, concerns related to Once for Scotland HR policies and other matters beyond the scope of whistleblowing.

The remainder of this report is based on those concerns related to whistleblowing and referred to the whistleblowing service via the confidential contacts or raised with the whistleblowing service directly by the individual raising the concern.



## Whistleblowing Internal/External/Contracted Services Cases

	Q1	Q2	Q3	Q4	Total
No. of concerns – Internal	2	1	1	0	4
No. of concerns – External	0	0	0	0	0
No. of concerns – Contracted Services	0	0	0	0	0

Internal refers to NHS National Services Scotland (NSS) staff in NSS Services, and external refers to non-NSS staff in NSS services (e.g. volunteers/students, etc).

## Whistleblowing Concerns Closed

	Q1	Q2	Q3	Q4
No. and % closed at Stage 1	0 (0%)	0 (0%)	0 (0%)	0 (0%)
No. and % closed at Stage 2	2 (100%)	1 (100%)	1 (100%)	0 (0%)

## Status of outcome of Investigation

	Q1	Q2	Q3	Q4	Total
Stage 1					
Upheld	0	0	0	0	0
Partially Upheld	0	0	0	0	0
Not Upheld	0	0	0	0	0
Stage 2					
Upheld	0	0	0	0	0
Partially Upheld	0	0	1	0	1
Not Upheld	2	1	0	0	3
<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>4</b>



## Response timescales

	Q1	Q2	Q3	Q4
<b>Stage 1 (5 days)</b>				
Average time in working days for responses	5	0	0	0
No. of cases closed at Stage 1 within timescale (%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
No. of Stage 1 cases extended	0	0	0	0
<b>Stage 2 (20 days)</b>				
Average time in working days for responses	22	3	43*	0
No. of cases closed at Stage 2 within timescale (%)	1 (50%)	1 (100%)	0 (0%)	0 (0%)
No. of Stage 2 Cases extended (%)	1 (50%)	0 (0%)	1 (100%)	0 (0%)

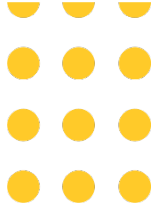
\*This concern was received prior to the festive season. With the agreement of the whistleblower, this case went beyond the 20-day timeframe. The whistleblower was kept apprised at all times.

## Cases under consideration by INWO

	Q1	Q2	Q3	Q4	Total
Internally raised Cases	1*	0	0	0	1
Externally raised Cases	0	0	0	0	0
Contracted Services raised Cases	0	0	0	0	0

## INWO referred cases referred at

	Q1	Q2	Q3	Q4	Total
Stage 1	0	0	0	0	0
Stage 2	1	0	0	0	1



\*As at the end of Q4, INWO continue to review the case from Q1.

These Key Performance Indicators are reviewed by the Staff Governance Committee at each meeting.

## 5. Key Themes Arising from whistleblowing concerns raised

Key themes arising from the four concerns investigated to date included the importance of managing concerns in the business area they arise in effectively, inclusive of ensuring staff:

- Feel able to speak up within Strategic Business Units
- Know how to speak up and who to speak to in Strategic Business Units
- Early management of concerns by managers in Strategic Business Units

Individual concerns related to the following topic areas which the organisation can consider for ongoing improvement:

- Ensuring managers follow HR policy and use informal processes in the first instance
- Strategic Business Units comply with HR policy and agreed processes
- Management communications with staff on Strategic Business Unit level decisions to allay potential concerns
- Ensuring the NSS Values and behaviours are enacted in all we do in the organisation

## 6. Lessons Learned

Since the launch of the standards, NSS has undertaken continuous improvement of our processes and the support provided to individuals raising concerns.

Improvements have been made following additional guidance from INWO and learning from other boards via the newly established networks for confidential contacts and those involved in whistleblowing management. This has included:

### NSS Process

- Clarifying roles and responsibilities as additional information has been made available from INWO seminars and website content changes. This has included separating out the whistleblowing ambassador role from the executive lead role. Recruitment is underway for supporting roles. The introduction of the NSS confidential contact service, inclusive of connection to whistleblowing processes.



- Updating letter templates content based on INWO information; shared learning from other boards, as well as feedback from those involved in the process in NSS.
- Updating internal Standing Operating Procedures (SOPs) and processes based on learning from investigations undertaken, inclusive of follow up on action plans and Red/Amber/Green (RAG) reporting on those to the NSS Staff Governance Committee.
- Development of processes to manage and monitor contractor requirements internally and on behalf of NHSScotland via National Procurement.

### Learning/Feedback/Experience from those Involved in the concerns investigated

Specific lessons learned exercises were undertaken following all Stage 2 investigations, to ensure NSS examined anything more that needed to be done in support of communications and organisational implementation of the policy, and to support the improvement of services.

Feedback was sought from everyone involved in whistleblowing cases, including commissioning managers, investigators, witnesses, and individuals raising concerns. Those who responded expressed a broadly positive experience of the process, with reference to:

- awareness of NSS communications and policy;
- the prompt and professional manner in which the investigations were undertaken;  
the administrative support provided to the investigations;
- use of the template letters;
- the investigations were perceived to be undertaken in line with the requirements of the standards of the Independent National Whistleblowing Officer as detailed on the NSS intranet.

## 7. Areas of improvement

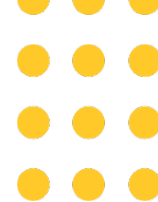
NSS continuously improves the way we do things and the following have been those areas of improvement work following the first year of learning:

- **Clarifying the role of the investigating manager** and where this differs to the national HR policy for investigations. Steps take to address this include:



- sharing the internal whistleblowing SOP and other information with the commissioning managers and investigators to make clear the expected process and timelines.
- Providing feedback on the outcome and next steps in the process to the investigating manager.
- **Clarifying witness involvement in the process and communications with those who need to know**, inclusive of the importance of the confidential nature of witness involvement. NSS decided to strengthen the provision of protection.
  - We have made clear to investigating managers what their role is with respect to witness confidentiality
  - We have changed our approach to lesson learned exercises from a collective witness debrief approach to an individual feedback approach
  - We have stopped using MS teams for this and use individual forms for feedback via email
  - Witness communications about the investigation outcome have been introduced
  - We introduced a letter template for witnesses to receive the outcome of investigation as part of the process
- **Timelines for investigation** - we make clear in all communications that we will endeavour to meet these timelines where possible and communicate when this is not possible with the reasons why.
- **Procurement coordination of contractor services:**
  - Internal oversight and co-ordination of NSS contractors is now carried out. All contractors were written to in this regard with a standard template letter.
- **INWO Independent Review - Stage 3 complaint handling:**
  - we have considered the required internal communications in support of the INWO complaints process based on our experience of the single stage 3 investigation underway. Draft communication templates and a process for this are now available for this.

We will also consider further learning from the outcome of that INWO investigation once available.



## 8. Training

NSS has actively encouraged staff to undertake the NHS Education for Scotland developed whistleblowing training in TURAS. Since 1 April 2021, 77% of all NSS staff (2,188) and 71% (575) of all managers have completed the training.

Training	Q1	Q2	Q3	Q4
NSS Employees registered in TURAS*	3403	3446	2905	2855
NSS Employees who have undertaken employee (whistleblowing) training module	1483	1837	1947	2186
Compliance (%)	44%	53%	67%	77%
NSS Managers	769	820	811	806
NSS Managers who have undertaken manager (whistleblowing) training module	186	414	510	575
Compliance (%)	24%	50%	63%	71%

\*NSS Employees: this is the headcount from TURAS, which excludes bank staff.

## 9. Working with Contractors

In preparation for the roll out of the Whistleblowing policy NSS identified current in scope service contracts and communicated whistleblowing requirements to all contracted suppliers. To ensure all future contracts were compliant with the standard NSS revised standard contractual terms and conditions, making it a requirement for suppliers to comply with the policy requirements. NSS undertook this work for NSS contracted services and for national contracts on behalf of NHS Scotland. As part of that process, all relevant suppliers were written to enclosing a copy of the INWO Whistleblowing Policy – Compliance Self-Assessment Checklist for NHS Providers.

NSS collate reports of any concerns reported by the contractors and on an annual basis send all in scope suppliers of contracted services an electronic form, requiring detail of any whistleblowing concerns raised during the financial year, or confirmation of a nil response.

For the 2021-22 reporting year, there were no whistleblowing concerns raised by the identified NSS in-scope suppliers. Furthermore, all in-scope suppliers confirmed that they had whistleblowing policies in place.

To reduce duplication for both suppliers and Health Boards, National Procurement is also supporting the reporting requirement by contacting suppliers who are on national agreements. For these national contracts (n=310), 95% of suppliers have

responded and 88% of those have confirmed that they have whistleblowing policies in place. Seven whistleblowing concerns were raised and resolved in the local setting (e.g. an NHS Board). As a consequence, in the first year of reporting there was some confusion as to whether Contractors should report these concerns through NSS in addition to this local reporting. This has been clarified and Procurement colleagues will work with national contract suppliers in 2022 to ensure that reporting is carried out quarterly/annually through NSS for the reporting period 2022-23 onwards.

## 10. Communications

A Whistleblowing communications strategy was put in place to promote the new National Standards within NSS.

The strategy was devised to inform all current (and former) employees, bank and agency workers, contractors (including third sector providers), trainees and students, volunteers, non-executive directors, and anyone working alongside NHS staff:

- The importance of the policy and how it affects everyone within NSS
- How to access and use the policy.
- Who to contact if they have a concern to be raised.
- What happens when a concern is raised, and that it will be treated with the utmost seriousness, assessed and when required thoroughly investigated.
- How to complete the eLearning programme from NHS Education for Scotland.
- How NSS will learn from all the feedback provided, to improve the way we do things.

To implement the plan there were several channels used to keep stakeholders informed.

### HR Connect was updated with the following information

- NSS Confidential Contacts Information
- Raising Whistleblowing Concerns – a guide for NSS
- Whistleblowing Guide to accessing eLearning through TURAS
- Equality and Faire Scotland Duty Assessment of Whistleblowing
- Whistleblowing Raising a Concern Flowchart
- Whistleblowing Process Overview Flowchart



### Regular staff messaging (via all staff emails and Stay Connected newsletter including

- Video from Professor Langa, Non-Executive Director and Whistleblowing Champion
- Video from Mary Morgan, Chief Executive
- Seven updates throughout the year to remind staff about the Standards and where to find them
- Six updates issued reminding staff about the eLearning programme and how to access it
- Promotion of the recruitment of confidential contacts and updates of the service
- Promotion of the INWO website and INWO bulletin. Staff actively encouraged to sign up to receive the bulletin

### The NHS NSS website updated to include details

Initially the website did not enable searching for whistleblowing, however this was amended.

### Proactive communications

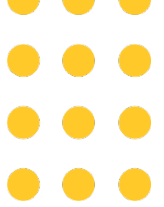
that Strategic Business Units could use with contractors and providers (to raise awareness of the policy).

### We are also currently:

1. Updating the homepage of geNSS (staff intranet site) to encourage staff to find the section in HR Connect quicker.
2. Looking at producing case studies to raise more awareness of the different types of Whistleblowing cases.
3. Continuing to send out messaging via Stay Connected reminding staff to complete training and to visit the INWO website/HR Connect.

This annual report will be published on the NSS website.

For alternative formats please contact [NSS.EqualityDiversity@nhs.scot](mailto:NSS.EqualityDiversity@nhs.scot)



## 11. Confidential Contacts

With the introduction of the Once for Scotland policies in March 2020 and the Whistleblowing Standards in April 2021, all health boards across Scotland were to implement a confidential contacts or similar service to the workplace for all employees to have access to. Following agreement by the NSS Workforce Policy Terms and Conditions (WPTC) Group and NSS Partnership Forum in March 2021, this service was developed and implemented in NSS. Our confidential contacts listen, support and signpost options under the relevant policies to staff who wish to raise concerns. Five staff were identified through our recruitment exercise to carry out the role of confidential contact as a pilot within NSS. This was voluntary in addition to their substantive role.

The confidential contacts received training on the role of the confidential contact, HR policies, whistleblowing and listening skills. They also attended meetings with the NSS whistleblowing lead, NHS Lothian whistleblowing ambassador service and HR in advance of the launch of the confidential contact service to all staff on 24th November 2021. Confidential contacts utilise an electronic recording form to enable anonymous recording of contacts being made.

The WPTC will be undertaking a review and lessons learned of the pilot in June 2022. This will help to identify any improvements and inform our future approach.

As detailed at section 4, the introduction and promotion of the Confidential Contact service in November 2021, is considered to have positively impacted the number of concerns being raised and NSS welcomes the opportunity to learn and improve from this feedback.

Our confidential contacts are members of the INWO Practitioners Forum and our whistleblowing support team are members of the Practitioners Forum.

### Feedback from confidential contacts included:

**“Becoming a confidential contact has been a unique and enlightening experience.”**

**“As a team we have worked well together, despite working in different parts of the organisation.”**

## 12. Our services

NSS is a national NHS Board operating right at the heart of NHS Scotland. Through our services we provide invaluable support and advice through our Strategic Business Units and Corporate functions. A role that is also extended to the wider public sector. Our services include:



### Covid-19 response

Overview, supply and distribution, manufacturing and sourcing, covid-19 testing, convalescent plasma, digital, screening and blood donation. The implementation of the National Contact Centre (NCC).



### Specialist healthcare

Providing specialist clinical services, population screening, national network management services.



### National Procurement

Strategic sourcing, commercial services, procurement services, terms and conditions, warehouse operations, supply chain, distribution, fleet management and ward product management.



### Programme management

Portfolio management, programme and project delivery, programme assurance and programme management office.



### Facilities

Capital projects, estate asset management, equipping services, engineering, environment and decontamination, facilities management.



### Legal

Litigation, employment, commercial property and commercial contracts.



### Digital and Security

Portfolio management, programme and project delivery, programme assurance and programme management office.



### Blood, tissues and cells

Blood tissues and cells, clinical services, research, development and innovation, training, testing, quality assurance and regulatory compliance.



### Practitioner

Pharmacy, medical dental and ophthalmic



### Counter fraud

Fraud prevention, fraud detection, fraud investigation and more.



# Minutes

## (Approved)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000

[www.nhsnss.org](http://www.nhsnss.org)



### NHS NATIONAL SERVICES SCOTLAND FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE (FPPC)

**B/22/22**

### MINUTES OF MEETING HELD ON WEDNESDAY 2 FEBRUARY 2022 VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

#### Present:

Mark McDavid – Non-Executive Director and Committee Chair  
Julie Burgess – Non Executive Director  
Lisa Blackett – Non-Executive Director  
Ian Cant – Non-Executive Director  
Gordon Greenhill – Non-Executive Director  
Keith Redpath – NSS Chair

#### In Attendance:

Gordon Beattie, Director of National Procurement  
Carolyn Low, Director of Finance  
Lee Neary, Director SPST  
Matthew Neilson, Associate Director Strategy, Performance & Communications  
Steven Flockhart, Director of Cloud Engineering & Digital Operations  
Angela Wilson-Coutts, Head of Planning and Performance  
Karen Nicholls, Committee Services Manager (Minutes)

#### Apologies:

Mary Morgan, Chief Executive Officer

## 1. WELCOME AND INTRODUCTIONS

- 1.1 M McDavid welcomed all to the meeting, which was being held virtually via the TEAMs platform.
- 1.2 Before starting the formal business of the meeting, M McDavid asked Members if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.

## 2. MINUTES AND MATTERS ARISING [Papers FPP/22/02 and FPP/22/03 refer]

- 2.1 Members noted the minutes from 18<sup>th</sup> November 2021 and, following a brief discussion, approved them in full.
- 2.2 Members noted that all actions were either completed, covered by the agenda, or programmed in for a future meeting.



Chair  
Chief Executive

Keith Redpath  
Mary Morgan

NHS National Services Scotland is the common name of the Common Services Agency for the Scottish Health Service.



### 3. SEER 2.0 OUTLINE BUSINESS CASE [paper FPP/22/05 refers]

3.1 S Flockhart took Members through the outline business case in relation to the SEER project and noted the following;

- The OBC was in relation to the SEER Platform – Evolution of Data Capability and migration plans to newer technology and support function for the Digital Health and Case Strategy and Public Health Scotland;
- The OBC covered an initial spend in the 21-22 Financial Year to run a pilot on the preferred platform to ensure it was appropriate for a mass migration;
- Full Business case would then be produced based on these results for financial year 22-23;
- Discussions were on-going with Scottish Government in relation to continuing funding, with Public Health Scotland as a major partner. Provision had been made in the NSS plans to support as well as that was National Infrastructure.
- Members noted that this was a spend to save programme with ongoing costs/savings throughout the life of the programme depending on usage;
- Should the preferred platform not perform as expected further discussions and negotiations with the incumbent (Oracle) solution would be required.

3.2 After a short discussion Members were content to endorse the recommendations in the paper presented.

### 4. REVISION TO NSS STANDING FINANCIAL INSTRUCTIONS [paper FPP/22/06 refers]

4.1 C Low took Members through the paper and discussed it in full noting the following;

- Strengthened approach to planning and control e.g. in relation to staff appointments; payroll transactions; facility time treatment etc;
- Tightened controls in relation to tendering and contracting requirements;
- Strengthening processes in relation to National Services Division and Practitioner Payments to ensure full controls environment were fully reflected.

4.2 Members noted that due to a number of changes within the Executive Team this would also be reflected in the NSS Standing Orders and Scheme of Delegation. To enable this to go live on 1<sup>st</sup> April 2022 the final versions would be discussed at the NSS Board meeting on 10<sup>th</sup> March 2022. J Burgess asked for clarity on Page 46 – regarding Research Contract Award approvals and C Low to review and provide update outwith meeting. **Action: C Low to review Research Contract Awards and update outwith meeting.**

### 5. FINANCE REPORT [paper FCC/22/07 refers]

5.1 C Low took Members through the paper and highlighted the following;

- NSS remained on track to deliver to targets;
- Scottish Government (SG) are looking for a firm position by end Q3 to allow overall resources to be managed;
- COVID funds are available for this financial year but there is less certainty for the next;

- NSS slipping on some expenditure and SG are aware that some allocations would not be required;
- Main slippages had been in relation to capital expenditure so alternative plans were being progressed as many of the original focus prior to the pandemic had been on NSS Estate which had been delayed due to lockdowns etc.
- Discussions with SG had been very positive in relation to future years etc.

5.2 Members asked that further detail be added into the report on what funds had been committed to the capital projects programme and delivery. Members also noted that an additional deep dive on behalf of SNBTS would also be carried out for the next Financial Year to ensure Service Level Agreements (SLA's) were costed appropriately to ensure minimal risk. **Action: A McClean to add additional detail to future reporting.**

## 6. **STANDING FINANCIAL INSTRUCTIONS BREACH [Paper FPP/22/17 refers]**

6.1 C Low took Members through a short paper highlighting a potential breach of the NSS Standing Financial Instructions that had been identified. Members noted that no monies had been lost as a result of the incident and a full lessons learned had taken place. As a result, processes had been updated to mitigate this risk.

6.2 Members noted the paper in full.

## 7. **FINANCIAL SUSTAINABILITY/BUDGET REPORT [Paper FPP/22/08 refers]**

7.1 C Low and A McClean took Members through the update noting the following;

- NSS forecast was for a balanced position over the next three years;
- The Paper had been updated after discussions in August 2021 and the outcomes of the NSS Resource Allocation Meetings held in November/December 2021;
- Risk and uncertainty may emerge throughout the life of the plan e.g. rising inflation and this would be mitigated where possible;
- Funds for developments would be limited;
- Action plans would focus on activity based costing and additional grip and control measures.

7.2 Members discussed the paper in full and J Burgess asked for additional information in relation to the savings associated with the Service Transformation programmes and rationalisation of NSS estates for future reporting. C Low advised that for the Service Transformation the Corporate Oversight Group would provide the governance to this and provide updates as required. Work was also underway to bring together the Property Asset Management and Estates Strategy with the governance provided via a new Sustainability Infrastructure Board. Members asked that future reporting be added as a standing item for future meetings as appropriate

**Action: C Low/A McClean to add additional information for future reporting.**

**Action: Board Services to add to Forward Programme as a standing item.**

## 8. **NATIONAL PROCUREMENT CONTRACT SCHEDULE [Paper FPP/22/10 refers]**

8.1 G Beattie took Members through the report and noted the challenges and risks identified, not only in relation to COVID related contracts but also impact of increased

costs of raw material etc on existing contracts. Members noted that the procurement team were working hard with suppliers and Health Boards to mitigate major increases.

8.2 Members noted the report in full and the recommendations therein.

## **9. PORTFOLIO MANAGEMENT GROUP REPORT [Paper FPP/22/11 refers]**

9.1 C Low took Members through the paper which provided an update on programmes managed on behalf of NHS Scotland. Members noted that there were still areas of significant risk, in particular the larger IT programmes. C Low highlighted the following focus areas:

- CHI and Child Health Programme – issues continued and the next programme board was early March where decisions would be required in relation to the way forward with the project. As Interim Director of Digital and Security C Low would now be the Senior Responsible Officer for the project and M Morgan was in high level talks with the suppliers;
- GP IT – further discussions with suppliers ongoing and one should be appropriately accredited by April 2022 so work with NHS Tayside could then start around implementation. However, the second supplier is not likely to be ready for another 12 months. Work was therefore required on a contractual basis factoring this in;
- PACs rollout – There was a category 2 failure in two Boards that required a pause on roll out to other Boards until this was resolved. It is anticipated that the necessary path from Microsoft would be available end February and the rollout could then continue. Wrap around support for the Boards affected was in place.

9.2 J Burgess asked for an update on the CVAS programme and what needs to be done to get this back on track to deliver. L Neary advised that key pieces of work were ongoing and a gateway review was due with the new Chair of the Programme Board. This would look at the robotic solution proposed and whether this was truly scalable... The team have engaged with industry experts and the Medical Innovation Centre and further investigations were ongoing. A paper would be presented to the NHS Scotland Chief Executives.

9.3 Members noted the projects that were not on track but that many of these were not within the NSS gift to fully mitigate and there was a requirement for the NSS responsibility to be clear. KR added that SG were still close to these projects, with Senior SG leadership in place across the Boards. C Low added that it was NSS responsibility, when running such programmes, to make suggestions for improvement, but final decisions were not.

9.4 Members noted the paper and recommendations in full.

## **10. NSS PERFORMANCE REPORT [Paper FPP/22/012 refers]**

10.1 L Neary took Members through the report and highlighted the following;

- High level message was that NSS was in a stable position in terms of movement across the metrics compared to Quarter 2 reports;
- Improvements in complaints handling had reverted back to 100%;

- Heavy focus on NSS compliance including things like ensuring compliance with personal objectives, appraisals etc;
- Overtime – ongoing response and efforts in relation to COVID-19 were still affecting this measure;
- Turnover of National Contact Centre – funding had now been confirmed to end September 2022. The previous uncertainty in relation to funding had been noted as reason for leaving in exit interviews and it was therefore hoped that this would mitigate this.

10.2 J Burgess raised a concern in relation to the Great Place to Work targets and M McDavid advised that this was monitored via the NSS Staff Governance Committee and issues would be raised at the next meeting. L Blackett asked whether any of the targets had been impacted by the working from home requirements. M Neilson and L Neary advised that there had been many excellent examples of where this had actually been a benefit, for example COP26, and further discussions were on going as NSS moved to a hybrid working format. A full review of impact on services from this new model would take place and a fuller discussion on the Future Ready programme would be held via the NSS Staff Governance Committee for governance.

## **11. NSS REMOBILISATION PLAN QUARTER 3 REPORT [paper FPP/22/13 refers]**

11.1 L Neary took Members through the paper and confirmed that NSS was still in a good position with regards to the Remobilisation Plan with just under 70% of targets already on track or exceeded. Members noted that the reporting timeline was as follows;

- NSS 3-Year Plan to be submitted to SG by July 2022. This would required the outline plan to be submitted to Board in March and to NSS Executive Management Team in April for final sign off by Board in June 2022.

11.2 L Black asked for an update on the Cyber Security Centre of Excellence (CSCE). A Wilson-Coutts advised that this was now established and funded by SG for the first year. Recruitment was being accelerated by the newly formed Governance Board which would report into SG.

## **12. RESILIENCE REPORT [paper FPP/22/14 refers]**

12.1 Members noted the report in full.

## **13. REVIEW OF BUSINESS RISKS [paper FPP/22/15 refers]**

13.1 Members welcomed Angela Wilson-Coutts to the meeting and went through the report, noting the following;

- 3 RED Business Risks;
  - Windows 10 Update – now sitting at 97% of the estate updated and individuals would now be contacted to complete this as soon as possible;
  - Risk 6249 – meeting with ATOS in January had taken place and work prioritised with the critical elements on the technical refresh until end of March. This would remain as an AMBER risk for another calendar year and the proximity date would therefore be reviewed;
  - Risk 6350 – Gartnavel facilities had now been mitigated to AMBER;

- There were no new AMBER risks, however, the risk in relation to unstructured data would remain on the watch list whilst data cleansing was ongoing with SBUs.

13.2 Members noted the paper and recommendations in full.

#### **14. OCCULT HEPATITIS B BUSINESS CASE [paper FPP/22/04 refers]**

14.1 Members noted the paper in full and endorsed the recommendations. M Turner advised that in terms of retro-consent all donors provided consent at the point of donation.

#### **15. FORWARD PROGRAMME [paper FPP/22/16a refers]**

15.1 Members noted the content of the Forward Programme and made no additional comments.

#### **16. ANY OTHER BUSINESS**

16.1 Members had no additional general business to raise at this point and agreed to move to the In Private session.

There being no further business, the meeting closed at 1100hrs.

# Minutes (Approved)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000



[www.nhsnss.org](http://www.nhsnss.org)

## NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

### MINUTES OF MEETING HELD ON THURSDAY 3 FEBRUARY 2022 VIA TEAMS DIGITAL PLATFORM AT 1400 HRS

#### Present:

John Deffenbaugh – Non-Executive Director and Committee Chair  
Lisa Blackett – Non-Executive Director  
Ian Cant – Non-Executive Director  
Gordon Greenhill – Non-Executive Director  
Tam Hiddleston – Trade Union Representative  
Arturo Langa – Non-Executive Director  
Gerry McAteer – Trade Union Representative  
Mark McDavid – Non-Executive Director  
Keith Redpath – NSS Chair

#### In Attendance:

Aileen Stewart – Associate Director  
Gordon Beattie – Direct of National Procurement  
Lynsey Bailey – Committee Secretary [Minutes]

#### Apologies:

Susan Cook – Trade Union Representative  
Jacqui Jones – Director of HR and Workforce Development  
Suzanne Milliken – Trade Union Representative  
Mary Morgan – Chief Executive

## 1. WELCOME AND INTRODUCTIONS

- 1.1 J Deffenbaugh welcomed all to the meeting, which was being held virtually via the TEAMS platform, noting the apologies as recorded above.
- 1.2 Before starting the formal business of the meeting, J Deffenbaugh asked Members if they had any interests to declare in the context of the items on the agenda. No interests were declared.

## 2. MINUTES AND MATTERS ARISING [Papers SG/21/02 and SG/21/03 refer]

- 2.1 Members noted the minutes from 24 November 2021 and, following a brief discussion, approved them in full. Members noted that all actions were either in progress or completed.



Chair  
Chief Executive

Keith Redpath  
Mary Morgan

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### 3. **PROCUREMENT, COMMISSIONING AND FACILITIES (PCF) RIDDOR ACTION PLAN PROGRESS [Paper SG/21/06 refers]**

3.1 Members were taken through a presentation to accompany the papers, giving an overview of the steps taken to address the incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDORs) in PCF and the impact so far:

- Of the 433 overall actions which had been identified, 65 were still outstanding. 46 were showing a green “RAG” status, 19 were at amber and none were red;
- COVID-19 infection levels had also been well managed and Members received an overview of the steps being taken to maintain this;
- Some benchmarking was being done against other warehouses to see where lessons could be learned;
- Work was ongoing to refresh PCF’s health and wellbeing strategy and it was intended that this would be completed for presentation to the NSS Occupational Health and Safety Advisory Committee in the first quarter of 2022/23;
- Members were given an overview of the initiatives in place to make well-being information more available;
- Members were particularly pleased to note that this was not something being done to staff but in collaboration with staff and there was a slow but steady cultural shift which was what was needed.
- There was lots of good practice which could (and would) be more widely shared across NSS and Members were pleased to note partnership working appeared to be embedded well in this area through feedback from union stewards.

3.2 Members sought clarification around ownership of/share of responsibility for the legionella risk at Gartnaval. G Beattie agreed to feed this back. Members discussed the use of the display screens in staff break areas, other content which could be included, and how this could be rolled out wider. Members were also pleased to hear efforts were being made to find a way of celebrating and rewarding near-miss reporting and embed a “no-blame/fair blame” culture. In the warehouse there were good working relationships and good trade union relationships so the accident/incident rate and RIDDORs were the main concern. G Beattie advised that he was keen to see a significant increase in near-miss reporting as the cultural shift and mechanisms in place around that could feed into changes in other areas. Members commended the staff engagement approach.

**ACTION: G Beattie to provide clarification around ownership of/share of responsibility for the legionella risk at Gartnaval**

### 4. **PARTNERSHIP FORUM UPDATE**

4.1 Members were pleased to note that the Partnership Forum continued to be appropriately focussed. I Cant provided the following highlights:

- Remobilisation and Future Ready remained the main topics of conversation with I Cant and M Morgan consciously leaving space on the agenda to allow for debate;
- At the Partnership Forum on 14 December 2021, the first staff story was presented. It had been about the Management Hub which was doing some good work and could be a spotlight session for a future meeting of this Committee.

4.2 Members were updated on the recent letter issued by the Scottish Government regarding leave arrangements in respect of celebrations for Her Majesty, Queen Elizabeth II's Platinum Jubilee. J Jones and I Cant had discussed it and come up with a solution which would need to be approved by the NSS Partnership Forum. There was recognition that whatever solution was agreed would be open to criticism from staff, and there were frustrations about how this had been dealt with but these would be managed appropriately.

## 5. PEOPLE REPORT [Paper SG/21/04 refers]

5.1 A Stewart spoke to the paper which covered all key issues around compliance with the Staff Governance Standard and best employment practice. In particular, Members noted the good progress and positive movement with some areas for improvement (mainly RIDDORS, Appraisals and Personal Development Plans)

5.2 Members discussed concerns raised at the recent NSS Finance, Procurement and Performance Committee – that the information reported against the Great Place to Work targets did not seem to align with what was reported to this Committee or the Partnership Forum. Members noted that it had to do with interpretation as the Statistical Process Control focus on reporting was still being embedded and still working towards achieving consistency.

5.3 Sickness absence figures, although slightly higher, should really be welcomed as this provided some comfort that staff were reporting their sickness in the normal fashion rather than trying to continue working while sick and impacting on their health in a negative manner. Members were also advised that the majority of the reported absences due to stress and anxiety were not work-related.

5.4 With regard to turnover, Members were given an overview of the challenges in the National Contact Centre (NCC) in respect of funding and losing staff - mostly through the staff finding more permanent roles or returning to substantive roles following furlough. Members also recognised that contact tracing could be a tough job. While the extension of funding mitigated some of the issues faced, ultimately more certainty was needed about the overall future of Test and Protect. Members suggested it might be useful to hear again from NCC in a spotlight session once that certainty was there.

5.5 In respect of the Whistleblowing section, Members noted that there was a correction to the information – there had been one case in the first quarter of 2021/22 and one case in the second quarter. A Langa suggested that he, J Jones, J Reilly and the HR Workforce Systems team meet to explore the options for reporting proportionately.

**ACTION: Meeting to be arranged between A Langa, J Jones, J Reilly and the HR Workforce Systems team to explore options for proportionate reporting of whistleblowing**

5.6 Appraisals have been discussed at EMT. A Stewart gave an overview of the approach she had taken with her direct line reports and was looking to replicate that organisation-wide. It was also acknowledged that there was also a need for discussions about the target for appraisals completed. Members asked A Stewart to come back with a short report to give assurance of moving towards an agreed target and the action plan around that.

**ACTION: A Stewart to come back with a short report on appraisals to give Members assurance around moving towards an agreed target and the action plan for that**



**6. STAFF RISKS [Paper SG/21/05 refers]**

- 6.1 A Stewart spoke to paper, which provided details of the current situation for corporate staff risks recorded on the NSS Risk Register as at 31 December 2021, along with assurance that those risks were being appropriately monitored and managed. Members were pleased to note there were no current high or medium strategic risks but HR reviewed the risk register on a monthly basis.

**7. DRAFT GREAT PLACE TO WORK PLAN [Paper SG/21/07 refers]**

- 7.1 Members considered the paper which laid out the draft Great Place to Work Plan for 2022-23. Members discussed the visibility of Board Members, noting work on this had already started with a virtual introduction of K Redpath. Focus groups were also being held to get detail on what was meant by that and what staff were looking for to further inform how it would be addressed. There was also a draft action plan which would be discussed at a Board Development session and K Redpath was happy to get that feedback. However, Members were mindful of jumping into this too much and balance it out with enhancing staff's understanding of the role of the Board. There was a need to be clear that the NSS Board was not an executive board with the Executive Management Team leading, and how the relationship between the two worked.

**8. FORWARD PROGRAMME [Paper SG/21/08 refers]**

- 8.1 Members noted the current draft of the Forward Programme and were reminded to contact Board Services at any time if they had any updates to it.

**9. ANY OTHER BUSINESS**

- 9.1 Members had no other business to raise at this point.

There being no further business, the meeting closed at 1523hrs.

# Minutes (Approved)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000

[www.nhsns.org](http://www.nhsns.org)



## NHS NATIONAL SERVICES SCOTLAND CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE (CGQIC)

### MINUTES OF MEETING HELD ON WEDNESDAY 16 FEBRUARY 2022 VIA TEAMS DIGITAL PLATFORM AT 1400HRS

#### Present:

Alison Rooney – Non-Executive Director [Chair]  
Lisa Blackett – Non-Executive Director  
Gordon Greenhill – Non-Executive Director  
Arturo Langa – Non-Executive Director

#### In Attendance:

Mary Morgan – Chief Executive  
Lorna Ramsay – Medical Director & Executive Lead for Clinical Governance  
Jacqui Reilly – Nurse Director & Executive Lead for Quality Improvement  
Calum Thomson – Associate Director for Nursing, Clinical Governance & Quality Improvement  
Brendan O'Brien – Chief Clinical Informatics Officer DaS  
Megan Rowley – interim Medical Director SNBTS  
Victoria Moffat – Scottish Clinical Leadership Fellow  
Mariska Pellens [Minutes]

#### Apologies:

Mark McDavid – Non-Executive Director  
Keith Redpath – NSS Chair

## 1. WELCOME AND INTRODUCTIONS

- 1.1 A Rooney welcomed all to the meeting, which was being held virtually via the TEAMS platform. Special introductions went out to M Rowley who was joining the committee as the interim Medical Director of SNBTS. Members were informed that the NSS Committees had been reduced to 90 minutes, therefore the focus would be on scrutinising and highlighting any key issues.
- 1.2 Before starting the formal business of the meeting, A Rooney asked Members if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.

## 2. MINUTES AND MATTERS ARISING [Papers CG/22/02 and CG/22/03 refer]

- 2.1 Members noted the minutes from the previous meeting on 22 November 2021 and approved them as an accurate record of the meeting. Members also noted that all actions were either completed, covered by the agenda, or programmed in for a future meeting.



Chair  
Chief Executive

Keith Redpath  
Mary Morgan

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### **3. PATIENT GROUP DIRECTIONS 2020/21 ANNUAL REPORT [Paper CG/22/04 refers]**

- 3.1 Members thanked C Thomson for producing the report and agreeing to answer any questions. Members noted that the past 12 months had been an excellent year in terms of the work undertaken. The team had faced and overcome huge challenges whilst dealing with significant changes due to COVID-19. There had been no adverse events reported and Members congratulated C Thomson, M Gaffney, the Healthy Working Lives Team and the Vaccine Programme Board for their excellent work. C Thomson confirmed that the number of records assessed was based on the recommendations of the audit produced by KPMG in 2015/16. Following this, Members confirmed they were content to approve this report.

### **4. MEDICAL DIRECTOR'S UPDATE [Paper CG/22/05 refers]**

- 4.1 L Ramsay spoke to her update, which covered areas of NSS' strategic, enabling and underpinning activities of particular clinical relevance. Highlights brought to Members' attention were:

- NSS's strategic programme on Innovation– NSS had been identified as one of the core partners in a new formalised collaborative way of working;
- An update on NSS's involvement in the Scottish Hospitals Public Inquiry;
- An update on UK Medical Device Regulations from P Cushley;
- Updates on the RDI strategy and implementation progress and on Clinical Informatics;
- An update on the current position in relation to commissioning Independent providers for Pelvic Mesh removal surgery. Agreements were now in place with the UK provider in Bristol and patients could expect to be referred there imminently. Work was underway on the US equivalent but some information was awaited.

- 4.2 Members asked for more understanding of the Medical Device Regulations and those that NSS were required to be compliant with by next year. They were advised that there were a number of different devices within the regulations. The MHRA final regulation with eligible devices was expected around June 2022 following a large consultation exercise. One example given was the diabetic screening programme which had been developed by NHS Highland, who had commissioned the screening programme. It had been determined that this project would fall under the new regulations. Paul Campbell, Paul Cushley and Brendan O'Brien were working closely together to determine any implications to ensure compliance before the deadline.

- 4.3 Members sought further information on the assurance role of NSS within the Test and Protect services. They were advised that NSS delivered two different roles - the delivery of specific COVID-19 testing services as well as being commissioned by Scottish Government to ensure visibility and oversight of governance of testing delivered by organisations across Scotland which is an extension from what was previously the Scottish Government-led COVID-19 Testing Clinical Governance. The group has remit across all the testing pathways in Scotland. NSS would not have accountability for the testing delivery work in other organisations.

- 4.4 Members were advised that the business case for Cytosponge was being finalised and would therefore not be completed until the end of February 2022. There were no delays within NSS but there were issues with the university partner receiving the necessary information to finalise parts of the business case.
- 4.5 J Reilly advised Members that in terms of safe staffing, Scottish Government were yet to release all guidance. Guiding principles for NSS were under development and would make their way through the applicable governance route (EMT, Partnership Forum and Staff Governance Committee for approval, and Clinical Governance & Quality Improvement Committee for information).
- 4.6 Going back to mesh, Members were reassured that NSS had agreements in place with Scottish Government to only proceed if the appropriate requirements had been met. Members urged that the American contract be expedited as soon as practicable.
- 4.7 Finally, in relation to Chimeric Antigen Receptor Therapies, Members were given a brief overview of the drugs which were offered for rare conditions, noting that Health Improvement Scotland had examined the safety and efficiency of the drugs based on the evidence available. There were expectations that following SMC approving a drug, Boards would then commence implementation of its use within the next 90 days. There was a risk of delays due to the potential additional requirements for Boards (including additional staffing and new equipment). NSS had been advising Scottish Government how to prepare for the delivery of these new drugs across Scotland. Following these discussions, Members confirmed that they felt sufficiently assured by the report.

## **5. BLOOD SAFETY REPORT [Paper CG/22/06 refers]**

- 5.1 M Rowley spoke to the report, which updated on blood safety issues within the Scottish National Blood Transfusion Service (SNBTS). Members were pleased to note that the majority of former employees had given their evidence in regards to the UK Infected Blood Inquiry (IBI). In terms of Clinical Blood Practice, there were expectations that NSS along with two other boards would receive another Rule 9 request.
- 5.2 Members were given a six-month progress update on FAIR (For the Assessment of Individualised Risk) which was the donor initiative put in place to ensure all donors were asked the same questions regarding their sexual behaviours. The project was developing well.
- 5.3 Blood stocks were at a sufficient level although the past quarter had been challenging due to high levels of COVID-19 affecting both collection staff and donors. Fortunately, things had managed to balance themselves out and a lot of work was underway to increase the number of donations. There had been occasions where requests for blood had had to be made to NHS BT (NHS Blood and Transplant which is the English equivalent of SNBTS). Members were informed that the next Board development session would have a particular focus on SNBTS and their campaigns for donor marketing and recruitment.
- 5.4 Members sought clarity about the demand from Boards in relation to their backlog of procedures and queried the means by which SNBTS predict the need for blood in upcoming months. M Rowley advised that the data used to predict the demand for blood was linked to coded data. Interestingly, surgical blood only counted for

20%, with the most going to medical patients. Good practice was followed and elective surgical centres would be established across Scotland. The manager of the national treatment centres programme had contacted SNBTS to provide updates to link in with blood service demands at local levels. Members were assured that whilst more blood would be required, SNBTS had a tight control on what was going out and how much was needed.

- 5.5 Members had been asked to scrutinise the report and confirmed they felt assured patients of Scotland were protected by the services and adequate scrutiny had been provided.

## **6. ADVERSE EVENTS AND COMPLAINTS [Paper CG/22/07 refers]**

- 6.1 Members considered the paper which updated on all clinical adverse event activity during the period October to December 2021. C Thomson highlighted the six NSS National Category 2 clinical adverse events reported by SNBTS, four of which had triggered the organisational duty of candour procedure. All related to pain or symptoms during donation. While this is a very low number of events in the context of the number of donations, a short life working group has been set up to look at this area further and identify any learning and improvement opportunities.

- 6.2 Members asked whether these events were clustered in relation to any specific donor centre, staff member, etc. They were reassured that this was not the case and that by their nature, these events tend to be reported some time after the donation took place, for example the next time the person attends to donate, so while the events had come to light during quarter 3, they had occurred over a more distributed period. Members were content that the SLWG is in place to explore this further.

- 6.3 Members confirmed that, based on the detail provided in the report, they were content with the level of assurance provided.

## **7. CLINICAL RISKS [Paper CG/22/08 refers]**

- 7.1 The paper was taken as read and Members were invited to raise any questions. Members confirmed they were content with the assurance provided.

## **8. HEALTHCARE ASSOCIATED INFECTION (HAI) QUARTERLY REPORT [Paper CG/22/09 refers]**

- 8.1 J Reilly highlighted that all reportable KPI's had been met for the reported quarter. Members were advised there had been two COVID-19 outbreaks in the last quarter. One was following a social event within the blood bank and lab services of SNBTS. The second outbreak had taken place at the National Distribution Centre in Canderside where staff had been car sharing but had not followed the appropriate guidance. Wider communications had been sent to all staff to remind them of the principles and guidelines they should be following.

- 8.2 Members discussed whether they were asked to scrutinise or approve the report. J Reilly clarified this by advising the quarterly reports would come to the committee for scrutiny whilst the annual report would be submitted for approval. Members confirmed they felt sufficiently assured.

**9. TERMS OF REFERENCE [Paper CG/22/10 refers]**

- 9.1 Members noted and agreed with the updates proposed by the Clinical Directorate to the Terms of Reference (TOR), regarding the focus on Realistic Medicine, the Quality Improvement side of the Committee's work and the responsibilities of the Committee in respect of HAI. Members were content to move to the new proposed format. L Ramsay agreed to discuss with K Redpath as NSS Chair to confirm he was also content with the proposed changes to the TOR. Once the minor amendments had been made and format had been agreed, they would be circulated virtually before going to the next meeting for approval.

**10. FORWARD PROGRAMME**

- 10.1 Members considered the NSS Clinical Governance Committee Forward Programme [paper **CG/22/11** refers] noting that the development dates were subject to confirmation in upcoming weeks.

**11. ANY OTHER BUSINESS**

- 11.1 Members had no further business to raise at this point.
- 11.2 Members noted that the next meeting of the NSS Clinical Governance and Quality Improvement Committee was scheduled for Monday 30 May 2022 commencing at 0930 hrs

There being no further business, the meeting closed at 1544hrs.

# Minutes (Draft)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000



[www.nhsnss.org](http://www.nhsnss.org)

## NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

### MINUTES OF MEETING HELD ON THURSDAY 12 MAY 2022 VIA TEAMS DIGITAL PLATFORM AT 0930 HRS

#### Present:

John Deffenbaugh – Non-Executive Director and Committee Chair  
Ian Cant – Non-Executive Director  
Gordon Greenhill – Non-Executive Director  
Tam Hiddleston – Trade Union Representative  
Arturo Langa – Non-Executive Director  
Gerry McAteer – Trade Union Representative  
Mark McDavid – Non-Executive Director  
Suzanne Milliken – Trade Union Representative  
Keith Redpath – NSS Chair

#### In Attendance:

Jacqui Jones – Director of HR and Workforce Development  
Mary Morgan – Chief Executive  
Jacqui Reilly – Director of Nursing and Executive Lead for Whistleblowing  
Aileen Stewart – Associate Director  
Lynsey Bailey – Committee Secretary [Minutes]

#### Apologies:

Lisa Blackett – Non-Executive Director  
Susan Cook – Trade Union Representative

## 1. WELCOME AND INTRODUCTIONS

- 1.1 J Deffenbaugh welcomed all to the meeting, which was being held virtually via the TEAMS platform, noting the apologies as recorded above.
- 1.2 Before starting the formal business of the meeting, J Deffenbaugh asked Members if they had any interests to declare in the context of the items on the agenda. No interests were declared.

## 2. MINUTES AND MATTERS ARISING [Papers SG/21/10 and SG/21/11 refer]

- 2.1 Members noted the minutes from 3 February 2022 and, following a brief discussion, approved them in full. Members noted that the majority of actions were either in progress or completed. Members asked whether the appraisals action at minute 5.6 was covered by the People Report presented at this meeting and it was agreed to look at this during that agenda item.



Chair  
Chief Executive

Keith Redpath  
Mary Morgan

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### **3. STAFF GOVERNANCE COMMITTEE ANNUAL REPORT TO THE BOARD [Paper SG/21/12 refers]**

- 3.1 Members considered the draft Annual Report being presented and agreed that it needed to mention the Whistleblowing report. J Jones, J Reilly and L Bailey agreed to pick this up

**Action: J Jones, J Reilly and L Bailey to liaise and update the NSS Staff Governance Committee Annual Report to the Board with reference to the Whistleblowing report.**

### **4. STAFF GOVERNANCE COMMITTEE TERMS OF REFERENCE [Paper SG/21/13 refers]**

- 4.1 Members considered the current Terms of Reference and agreed the following;

- As with the Annual report, there was a need to include a mention of the quarterly and annual whistleblowing report;
- J Deffenbaugh confirmed that he would be stepping down as chair of the NSS Staff Governance Committee and Members thanked him for his contribution. It was noted that L Blackett would be taking up the chair role in future;
- Members were content to approve the Terms of Reference pending an update to mention whistleblowing.

**Action: Board Services to update the Terms of Reference to mention the Whistleblowing reporting.**

### **5. NSS STAFF GOVERNANCE STANDARD ANNUAL MONITORING RETURN [For Information Paper SG/21/20 also refers]**

- 5.1 A Stewart referred to the paper provided for information, which was the Scottish Government's response to NSS's 2020/21 Staff Governance Standard Annual Monitoring Return. Members were given the background to why this was later than usual in coming, noting that it gave feedback and what should be focussed on for this year. Members were advised that they did not have to respond, and any points raised in the feedback were being picked up in this year's plans. The response put NSS in a good place and Members sought and received clarification about the scoring.

- 5.2 Members were underwhelmed in terms of the response from Scottish Government about what NSS had to do. The letters from Scottish Government had been later than usual in coming out and it seemed there had been a bit of leeway to allow for that, but Members felt the letter did not quite capture the successes or reflect the effort put in to providing evidence. However, it did paint a positive picture of NSS as an organisation and Members wished to record their sincere thanks to those in HR who had worked on this. Members also felt this could be seen as a bit of external validation in support of the view that NSS was a high performing organisation with high quality staff who enjoyed working for NSS and did an outstanding job.

### **6. HEALTH AND CARE STAFFING [Paper SG/21/19 refers]**

- 6.1 J Reilly spoke to the paper, which laid out the principles and escalation process as a means to support all NSS staff in the implementation and application of the Health and Care (Staffing) (Scotland) Bill 2019. The following key points were discussed;
- Members were given an overview of the background to the Bill and development of the paper. This was good groundwork but Members asked about the impact on



clinical staff that did not have direct patient contact. They also asked for an overview of how it would be implemented, what this would entail and the financial impact.

- Members noted the development and validation of bespoke tools (as national tools had not been appropriate) and were reassured that the financial impact was not expected to be significant.
- In relation to governance, Members sought clarity on how this was being reported through Committees (either this Committee or the Clinical Governance and Quality Improvement Committee). They noted the escalation tool directed to this Committee but, at an operational level, the escalation was to the Executive Lead.
- Members confirmed they were comfortable with the assurance provided, given that the arrangements were in place.

## **7. PARTNERSHIP FORUM UPDATE**

7.1 Members were provided an update on the NSS Partnership Forum, the following key points were highlighted;

- The Partnership Forum continued to be a positive space with an agenda focussed on the regular items which were similar to those on this agenda;
- The Future Ready programme was in a good space and would transition to a “business as usual” position in the coming months. It was positive that staff were embracing working from home, but the organisation was also mindful of how to support those seeking to be in the office. Working arrangements would be kept under review to ensure they were still appropriate for both the individual and the organisation;
- Partnership working continued to be a good place and the Partnership Forum was functioning well in facilitating the necessary discussions, with any disagreements being managed constructively.

7.2 In line with the Board and Committees, the Partnership Forum was adopting a 90-minute planned format and Members also noted that there would be a Senior Leadership Forum planned for August 2022 which will involve the Partnership Forum members. Members felt it was a good idea keeping meetings down to 90 minutes in order to give breathing space between meetings and focus the discussions. It also highlighted the potential need for a protocol to ensure people took appropriate breaks between meetings, especially if they were working from home.

## **8. PEOPLE REPORT [Paper SG/21/14 refers]**

8.1 Members noted the paper, which covered all key issues around compliance with the Staff Governance Standard and best employment practice. Members reflected on how realistic or useful it was to compare recent years’ sickness absence rates given the pandemic response. They acknowledged there would be a difference given that COVID-19 absence would eventually be included in regular sickness absence, thereby causing a “blip” that NSS would need to consider how to manage. There were also areas where non-COVID sickness absence had remained high, although this was being monitored and managed.

8.2 Moving on to appraisals and Personal Development Plans (PDPs), Members queried the level of improvement over the last five years. Following a brief overview of the background to the issues, Members were advised that the level of completed

appraisals and PDPs were up by 16% and 19% respectively. NSS had large numbers of staff in some areas who had not been able to access the system due to a high level of turnover. The room for improvement was acknowledged but Members agreed it was also important to ensure the appraisals and PDPs were meaningful.

- 8.3 There was also a need to think about how reporting was done as there were some professions who recorded their appraisals through a different system although these staff were still included in TURAS. In terms of the discussions with SBUs, these were really positive and reflected that the achievement was greater than it might appear. There was also consistent messaging that mandatory and statutory training was still important, even when busy or working from home. Members were advised that steps were taken to extrapolate what sickness absence would look like when COVID-19 was included.
- 8.4 Members were also given an overview of the work being done in respect of PDPs and highlighting issues with the reliability of data coming from TURAS. They were updated on work being done by HR to develop reports for managers which would be meaningful and enable them to identify who was non-compliant and have the appropriate conversations. Members re-iterated the point about comparisons and what was realistic to compare. NSS was in a really positive position at year-end and Members wished to add a note of caution – to avoid taking an immediate and reflexive approach when sickness absence rates increased due to COVID-19 transitioning to regular sickness absence. It was acknowledged that taking the time to fully understand the situation would be key.
- 8.5 Members asked about the approach to incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDORs) as the numbers still seemed to be high but not featuring as prominently. They were advised that the NSS Occupational Health and Safety Advisory Committee were meeting every six weeks and had a presentation and discussion on specific RIDDOR action plans. PCF had done a lot of work to put superb action plans in place and were delivering well against them. SNBTS was using that as basis for their plan and were in the process of developing that. Members were pleased to note that a “no blame” culture was being fostered and a “lessons learned” approach was being taken to the management of incidents.
- 8.6 Going back to the question about RIDDORs, Members advised that the incident/accident rate (which included the reporting of near misses) painted a better picture and NSS was encouraging near miss reporting to learn lessons. Members felt it would be helpful to include this in the report and J Jones agreed to include this analysis in future. Applying Statistical Process Control to RIDDORs had proved complicated so more consideration would need be given as to how this could be covered. Members were advised that there had never been more focus on RIDDORs from an OHSAC perspective. Gordon Beattie, Director of National Procurement was setting a good standard, benchmarking against key sites to see what lessons could be learned and also reviewing the equipment to introduce any additional safety measures which might be available. However, some of the RIDDORs reported were down to circumstances which could not have been engineered out. NSS did well in the reporting and challenging space and took all reasonable steps as far as possible. Sometimes staff were simply unlucky but occasionally poor behaviours arose from pressures, and this was something NSS was addressing.
- 8.7 Members asked about the plan for the winter vaccination programme and were advised that the move to community vaccination for flu along with COVID-19 would continue as it had been more successful at getting staff vaccinated (more convenient locations

etc.). The main issue with that approach was that NSS could not, as yet, track uptake directly and would be reliant on self-declaration. However, there was work being done to see if system reporting could be possible. There were plans for a campaign to encourage staff and NSS had looked at running a clinic in the warehouses, but evidence showed the uptake would be low so this would be unlikely to take place. Guidance from the Joint Committee on Vaccination and Immunisation was also changing, and this would be part of the campaign.

8.8 Members acknowledged that many of these discussions were common themes and would remain common themes. They also recognised the progress made in some areas, particularly sickness absence. Appraisals were still an area of concern though and Members were keen that local solutions were reflected better within the reports.

## **9. STAFF RISKS [Paper SG/21/15 refers]**

9.1 Members noted the content of the paper, which advised that there had been no new staff risks raised. Members were given a brief overview of the review process and noted that this would continue to be monitored. On the basis of the update provided, Members agreed they felt sufficiently assured regarding the management of staff risks.

## **10. GREAT PLACE TO WORK PLAN YEAR-END REPORT [Paper SG/21/16 refers]**

10.1 Members briefly discussed the content of the paper, which updated on the progress against the priority areas for improvement contained in NSS Great Place to Work Plan 2021/2022. Members acknowledged that NSS had always had a strong plan but that it had made significant improvements. Staff were engaged with the plan, and it set NSS on a solid footing. The Partnership Forum were enthused by it, and it would always be driven by the needs of staff. Members wished to record their thanks to those who had worked on this. The report gave the end of year position and Members recognised NSS had performed well. There were some areas in which NSS had not achieved as it had intended due to other priorities, and these would be carried forward.

## **11. ANNUAL WHISTLEBLOWING REPORT [Paper SG/21/17 refers]**

11.1 J Reilly spoke to the paper which covered the highlights of the Whistleblowing activity over the 2021/22 period. Members were pleased to note the successful implementation of the standards, aided by the group working on it and the communications strategy in place around it. The increase in concerns which had been seen was a result of increased awareness but only four of the seven whistleblowing concerns raised needed to be taken forward for investigation. Lots of issues were also being addressed through the “business as usual”, informal route and NSS was encouraging managers to learn the lessons and communicate that.

11.2 Members noted that the compliance with Whistleblowing Training was good. The outcome of the investigation by the Independent National Whistleblowing Officer (INWO) investigation was still awaited but it was anticipated to be received within the next few weeks. Members were also advised that, in respect of responsibility for national contracts and ensuring the contractors meet their requirements, an annual returns process had been put in place. Members noted the main corporate risk which remained around the gap and perceived conflict of interest while the Whistleblowing Ambassador/lead Confidential Contact role was being recruited recruitment. However, they were satisfied with the mitigating actions in place.

11.3 Members viewed the fact that none of the concerns were raised anonymously as a positive indication of how safe staff felt in NSS. They wished to record their

congratulations to the teams involved and commended the work done on this - the quarterly report set a high standard and the annual report showed NSS to be an open organisation which was willing to learn. A Langa had some feedback on some minor issues with the report which he would share with J Reilly. Members discussed including a statement that the Non-Executive Whistleblowing Champion supported the content of the report. They noted the idea was to keep a degree of separation, but they could add a statement about support for the outcome without making that explicit. (e.g. adding that it had been scrutinised and approved by the NSS Staff Governance Committee). On this basis, Members were content to endorse the report for publication on the NSS website and for submission to INWO.

**Action: J Reilly to make minor updates to the Whistleblowing Annual Report per A Langa feedback and add a statement about scrutiny and approval by NSS Staff Governance Committee.**

**12. FORWARD PROGRAMME [Paper SG/21/18 refers]**

12.1 Members noted the current draft of the Forward Programme and were reminded to contact Board Services at any time if they had any updates to it.

**13. ANY OTHER BUSINESS**

13.1 Members had no other business to raise at this point.

There being no further business, the meeting closed at 1106hrs.

# Minutes (Approved)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000

[www.nhsnss.org](http://www.nhsnss.org)



## NHS NATIONAL SERVICES SCOTLAND AUDIT AND RISK COMMITTEE

### MINUTES OF MEETING HELD ON TUESDAY 17 MAY 2022 VIA TEAMS DIGITAL PLATFORM AT 0930 HRS

#### Present:

Julie Burgess – Non-Executive Director and Committee Chair  
Gordon Greenhill – Non-Executive Director  
Arturo Langa – Non-Executive Director  
Alison Rooney – Non-Executive Director

#### In Attendance:

Martin Bell – Director of Practitioner and Counter Fraud Services  
Inire Evong – External Auditor, Audit Scotland  
Carole Grant – Audit Scotland  
Laura Howard – Associate Director of Finance  
Carolyn Low – Director of Finance  
James Lucas – Internal Auditor, KPMG  
Mary Morgan – Chief Executive  
Matthew Neilson – Associate Director of Strategy, Performance, and Communications  
Lorna Ramsay – NSS Medical Director (and Caldicott Guardian)  
Trish Ruddy – NSS Privacy Advisor  
Neil Thomas – Partner, KPMG  
Lynsey Bailey – Committee Secretary [Minutes]

#### Apologies:

John Deffenbaugh – Non-Executive Director

### 1. WELCOME AND INTRODUCTIONS

- 1.1 J Burgess welcomed all to the meeting, which was being held virtually via the TEAMS platform.
- 1.2 Before starting the formal business of the meeting, J Burgess asked Members if they had any interests to declare in the context of the agenda items to be considered but no interests were declared. J Burgess reminded those present and in attendance about the importance of the timeliness of papers. Members agreed this was vital in order to have sufficient time to read the papers and have a fully informed discussion at the meeting. M Morgan advised Members that an action plan was being developed to address this. It was noted this seemed to be a particular issue with this Committee, perhaps due to the complexity of the subject matter and external factors that were not a feature of other Committees. J Burgess requested that, in future, papers for this Committee were submitted in full, and in line with the Standing Orders. This was supported by all the Non-Executive Directors present.



Chair  
Chief Executive

Keith Redpath  
Mary Morgan

NHS National Services Scotland is the common name of the Common Services Agency for the Scottish Health Service.

## **2. MINUTES AND MATTERS ARISING [Papers AR/22/21 and AR/22/22 refer]**

- 2.1 Members considered the draft minutes from the previous meeting on 28 February 2022. Following a brief discussion, Members approved the minutes as an accurate record of the meeting pending the correction of a few minor typographical errors.
- 2.2 Members noted that the majority of actions had either been completed or were covered by the agenda. Members were updated on the discussions between M Morgan, C Low and C Grant on the wider dimensions risks and this would also be discussed later in the agenda.

## **3. INTERNAL AUDIT PROGRESS [Paper AR/22/23 refers]**

- 3.1 J Lucas spoke to the paper, which provided a summary of progress against the current year's internal audit plan. Members noted the plan was largely complete, with the final two reports due in June. Members asked that, in future when an audit report is deferred, this report includes context as to why and highlights whether or not the deferral has any governance impact.

## **4. INTERNAL AUDIT: LEADERSHIP AND ESSENTIAL LINE MANAGEMENT [Paper AR/22/24 refers]**

- 4.1 Members noted the outcome of the audit, which was that it provided significant assurance with minor improvements. There were three medium findings which were not unexpected and related to value for money, learning and development and strategic intent. Members advised that they did not get the feeling that 1:1 discussions with managers were being used to their full potential and wondered whether centralisation was always the best option. They also expressed concerns about whether managers were fully empowered to get on with what they needed to and asked whether the aims of the individual were aligned with the service requirements.
- 4.2 In response, J Jones advised that NSS had always had a central budget and HR were able to provide a lot with that internally in terms of leadership and development strategic intent. The budgets at Strategic Business Unit (SBU) level were for external training provision and this was where the audit had been helpful in providing a picture of what the SBUs were doing. Members noted that Personal Development Plans should be aligned with both individual and organisational objectives. SBUs also produced workforce plans which should also identify skills needed for the future workforce which, in turn, should then translate to a plan of action.
- 4.3 Going back to centralisation, Members noted that the recommendation was to take an educational governance approach on training expenditure in order to maximise the value achieved and link the spend to the strategic objectives of the organisation. This would ensure fairness and consistency, and allow HR to deliver more with the same budget, which had not moved in relation to the size of the workforce. Following these discussions, Members were content to endorse the actions.

## **5. INTERNAL AUDIT: SNBTS DONOR SERVICES [Paper AR/22/25 refers]**

- 5.1 Members noted the outcome of the audit which was that it provided significant assurance. They were pleased to note the findings were mainly around housekeeping issues in respect of reporting and records. These were deemed to be minor and had

appropriate mitigation actions in place. Members commended the team in SNBTS for an excellent report, particularly at a time of other significant change taking place.

## **6. INTERNAL AUDIT: UPDATE ON HIGH FINDINGS [Paper AR/22/26 refers]**

- 6.1 Members noted that two out of the three high findings had been completed and the third (2019.09: IT People and Talent – Career pathways and progressions) remained partially complete. Members were advised that, in future, it was proposed that updates on medium and high findings were included within the audit progress report. Regarding the partially completed action, it was agreed that this should be incorporated into the wider work on leadership, succession planning, and talent management. Members also briefly discussed the external audit action that aligned with this and agreed it was worth keeping it on the watchlist. Members acknowledged the need to draw a line under this and see it picked up in wider work but were also keen that it was recorded somewhere to provide the assurance that it was being addressed.

## **7. INTERNAL AUDIT ACTIONS [Paper AR/22/27 refers]**

- 7.1 Members discussed the paper, which updated on all audit actions due for completion by 30 April 2022. They were pleased to note that the vast majority of actions were completed. Only four actions from the Office365 audit had been impacted by changes to the programme. Members were given an overview of the reasons for this and the remedial actions which had been agreed. They sought assurance on the external impact of agreeing to the changes and extension and were advised that the decisions were taken collectively and brought the programme back to a position fully endorsed by Boards. On that basis Members were content to approve the extension request on this. However, M Morgan asked to meet with J Lucas and discuss this as it was also about learning the lessons from implementation of Office365 and the ways of working arising from that so she was keen to establish what evidence would be needed in that respect.

**Action: M Morgan and J Lucas to meet and establish what evidence would be necessary in respect of the Office365 audit actions.**

## **8. SERVICE AUDIT MANAGEMENT UPDATE [Paper AR/22/28 refers]**

- 8.1 C Low updated Members on activity overseen by the Service Audit Steering Group since the last NSS Audit and Risk Committee meeting. It had been a busy couple of months - all work was now complete and the NSS teams had been working closely with KPMG. Members were updated on the challenges with the timelines for production of final reports. NSS had reached a positive position, but Members felt it was disappointing, reputationally speaking, that there was an issue with delivering the reports in a timely way to the health boards, who needed them for their year-end processes. Members were also concerned about approving the presented service audit reports without a confirmed opinion. Following some discussion, it was agreed to arrange an ad-hoc meeting as soon as possible after the final opinions were confirmed (which was expected by the end of the week). Members wished to record their thanks to the Service Audit Steering Group for their work in monitoring this.

**Action: Board Services to arrange an ad-hoc meeting to approve the final Service Audit reports.**

## 9. SERVICE AUDIT: PROGRESS UPDATE [Paper AR/22/29 refers]

- 9.1 Members noted the audit reports provided. Starting with Payroll, Members were pleased to note the report contained a final, positive conclusion. However, it did need to be read in conjunction with the IT report.
- 9.2 Moving on to the IT audit report, this draft did not contain a final audit opinion as it was still going through the quality review process. However, a clean opinion with one limitation of scope had been submitted but confirmation was still awaited. Members pointed out that there was an incorrect statement about Non-Executive Directors meeting quarterly with the EMT. These meetings were planned to take place in the coming year but were not happening yet, so C Low agreed to update that statement. Members were advised that the exceptions found in the IT report were all of low significance. Members expressed concerns about how other Health Boards might react to the Service Audit reports. They were re-assured that, while it was hard to judge, with three clean audit opinions it would be surprising if other Boards had concerns that meant they felt the need to undertake further work.

**Action: C Low to update the statement in Service Audit papers about Non-Executive Directors meeting quarterly with the EMT.**

- 9.3 The Practitioner Services audit report was in a similar position to the IT report – a clean audit opinion had been submitted and was awaiting confirmation from the quality review. Some of the complexity in this area had come from working hard to produce the definitions of controls. However, the position now achieved provided a good platform for the work going forward.

## 10. EXTERNAL AUDIT PROGRESS

- 10.1 I Evong provided a verbal update on the formal annual audit plan, in particular highlighting the following:
- Key controls work on the main accounting systems had been completed. Once findings had been discussed with management, the intention was to bring a management letter to the next ARC meeting, scheduled for 9 June 2022;
  - Consideration of the outcomes of NSS NFI work had been completed and the findings would be included in the management letter;
  - In respect of other planned wider dimension work, discussions had taken place and work was ongoing in respect of the PPE follow up and ICT & PCF contract procurement and management. Some evidence had been requested and was awaited so the findings would be reported in the Annual Audit Report;
  - The review of PPE allocations was still ongoing;
  - The review of the service audit work on PCFS would also be undertaken, with an assurance letter being presented to Members for information and issued to territorial boards;
  - The draft accounts for 2021/22 financial year were received in the previous week in line with the agreed timetable and work on the audit of the accounts was ongoing.
- Members thanked I Evong for the updated but asked that this be provided as a written update at future meetings

**Action: External Audit Progress Update to be provided as a written update at future meetings**



- 10.2 It was noted that the External Audit Plan had not been circulated or approved yet. Members felt that this needed to be done within a meeting and, therefore, asked for it to be added to the agenda for their meeting scheduled for 9 June 2022. Members were advised that the process for producing and signing off the NSS Annual Report would be the same as last year. There had been a number of additional steps introduced into the process and a draft of the accounts would be presented at the ARC meeting on 9 June 2022 following a review by the EMT. This draft would not have undergone the graphic design work by the Communications team but the complete content would be there for review. The final, fully-designed version would then be presented at the Board.

**Action: Board Services to add external audit plan for approval onto the agenda for ARC on 9 June 2022.**

## **11. EXTERNAL AUDIT RECOMMENDATIONS [Paper AR/22/30 refers]**

- 11.1 Members were taken through the paper, which updated on the responses to the recommendations from the external audit report. All actions were complete, except for the final one (demands on the Digital and Security business unit continue to increase). This action and recommendation had been touched on earlier in the agenda (see minute 6.1) and Members noted, although it was not yet complete, a lot of good progress had been made.

## **12. DATA PROTECTION OFFICERS UPDATE [Paper AR/22/32 refers]**

- 12.1 Members considered the paper, which summarised the Data Protection Officer's (DPO) current assessment of data protection compliance at NSS. Members noted that, although room for improvement remained, NSS was making good progress. In this calendar year there had been really strong engagement from SBUs on Data Protection compliance and the intention was to keep building on that. Members asked about the Information Commissioner's Office (ICO) toolkit and how this linked to the audit. They were advised that it gave an indication of what the expectations would be. Members sought assurance on the risks in respect of the audit and were advised that, having the Record of Processing Activity evidence, NSS was in a better than it had been before but there was still room for improvement.
- 12.2 Members discussed the work on the privacy notice information and were reminded this was where NSS were reprimanded regarding the COVID-19 status app. Members acknowledged that there was also a difference between legal obligations and regulatory expectations, so it was possible to operate legally but perhaps differently than expected. Members were advised that NSS had received the final close out report from the ICO's COVID-19 app investigations and there were recommendations for improvement within that which would be taken forward. Progress with these actions would be shared with this committee on a regular basis. It was expected that the ICO audit would also have findings but there was a question around whether to address it as an audit or inspection. Members thanked T Ruddy for her report and welcomed the assurance it provided.

**Action: DPO to share progress on ICO actions to be shared with the Committee on a regular basis.**

## **13. RISK MANAGEMENT [Paper AR/22/33 refers]**

- 13.1 Members considered the paper, which updated on the Risk Management activity across all risks, and highlighted any red and any new amber reputational risks. Since the last report, there had been reduction of one reputational risk. One reputational red risk

remained – 6072 (CHI and Child Health). Since the paper had been written, there had been a significant amount of work done to address this risk and it was anticipated that it would now be managed out. The reputational amber risks were also highlighted to Members, who noted that these were all properly managed through IRMA. NSS's overall compliance rate for risk and resilience e-learning was 91% against an acceptable level of over 90%. Members asked about the reputational risk relating to mesh implants and why it did not appear. They were advised that it had been mitigated down from Red status but L Neary agreed to check further and come back on it.

**Action: L Neary to check status of the risk relating to mesh implants.**

#### **14. FRAUD REPORT [Paper AR/22/34 refers]**

- 14.1 Members noted the report, which provided a quarterly update on the fraud work within NSS. Members noted there had been a number of fraud attempts and cyber-attacks so the number of investigations would increase. It was, generally speaking, a period of heightened and increased threat in this area. Members were reminded of the previously reported attempted fraud and noted the mitigations which had been put in place.
- 14.2 Members were advised that work was ongoing with CFS in piloting the new Counter Fraud Standards. There had been a very positive Annual Counter Fraud meeting with CFS and NSS was in a good, sound place. Members were also given an overview of the work being done with the Cyber Centre of Excellence which was progressing well. The Fraud Risk Register was still being developed and this would be brought to the meeting scheduled for 9 June 2022.

#### **15. ACCOUNTING POLICIES 2021/22 [Paper AR/22/35 refers]**

- 15.1 Members noted this was a first step in getting the Annual Report and Accounts signed off and that the policies had been written in line with the Scottish Public Finance Manual from the Scottish Government. Following clarification about the nature of approval being sought, Members were content to approve the application of the policies in preparing the accounts, noting that the appropriateness of the policies would be scrutinised by the external auditors.

#### **16. FOR INFORMATION**

- 16.1 Members noted the following papers which had been provided for information:
  - NSS-NIS Cyber Audit [paper **AR/22/36** refers]
  - Forward Programme - All [paper **AR/22/37** refers]

#### **17. ANY OTHER BUSINESS**

- 17.1 Members were advised that the NIS Cyber Audit for 2022 has been completed and would be presented at the meeting scheduled for 9 June 2022.
- 17.2 It was also noted T Ruddy would be moving onto a secondment in the coming weeks and Members wished to record their thanks for all her work on Data Protection.

There being no further business the meeting closed at 11:26.

# Minutes

## (Draft)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000

[www.nhsnss.org](http://www.nhsnss.org)



### NHS NATIONAL SERVICES SCOTLAND FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE (FPPC)

#### MINUTES OF MEETING HELD ON TUESDAY 24 MAY 2022 VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

##### Present:

Mark McDavid – Non-Executive Director and Committee Chair  
Julie Burgess – Non Executive Director  
Lisa Blackett – Non-Executive Director  
Ian Cant – Non-Executive Director  
Gordon Greenhill – Non-Executive Director  
Keith Redpath – NSS Chair

##### In Attendance:

Carolyn Low, Director of Finance  
Lee Neary, Director SPST  
Mary Morgan, Chief Executive Officer  
Matthew Neilson, Associate Director Strategy, Performance & Communications  
Andrew Mclean, Deputy Director of Finance (Item 7)  
Simon Mollart, Head of Strategic Sourcing (Item 9)  
Julie Critchley, Director, NHS Assure (Item 14)  
Sharon Hay, Committee Services (Minutes)

##### Apologies:

Gordon Beattie, Director of National Procurement

#### 1. WELCOME AND INTRODUCTIONS

- 1.1 M McDavid welcomed all to the meeting, which was being held virtually via the TEAMs platform.
- 1.2 Before starting the formal business of the meeting, M McDavid asked Members if they had any interests to declare in the context of the agenda items to be considered. No interests were declared.

#### 2. MINUTES AND MATTERS ARISING [Papers FPP/22/19 and FPP/22/20 refer]

- 2.1 Members noted the minutes from 2 February 2022. They queried minute 10.2 stating that concerns around Great Place to Work (GPTW) targets would be discussed at Staff Governance Committee (SGC). M Morgan confirmed the reports had been



Chair  
Chief Executive

Keith Redpath  
Mary Morgan

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discussed at SGC but not specifically on GPTW. Overall staff experience was in a good place. Following these discussions, Members approved the minutes in full.

- 2.2 Members noted that all actions were either completed, covered by the agenda, or programmed in for a future meeting.

### **3. FPPC ANNUAL REPORT TO THE BOARD (Verbal)**

- 3.1 K Redpath advised members that the report was usually written by the Committee Chair and supported by Board Services. However, due to absences, it was suggested this was dealt with via correspondence. Members agreed for the report to be drafted and circulated before submitting to the Board at the end of July.

**Action: Board Services to produce and circulate Annual Report for review.**

### **4. FPPC TERMS OF REFERENCE [paper FPP/22/29 refers]**

- 4.1 There were no comments from Members on the draft Terms of Reference (ToRs). Members were reminded that C Low and K Redpath had met to review the ToRs and this paper was a result of that meeting. Following a brief discussion, the ToRs were Paper approved. Pending removal of “The Committee” in Section 1, 5<sup>th</sup> line.

**Action: Board Services to remove “The Committee” wording.**

### **5. REVISED SFIs FOR PRESENTATION TO THE BOARD [paper FCC/22/21 refers]**

- 5.1 C Low highlighted two changes since the Report was last reviewed in February. First was the recently updated Code of Conduct. The second was the Tenders, Quotations and Contracting Requirements which had been updated to include recommendations from internal audit on contract and supplier management. Members were asked for their endorsement before asking for formal approval by the Board.

- 5.2 Members queried Section 4.02 “The Chief Executive has the responsibility to designate an officer, Counter Fraud Champion (CFC)” and agreed it felt as though the description was more of an executive role, rather than a non-executive role. C Low agreed to clarify this. Members were also unaware of the Intellectual Property (IP) held by NSS and asked for a deep dive. C Low agreed to bring this back to a future meeting. There was a lot of IP in SNBTS and also a lot of IP in the process which NSS was party to, but not the owner of.

**Action: C Low to clarify if CFC role executive or non-executive.**

**Action: C Low to bring back more detail on IP to a future meeting.**

### **6. REVISED STANDING ORDERS FOR PRESENTATION TO THE BOARD [Paper FPP/22/30 refers]**

- 6.1 C Low advised Members this was a light touch review so, in principle, the key reason for presenting was to ensure the Scheme of Delegation (SoD) fully reflected the current situation post-pandemic. There had been a number of changes in leadership within NSS. The ToRs for each of the Committees were usually appended to Standing Orders but were also still being updated at this time. It was anticipated that a full set, endorsed by each Committee, would be included within the suite of documents for approval by the Board in June. C Low reiterated that it was very important the SoD and SFIs were updated when the Board met.

- 6.2 Members asked when the Board Chairs were due to present an updated blueprint to the Scottish Government and, if further modifications were required in June, how to dovetail the latest version into this. It was acknowledged that this was a difficult issue, but the SoD needed to be updated and documents were drafted and appended to Standing Orders. C Low advised we would need to see what comes from the new model documentation and update as and when required.
- 6.3 Members noted that the organisation was not mentioned in the title page and also requested a high-level structure chart. M Neilson agreed to share the structure chart he was producing for staff supporting the Public Inquiry. Members were advised that there were vacancies and interim measures in place so that the Standing Orders would reflect that going forward for the foreseeable future.

**Action: M Neilson to circulate high-level structure chart.**

## **7. FINANCE REPORT [paper FPP/22/22 refers]**

- 7.1 A McLean spoke to the paper for the Year End 21/22 Financial Year End
- All statutory financial targets for 2021/22 had been met. NSS delivered a revenue surplus for 21/22 of £0.422m and capital surplus of £0.243m subject to audit and confirmation of month 13 allocations;
  - SBUs had concluded the year with a net trading underspend of £1.5m. There were a number of late movements in C-19 expenditure, but these were mainly offset, resulting in a final position very close to the February forecast;
  - Test, Protect and Vaccinate and Private Healthcare costs had reduced but there was a corresponding increase in PPE costs due to stock write offs and donations;
  - Provision had also been made for exiting the Child Health contract following Cabinet Secretary approval. This utilised the remaining Reserves funding and also a portion of the SBU surplus;
  - The 2022/23 allocation letter would be issued at the start of June and discussions were positive. Scottish Government would look at, and address, issues highlighted by Audit Scotland so that there was less reliance on allocation.
- 7.2 Members briefly discussed the terms “slippage” and “obsolete stock”, seeking and receiving clarification. Following this, Members thanked A McLean and approved the report.

## **8. SFI BREACHES [Verbal]**

C Low confirmed to Members that there had been no breaches since the last meeting.

## **9. NATIONAL PROCUREMENT CONTRACT SCHEDULE [Paper FFP/22/23 refers]**

- 9.1 S Mollart spoke to the paper and highlighted the following points:
- Savings in financial year 202/2021 were £38M which included £16M cost avoidance; £15M of hard savings and £32M savings delivered ahead of expectations;

- Reduced secured savings of £10M had been agreed for 2022/23, reflecting the current economic environment. Direct savings of £9M had been identified as well as rebates;
- Looking at tender extensions rather than new tenders, 178 similar to last year. Members noted that in the current climate suppliers were not prepared to bid forward or undertake tendering therefore more extensions were needed;
- 200 projects were planned for year ahead. Category Managers were being asked for more forward planning because COVID-19 activities could potentially surge again in two or three years.
- It had been invaluable to share the workplan with Health Boards and this enabled working on bigger opportunities and challenges.
- In the current environment, it was difficult to secure savings and National Procurement (NP) was looking at innovative ideas and projects and making use of National Distribution Centre for consigned delivery.
- There had been a recommendation from Audit to look at value for money for single source contracts and the team were looking at that.

9.1 S Mollart also gave overview of ICT Activity and Clinical Waste. Members were advised of the sad deaths of two paramedics in last two months leaving a gap of 25% in the paramedic team. There continued to be challenges with recruiting to open positions. NP was operating within a very tough economic environment and continued to monitor risks of supply chain associated with that and the war in Ukraine. Members noted that, there was a huge volatility of food costs. S Mollart also confirmed NP were not involved with energy suppliers. Members commended the report as excellent, and extremely positive given the challenging environment.

## 10. PORTFOLIO MANAGEMENT GROUP REPORT [Paper FPP/22/24 refers]

10.1 C Low took Members through the paper which provided an update on programmes managed on behalf of NHS Scotland. C Low updated on the latest position after the Portfolio Management Group meeting on 10 May and advised Members that NSS was in a more positive place. The following points were highlighted:

- On the general Watch List there were 9 programmes - 4 green, 4 amber and 1 red (which was expected to revert to amber or green);
- The South-East Payroll Programme was currently amber. Members noted that TUPE transfer of staff would start no earlier than November 2022 and the consultation was expected to start in June 2022;
- The Digital and Data Watch List had 11 programmes - 6 green, 4 red and 1 amber;
- eRostering Programme was reporting as red. Key business systems were not interfaced and it was necessary to get Boards in better place to accept the workplan. However, it had already been implemented in Forth Valley;
- CHI & Child Health Programme was also reporting as red. CHI and Child Health had agreed to part ways. A new plan was now being progressed.
- GP IT Programme was the third programme reporting red. Cegedim had been passed for assurance but had advised their datacentre supplier in the UK had

gone administration and looking at contingency plan. Currently red however will revert to amber when the solution for the datacentres is confirmed.

- PACS had got to a more positive position but was impacted by a failure in upgrade. This had now been mitigated but roll out of V-21 to the four remaining boards had been delayed until the software fix had been implemented.

10.2 Members asked whether there was a risk generally because of energy costs or was the Cegedim datacentre issue a unique situation. C Low advised she was not aware of any particular risks and suggested it was probably their supplier as NSS had different suppliers and arrangements over the three sites. The Management Team were looking at contracts more widely on behalf of NHS Scotland. Members were very encouraged by positive feedback and asked what had shifted the change in energy to move forward. They were advised that it was likely to be the change around the role of Programme Management Group having additional scrutiny and that Child Health was moving forward. Members also noted there were multiple factors including accountability, having One Scotland and Once for Scotland, individual actions, and the changing environment. The risk of building in legacy debt had been acknowledged, along with the need to do things differently. Members were reminded that this was not a single customer situation as there were 22 or 23 customers involved.

10.3 Members noted the paper and recommendations in full.

## **11. NSS PERFORMANCE END OF YEAR REPORT [Paper FPP/22/25 refers]**

11.1 L Neary took Members through the NSS End of Year Performance for 2021/2022 (FY22) against the commitments in the Remobilisation Plan and Corporate Strategic Objectives and highlighted the following:

- Remobilisation had been exceptional in 2021/22 and NSS met 90% of Scottish Government (SG) objectives and improved performance by 3%;
- 63 measures were monitored, and SG had been updated on a quarterly basis.
- All non-essential services were paused and NSS continued to deliver throughout. In terms of remobilisation only one measure had been suspended;
- Work was being done with SG to develop resilience, which was planned for completion in Quarter 1 of the 2022/23;
- 37 measures were completed, six were amber, and none were red (which was an excellent testament to the work across the organisation). Overall, three had been suspended or closed.
- Green and amber measures would continue to be reported to SG until the new delivery plan was agreed.

11.2 Members expressed concern that the Property and Asset Management Strategy (PAMS) was not covered. C Low advised work was ongoing in this area with partners to produce a collective strategy for December 2022. The property element of PAMS would be approved as part of the process and would be effective from 2023 onwards.

### 11.3 Moving on to the Corporate Objectives, members noted the following highlights:

- NSS had achieved or exceeded 71% of measures during the review period and was not impacted by COVID-19.
- Nine measures had exceeded target; five had achieved target; two measures were within 10% of target; and five measures were outside 10% of target
- GPTW: Seven incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDORS) had been submitted to Health & Safety Executive. Five from the National Distribution Centre; two from blood donor venues. Root cause analyses had been done in each case and corrective measures were put in place.
- Staff PDP compliance did not meet the 74% target. The EMT were looking at actions which could be taken to drive up numbers.
- NSS received 47 staff behaviour and attitude complaints against a target of 40. Additional training has been provided in the relevant SBU.
- 24 business continuity incidents were reported during 2021/22. 23 of those incidents related to Digital and Security and were resolved and reported by DaS. Future reports would not include DaS incidents.
- In respect of financial Incidents, there had been one attempted fraud in 2021/22. It was identified at an early stage and no money was lost.

11.4 Members commented on the good progress made although still had concerns regarding appraisal and objective setting targets as it was fundamental to good management. Members were pleased to see a much more proactive approach with RIDDORS in the warehouse although still felt it was worrying to see seven RIDDORS along with many complaints in SNBTS. They were reassured that the number of complaints (40) in dealing with over 200,000 donors in a year was very low and iMatter suggested a good experience.

## 12. RESILIENCE REPORT [Verbal]

12.1 L Neary confirmed there were no new resilience issues to report. However, Members noted that throughout Quarter 1 of 2022/23, SBUs were undertaking reviews of their Business Continuity Plans. M Nielson also advised that SG had a system to test new Business Continuity Plans.

## 13. REVIEW OF BUSINESS RISKS [Paper FPP/22/27]

13.1 M Nielson went through the report, noting the following.

- There had been an overall reduction of red risks by one leaving three red business risks; one new red risk (6622), one closed risk (6608 SNBTS Christmas Party) and one new amber risk (6679)
- 6622: Budgetary Pressure - Dependency (DPDP) [red] - The main concern was efficiency of savings as planned.
- 6679: Properties and Estates [amber] - There had been change of requirements to estate due to hybrid working. Individual site visits continued to track progress and this risk had EMT oversight.



- 13.2 Members expressed concerns over 6282 (Devices with Windows 10) and the cost pressure around 6622. M Nielson agreed to obtain a more detailed response from Martin Bell, Director of Practitioner and Counter Fraud Services. Members were advised the budget position assumed digital estate would go and the timing of the digital dispensing was flagged as a risk. This would be reflected on the next round of updates on risk register. There was a significant reduction, and the need now was to manage the underlying risk. Members asked for timelines and were advised that it was dependent on a separate national programme, which NSS sis have influence over and would need to get back on track. Members noted the report in full.

**Action: M Nielson to obtain response from M Bell re risk 6622.**

#### **14. SUSTAINABILITY STRATEGY [Paper FPP/22/32 refers]**

- 14.1 J Critchley summarised the high-level, draft Sustainability Strategy. However, Members noted that with 66 areas of feedback, it would not be approved by SG until June or July 2022. Members were advised that this was an iterative document and were invited to feed back on it. Members felt it was a fantastic document although too wide a strategy for NSS and needed to be slimmed down. J Critchley advised she was happy to have individual conversations on this, but certain items in the strategy were mandated. It was also intended for the document to be inspirational. The strategy would be reviewed properly at the Board Development Day at the beginning of June 2022 before going to the Board formally for approval.

#### **15. SERVICE TRANSFORMATION UPDATE [paper FPP/22/31 refers]**

- 15.1 L Neary gave a brief overview around Service Transformation and was happy to follow the discussion offline. L Blackett asked L Neary to pass on her gratitude to Paula Burns for providing clarity.

#### **16. FORWARD PROGRAMME [paper FPP/22/28 refers]**

- 16.1 Members noted the content of the Forward Programme and made no additional comments.

#### **17. ANY OTHER BUSINESS**

- 17.1 M Nielson advised Members that the initial draft Annual Delivery Plan had been shared with the Board that day and would be discussed at the Development Session scheduled for 9 June 2022. M Neilson brought this to the attention of Members as FPPC would oversee the Plan. The aim was to bring back the final draft at the end of June 2022, SG then to agree the plan, sign it off, then bring it back to the Board for formal approval.

There being no further business, the meeting closed at 11.31.

# Minutes (Approved)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000

[www.nhsnss.org](http://www.nhsnss.org)



## NHS NATIONAL SERVICES SCOTLAND AUDIT AND RISK COMMITTEE

### MINUTES OF AD-HOC MEETING HELD ON THURSSDAY 26 MAY 2022 VIA TEAMs DIGITAL PLATFORM AT 1400HRS

#### Present:

Julie Burgess – Non-Executive Director and Committee Chair  
Gordon Greenhill – Non-Executive Director  
Arturo Langa – Non-Executive Director  
John Deffenbaugh – Non-Executive Director

#### In Attendance:

Martin Bell – Director of Practitioner and Counter Fraud Services  
Lisa Blackett – Non-Executive Director  
Kevin Boyle – External Auditor, Audit Scotland  
Ian Cant – Non-Executive Director  
Tim Colclough – Service Auditor, KPMG  
Inire Evong – External Auditor, Audit Scotland  
Steven Flockhart – Director of Digital and Security  
Laura Howard – Associate Director of Finance  
Carolyn Low – Director of Finance  
Mary Morgan – Chief Executive  
Keith Redpath – NSS Chair  
Neil Thomas – Partner, KPMG  
Lynsey Bailey – Committee Secretary [Minutes]

#### Apologies:

Mark McDavid – Non-Executive Director  
Alison Rooney – Non-Executive Director

## 1. WELCOME AND INTRODUCTIONS

- 1.1 J Burgess welcomed all to the meeting, which was being held virtually via the TEAMs platform and noted the apologies as above.
- 1.2 Before starting the formal business of the meeting, J Burgess asked Members if they had any interests to declare in the context of the agenda items to be considered but no interests were declared.

## 2. SERVICE AUDIT: FINAL REPORTS [Paper AR/22/29 refers]

- 2.1 C Low gave an overview of the Service Audit outcomes, which were all unqualified. She highlighted the intensive work and management intervention throughout the year to achieve this position and thanked all those involved. Members questioned calling the



Chair  
Chief Executive  
Keith Redpath  
Mary Morgan

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audit opinions “unqualified”, noting this was not how the position was described in the reports provided by KPMG. They were advised that this was a terminology point, noting that the opinions conformed to the standards required and were what would be expected by the Health Boards. They agreed that the covering letter could clarify that the audit opinions were clean and highlight the improvement over the year.

- 2.2 Members sought clarification around the reference to the Chartered Institute for England and Wales standards in the Payroll audit report and whether that was recognised in Scotland. N Thomas agreed to check that before the reports were issued. Moving on to the IT report, Members noted that the emphasis of matter was the same as the previous year but had improved as it is timebound this year. Finally, looking at the Practitioner Services audit, Members were pleased to see recognition of the hard work within the report. Members also acknowledged that some of their earlier criticism of KPMG’s service audit approach and findings in previous years had in fact been ill-founded. NSS had taken their comments on board and were pleased with the final outcome this year. The report highlighted the continuous improvement throughout the year and M Bell confirmed the intention to keep up that momentum in the coming year.
- 2.3 Members welcomed the clean Service Audit opinions and commended all the work done to achieve this - from the staff, NSS’s senior team, KPMG and the members of the Service Audit Steering Group (SASG). They were keen that this position be maintained in the current audit year and recognised the volume of work there was still to do. K Redpath gave an overview of plans for the continuation of SASG and the adjustment of its remit in order to monitor this work. Members were content with this but urged caution that this remained in an assurance seeking capacity. Finally, Members all confirmed their approval for the Service Audit reports to be shared with the Health Boards.

### **3. ANY OTHER BUSINESS**

- 3.1 Members had no further business to raise at this time.

There being no further business the meeting closed at 11:26.

# Minutes (Draft)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000

[www.nhsnss.org](http://www.nhsnss.org)



## NHS NATIONAL SERVICES SCOTLAND CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE (CGQIC)

### MINUTES OF MEETING HELD ON MONDAY 30 MAY 2022 VIA TEAMs DIGITAL PLATFORM AT 0930HRS

#### Present:

Arturo Langa – Non-Executive Director [Chair]  
Lisa Blackett – Non-Executive Director  
Gordon Greenhill – Non-Executive Director  
Alison Rooney – Non-Executive Director  
Mark McDavid – Non-Executive Director  
Mary Morgan – Chief Executive  
Lorna Ramsay – Medical Director & Executive Lead for Clinical Governance  
Jacqui Reilly – Nurse Director & Executive Lead for Quality Improvement  
Calum Thomson – Associate Director for Nursing, Clinical Governance & Quality Improvement  
Megan Rowley – Interim Medical Director SNBTS

#### In Attendance:

David Stirling – Director of Healthcare Science  
Brendan O'Brien – Chief Clinical Informatics Officer, DaS  
Anna Lamont – Medical Director, PCF  
Sian Tucker – Deputy Medical Director, NSS  
Alison Watt – Digital Transformation and Business Support Coordinator [Minutes]

#### Apologies:

Keith Redpath – NSS Chair  
Angela Wilson-Coutts – NSS Head of Planning

## 1. WELCOME AND INTRODUCTIONS

- 1.1 A Langa welcomed all to the meeting, which was being held virtually via the TEAMs platform. A Rooney was unable to chair the meeting but was present. Members were reminded that the NSS Committees had been reduced to 90 minutes, therefore the focus would be on scrutinising and highlighting any key issues.
- 1.2 Before starting the formal business of the meeting, A Langa asked Members if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.



Chair  
Chief Executive

Keith Redpath  
Mary Morgan

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## 2. MINUTES AND MATTERS ARISING [Papers CG/22/02 and CG/22/03 refer]

- 2.1 Members noted the minutes from the previous meeting on 16 February 2022, and asked for the following edits to be made. **Action: A Watt to update the minutes on page 3, section 4.6 to add 'the committee urged that the American contract be expedited as soon as practicable'.**
- 2.2 Members asked for the following edits to be made to the Action Note. **Action: A Watt to update action note with the following edits; to update heading date from 2022/23 to 2021/22, to update the date on action 10.1 from deadline date January 2021 to January 2022 and to update the date on action 3.3(b) deadline date January 2021 to January 2022.** Once edits for both 2.1 and 2.2 were included members are content to approve them as an accurate record of the meeting.
- 2.3 Members noted that all action points are now complete with no actions outstanding.

## 3. CGQC TERMS OF REFERENCE [Paper CG/22/03 refers]

- 3.1 L Ramsay discussed the proposed changes to the Terms of Reference with K Redpath after the last meeting had taken place. Minor changes were made to the Terms of Reference and an updated copy was sent round the Committee prior to the meeting.

The updated Terms of Reference was approved by the Committee.

## 4. RESEARCH GOVERNANCE ANNUAL REPORT 2021/22 [Paper CG/22/04 refers]

- 4.1 L Ramsay highlighted that all of the governance requirements in relation to research governance have been completed for the year 2021/22, and that there are no formal documents that need to be submitted externally. The paper refers mostly to the internal governance of the research process, as previously in line with what was published by the Chief Scientist Office a few years back. An internal audit will take place this year against standards for Research Governance that have been published by the UK Government and the findings of the audit will be brought to the committee at a later date.
- 4.2 Members asked that going forward when staff members from NSS are included in the list of publications could these staff members be highlighted so these staff members are easily sighted. Members agreed this would be good to introduce.
- 4.3 The penultimate paragraph in section 2 includes the word 'pear'. It was noted this was a grammar issue and will be updated. **Action: A Watt to update the paper to remove the word pear and replace with peer.** It was also agreed to remove the word 'structure' from the heading title. **Action: A Watt to update the paper to remove the word structure from the heading title in section 2.**
- 4.4 It was agreed that D Stirling would provide a brief summary to committee members explaining what the aspects of the UK standards are. D Stirling will show what the CSO standards were, and will highlight what the differences are between each. Members agreed to add the summary to the paper as an appendix. **Action: D**

**Stirling to provide a brief summary explaining the differences between the CSO and UK Standards and add this to the paper.**

- 4.5 The Committee approved the report pending the grammar correction noted above, and once the summary piece has been included.

**5. IR(ME)R ADVISORY GROUP ANNUAL REPORT 2021/22 [Paper CG/22/05]**

- 5.1 D Stirling explained that the regulations came in during 2017, requiring a change in the way we manage entitlement of staff for administration of ionizing radiation. Categories for this fall into two types, there are the medical physics expert staff who work within the Breast Screening Programme, and our Dental Workforce who approve treatment plans and payment options for the dental work which goes on which may involve radiation.

- 5.2 The regulations require NSS to have a suite of employer documents which are briefly covered in the appendix, and they help us monitor our compliance. The document pack has been shared with the medical physics expert community across Scotland who are developing similar processes for their own Boards.

The most recent audit looked at the two categories (Breast Screening and Dental Workforce), and there were no significant issues raised. The Committee were assured that a number of staff are trained, and we are compliant with the standard, but NSS recognises that our new staff members are still to go through the training programme.

- 5.4 The Committee approved the report.

**6. DUTY OF CANDOUR ANNUAL REPORT 2021/22 [Paper CG/22/06]**

- 6.1 C Thomson highlighted that the report shows six duty of candour events within NSS and that they all sat within SNBTS. The understanding and managing of NSS's duty of candour incidents, has significantly matured over the year. This is down to the relationship with SNBTS's medical staff and how NSS views their adverse events in relation to duty of candour incidents. Discussions now take place very early on, and staff can arrive at a decision much earlier on in the process.

- 6.2 Members requested that the report has a final grammar check before it is published. **Action: C Thomson to review the report for any grammar and essential punctuation that is missing.**

- 6.3 Members noted that on page 8, underneath the 'Stages Complete' table, it states that there were 7 cases who were all sent a letter, with three individuals choosing not to respond. Does this mean that the three final reports have not yet been offered? C Thomson confirmed that meetings were offered out on more than one occasion directly to the patient or to the patient's GP or Consultant, but we received no reply. The reports have been closed off, and all information has been sent to the patient with a follow up meeting invite.

Members noted that if patients have yet to respond, the learning and outcomes would still be in progress, therefore we cannot have a final report to offer. C Thomson confirmed that the reports have been concluded since the paper was written, so the paper can be updated to show this. It was agreed by committee

members to add an amendment to the paper to confirm the final reports have been subsequently closed. **Action: C Thomson to add an amendment to the paper to confirm that the final reports are subsequently closed, but at the time the report was written the information was correct.**

6.4 The Committee approved the report pending the actions noted above are complete.

## 7. PATIENT GROUP DIRECTIONS ANNUAL REPORT 2021/22 [Paper CG/22/07]

7.1 C Thomson highlighted that the report covers the SNBTS Clinical Apheresis Unit and Healthy Working Lives who administer the Hepatitis B vaccinations.

C Thomson highlighted that there was an exceptionally high standard evidenced through review of the clinical apheresis records whilst being up against some challenges which includes the clinical apheresis unit having to move and staffing issues. There was a very high use of PGDs within SNBTS with nothing to report in terms of any adverse events taking place.

7.2 C Thomson noted that all the monographs which shows which PGDs staff can administer, 11 in total, will be up for their bi-annual review this year. The review will take place during the summer of 2022.

7.3 Members asked for an opening sentence to be included in future reports explaining what Patient Group Direction means and what the purpose of the report is. **Action: C Thomson to include an opening sentence in future annual reports to explain what Patient Group Directions means and what the purpose of the report is.**

7.4 The Committee approved the report.

## 8. INFECTION PREVENTION AND CONTROL ANNUAL REPORT 2021/22 and HAI Q4 QUATERLY REPORT [Paper CG/22/08]

8.1 J Reilly confirmed the HAI Q4 report is the final report for the end of the last financial year and that the annual report are both requirements of the Chief Nursing Officer Directorate policy for HAI Governance within the board. J Reilly recommended the committee to scrutinise the quarterly report and approve the SNBTS Infection Prevention and Control Annual Report.

8.2 Members asked for an update regarding the Annual report, appendix 4.2. It mentions there is an ongoing issue with the blocking of the toilets, in the context of infection prevention and control, within Edinburgh Royal Infirmary. J Reilly noted that there is a fundamental review underway and NSS is working alongside NHS Lothian and the other Contractors involved. An action plan is in place and it is being remedied.

8.3 Members highlighted on page 9 of the annual report it states April 2020 to March 2021, and asked if this should read April 2021 to March 2022? J Reilly confirmed this is correct and the paper will be updated to show the correct date. **Action: A Watt to update page 9, remove April 2020 to March 2021 and replace with April 2021 to March 2022.**

8.4 Members asked for clarity with regards to the Glasgow Donor Centre flooring and if this was given any urgency due to Health and Safety, and any potential slip, trips and falls. J Reilly noted that from an IPC perspective NSS needs to ensure that the surface can be cleaned and that it is in a good state of repair for that purpose. The slip, trips and falls issues that are noted in the risk register are associated with floors that are uneven, not this particular floor.

8.5 The Committee approved the report pending the correction noted above.

## **9. CLINICAL STAFF REVALIDATION (not including Medical/Dental) REPORT 2021/22 [Paper CG/22/09]**

9.1 C Thomson noted that NSS had three lapses of registration during the financial year of 2021/22. The root cause of the lapses all came from the same issue. Staff had relied on receiving notifications via email from their regulatory body advising them that their registration was due for renewal. The staff concerned had not updated the regulator with their new email address, therefore no updates were received. The committee were assured that this should not be an issue going forward.

9.2 C Thomson confirmed that new processes are now in place for registration reminders for nursing staff. Monthly checks are undertaken by Line Managers and staff should have these dates in their diaries. Staff are also reminded not to rely on systems, and that maintaining registration is their personal responsibility.

9.3 A complete review of the Clinical Profession Registrations Policy is being undertaken following the lapses including looking at the on-boarding of new staff, and those staff who aren't in substantive NSS posts.

9.4 Going forward it is expected that all new clinical staff will be on-boarded into NSS via the electronic recruitment system Job Train. This will feed into eESS, and through a national piece of work involving the eESS Team and various others, the NMC will upload directly to eESS every registrant that they have. A weekly report will be produced and any exceptions will be highlighted and actioned. This will fully automate the system directly from the regulator.

9.5 C Thomson noted that one piece of development which we were asked to previously report on related to our Healthcare Support Workers within SNBTS. Lots of work is ongoing nationally around standardising healthcare support worker training. NSS will be involved in this piece of work going forward.

9.6 The Committee approved the report.

## **10. MEDICAL STAFF REVALIDATION AND APPRAISAL ANNUAL REPORT 2021/22 [Paper CG/22/010]**

10.1 L Ramsay noted that the Medical Staff Revalidation and Appraisal Annual Report is separate because there is usually an annual external quality assurance report in relation to medical appraisal and revalidation provided by all Boards by NES. This has been suspended this year due to Covid-19 and it is anticipated it will commence again next financial year.



- 10.2 L Ramsay confirmed that all medics and dentists within NSS have undergone appropriate appraisal and revalidation during 2021/22.
- 10.3 L Ramsay confirmed that there is nothing of concern to highlight within the report, but noted that the appraisal lead for NSS has changed due to retirement and new arrangements are in place.
- 10.4 The Committee approved the report.

## **11. MEDICAL DIRECTORS REPORT [Paper CG/22/11]**

- 11.1 L Ramsay spoke to her report which provided an update on clinically-related areas of NSS strategic/enabling activity and on relevant aspects of business as usual areas from a clinical perspective. Particular highlights were:

- The NSS Health and Care Staffing Guiding Principles paper has now completed the internal processes for approval including approval from the NSS Staff Governance Committee. NSS is yet to receive a date from Scottish Government as to when the paused guidance will come into effect, and when NSS will be required to report upon. L Ramsay assured the committee that NSS is in a good state of readiness.
- The Organisational approach to continuous Quality Improvement paper relates to discussions that the committee have previously had around clinical quality improvement. NSS will need to have a quality approach across the whole organisation, with J Reilly and Lee Neary, Director of SPST, progressing this piece of work.

As part of the of the Service Excellence strategic objective, a proposal has been drafted and a plan is being put together in terms of how NSS will have a more comprehensive quality approach across the organisation.

- Attention was drawn to the update on progress for NSS compliance with the Medical Device Regulations which will be published soon. NSS has undertaken an extensive piece of work to document all of the devices that we have in NSS as the first stage and has run a course with a British Standards Institute expert to train a number of our staff to be able to undertake the next stage of assessment to identify which of those devices should be regarded as a medical device and subject to the regulation. A Rooney asked about the potential strain on capacity to support the additional work required from this new regulation. L Ramsay advised that this would be largely embedded in ways of working though potential need for additional resource such as a Responsible Person for MDR would be evaluated.
- Members scrutinised the report and were content with the level of assurance provided.

## **12. BLOOD AND TISSUE QUALITY, SAFETY AND SUFFICIENCY REPORT [Paper CG/22/12]**

- 12.1 M Rowley noted that the report provides assurance to committee members that NSS continues to meet all requirements in respect of quality, safety and sufficiency. There are two items which are drawn to the committees attention which are ;

- NSS has issued two blood shortage communications during quarter four, however at no time has this had any impact on patient care. NSS continues to work with all partner organisations to understand each recovery plan and to align our blood supply with the demand.
  - The introduction of the hepatitis B core antibody testing took place as planned from the 5<sup>th</sup> April 2022 as an additional blood safety measure. We were the first of the UK blood services to do this. All other UK blood services have stated their intention to go live with their hepatitis B core antibody testing by the end of May 2022.
- 12.2 Members asked for clarification with regards to the pre-amber alert, and when SNBTS are in this scenario how does it deal with a potential deficit? M Rowley highlighted to Committee members that SNBTS define pre-amber as holding between two and three days of red cell stock of a major blood group (O+, A- or O-) centrally and that NSS also have access to look at what the blood banks in the health boards hold. If a particular stockholding intervention is needed to help reduce pressure on SNBTS stocks, NSS can communicate with blood banks to ask for their help while they are calling donors to increase stocks.
- 12.3 Members asked for clarification around what the procedure is if we have to tell donors they have shown a positive test for hepatitis B core antibodies and are we required to look to see if anyone has received this donor's blood? M Rowley confirmed that the testing for hepatitis B core antibody is an *additional test* on top of the current hepatitis B surface antigen and hepatitis B nucleic acid testing which has been undertaken for many years. If a donor is recorded as having a positive core antibody test then a series of confirmatory tests would then be undertaken. If confirmed as hepatitis be and the donor had previously donated SNBTS would then identify recipients who have received the blood and arrange for them to be tested for hepatitis B. The recipient tracing and testing pathway is yet to be agreed including who would transmit the results to the recipient, but the full process and agreement should be available very shortly.
- 12.4 Members scrutinised the report and confirmed they were content with the level of assurance provided.

### **13. CLINICAL ADVERSE EVENTS AND COMPLAINTS [Paper CG/22/013A]**

- 13.1 Members discussed the paper which provided details of Clinical Adverse Events and Complaints. There were no new complaints to highlight to the committee.
- 13.2 In terms of adverse events there were four category two events within the quarter, and no duty of candour events. Members were assured that full investigations have taken place in relation to these events.
- 13.3 Following scrutiny of the report, Members were satisfied with the level of assurance provided.
- 13.4 **CLINICAL RISKS Q4 QUARTERLY REPORT [Paper CG/22/13B]**

13.5 Members discussed the paper, which provided details of corporate clinical risks on the NSS Risk Register, together with an opportunity to review all red and new amber clinical risks and challenge actions taken. There were no new corporate red risks, but two amber risks. Members were assured that good dialogue continued with the SBU clinical governance groups in monitoring and managing the clinical risks. Members commended the report as very clear, providing the necessary assurance that risks were manageable and being mitigated or escalated appropriately.

13.6 L Ramsay brought members' attention to the inclusion in the risk report of the annual risk appetite review and the recommendation to continue with NSS appetite to clinical risk as being low. This was agreed by members.

13.7 Members scrutinised the report and were content with the level of assurance provided.

#### **14. NSS HEALTH AND CARE STAFFING GUIDING PRINCIPLES [Paper CG/22/14]**

14.1 Members noted this paper was discussed under agenda item MEDICAL DIRECTORS REPORT [Paper CG/22/11].

#### **15. ORGANISATIONAL APPROACH TO CONTINUOUS QUALITY IMPROVEMENT [Paper CG/22/015]**

15.1 Members noted this paper was discussed under agenda item MEDICAL DIRECTORS REPORT [Paper CG/22/11].

#### **16. FORWARD PROGRAMME [Paper CG/22/16]**

16.1 L Ramsay noted to members that all annual reports have been moved to the first committee meeting of the financial year, which will fall under the first reporting quarter.

16.2 Internal Audit of Clinical Governance has been added into the forward planner under the November 2022 section. This will be dependent on what stage we are at with the audit. L Ramsay agreed to inform the committee if this will go ahead at this time later on in year.

#### **17. AOB**

17.1 Committee members agreed that the Clinical Governance Committee Annual Report to the Board will be circulated electronically. Members are asked to review the Report and look to approve this before the next NSS Board which will take place on 28 June 2022. **Action: Boardservices to circulate the paper round the committee. Committee members to review and feedback by 24 June 2022.**

17.2 It was confirmed that the next Clinical Governance and Quality Improvement Development Session will be held on 11 July 2022, and will focus on the National

Specialist and Screening Services Directorate (NSD) Strategy and in particular bringing forward the draft NSD Strategy in order to allow the committee members to have an understanding of the SBU and an ability to input into the strategy.

**18. DATE OF NEXT MEETING: Wednesday, 07 September 2022 at 0930**

DRAFT

# Minutes (Draft)

Board Services  
Area 27  
Gyle Square  
1 South Gyle Crescent  
EDINBURGH EH12 9EB  
Telephone 0131 275 6000  
Text Relay 18001 0131 275 6000

[www.nhsnss.org](http://www.nhsnss.org)



## NHS NATIONAL SERVICES SCOTLAND AUDIT AND RISK COMMITTEE

### MINUTES OF MEETING HELD ON THURSDAY 9<sup>TH</sup> JUNE VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

#### Present:

Julie Burgess – Non-Executive Director and Committee Chair  
Gordon Greenhill – Non-Executive Director  
Arturo Langa – Non-Executive Director  
Alison Rooney – Non-Executive Director  
John Deffenbaugh – Non-Executive Director

#### In Attendance:

Inire Evong – External Auditor, Audit Scotland  
Kevin Boyle – External Auditor, Audit Scotland  
Laura Howard – Associate Director of Finance  
Carolyn Low – Director of Finance  
James Lucas – Internal Auditor, KPMG  
Mary Morgan – Chief Executive  
Jacqui Jones – Director of HR and Workforce  
Matthew Neilson – Associate Director of Strategy, Performance, and Communications  
Steven Flockhart – Director, Digital and Security  
Scott Barnett – Head of Information and Cyber Security  
Moira MacKirdy – Service Improvement Manager [Minutes]

#### Apologies:

Carole Grant – Audit Scotland  
Rachel Brown – Audit Scotland  
Neil Thomas – Partner, KPMG

## 1. WELCOME AND INTRODUCTIONS

- 1.1 J Burgess welcomed all to the meeting, which was being held virtually via the TEAMs platform.
- 1.2 Before starting the formal business of the meeting, J Burgess asked Members if they had any interests to declare in the context of the agenda items to be considered but no interests were declared. J Burgess thanked M Morgan and the Board Services team for the timeliness of the papers.



Chair  
Chief Executive

Keith Redpath  
Mary Morgan

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## **2. MINUTES AND MATTERS ARISING [Papers AR/22/41, AR/22/42 and AR/22/43 refer]**

2.1 Members considered the draft minutes from the previous meeting on 17 May 2022. They requested the following updates:

- that the 3 findings in point 4.1 be updated to: value for money, learning and development and strategic intent rather than just external provisions;
- at point 4.2 it was clarified that J Jones was responsible for leadership and development strategic intent not general strategic intent;
- an addition to point 4 to emphasise the point that the size of the budget had not moved in relation to the size of the workforce;
- that item 10 should be a written report in future;
- a check that point 12.2 was the version of the minutes which had been corrected by J Burgess;
- There was an action to follow up the ICO actions which was not in matters arising which should be added and reviewed at September meeting.

2.2 Members considered the draft minutes from the previous meeting on 26 May 2022. J Burgess requested that J Lucas follow up on G Greenhill's question regarding whether or not the Chartered Institute of England and Wales applied in Scotland.

**Action: L Bailey to make changes to minutes, matters arising and forward programme as noted above.**

## **3. AUDIT AND RISK COMMITTEE ANNUAL REPORT**

3.1 J Burgess provided a verbal update. The Audit and Risk Committee Annual Report was being drafted but it was too early to come to the meeting as it depended on other assurances. The final copy would come to Committee with the annual accounts. A draft was available on request. Members noted that it would normally come to this meeting, however it had been delayed due to the audit timetable. It was hoped that a normal cycle would resume next year.

## **4. INTERNAL AUDIT ANNUAL REPORT [Paper AR/22/45 refers]**

4.1 Members noted the outcome of the audit, which was that it provided significant assurance with minor improvement opportunities. J Lucas updated the Committee that it was the end of year internal audit report from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. There was one high risk finding relating to Microsoft 365, which had been followed up in the previous week.

## **5. EXTERNAL AUDIT PLAN [Paper AR/22/46 refers]**

5.1 Members noted the plan for external audit, which was consistent with the draft plan that was presented in February 2022. I Evong confirmed that there were risks identified in relation to ISA240 note 10. There was no income risk due to the fact that NSS was funded by the Scottish Government. Page 13 detailed the reporting arrangements. C Low added that this was a helpful starting point when reviewing audit timetable in line with actions.

## **6. INTERNAL AUDIT PROGRESS REPORT [Paper AR/22/47 refers]**

- 6.1 Members noted the summary of the plan. J Lucas updated that an initial scoping call in relation to the Practitioner and Counter Fraud Services audit on payment streams took place the previous week, and made the recommendation that this audit was postponed until the first fortnight in September 2022 due to that being this best time for it to take place. This would then mean that the report would be available for the December 2022 Audit and Risk Committee, rather than the September 2022 meeting. J Lucas suggested bringing forward another audit in its place, but was unable to confirm which one at this point in time.
- 6.2 Members sought clarification around the COVID-19 report - firstly in relation to what services were continuing, and secondly asking what the number 23-13 related to and when it would take place. Members acknowledged that there was a plethora of scrutiny surrounding COVID-19 response through Audit Scotland reports and at present it was not clear on what subsequent questions should be asked. There were still COVID-19 variants of concern, testing was still taking place for certain groups and National Procurement was still ordering and stockpiling Personal Protective Equipment (PPE). There was a vaccination programme for winter and a lot of digital work also to integrate the bespoke COVID-19 system with the regular vaccination programmes. J Lucas also advised that 23-13 was an audit reference number.
- 6.3 Members asked if any changes to the internal audit programme could be reflected in the executive summary pages going forward and J Lucas confirmed that this will be actioned. However, in this instance the papers had already been submitted when the scoping conversation had taken place so this had been the first opportunity to update the Committee.

## **7. INTERNAL AUDIT: NOTIFICATION OF CHANGE (NoC) AND PROTECTION PAYMENTS [Paper AR/22/48 refers]**

- 7.1 Members discussed the paper. J Lucas updated the Committee that the team had reviewed the NoC process as well as protection payments and had found two moderate findings. One was the ability to gain a temporary promotion through a NoC, although there were no examples of this picked up in testing. The second was that Protection Payments were not logged centrally despite the electronic Employee Support System (eESS) having the functionality to record and track centrally.
- 7.2 Members asked if Human Resources (HR) and Finance were taking the opportunity to look at other workforce issues and if there were any financial, reputational or equality and diversity risks that applied. They noted that since Agenda for Change terms and conditions had come into force, there were a number of situations whereby an individual may end up on protection. NSS had many long-serving members of staff who fell into this bracket. Members were also advised that Protection was applied for life and there was little political will from any party to change that
- 7.3 Members observed that there had been a £57,000 overpayment to one individual and asked if the internal lessons learned exercise had been cross referenced against the internal audit for any links, or if the KPMG team had spoken to the individual in relation to their overpayment relating to Protection. They were advised that the report on the individual should go back to Remuneration Committee since that was where it had been raised. The individual was repaying a residual amount as proposed to the Remuneration Committee of £6,000, and was keen to repay. This audit was not an investigation into that specific circumstance, although the two findings would help prevent that situation happening again.

- 7.4 Members asked if the Committee needed to review Protection Payments. It was confirmed that Grade Pay Protection was reported to the Remuneration Committee as well as the Partnership Forum. NSS had a responsibility to get those people into equivalent posts but could not force them to apply. Members were also pleased to note that HR was working with Finance and Digital and Security on a Joiners, Movers, Leavers group to streamline systems and processes.
- 7.5 Members asked if there was any implication regarding equality and were advised that the Grade Pay Protection was the most vulnerable to that risk. However, there were many mitigations in place as it was mandated through Agenda for Change. It was further highlighted that in the case of the specific individual mentioned previously, there was potentially protection applied on top of protection to ensure that moving up the career ladder resulted in increased salary as there was little incentive for someone at the top of an 8A band to move to the bottom of an 8B band when there was no financial benefit.
- 7.6 Members agreed that there was no requirement for operational information, and that they had assurance from the report. However, it was proposed that an annual report be brought to Committee detailing the size of the financial risk the organisation was carrying in relation to Protection Payments, and any applicable trends, to give Committee assurance that NSS is proactively engaging individuals in the hope of getting them into equivalent roles.

**Action: J Jones to return to Committee with report on Protection when available**

## **8. INTERNAL AUDIT: NHS ASSURE [Paper AR/22/49 refers]**

- 8.1 J Lucas provided a summary of the report's findings. There were three main points: the governance framework, the processes and controls, and the relationships with stakeholders (including other health boards and the Scottish Government). However, this had only resulted in four moderate findings, largely because of the infancy of the Business Unit. The findings related to the formal Service Level Agreement (SLA), the inconsistent prioritisation, the integral service duplication, risk assessments, and a minor housekeeping point relating to Terms of Reference (ToRs). Members expressed satisfaction with the report and confirmed that, overall, this provided them with assurance.
- 8.2 In relation to recommendation 2.3 of the audit, where it identified opportunities for efficiency, Members felt that the management response was weak. They also felt that recommendation 2.41 (where findings identified a risk and/or the management and mitigation of risks) was also not robustly detailed in the executive summary. Members queried if the paper author had been invited to the meeting, and expressed a desire for all paper authors to be invited to subsequent meetings.
- 8.3 Members sought clarification around the governance regarding the Scottish Government report, and whether it firstly went to the Executive Management Team (EMT) or the Procurement, Commissioning and Facilities (PCF) Senior Management Team (SMT) first. They were advised that this was a standard operational report and that NHS Assure was governed through either the Clinical Governance Committee (CGC) or the Finance, Procurement and Performance Committee (FPPC). NHS Assure contained both the former Health Facilities Scotland, as well as the Business Unit and now included incident reporting, facilities management and sustainability. The Business Unit reported to FPPC but the NHS Assure programme (which related to the building environment and infection prevention and control) reported to CGC.



**9. INTERNAL AUDIT: DISCUSSION AROUND LEADERSHIP AND DEVELOPMENT AUDIT (ANY OTHER BUSINESS) [Paper AR/22/24 from previous meeting refers]**

- 9.1 J Deffenbaugh provided his thoughts to Committee since he had been unable to attend the previous meeting. He advised that he was not assured by the organisational development side of things. The transformational change agenda which focused on middle leaders had not reached the expected level of maturity and he took only partial assurance from the report. J Deffenbaugh stated that he felt NSS was unable to assess value for money, and that the strategic intent was unclear. He raised a number of points: firstly, that it was only possible to take partial assurance from the audit because a third of staff had not completed their Turas appraisal; secondly, that there was no return on investment calculated in the strategic framework; and thirdly, that the auditors had missed the technical capabilities as leadership and development and training were different things. He asked how impact would be measured, and if a separate report was required, making reference to a recent report done in NHS England.
- 9.2 Members questioned the maturity of the organisational development part, and with some feeling uncomfortable with workforce planning in the long term, specifically how the analysis fed into the strategic intent. Others confirmed they felt there was assurance from the associated action plan that management were taking the report seriously and acting on it, and that the impact of this should be measured. Members also felt that the management response to the action plan needed strengthened and linked to the strategic intent.
- 9.3 J Lucas acknowledged that Members had raised valid points. He advised that the scope of the audit had been agreed prior to commencement and that it had been limited by budget. More could be done to measure impact in future if required. M Morgan added that leadership development was refreshed and piloted at senior level. There was a new recruitment process for posts at Associate Director and above, and that a review of the NSS succession and talent planning would take place in light of this. Members were further reminded that in recent years NSS had provided four Chief Executives who had been promoted through opportunities and exemplary succession programmes, and that leadership development was about culture and not just courses.
- 9.4 Members noted that the scope of the audit had been delivered. The workforce strategy 2019-2024 was due to be refreshed over the coming year. The Personal Development Plans (PDPs) could not be analysed at present due to system constraints, a point which had been raised with the NES Chief Executive. Enhanced Leadership Capability improvements were in progress year on year, with many in the talent pool being given promoted posts during the pandemic response. J Jones specifically expressed that she would not wish an independent review to detract from delivering against the action plans.
- Action: J Jones to review management actions again**
- 9.5 J Deffenbaugh confirmed that he was comfortable with that. However, he asked that it be noted that the report gave him only partial assurance.

**10. NIS CYBER AUDIT [Paper AR/22/50 refers]**

- 10.1 M Morgan advised that the audit confirmed a 3% improvement, asked Members for confirmation of the following:
- that this NIS audit provided them with the necessary assurance;
  - whether associated actions should come to the Audit and Risk Committee in the Information Governance reports;
  - If this process satisfied the audit requirements for cyber security.

10.2 Members commented on the comprehensive and detailed report. However, they sought clarity on a number of areas:

- whether people and incident management should be coloured as areas of focus on the chart;
- whether the pie chart related to the areas of focus;
- The references to the lack of support provided to the NIS lead, and to cyber security training not being mandatory (the latter being out of kilter with other health boards);
- In the tie in compliance section, there was blue – yellow – green coding, but then later there is amber – red – blue coding which was confusing;
- the red flag raised relating to the capability of systems given the shift to home working, and what NSS was doing in relation to this;
- what the materiality was of the 8 recommendations which were year on year and, and if there was a benchmark;
- why the incident detection was showing as amber, yet the Business Continuity was showing as green.

10.3 Members were re-assured that it was acknowledged NSS needed an action plan. The audit had been compiled by Cyber Security Scotland and NSS was one of the higher performers. There was an issue with language throughout the report, where it was subjective rather than objective. For example, the cyber security training was mandatory but on a three-year cycle rather than annual.

**Action: S Flockhart to return with reports and action plans to future Committees**

**Action: M Morgan to follow up on the comment around the “lack of support to NIS lead” and revert to Committee**

## 11. **EXTERNAL AUDIT: MANAGEMENT REPORT [Paper AR/22/51 refers]**

11.1 I Evong spoke to the management letter for year 21-22, which detailed key controls. There were some samples which had been outstanding at the time of writing, but Members were advised that these had now been received. As well as that, the NFI late submission resulted in no noticeable delays and NSS continued to engage positively with NFI.

11.2 Members discussed the conclusion and asked if the wording could be changed from “some” to the exact number of findings.

## 12. **EXTERNAL AUDIT: PAYMENT PROTECTION EQUIPMENT RECHARGES [Paper AR/22/52 refers]**

12.1 Members noted that this was the second year that Audit Scotland had done this work, which was a high-level review to provide assurance around the allocation process for NSS recharges relating to PPE. It was confirmed that, while there was a degree of estimation, management used the best available information in a reasonable way.

## 13. **EXTERNAL AUDIT: SERVICE AUDIT LETTER [Paper AR/22/53 refers]**

13.1 Members were advised that Audit Scotland had a directive to review Practitioner and Counter Fraud Services assurance and write to other health boards to confirm that they were assured that the relevant standards had been followed satisfactorily in relation to Service Audit.

**14. PROCUREMENT TIMETABLE FOR INTERNAL AND SERVICE AUDIT [Paper AR/22/54 refers]**

- 14.1 Members noted the report and C Low updated the Committee that the current contract had been extended for one year to cover 2022-23. However, NSS was required to tender for subsequent years. If the new term was to start on 1<sup>st</sup> April 2023, NSS needed to conclude the procurement tender in August 2022 to bring to subsequent Audit and Risk Committees for NSS and all partner boards. C Low also asked to what extent Members would like to be included in the tendering process. Members asked if KPMG should be present during the discussion, and were advised that this was a discussion around procurement tender process rather than procurement strategy so therefore it was not confidential. J Burgess confirmed she was willing to participate in the tender process, and several other Members expressed their interest in being involved also.
- 14.2 Members asked if it was possible to separate internal audit from service audit, and also asked if Healthcare Improvement Scotland (HIS) and State Hospital would be involved also. They were advised that there would be two lots to the procurement - the first lot would be service audit, which only applied to NSS, and the second lot would be an internal and service audit joint appointment which would apply to NSS, Scottish Ambulance Service (SAS), National Education Scotland (NES), Public Health Scotland (PHS) and HIS as well. There were economies of scale through a joint audit. Members asked if NSS would be responsible for delivery, in a manner similar to the Fife/Tayside joint service. C Low confirmed that, while this would be a joint procurement, delivery would be up to each Board to manage.

**15. ANNUAL ACCOUNTS UPDATE**

- 15.1 L Howard provided an update on the Annual Accounts progress. Work was ongoing, and L Howard was working closely with M Neilson's team. The draft set of accounts would come to the next meeting on 25 July 2022, after the audit clearance meeting which was set for earlier that month. The meeting in July would focus on the reviewing the annual accounts, and the invitation had been extended to the whole NSS Board.

**16. NSI SERVICE AUDIT [Paper AR/22/55 refers]**

- 16.1 L Howard presented the paper on the Service Audit on the National Finance System operated by NHS Ayrshire and Arran. The result was a clean audit with no exceptions. Members confirmed they were sufficiently assured by the paper.

**17. REVIEW OF CONSULTANCY SPEND [Paper AR/22/56 refers]**

- 17.1 Members were pleased to note that the consultancy spend had reduced in year. This was mainly due to there being COVID-19 spend last year which had now reduced. It was acknowledged that there would always be a level of spend, mainly in relation to legal counsel and management consultants, but this was at a low level by comparison. Members accepted and approved the paper.

**18. LOSSES AND SPECIAL PAYMENTS [Paper AR/22/57 refers]**

- 18.1 L Howard highlighted that there were five losses and special payments above delegated authority and asked the Committee to authorise them. The payments related to the previously mentioned employee who was on protection, stores, stock, and the decommissioning of the NHS Louisa Jordan.

18.2 Members asked if it was possible to re-use the equipment from the NHS Louisa Jordan, and L Howard confirmed that this had happened as much as possible. Members observed that the value of employee settlements had gone down, although the number of them had increased. Finally, Members asked if the NSS store losses figure was reducing as the stockpile stabilised and L Howard confirmed that this was a priority for the National Procurement team.

18.3 Based on these discussions, Members accepted and approved the losses.

**19. LETTER TO SPONSOR FROM AUDIT COMMITTEE [Paper AR/22/58 refers]**

19.1 Members were advised that this was a standard letter which highlighted any significant issues or frauds, of which there were none. However, the letter did detail the attempted fraud, which was not material or successful. It also included the internal and service audit opinions.

19.2 Members signed off the letter and J Burgess confirmed that she was happy to send it.

**20. FRAUD RISK REGISTER [Paper AR/22/59 refers]**

20.1 L Howard asked Members to accept the level of fraud risk. It was acknowledged that there was a continual fraud risk, but there were robust controls in place. Some risks were also sitting at amber. Members noted that this was a work in progress report, which should come back to the next Committee for further scrutiny. They also fed back that some of the mitigations were light on actions.

**21. FOR INFORMATION**

21.1 Members formally noted the External Audit Appointment letter [paper **AR/22/60** refers] and the Forward Programme [paper **AR/22/61** refers].

**22. ANY OTHER BUSINESS**

22.1 Members had no further business to raise at this point.

There being no further business the meeting closed at 11:36.

**MEETING DATES**

	<b>Paper (with Number allocated - receipt confirmed if in Bold)</b>	<b>1</b>	<b>10.3.22 FORMAL</b>	<b>Exec Lead</b>	<b>Author</b>
<b>Standing Items</b>	<b>BDS/22/01</b> Agenda		<b>Paper (with Number allocated - receipt confirmed if in Bold)</b>		
<b>Standing Items</b>			Agenda <b>B/22/01</b>	Keith Redpath	Board Services
			Minutes <b>B/22/02</b>	Keith Redpath	Board Services
			Action List <b>B/22/03</b>	Keith Redpath	Board Services
			Chair's Update	Keith Redpath	Keith Redpath
			Chief Executive's Report	Mary Morgan	Mary Morgan
<b>Strategic and Key Items</b>	Presentations received: <b>Creative Testing SNBTS</b> <b>Strategic Objectives FY 23</b>		<b>RAM Outcomes</b>		
			Financial Sustainability Deep Dive	Carolyn Low	
		<b>1</b>	Risk 6 month update	Lee Neary	Angela Wilson-Coutts
<b>Additional Requests</b>			COVID Status Application ICO Update [ <b>IP/22/04</b> ] <b>IN PRIV</b>	Carolyn Low	Eilidh McLaughlin
			Public Inquiries Report [ <b>B/22/07</b> ]	Norma Shippin	Norma Shippin
<b>Items Deferred</b>			Integrated Performance Report [B/22/05]	Lee Neary	Angela Wilson-Coutts
<b>Performance (items for Scrutiny)</b>			Finance Report	Carolyn Low	Finance
			Performance Report - RMPQ3 Update	Lee Neary	Matthew Neilson
			People Report	Jacqui Jones	HR
<b>Additional Requests For Info</b>			COVID Status Application ICO Update [ <b>IP/22/04</b> ] <b>IN PRIV</b>	Carolyn Low	Eilidh McLaughlin
			Public Inquiries Report [ <b>B/22/07</b> ]	Norma Shippin	Norma Shippin
			Governance Committee Minutes (Draft and Approved) <b>B/22/09</b>		Board Services
			Forward Programme [ <b>B/22/08</b> ]		Board Services

13.04.22 Development Session

<b>Paper (with Number allocated - receipt confirmed if in Bold)</b>	<b>Exec Lead</b>	<b>Author</b>
Leadership Coach to run session	Keith Redpath	

11.7.22 Joint ARC/Board Development Session

<b>Paper (with Number allocated - receipt confirmed if in Bold)</b>	<b>Exec Lead</b>	<b>Author</b>
NSS Annual Report and Accounts - Draft for review		

**29.7.22 FORMAL**

**Paper (with Number allocated - receipt confirmed if in Bold)**

	<b>Exec Lead</b>	<b>Author</b>
NSS Annual Report and Accounts		
Draft Minutes from previous meeting	Keith Redpath	Board Services
Actions from previous meetings	Keith Redpath	Board Services
NSS Annual Accounts		
End of Year Performance Report	Lee Neary	Matthew Neilson
Register of Interests (6 monthly)	Keith Redpath All Committee	Board Services
Committee Annual Reports	Chairs	Board Services
Chair's Report	Keith Redpath	Keith Redpath
Chief Executives Report	Mary Morgan	Mary Morgan
Integrated Performance Report	Lee Neary	

<b>Meeting:</b>	<b>NSS Board</b>
<b>Meeting date:</b>	<b>29 July 2022</b>
<b>Title:</b>	<b>NSS Public Inquiries</b>
<b>Paper Number:</b>	<b>B/22/24</b>
<b>Responsible Executive/Non-Executive:</b>	<b>Lee Neary, Director SPST</b>
<b>Report Author:</b>	<b>Sanita Hogan, Project Manager, Public Inquiries</b>  (Reviewed by Mary Morgan)

## 1. Purpose

This paper is presented to board for information.

## 2. Recommendation

The Board is asked to note the NSS Public Inquiries paper.

## 3. Discussion

The paper (Appendix 1) discusses the development of the following Public Inquiries:

- [Scottish Covid -19 Inquiry](#)
- [UK Covid -19 Public Inquiry](#)
- [Scottish Hospital Inquiry](#)
- [Infected Blood Inquiry](#)

## 4. Impact Analysis

### 4.1 Quality/ Patient Care

All Public Inquiries have a Terms of Reference that considers the quality of patient care.

### 4.2 Equality and Diversity, including health inequalities

Public Inquiries will consider health inequalities.

### 4.3 Data protection and information governance

Public Inquiries are required to ensure ongoing compliance with data protection and information governance as we progress.



## **5. Risk Assessment/Management**

Risks are being managed through programme teams. A key risk relates to staff resource capacity and has been requested to be added to the NSS Risk Register.

## **6. Financial Implications**

There are costs supporting the Public Inquiries. These are reviewed by NSS Finance and Scottish Government.

## **7. Workforce Implications**

Small COVID-19 project team has been established to respond to the Inquiry. SBU senior leads will play an active role.

## **8. Route to Meeting**

Executive Management Team considered this update on 18 July 2022.

## **9. List of Appendices and/or Background Papers**

Appendix 1 – NSS Public Inquiries

## Appendix 1

### NSS Public Inquiries Update

Name	COVID-19 Public Inquiry	Period Covered	July 2022
<p>Two public inquiries have been set up looking into the COVID-19 pandemic response. One by the UK Government and one by the Scottish Government.</p> <p><b>UK COVID-19 Inquiry</b>            Baroness Heather Hallett has been appointed Chair of the UK Covid-19 Inquiry. The Inquiry consulted on its draft Terms of Reference until 7 April 2022. The inquiry will examine, consider, and report on preparations and the response to the pandemic in England, Wales, Scotland, and Northern Ireland, up to and including the inquiry's formal setting-up date. In doing so, it will consider reserved and devolved matters across the United Kingdom, as necessary, but will seek to minimise duplication of investigation.</p> <p>NSS has received an approach from one of the UK Inquiry Team lawyers. They have requested a meeting to understand the structure and role of NSS in relation to matters covered by the Inquiry's Terms of reference. NSS will meet with UK Inquiry Team on 26 July.</p> <p><b>Scottish COVID-19 Inquiry</b>            On 14 December, the Deputy First Minister announced the Terms of Reference for the Public Inquiry into the handling of the Coronavirus pandemic in Scotland. At the same time, he announced that Lady Poole would be the Inquiry Chair. It will cover the period from 1 January 2020 to 31 December 2022. This will be the first time that a Public Inquiry will have begun its work before the expiry of the period to be examined by the Inquiry. The consultation on the terms of reference and how the inquiry should operate have been completed and we expect the Inquiry to commence soon.</p> <p>The inquiry team has published the introductory academic research. The reports can be found here: <a href="#">Introductory Academic Research   Scottish Covid-19 Inquiry (covid19inquiry.scot)</a>. This is regarded by the inquiry as preliminary work to inform the Inquiry's approach. It will be used for planning about where to direct detailed investigations.</p> <p>A senior solicitor from CLO met with the Interim Solicitor to the Scottish COVID-19 Inquiry at the start of July. It was apparent that there was a limited amount of information that could be shared at this stage. The Scottish Inquiry teams focus has been to establish the processes for running the Inquiry. The inquiry team indicated that there is a strong interest to ensure that there is no overlap between the UK and the Scottish Inquiry.</p>			

Name	Scottish Hospitals Inquiry	Period Covered	July 2022
<p>NSS were informed on 9 June that the October and November hearings were cancelled, and we would be informed in due course the rationale behind this – we await formal confirmation from the inquiry team. While there is no statement as yet on the official inquiry website, the BBC are reporting that 'the inquiry has postponed the sessions as it is still undertaking analysis of evidence gathered at previous hearings' <a href="#">Scottish Hospitals Inquiry hearings postponed - BBC News</a></p> <p>The information gathering by the Scottish Hospitals inquiry continues, currently responding to a request from the Scottish Hospitals inquiry, and reviewing a draft statement on 'The Procurement Process for the RHSC/DCN Re-Provision Project' and answering related questions, on schedule for return to the inquiry by 29 July.</p>			

Name	Infected Blood Inquiry	Period Covered	July 2022
<p>SNBTS continues to respond to document for disclosure requests, a total of 2584 documents have been approved for disclosure to core participants. SNBTS is in the process of finalising a document regarding IBI recommendations for submission on 20 June 2022 and have begun preparations for the concluding submissions which are due in October 2022.</p>			