

NSS Board Meeting

09:30 - 12:30, 06 April 2018
Boardrooms 1 & 2, Gyle Square, Edinburgh

Agenda [B/18/35b]

1. Apologies for Absence

John Deffenbaugh, Non-Executive Director

2. In Attendance

Martin Bell, Interim Director, Strategy and Governance
James Hall, Director, Information Technology
Caroline Lang, Board Secretary
Lorna Ramsay, Joint Interim NSS Medical Director
Aileen Stewart, Interim Associate Director of HR

3. Observers

Stuart Aitken, Directorate of Health Finance, Scottish Government
Rachel Browne, Audit Scotland

4. INTRODUCTION

25 minutes

4.1. Chair's Introduction and Report (including eHealth Finance) [B/18/36, B/18/37 and B/18/61]

-  B1836 Chairs Update.pdf (2 pages)
-  B1837 Actions re eHealth.pdf (4 pages)
-  B1861 Governance Arrangements Expenditure and Funds.pdf (13 pages)

4.2. Chief Executive's Update [B/18/38]

-  B1838 Chief Executives Update.pdf (4 pages)

FOR APPROVAL

5. Minutes of the Meeting held on 2 February 2018 and Matters Arising [B/18/39 & B/18/40]

5 minutes

Elizabeth Ireland

	 B1839 Draft Minutes 020218.pdf	(7 pages)	
	 B1840 Action List.pdf	(1 pages)	
6.	National Board Delivery Plan [B/18/41 & B/18/42]		15 minutes Colin Sinclair
	 B1841 Natonal Boards Plan.pdf	(7 pages)	
	 B1842 National Boards Collaboration.pdf	(17 pages)	
7.	NSS Operational Delivery Plan		20 minutes
7.1.	Draft Operational Delivery Plan [B/18/43]		Colin Sinclair / Martin Bell
	 B1843 Operational Delivery Plan.pdf	(12 pages)	
7.2.	Finance and Workforce Plans [B/18/44]		Carolyn Low / Aileen Stewart
	 B1844 Finance and Workforce Plans.pdf	(22 pages)	
	<i>FOR CONSIDERATION</i>		
8.	Strategic Scorecard [B/18/45]		10 minutes Martin Bell
	 B1845 Strategic Scorecard.pdf	(6 pages)	
9.	Finance Report [B/18/46]		15 minutes Carolyn Low
	 B1846 Finance Report.pdf	(16 pages)	
10.	People Report [B/18/47]		15 minutes Aileen Stewart
	 B1847 People Report.pdf	(11 pages)	
11.	NSS Biannual Risk Management Update [B/18/48]		10 minutes Martin Bell
	 B1848 Risk Management Update.pdf	(11 pages)	
12.	NSS Audit and Risk Committee Update [B/18/49]		10 minutes Mark McDavid

 B1849 ARC Board Highlights Report.pdf (2 pages)

13. Highlights from NSS Board Sub-Committees [B/18/50 & B/18/50a]

10 minutes

Chairs, Sub-Committees

 B1850 Sub-Committees Highlight Report.pdf (2 pages)

 B1850a CGC Board Highlights Report.pdf (1 pages)

14. Update on Register of Interests [B/18/51]

5 minutes

Elizabeth Ireland

 B1851 Register of Interests.pdf (3 pages)

FOR INFORMATION / NOTING

15. Update on Digital Transformation [B/18/52]

10 minutes

Lorna Ramsay / James Hall

 B1852 Digital Transformation Update.pdf (5 pages)

16. Update on CHI and Child Health Systems [B/18/53]

10 minutes

James Hall

 B1853 CHI CH Chief Executives Presentation.pdf (16 pages)

17. Update on Public Health Body [B/18/54]

10 minutes

Colin Sinclair

 B1854 Public Health Body Update.pdf (6 pages)

18. Review of Severe Weather Incident [B/18/55]

5 minutes

Colin Sinclair

 B1855 Severe Weather Incident.pdf (3 pages)

19. NSS Audit and Risk Committee

19.1. Meeting held on 28 March 2018 [see item 12]

19.2. Meeting held on 1 December 2017 - Approved Minutes [B/18/56]

 B1856 ARC Apporved Minutes 011217.pdf (10 pages)

20. NSS Performance and Finance Committee

20.1. Meeting held on 23 February 2018 [see item 13]

20.2. Meeting held on 25 October 2017 - Approved Minutes [B/18/57]

 B1857 PFC Approved Mins 251017.pdf (7 pages)

21. NSS Clinical Governance Committee

21.1. Meeting held on 22 March 2018 [see item 13]

21.2. Meeting held on 1 December 2017 - Approved Minutes [B/18/58]

 B1858 CGC Approved Minutes 011217.pdf (4 pages)

22. NSS Staff Governance Committee

22.1. Meeting held on 16 February 2018 [see item 13]

22.2. Meeting held on 30 November 2017 - Approved Minutes [B/18/59]

 B1859 SGC Approved Minutes 301117.pdf (6 pages)

23. NSS Remuneration and Succession Planning Committee

23.1. Meeting held on 1 March 2018 - Report [B/18/60]

 B1860 RSPC Report from 010318.pdf (2 pages)

24. Any Other Business

5 minutes

25. Date of Next Meeting

Board Development Session - Friday, 4 May 2018
Public Board Meeting - Friday, 29 June 2018

Minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF FORMAL BOARD MEETING HELD ON FRIDAY, 2 FEBRUARY 2018 IN BOARDROOMS, GYLE SQUARE, EDINBURGH, COMMENCING AT 0930HRS

- Present:** Professor Elizabeth Ireland – NSS Chair
 Ms Julie Burgess – Non-Executive Director
 Mrs Jane Davidson – Non-Executive Director
 Mr John Deffenbaugh – Non-Executive Director
 Mrs Kate Dunlop – Non-Executive Director
 Mrs Carolyn Low – Director of Finance and Business Services
 Mr Mark McDavid – Non-Executive Director
 Ms Alison Rooney – Non-Executive Director
 Mr Colin Sinclair – Chief Executive
- In Attendance:** Mr Martin Bell – Interim Director of Strategy and Governance
 Mr Phil Couser – Director of Public Health and Intelligence [Items 1 - 8]
 Mr James Hall – Deputy Director of IT [Item 16]
 Mrs Jacqui Jones – Director of HR and Workforce Development
 Mrs Eilidh McLaughlin - Associate Director of Corporate Affairs and Compliance
 Mr Jim Miller – Director of Procurement, Commissioning and Facilities
 Mrs Mary Morgan – Director of the Scottish National Blood Transfusion Service [Items 1 - 13]
 Mr Martin Morrison – Head of Service Delivery; Practitioner and Counter Fraud Services [Items 1- 8]
 Mr Matthew Neilson – Director of Customer Engagement and Development [Items 1 – 8, 14 and 15]
 Mr Andy Robertson – Director of Information Technology [Items 1-8 and 14]
 Dr Mike Winter – Joint Interim Medical Director
 Mrs Lynsey Bailey – Committee Secretary [Minutes]
- Apologies:** Mr Ian Cant – Employee Director
- Observer:** Mr Stuart Aitken – Directorate for Health Finance; Scottish Government
 Ms Inire Evong – Senior Auditor; Audit Scotland
 Ms Caroline McDermott – Head of Planning; Strategy and Governance
 Dr Natalie Smee – Scottish Clinical Leadership Fellow
 Ms Tina Worth – Member of the Public

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1. INTRODUCTION

- 1.1 Professor E Ireland welcomed everyone to the meeting. Members noted the Executive Management Team (EMT) were in attendance for the first half of the day and a number of other individuals would be attending at various times to speak to specific items on the agenda.
- 1.2 Before starting the formal business of the meeting, Professor E Ireland 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.



Headquarters

Executive Office, Gyle Square, 1 South Gyle Crescent,
 EDINBURGH EH12 9EB

Chair Professor Elizabeth Ireland
 Chief Executive Colin Sinclair

2. CHAIR'S REPORT [paper B/18/02 refers]

- 2.1 Professor E Ireland spoke to her update, which covered her main activities and discussions since the last Board meeting. She acknowledged the challenging winter, particularly in respect of the demand on GPs and hospitals, and thanked NSS staff for their invaluable support. Professor Ireland went on to highlight the annual review letter from the Cabinet Secretary and wished to record her thanks to all involved in the organisation of the review. Members were updated on the presentation about the work of NSS, given by Mr C Sinclair and Ms Fiona Murphy to the NHS Chairs meeting on 4 December 2017 and were advised that this had been well received. Members also discussed the Excellence Awards which had taken place earlier in the week and congratulated all the nominees and winners. Members also wished to commend the work of all who had contributed to making the event a success.

3. CHIEF EXECUTIVE'S UPDATE

- 3.1 Mr C Sinclair briefly spoke to paper **B/18/03**, which updated the Board on his key activities and a number of matters for noting. In particular, Members noted that Mr A Robertson and Ms N Kent would both be leaving during the coming year. Brief, high-level progress updates were also provided on the National Planning arrangements, the National Boards collaboration and the major IT programmes NSS was involved with. Mr C Sinclair also highlighted NSS's key role in a range of initiatives focussed on balancing access to medicines with efficiency and cost effectiveness. Members were advised that this work would be given significant attention at the upcoming NSS Board Development Session on 2 March 2018.

4. MINUTES OF THE NSS BOARD MEETING HELD ON 3 NOVEMBER 2017

- 4.1 Pending correction of the header date, and the "In Attendance" list, Members were content to approve the minutes of their meeting on 3 November 2017, paper **B/18/04**, as a true record.

5. MATTERS ARISING FROM THE NSS BOARD MEETING HELD ON 3 NOVEMBER 2017 AND PREVIOUS MEETINGS [paper B/18/05 refers]

- 5.1 Members noted that all outstanding actions were either covered within the agenda for this meeting or programmed in for a future meeting.

6. NSS VISION, KEY PRIORITIES AND RESOURCE ALLOCATION MANAGEMENT – 5 YEAR PLAN

- 6.1 Mr C Sinclair spoke to his presentation which outlined NSS's five year plan for 2018-2023. To provide some context to this, Members were advised that the impact of an aging population, and the associated increasing demand, was beginning to be felt now and there was a need to look at how to engage that population in order to plan differently. They also noted that a £120m transformation fund was being made available by the Scottish Government and there was an opportunity to get an allocation of that. In respect of Health and Social Care delivery, NSS would need to ensure that its plan aligned with the regional plans.
- 6.2 The proposed mission statement was unchanged from the previous year and, following a brief discussion, Members agreed they were content with this. In respect of the vision statement, Members were given an overview of discussions which had taken place to develop the vision in light of their challenge to the EMT for greater clarity without getting too specific within the

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current climate of unpredictability. Members were generally content with the proposed wording as they felt it struck the appropriate balance, was understandable, and could be clearly related to the mission statement. However, Members suggested the following changes be made:

M Bell

- removal of the word “social” in the first sentence so that it reads “health and care”;
- the final sentence to finish “...where there is value in doing so.” with the remainder of the sentence to be removed;
- Removal of the numbers on the dials indicating the level of energy/resource/focus etc. being dedicated to each part of the statement to avoid making them too precise or prescriptive.

6.3 Members discussed NSS’s market and what was needed, in particular around Once for Scotland initiatives and NSS’s potential role as an enabler or facilitator in those. Members recognised that digital delivery was an area where NSS could position itself as an expert and capitalise on the link between IT and data. Members also acknowledged that digital delivery was more of an enabler for transformation rather than a transformation programme in itself. It was not solely about IT infrastructure but included agile working approaches and customer engagement.

6.4 With regard to the formation of the Public Health Body, Members were advised that, to date, the discussions had been dominated by the public health domain. Therefore, there was a need to balance that with input from other impacted sectors - in particular, health and social care.

6.5 Mrs C Low provided a high level overview of financial planning context and its implications, particularly the baseline resource increases. Members recognised the scale of the challenge and the savings required to achieve a sustainable, break-even position. They were also provided with a summary of the reserve levels, the review process and the challenges faced in respect of allocating funding bids. Moving on to the scenarios for 2018/19, Members were updated on the potential implications of the pay cap being lifted and were assured that this was being factored in. Members were supportive of NSS contributing more than its pro-rata share towards the National Boards’ efficiency savings target, provided that this was arrived at through a collaborative strategy. They were also keen that, in doing so, NSS did not compromise its ability to meet the cost of any contingencies or invest in developments. In respect of workforce planning, Members were advised that major service redesign was needed in order to meet the budget deficit.

[Secretary’s Note: The next two items were taken out of order]

7. LOCAL DELIVERY PLAN

7.1 Mr M Bell provided an overview of the first draft of NSS’s Local Delivery Plan for 2018–2023 [paper **B/18/08** refers]. Members also took note of its associated planning timetable. The discussions in the previous item (see 6.1 - 6.5 above) had already identified some updates for the plan but Members were invited to raise any additional points which may not have been covered. However, after some consideration, Members agreed that they were content with the draft so far.

8. RISK APPETITE [paper B/18/07 refers]

8.1 Members noted that there were no proposed changes to the level of risk NSS was willing to take on, with the statements remaining unchanged.

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However, Members suggested changing the wording used in the statement on the reputational risk appetite (specifically “NSS preserves a high reputation...”) to something more easily understood. Subject to this change, Members were content to endorse the statement.

M Bell/M Walker**9. FINANCE REPORT [paper B/18/09 refers]**

- 9.1 Mrs C Low presented the report which assured that, overall, NSS continued to perform strongly. Three areas were reporting a budgetary deficit but NSS was managing this corporately to achieve an overall surplus. Capital programmes were all on track to be delivered within budget and a small over-achievement was predicted with regard to the Cash Releasing Efficiency Savings targets. Members sought and received one or two minor points of clarification and assurance around the revenue position and accounting controls in place.

[Secretary’s Note: The next item was brought forward]

10. PEOPLE REPORT [paper B/18/13 refers]

- 10.1 Members were pleased to note that NSS remained in a positive position with regard to its key workforce measures (corporate responsibility targets, sickness absence, statutory training etc.). The report acknowledged the issues with incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) and Members were provided with assurance around the actions being taken. Members were also given an overview of the progress on iMatter action plans. The Chair advised that the NSS Board, as a team, would be an outlier with the rest of the organisation but developing their iMatter action plan would be part of the development session scheduled for 2 March 2018. Members briefly discussed flu vaccines – whether it should be a staff duty, and if not, how best to encourage uptake. Members were advised that Scottish Government’s Chief Medical Officer was reluctant to take a directive approach but consideration was being given as to how to maximise uptake.

- 10.2 Going back to the RIDDOR reportable incidents, Members were keen to understand how the respective Short-life Working Group would be learning from others and looking to best practice examples. Members were assured that the management of the response to these incidents was very proactive and robust in all respects. Members requested that a separate update paper on RIDDORS be provided to the next Staff Governance Committee meeting, scheduled for 16 February 2018, along with the terms of reference for the Short-Life Working Group.

**J Jones/
L Bailey****11. CLINICAL DIRECTORATE UPDATE [paper B/18/10a refers]**

- 11.1 Members were pleased to note the update on the work of the Clinical Directorate. Members’ attention was particularly directed to the summaries Professor M Turner’s input into the Scottish element of the Northern Advanced Therapies Treatment Centre (a UK funded programme of innovative use of cellular therapies) and the progress in the recruitment of the new NSS Medical Director.

12. HEALTH AND SOCIAL CARE ENGAGEMENT

- 12.1 Ms K Ross spoke to a presentation [paper **B/18/11** refers] which provided an overview of the Health and Social Care engagement project and its strategic objectives. This was also provided in the context of the projected demographic change in Scotland’s population and the challenges this

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posed. Members were advised that there was huge potential within this work which was not yet being fully realised so the next steps were engagement with the various key stakeholders and sharing information. Members were keen to see what NSS could do to support this and help find practical solutions. Members also briefly discussed what could be done to remove barriers between health and social care to enable better integration.

13. PUBLIC HEALTH BODY UPDATE [paper B/18/12 refers]

13.1 Mrs M Morgan updated the Board on progress made so far in respect of NSS enabling the new Public Health Body (PHB). Members received assurance that the impact of change had been broadly identified and was not unmanageable. Members were provided with an overview of the proposed governance structure for the programme of work and noted that the main risks and issues had been identified, scored, and were being managed. NSS was now awaiting further direction from the PHB oversight board, which would continue to be pursued. In the meantime, HR would be undertaking a scoping exercise in relation to the staff impacted and Members were reassurance that consideration would be given to HR's capacity to deal with the change. Members were advised that there would possibly be some slight delays due to the ongoing finessing of the PHB's purpose and also, while the PHB would be vested as of April 2019, staff moves may be phased over a period of time following that date.

13.2 Members were looking for assurance as to where the political risks would be managed. They were advised that this would be Transformation Programme Board. A plan had also been drawn up making it as clear as possible about what NSS's responsibilities would be. Members were also provided with an overview of the communications plans and were pleased to note good practice adopted in the Jack Copland Centre project would be replicated. Members asked to receive regular updates on this programme of work, particularly focussing on the NSS impact and the management of opportunity costs.

**M Morgan/
C Lang**

14. DIGITAL TRANSFORMATION [paper B/18/14 refers]

14.1 Mr M Neilson spoke to presentation, which provided an overview of the highlights and achievements of the Digital Transformation project so far, and laid out the plan for the next phase. Members received clarification that Scottish Government was driving this programme and NSS was pitching to be the delivery partner of choice, Members asked who was the national lead on this and whether they could attend a future meeting of the Board. They were advised that the national lead was Mr Geoff Huggins as both Director of Health and Social Care Integration, and Director of Digital Health and Social Care. Mr C Sinclair agreed to invite him to the meeting scheduled for 29 June 2018. Members also requested a presentation or paper covering what had been done so far, the enablers in place, next steps, and the Health Impact/Financial Impact assessment for the next Board meeting scheduled for 6 April 2018.

**C Sinclair (for
29.06.18 Board)**

**M Neilson
(for 06.04.18
Board)**

[Secretary's Note: The following two items were taken out of order]

15. WEB OVERVIEW [paper B/18/16 refers]

15.1 Members were given an overview of the background and progress to date of the work being done to develop NSS's web estate. Members enquired about how much of this work was being outsourced and were advised that some of the technical skills had to be outsourced for now. However,

consideration was being given to how this could be developed in house – particularly in respect of content design and architecture. There followed a brief discussion about retiring/archiving old sites that are no longer necessary and what the core web estate would be. Members were given reassurance of the rigour being applied to budget allocation for this work, as well as ensuring what came out of it was as “future-proof” as possible.

16. CHI AND CHILD HEALTH [paper B/18/15 refers]

16.1 Mr J Hall spoke to a presentation which updated on the progress to date of the Community Health Index (CHI) and Child Health systems transformation programme. Members were advised that NSS was the commissioned organisation for the programme, as per a decision by the NHS Boards’ Chief Executives. Members were given a summary of what that meant, what was being worked through and an overview of the implementation risk factors and mitigations. Members were also assured that the suppliers involved were not heavily dependent on government contracts and were financially stable. Members noted the main decisions to be taken and the approval timescales. Members asked whether there was a regional Board Chief Executive on the programme board. They were advised that the invitation had been made but, due to a lack of availability, it had been agreed to go forward without that representation at this stage.

16.2 Members were assured that there was recognition this was an ambitious and risky programme of work but it fell within the agreed risk appetite. Members were keen NSS ensured that the strategic questions were satisfied to allow the risks to be managed as far as possible. There would be high-level government oversight which would provide some assurance that it linked in with the broader public sector picture. However, there were concerns that events could take so long to move on that NSS would be left fighting to catch up in other respects. Members were advised that most of this should be covered within the Full Business Case. The Board requested a further update on this programme at their April meeting but suggested that, going forward, the Audit and Risk Committee should have regular oversight with referral back to any future Board meetings as appropriate. Members also made some suggestions of potential points of reference and additional groups/individuals to engage with to help with the development of the Full Business Case.

17. NSS BOARD SUB-COMMITTEE MINUTES

17.1 The Members noted the following Minutes and Reports from meetings of the NSS Board Sub-Committees.

- (i) NSS Audit and Risk Committee Update (paper **B/18/17** refers).
- (ii) Highlights from NSS Board Sub-Committees (paper **B/18/18** refers).
- (iii) Draft Minutes of the NSS Audit and Risk Committee meeting held on 7 December 2017 (paper **B/18/20** refers).
- (iv) Approved Minutes of the NSS Audit and Risk Committee meeting held on 14 September 2017 (paper **B/18/21** refers).
- (v) Approved Minutes of the NSS Information Governance Committee meeting held on 7 September 2017 (paper **B/18/22** refers).
- (vi) Draft Minutes of the NSS Staff Governance Committee meeting held on 30 November 2017 (paper **B/18/23** refers).
- (vii) Approved Minutes of the NSS Staff Governance Committee meeting held on 20 September 2017 (paper **B/18/24** refers).

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- (viii) Draft Minutes of the NSS Clinical Governance Committee meeting held on 1 December 2017 (paper **B/18/25** refers).
- (ix) Approved Minutes of the NSS Clinical Governance Committee meeting held on 25 September 2017 (paper **B/18/26** refers).

18. REGISTER OF INTERESTS

- 18.1 The Members noted the updated Register of Interests for NSS Board Members and were reminded that they should provide the Board Secretary with any updates (paper **B/18/19** refers).

19. NSS POLICIES

- 19.1 The Board had been circulated with a copy of the following policies:-
- (i) Patient Group Directions (paper **B/18/28** refers)
 - (ii) NSS Checking Professional Registrations Policy (paper **B/18/29** refers)
 - (iii) NSS Social Media Policy (paper **B/18/30** refers)
 - (iv) NSS Annualised Hours Policy (paper **B/18/31** refers)
 - (v) NSS Parental Leave Policy (paper **B/18/32** refers)
 - (vi) NSS Maternity Support Policy (paper **B/18/33** refers)
 - (vii) NSS Breastfeeding Policy (paper **B/18/34** refers)

20. ANY OTHER BUSINESS

- 20.1 Members were advised that, in the previous few days, the Bawa-Garba case regarding de-registration of a young doctor had highlighted potential conflicts with the Duty of Candour. A joint statement released by Scottish Government's National Clinical Director, Chief Medical Officer, and Chief Nursing Officer would be circulated following the meeting. **L Bailey**
- 20.2 Following the recent UK-wide, public sector impact of a major contractor's insolvency proceedings, Members requested assurance via the risk register that NSS had reviewed its suppliers and the contingencies in place.

21. DATE OF NEXT MEETING

- 21.1 The next NSS Board meeting would be held on 6 April 2018.

There being no further business, the meeting finished at 1625hrs.

B/18/36

NSS Formal Board Meeting – Friday, 6 April 2018

Chair's Update

This report contains a summary of activities and discussions that I have engaged in as Chair of NSS since the last Board meeting.

The “beast from the east” arrived and significant snow and drifts impacted movement and services for three days at the start of March. Many of NSS staff were able to work from home as the red travel warning came into place. I would like to thank the many staff that got to their place of work when essential services to patients and to hospitals were needed.

Since the beginning of March the CEO and I have been engaged in working through the issues raised by the Scottish Government Health and Social Care Director of Finance about eHealth funding. The issue concerned the potential for there to be irregularities in the provision of eHealth funds between NSS, NHS Tayside and NHSScotland eHealth, including Scottish Government eHealth Division. This came to light as a result of a request by NSS to Scottish Government to process an allocation adjustment in respect of eHealth National Programme budgets in 2017/18 which raised concerns regarding the appropriateness of the practice. The potential mis-accounting of Scottish eHealth monies dated back to 2012 and involved the transfer of National eHealth funding between NSS and NHS Tayside at the end of financial years. These transactions were transfers of resource allocations from NSS to NHS Tayside through Scottish Governments revenue allocation process and ranged in value from £0.538m to £2.582m over the time period.

Since then – the CEO and I have been in regular dialogue to ensure that:-

- we have as much information as possible to determine the facts – and KPMG (as our internal auditors) were commissioned to do an investigation which is available to all Board members on Admincontrol (NSS Audit and Risk Commercial In Confidence – 28.03.18);
- NSS supported and were open in discussions with Grant Thornton as they completed their investigation as commissioned by SGHSC Director of Finance (report – [link here](#));
- the Chairs of Audit and Risk and Performance and Finance Committees were involved in discussions with the CEO and Chair of the Board to ensure oversight and challenge;
- that all Board members had access to the papers discussed in Audit and Risk;
- there was a full discussion at Audit and Risk and the executive management action plan was presented at that meeting to address the issues raised by the KPMG report; and
- there is a proportionate response and assessment of the issues and the actions of individuals.

Papers included:

1. Audit and Risk Committee Summary (see paper **B/18/49**)
2. Action Plan (see paper **B/18/37**)
3. Governance arrangements in place to manage “pass through” expenditure and funds managed on behalf of NHSScotland (see paper **B/18/61**)

The Public Audit and Post Legislative Committee (PAPLS) discussed the issues and heard evidence from the Chair and CEO of NHS Tayside and from DG Health and Social Care, Paul Gray.

Paul Gray outlined his expectation of a report from NSS by the end of April 2018 and the CEO and I will arrange to meet him.

Action:

1. The Board to discuss.
2. The Board to review and discuss the Action Plan.
3. The Board to identify relevant risk.
4. The Board to consider management's view on other areas where NSS holds funds for national programmes.

Other activities I have been involved in.

NSS:

- **Governance – the development session was postponed until 6 April 2018 due to snow**
- **Mark McDavid has been appointed as Non executive for a further 2 years**
- **Medical Director recruitment – Dr Lorna Ramsay will act as Interim Medical Director**
- **Walked with Meridian Movers**

NHS Chairs

- **Transformation National Board**
- **National Boards CEO and Chairs' Meeting**
- **NHS Chairs' meeting – CSO attended**

CMO task force on rape and Sexual Abuse

Professor Elizabeth Ireland
NSS Chair
02.04.18

B/18/37

NSS Board Meeting – Friday, 6 April 2018

Actions Underway to Address Issues Identified in Management of eHealth Funds

Purpose

The purpose of this paper is to outline the immediate actions taken, and further work underway to address issues identified in the management of eHealth funds. These actions will ensure that weaknesses in governance and reporting arrangements are addressed and the specific recommendations made within the KPMG report are implemented in full.

Immediate actions taken on becoming aware of eHealth issues

- The head of Finance (IT) was asked to step back from direct involvement and engagement with the eHealth community.
- The Associate Director of Finance – Financial Planning & Analysis assumed responsibility for eHealth reporting, and immediately undertook a review of the position.
- Total slippage on the programme was identified and reported to SG Health Finance and SG eHealth.
- A request to return £9.1m of unused allocation was made to SH Health Finance.
- Reporting arrangements were established as part of formal NSS governance – with the financial position on eHealth funds highlighted within the finance reports to EMT and the Board on financial performance to 28 February 2018.
- All correspondence and engagement with SG Health Finance in respect of the management of allocations must be carried out by the Head of Corporate Reporting, or the Associate Director of Finance – Financial Planning & Analysis, following approval by the Director of Finance.

Other actions underway:

Work is underway in the following areas. This work will specifically address the key finding within the Grant Thornton report, and will enable the recommendations made by KPMG to be implemented in full.

Improved governance and reporting

Work is underway with SBUs to identify governance arrangements and any delegated authority in place for all funds managed by NSS on behalf of NHSScotland to consider whether a greater level of financial scrutiny is required.

A report outlining current arrangements will be presented to the Board on 6th April 2018. This report will highlight any specific areas of risk which would benefit from additional internal audit attention during 2018/19, and where additional reporting requirements are required. Revised reporting arrangements will be adopted with immediate effect thereafter, with initial reporting on 2017/18 spend to be presented to Performance & Finance Committee on 30th May 2018.

Revision of SFIs

The SFIs are currently under review, and will be subject to a fundamental redrafting to ensure that governance, management and reporting arrangements, including delegated approval limits are clearly articulated. The revisions will include:

- Procedures for the management and reporting of funding allocations. All allocation returns and changes will require authorisation by the Director of Finance
- Governance and delegated authority for all funds managed by NSS on behalf of NHSScotland; including but not limited to:
 - NSD
 - CENORIS
 - eHealth
 - National Logistics
- Scheme of delegation and reporting arrangements for the payment of practitioner payments

The revised SFIs will be reviewed by the Performance & Finance Committee on 30th May 2018.

Improved financial controls compliance

Minor changes to the structure within Finance were agreed by OCPMG in January 2018, including a new post of Financial Controller, with responsibility for ensuring organisational compliance with the financial controls framework. A key aspect of the role will be to improve supporting processes and governance arrangements and to report on performance to EMT and the audit and risk committee. It is anticipated that the role will be in place by September 2018.

Rotation of Senior Finance staff

We will explore options to introduce regular rotation amongst senior finance staff in partnership, which will support both the learning and development of our staff, and the regular review and challenge of existing working practices. Changes in team responsibilities in IT SBU will be introduced by end April 2018, with wider rotation arrangements introduced in line with the planned organisational change process underway.

Training of Finance Staff

All finance staff will receive training on professional standards, the role of finance and our expectations in respect of ethical standards, and how to identify and deal with financial irregularities and inappropriate behaviours. Discussions are underway with CIPFA and ICAS regarding course design. All staff to be trained by end June 2018.

Mandatory training on financial management for non financial managers

We are exploring options available for training on financial management, SFIs and role of budget holders for all staff – this will be an additional mandatory training requirement for all staff. eLearning modules in use across NHS Scotland will be reviewed for appropriateness and updated to reflect our specific requirements. New training modules to be available during quarter 2 2018.

CIPFA Business Partner qualification for our current and future heads of finance

We recognise the need to support and develop our finance staff to ensure they are equipped to meet the needs of the business in the challenging financial environment. We will be commissioning training from CIPFA – to be delivered locally, and made available to all National Boards finance managers. Modules include:

- Finance Business Partnering
- Commercial Acumen
- Communication and Presentation Skills
- Behavioural Skills and Emotional Intelligence
- Influencing Skills: Impact and Presence
- Transformational Change

The first cohort will be trained during 2018/19.

Governance arrangements:

A summary of actions together with responsible officers and due date for completion is presented in Appendix 1.

Progress against plan will be reported to EMT as part of the monthly Finance update, and periodically to the Audit and Risk Committee.

Carolyn Low

Director of Finance & Business Services

3rd April 2018

APPENDIX 1

Action	Responsible officer	Due Date
Improved Governance and Reporting:		
<ul style="list-style-type: none"> Initial reporting of eHealth to EMT and NSS Board based on financial position at 28 February 2018 	Director of Finance & Business Services	26 th March 2018
<ul style="list-style-type: none"> Current governance and reporting arrangements for Nationally Managed Funds presented to NSS Board, with recommendations for revised reporting and internal audit intervention where appropriate 	Director of Finance & Business Services	6 th April 2018
<ul style="list-style-type: none"> Revised reporting arrangements to EMT and Performance & Finance Committee introduced with immediate effect 	Director of Finance & Business Services	23 rd April 2018 (EMT) 30 th May 2018(PFC)
Revision of SFIs	Director of Finance & Business Services	30 th May 2018
Improved Financial Controls compliance:		
<ul style="list-style-type: none"> Financial Controller in post 	Director of Finance & Business Services	30 September 2018
<ul style="list-style-type: none"> Formal reporting on controls compliance in place (EMT and Audit & Risk Cttee) 	Associate Director of Finance (Financial Planning & Analysis)	December 2018
Rotation of senior finance staff		
<ul style="list-style-type: none"> IT SBU 	Director of Finance & Business Services	30 April 2018
<ul style="list-style-type: none"> Other SBUs 	Associate Director of Finance (Financial Planning & Analysis)	30 September 2018
Training of Finance Staff	Associate Director of Finance (Financial Planning & Analysis)	30 June 2018
Mandatory training on financial management for non financial managers	Associate Director of Finance (Financial Planning & Analysis)	30 September 2018
CIPFA Business Partner qualification for our current and future heads of finance	Associate Director of Finance (FPA)	31 March 2019

B/18/38

NSS Formal Board Meeting – Friday, 6 April 2018

Chief Executive's Update

1 Context

The last two months have seen continually strong operational and financial performance and a very effective response by the organisation to the challenging weather. The last month however has been dominated by the eHealth funding issue which will be covered in detail during the meeting and as a result have not included it in substantively in this report. The key challenge on the back of this issue is to maintain confidence in NSS to manage large scale funding on behalf of Scottish Government.

The transformation agenda continues to be a key priority with the National Boards' initial plan required to be submitted by 3rd April.

I am pleased to say since the last Board that the issues with the JCC Notifications of Change are now resolved and work continues on developing our strategy and vision following the Board in February. The EMT had its annual spring strategy review discussions with particular thoughts around the NSS direction without PHI. Our initial ideas suggest our focus may be around national infrastructure covering a broad range of activities including facilities, procurement, IT, digital and primary care. This is at an early stage and I will bring this to the Board in more detail over the summer.

The Public Health Body development continues but currently the pace is slow and the focus is on an overall collaborative approach ensuring all stakeholders have the opportunity to engage. The planned launch date of April 2019 would appear optimistic at present.

The work on National Board collaboration is continuing to develop. The Plan is due for submission to SG before this meeting and will be considered by the Transformation Oversight Group and Ministers over the next couple of months. The Nationals' Plan has a broad range of opportunities however the majority are focused on existing transformation opportunities predominantly within one or two boards. We need to ensure the plan is truly transformational in support of territorial and social care need. We have our own transformation offering being developed with engagement through Christine McLaughlin.

Transformation Planning in NHSS continues with the development of the regional plans with a focus on a whole system approach through the links with IJBs and Local Authorities. Work is continuing to ensure strong links between the territorial and national plans and NSS Programme management is providing significant support.

Our workload remains high across all Business Units with significant projects underway in all areas. The financial settlement for 18/19 appears manageable but significant cost savings still have to be identified and plans for years 2-5 continue to be developed. We have made a realistic accrual for the contribution to the national boards savings target but ensuring collaborative work delivers real savings across all 8 boards remains the key to sustained success.

2 Response to Health and Social Care Delivery Plan

NHSS Approach

The transformational programme is continuing with key focus on the nationals and regional plans. NSS is involved in the overall programme across a broad range of activities. Particular focus currently is our support to the production of an Atlas of Variation as part of the Realistic Medicine workstream. The intent is to highlight unwarranted variation across the service particularly in clinical areas and enable planning to both improve the patient experience and reduce cost. The intent to have a single national planning approach has been broadly approved by Chief Executives with the detail and funding being concluded. It is still anticipated that this will be based in NSD within NSS. This is a key requirement to ensure the appropriate balance between national, regional and local planning.

Public Health

Planning in NSS continues but overall progress is slow at the moment. Safia Qureshi has been appointed as Project Director. She was previously leading on the move to the JCC and will bring a lot of this experience to the role. The National Team are developing a range of commissions to help fully understand the public health landscape. NSS have been asked to lead on a number of these including health protection and data and intelligence but also to support commissions given to other stakeholders. This work will take place over April and May to build an overall picture of public health and to support future planning of priorities and the new organisation. A new governance structure has been established under the Oversight Group, of which I am a member, with a new Delivery Group where Phil Couser will represent NSS. Progress does seem to be slow currently and an April 2019 transfer date looks challenging.

National Board Collaboration

The National Boards Plan will be submitted this week and this item will be discussed on our agenda. The plan has many positive projects but currently has a feeling of being a combination of all our developmental BAU brought together. These projects all have merits in their own right and will offer significant potential to transform specific service areas but we still need to finalise our overall transformation support offering. HIS and NSS are working jointly on this piece of work and trying to find the balance between continuous improvement and transformational support. This work will continue over the next month. The delivery of the £15m savings target for next year remains challenging as while there is some collaborative work underway in specific areas we do not have a financial model that will clearly show cause and effect and how any changes collectively will flow through to delivering the required savings. Work is continuing in this area both at Chief Executive and Director of Finance level. Applications for funding for a range of national board projects have been collated for submission to SG. A transformation fund is available but it is likely it will be insufficient to support all initiatives. Work is underway to try to prioritise but it is challenging to demonstrate relative value between different types of activity. Overall good progress is being made but still a range of issues to resolve with the balance between current governance structures and new ways of working needing to be resolved.

3 Performance Summary

Finance/Operations/People

LDP delivery remains on track to achieve our 90% target. We have a financial surplus of £1.5m at the end of February but spending plans should see a year-end delivery of £700k favourable. This is driven by delays with the JCC which we are able to carry forward into 2018/19. We have made an anticipated additional contribution of approx £400k to ensure delivery of National Boards £15m savings target. Sickness absence was slightly above the 4% target in February but is tracking at 3.91% YTD and I expect to achieve overall target for year. Overall delivery of BAU activity remains strong.

Data and Intelligence

The demand for data and intelligence support continues to grow and ISD had a very successful workshop at the February Chief Executives meeting with a range of requests for support emerging. The effectiveness of Discovery in particular is becoming clearer and both through the nationals work and separately we are looking at how to support this increasing demand. The importance of being able to provide on the ground support to boards as they try to reconfigure services continues to be clear and the importance of providing wrap around services will be a priority moving forward. This clearly presents some funding challenges.

Medicines

NSS is currently involved in an array of medicine initiatives with particular focus on the single national formulary and the PACS Tier 2 access to medicines system for rare conditions. In both areas we are trying to ensure the appropriate level of commercial input to ensure we not only maximise access but also ensure appropriate value for money. NP particularly, both through its commercial and pharmacists, have broad knowledge in this area which can be supportive to these initiatives but we need to ensure our voice is being heard.

Shared Services

Shared Services programmes are continuing to make traction although the pace can be variable within the different regions and getting the balance right between regional and national approaches is a key issue. Proposals have been made to Scottish Government and Board Chief Executives to develop a more co-ordinated approach to facilities and asset management across NHSScotland which will be led by HFS. This is a positive step forward when allied to the new infrastructure governance arrangements being put in place by Christine McLaughlin again with HFS support. The first initiative will be looking at operational delivery with the infrastructure arrangements looking at capital investment and physical asset utilisation.

Key Initiatives

Our digital programme is developing and funding has been secured through the RAM process for 18/19. The key will be moving from enabling capability to redesigning services using digital methodologies. Implementation of the Health and Social Care Digital Strategy is under discussion at the moment with Scottish Government and NSS will have a key role to play.

4 Key Issues

Current key operational issues are as follows:

JCC – the Notifications of Change work at the JCC is now underway after getting final agreement. This will allow the remaining SNBTS staff of approx 70 to be in place by June. This will enable full decommissioning of Ellen's Glen Road. There are further alterations required now the building is occupied but these will be dealt with through the main contract and we are intent on avoiding any repeat of the recent issues. Work is underway with Seacole to ensure we have suitable contingency plans in place should Interserve develop any major financial challenges particularly given issues faced by Carillion.

Senior Management Roles – Lorna Ramsay has been appointed as Interim Medical Director in her own right effective from 1st May. This is likely to be for an extended period as we understand the impact of the new Public Health Body on our clinical leadership requirements. Lorna has done a very effective job to date working with Mike Winter. The

recruitment of Andy Robertson's replacement should be completed by mid April with start date dependent on successful candidate. Jacqui Reilly, Nurse Consultant in HPS, will replace Noreen Kent as Interim Nurse Director on a part time basis. This will allow time to review longer term options including possibility of sharing with other Boards or new PHB.

IT – demand for IT continues to be high with a number of key programmes close to conclusion. CHI and Child Health is at a critical stage and will be discussed at today's meeting. GP IT, PACS and Office 365 arrangements are all nearing conclusion with positive outcomes anticipated at this stage. James Hall will act as Interim IT Director until recruitment is finalised.

Meeting the Challenges – the programme to identify how we will balance our budget in years 2-5 will kick off this month and I will finalise leadership of the programme over the next couple of weeks. There will clearly have to be a link into the national board work but overall NSS has to ensure its own financial and service sustainability. In addition, a short life working group has been established to look at the outcomes of the Dignity at Work survey and this will report through Partnership Forum and Staff Governance Committee over the next couple of months.

5 Next Steps

- Deliver recommendations and actions from eHealth reports
- Continue to work with Scottish Government around Digital Strategy implementation
- Continue to support regional development
- Support delivery of national board plan
- Deliver plan to achieve £15m national board savings
- Continue with programme to implement public health strategy
- Support IT developments
- Conclude property negotiations on Meridian Court and Bridge View

COLIN SINCLAIR
April 2018

Minutes (DRAFT FOR APPROVAL)

NHS NATIONAL SERVICES SCOTLAND BOARD

B/18/39

MINUTES OF FORMAL BOARD MEETING HELD ON FRIDAY, 2 FEBRUARY 2018 IN BOARDROOMS, GYLE SQUARE, EDINBURGH, COMMENCING AT 0930HRS

- Present:** Professor Elizabeth Ireland – NSS Chair
Ms Julie Burgess – Non-Executive Director
Mrs Jane Davidson – Non-Executive Director
Mr John Deffenbaugh – Non-Executive Director
Mrs Kate Dunlop – Non-Executive Director
Mrs Carolyn Low – Director of Finance and Business Services
Mr Mark McDavid – Non-Executive Director
Ms Alison Rooney – Non-Executive Director
Mr Colin Sinclair – Chief Executive
- In Attendance:** Mr Martin Bell – Interim Director of Strategy and Governance
Mr Phil Couser – Director of Public Health and Intelligence [Items1 - 8]
Mr James Hall – Deputy Director of IT [Item 16]
Mrs Jacqui Jones – Director of HR and Workforce Development
Mrs Eilidh McLaughlin - Associate Director of Corporate Affairs and Compliance
Mr Jim Miller – Director of Procurement, Commissioning and Facilities
Mrs Mary Morgan – Director of the Scottish National Blood Transfusion Service [Items1 - 13]
Mr Martin Morrison – Head of Service Delivery; Practitioner and Counter Fraud Services [Items 1- 8]
Mr Matthew Neilson – Director of Customer Engagement and Development [Items1 – 8, 14 and 15]
Mr Andy Robertson – Director of Information Technology [Items 1-8 and 14]
Dr Mike Winter – Joint Interim Medical Director
Mrs Lynsey Bailey – Committee Secretary [Minutes]
- Apologies:** Mr Ian Cant – Employee Director
- Observer:** Mr Stuart Aitken – Directorate for Health Finance; Scottish Government
Ms Inire Evong – Senior Auditor; Audit Scotland
Ms Caroline McDermott – Head of Planning; Strategy and Governance
Dr Natalie Smee – Scottish Clinical Leadership Fellow
Ms Tina Worth – Member of the Public

ACTION

1. INTRODUCTION

- 1.1 Professor E Ireland welcomed everyone to the meeting. Members noted the Executive Management Team (EMT) were in attendance for the first half of the day and a number of other individuals would be attending at various times to speak to specific items on the agenda.
- 1.2 Before starting the formal business of the meeting, Professor E Ireland 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.



Headquarters

Executive Office, Gyle Square, 1 South Gyle Crescent,
EDINBURGH EH12 9EB

Chair Professor Elizabeth Ireland
Chief Executive Colin Sinclair

2. CHAIR'S REPORT [paper B/18/02 refers]

- 2.1 Professor E Ireland spoke to her update, which covered her main activities and discussions since the last Board meeting. She acknowledged the challenging winter, particularly in respect of the demand on GPs and hospitals, and thanked NSS staff for their invaluable support. Professor Ireland went on to highlight the annual review letter from the Cabinet Secretary and wished to record her thanks to all involved in the organisation of the review. Members were updated on the presentation about the work of NSS, given by Mr C Sinclair and Ms Fiona Murphy to the NHS Chairs meeting on 4 December 2017 and were advised that this had been well received. Members also discussed the Excellence Awards which had taken place earlier in the week and congratulated all the nominees and winners. Members also wished to commend the work of all who had contributed to making the event a success.

3. CHIEF EXECUTIVE'S UPDATE

- 3.1 Mr C Sinclair briefly spoke to paper **B/18/03**, which updated the Board on his key activities and a number of matters for noting. In particular, Members noted that Mr A Robertson and Ms N Kent would both be leaving during the coming year. Brief, high-level progress updates were also provided on the National Planning arrangements, the National Boards collaboration and the major IT programmes NSS was involved with. Mr C Sinclair also highlighted NSS's key role in a range of initiatives focussed on balancing access to medicines with efficiency and cost effectiveness. Members were advised that this work would be given significant attention at the upcoming NSS Board Development Session on 2 March 2018.

4. MINUTES OF THE NSS BOARD MEETING HELD ON 3 NOVEMBER 2017

- 4.1 Pending correction of the header date, and the "In Attendance" list, Members were content to approve the minutes of their meeting on 3 November 2017, paper **B/18/04**, as a true record.

5. MATTERS ARISING FROM THE NSS BOARD MEETING HELD ON 3 NOVEMBER 2017 AND PREVIOUS MEETINGS [paper B/18/05 refers]

- 5.1 Members noted that all outstanding actions were either covered within the agenda for this meeting or programmed in for a future meeting.

6. NSS VISION, KEY PRIORITIES AND RESOURCE ALLOCATION MANAGEMENT – 5 YEAR PLAN

- 6.1 Mr C Sinclair spoke to his presentation which outlined NSS's five year plan for 2018-2023. To provide some context to this, Members were advised that the impact of an aging population, and the associated increasing demand, was beginning to be felt now and there was a need to look at how to engage that population in order to plan differently. They also noted that a £120m transformation fund was being made available by the Scottish Government and there was an opportunity to get an allocation of that. In respect of Health and Social Care delivery, NSS would need to ensure that its plan aligned with the regional plans.
- 6.2 The proposed mission statement was unchanged from the previous year and, following a brief discussion, Members agreed they were content with this. In respect of the vision statement, Members were given an overview of discussions which had taken place to develop the vision in light of their challenge to the EMT for greater clarity without getting too specific within the

ACTION

current climate of unpredictability. Members were generally content with the proposed wording as they felt it struck the appropriate balance, was understandable, and could be clearly related to the mission statement. However, Members suggested the following changes be made:

M Bell

- removal of the word “social” in the first sentence so that it reads “health and care”;
- the final sentence to finish “...where there is value in doing so.” with the remainder of the sentence to be removed;
- Removal of the numbers on the dials indicating the level of energy/resource/focus etc. being dedicated to each part of the statement to avoid making them too precise or prescriptive.

6.3 Members discussed NSS’s market and what was needed, in particular around Once for Scotland initiatives and NSS’s potential role as an enabler or facilitator in those. Members recognised that digital delivery was an area where NSS could position itself as an expert and capitalise on the link between IT and data. Members also acknowledged that digital delivery was more of an enabler for transformation rather than a transformation programme in itself. It was not solely about IT infrastructure but included agile working approaches and customer engagement.

6.4 With regard to the formation of the Public Health Body, Members were advised that, to date, the discussions had been dominated by the public health domain. Therefore, there was a need to balance that with input from other impacted sectors - in particular, health and social care.

6.5 Mrs C Low provided a high level overview of financial planning context and its implications, particularly the baseline resource increases. Members recognised the scale of the challenge and the savings required to achieve a sustainable, break-even position. They were also provided with a summary of the reserve levels, the review process and the challenges faced in respect of allocating funding bids. Moving on to the scenarios for 2018/19, Members were updated on the potential implications of the pay cap being lifted and were assured that this was being factored in. Members were supportive of NSS contributing more than its pro-rata share towards the National Boards’ efficiency savings target, provided that this was arrived at through a collaborative strategy. They were also keen that, in doing so, NSS did not compromise its ability to meet the cost of any contingencies or invest in developments. In respect of workforce planning, Members were advised that major service redesign was needed in order to meet the budget deficit.

[Secretary’s Note: The next two items were taken out of order]

7. LOCAL DELIVERY PLAN

7.1 Mr M Bell provided an overview of the first draft of NSS’s Local Delivery Plan for 2018–2023 [paper **B/18/08** refers]. Members also took note of its associated planning timetable. The discussions in the previous item (see 6.1 - 6.5 above) had already identified some updates for the plan but Members were invited to raise any additional points which may not have been covered. However, after some consideration, Members agreed that they were content with the draft so far.

8. RISK APPETITE [paper B/18/07 refers]

8.1 Members noted that there were no proposed changes to the level of risk NSS was willing to take on, with the statements remaining unchanged.

ACTION

However, Members suggested changing the wording used in the statement on the reputational risk appetite (specifically “NSS preserves a high reputation...”) to something more easily understood. Subject to this change, Members were content to endorse the statement.

M Bell/M Walker**9. FINANCE REPORT [paper B/18/09 refers]**

- 9.1 Mrs C Low presented the report which assured that, overall, NSS continued to perform strongly. Three areas were reporting a budgetary deficit but NSS was managing this corporately to achieve an overall surplus. Capital programmes were all on track to be delivered within budget and a small over-achievement was predicted with regard to the Cash Releasing Efficiency Savings targets. Members sought and received one or two minor points of clarification and assurance around the revenue position and accounting controls in place.

[**Secretary’s Note:** The next item was brought forward]

10. PEOPLE REPORT [paper B/18/13 refers]

- 10.1 Members were pleased to note that NSS remained in a positive position with regard to its key workforce measures (corporate responsibility targets, sickness absence, statutory training etc.). The report acknowledged the issues with incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) and Members were provided with assurance around the actions being taken. Members were also given an overview of the progress on iMatter action plans. The Chair advised that the NSS Board, as a team, would be an outlier with the rest of the organisation but developing their iMatter action plan would be part of the development session scheduled for 2 March 2018. Members briefly discussed flu vaccines – whether it should be a staff duty, and if not, how best to encourage uptake. Members were advised that Scottish Government’s Chief Medical Officer was reluctant to take a directive approach but consideration was being given as to how to maximise uptake.

- 10.2 Going back to the RIDDOR reportable incidents, Members were keen to understand how the respective Short-life Working Group would be learning from others and looking to best practice examples. Members were assured that the management of the response to these incidents was very proactive and robust in all respects. Members requested that a separate update paper on RIDDORS be provided to the next Staff Governance Committee meeting, scheduled for 16 February 2018, along with the terms of reference for the Short-Life Working Group.

**J Jones/
L Bailey****11. CLINICAL DIRECTORATE UPDATE [paper B/18/10a refers]**

- 11.1 Members were pleased to note the update on the work of the Clinical Directorate. Members’ attention was particularly directed to the summaries Professor M Turner’s input into the Scottish element of the Northern Advanced Therapies Treatment Centre (a UK funded programme of innovative use of cellular therapies) and the progress in the recruitment of the new NSS Medical Director.

12. HEALTH AND SOCIAL CARE ENGAGEMENT

- 12.1 Ms K Ross spoke to a presentation [paper **B/18/11** refers] which provided an overview of the Health and Social Care engagement project and its strategic objectives. This was also provided in the context of the projected demographic change in Scotland’s population and the challenges this

ACTION

posed. Members were advised that there was huge potential within this work which was not yet being fully realised so the next steps were engagement with the various key stakeholders and sharing information. Members were keen to see what NSS could do to support this and help find practical solutions. Members also briefly discussed what could be done to remove barriers between health and social care to enable better integration.

13. PUBLIC HEALTH BODY UPDATE [paper B/18/12 refers]

13.1 Mrs M Morgan updated the Board on progress made so far in respect of NSS enabling the new Public Health Body (PHB). Members received assurance that the impact of change had been broadly identified and was not unmanageable. Members were provided with an overview of the proposed governance structure for the programme of work and noted that the main risks and issues had been identified, scored, and were being managed. NSS was now awaiting further direction from the PHB oversight board, which would continue to be pursued. In the meantime, HR would be undertaking a scoping exercise in relation to the staff impacted and Members were reassurance that consideration would be given to HR's capacity to deal with the change. Members were advised that there would possibly be some slight delays due to the ongoing finessing of the PHB's purpose and also, while the PHB would be vested as of April 2019, staff moves may be phased over a period of time following that date.

13.2 Members were looking for assurance as to where the political risks would be managed. They were advised that this would be Transformation Programme Board. A plan had also been drawn up making it as clear as possible about what NSS's responsibilities would be. Members were also provided with an overview of the communications plans and were pleased to note good practice adopted in the Jack Copland Centre project would be replicated. Members asked to receive regular updates on this programme of work, particularly focussing on the NSS impact and the management of opportunity costs.

**M Morgan/
C Lang**

14. DIGITAL TRANSFORMATION [paper B/18/14 refers]

14.1 Mr M Neilson spoke to presentation, which provided an overview of the highlights and achievements of the Digital Transformation project so far, and laid out the plan for the next phase. Members received clarification that Scottish Government was driving this programme and NSS was pitching to be the delivery partner of choice, Members asked who was the national lead on this and whether they could attend a future meeting of the Board. They were advised that the national lead was Mr Geoff Huggins as both Director of Health and Social Care Integration, and Director of Digital Health and Social Care. Mr C Sinclair agreed to invite him to the meeting scheduled for 29 June 2018. Members also requested a presentation or paper covering what had been done so far, the enablers in place, next steps, and the Health Impact/Financial Impact assessment for the next Board meeting scheduled for 6 April 2018.

**C Sinclair (for
29.06.18 Board)**

**M Neilson
(for 06.04.18
Board)**

[Secretary's Note: The following two items were taken out of order]

15. WEB OVERVIEW [paper B/18/16 refers]

15.1 Members were given an overview of the background and progress to date of the work being done to develop NSS's web estate. Members enquired about how much of this work was being outsourced and were advised that some of the technical skills had to be outsourced for now. However,

consideration was being given to how this could be developed in house – particularly in respect of content design and architecture. There followed a brief discussion about retiring/archiving old sites that are no longer necessary and what the core web estate would be. Members were given reassurance of the rigour being applied to budget allocation for this work, as well as ensuring what came out of it was as “future-proof” as possible.

16. CHI AND CHILD HEALTH [paper B/18/15 refers]

16.1 Mr J Hall spoke to a presentation which updated on the progress to date of the Community Health Index (CHI) and Child Health systems transformation programme. Members were advised that NSS was the commissioned organisation for the programme, as per a decision by the NHS Boards’ Chief Executives. Members were given a summary of what that meant, what was being worked through and an overview of the implementation risk factors and mitigations. Members were also assured that the suppliers involved were not heavily dependent on government contracts and were financially stable. Members noted the main decisions to be taken and the approval timescales. Members asked whether there was a regional Board Chief Executive on the programme board. They were advised that the invitation had been made but, due to a lack of availability, it had been agreed to go forward without that representation at this stage.

16.2 Members were assured that there was recognition this was an ambitious and risky programme of work but it fell within the agreed risk appetite. Members were keen NSS ensured that the strategic questions were satisfied to allow the risks to be managed as far as possible. There would be high-level government oversight which would provide some assurance that it linked in with the broader public sector picture. However, there were concerns that events could take so long to move on that NSS would be left fighting to catch up in other respects. Members were advised that most of this should be covered within the Full Business Case. The Board requested a further update on this programme at their April meeting but suggested that, going forward, the Audit and Risk Committee should have regular oversight with referral back to any future Board meetings as appropriate. Members also made some suggestions of potential points of reference and additional groups/individuals to engage with to help with the development of the Full Business Case.

17. NSS BOARD SUB-COMMITTEE MINUTES

17.1 The Members noted the following Minutes and Reports from meetings of the NSS Board Sub-Committees.

- (i) NSS Audit and Risk Committee Update (paper **B/18/17** refers).
- (ii) Highlights from NSS Board Sub-Committees (paper **B/18/18** refers).
- (iii) Draft Minutes of the NSS Audit and Risk Committee meeting held on 7 December 2017 (paper **B/18/20** refers).
- (iv) Approved Minutes of the NSS Audit and Risk Committee meeting held on 14 September 2017 (paper **B/18/21** refers).
- (v) Approved Minutes of the NSS Information Governance Committee meeting held on 7 September 2017 (paper **B/18/22** refers).
- (vi) Draft Minutes of the NSS Staff Governance Committee meeting held on 30 November 2017 (paper **B/18/23** refers).
- (vii) Approved Minutes of the NSS Staff Governance Committee meeting held on 20 September 2017 (paper **B/18/24** refers).

ACTION

- (viii) Draft Minutes of the NSS Clinical Governance Committee meeting held on 1 December 2017 (paper **B/18/25** refers).
- (ix) Approved Minutes of the NSS Clinical Governance Committee meeting held on 25 September 2017 (paper **B/18/26** refers).

18. REGISTER OF INTERESTS

- 18.1 The Members noted the updated Register of Interests for NSS Board Members and were reminded that they should provide the Board Secretary with any updates (paper **B/18/19** refers).

19. NSS POLICIES

- 19.1 The Board had been circulated with a copy of the following policies:-
- (i) Patient Group Directions (paper **B/18/28** refers)
 - (ii) NSS Checking Professional Registrations Policy (paper **B/18/29** refers)
 - (iii) NSS Social Media Policy (paper **B/18/30** refers)
 - (iv) NSS Annualised Hours Policy (paper **B/18/31** refers)
 - (v) NSS Parental Leave Policy (paper **B/18/32** refers)
 - (vi) NSS Maternity Support Policy (paper **B/18/33** refers)
 - (vii) NSS Breastfeeding Policy (paper **B/18/34** refers)

20. ANY OTHER BUSINESS

- 20.1 Members were advised that, in the previous few days, the Bawa-Garba case regarding de-registration of a young doctor had highlighted potential conflicts with the Duty of Candour. A joint statement released by Scottish Government's National Clinical Director, Chief Medical Officer, and Chief Nursing Officer would be circulated following the meeting. **L Bailey**
- 20.2 Following the recent UK-wide, public sector impact of a major contractor's insolvency proceedings, Members requested assurance via the risk register that NSS had reviewed its suppliers and the contingencies in place.

21. DATE OF NEXT MEETING

- 21.1 The next NSS Board meeting would be held on 6 April 2018.

There being no further business, the meeting finished at 1625hrs.

NSS FORMAL BOARD ACTION LIST



CLOSED

B/18/40

Ref Item	Action	Responsible	Deadline	Status
FROM 2 FEBRUARY 2018 MEETING				
5.1	NSS Vision, Key Priorities and Resource Allocation Management – 5 Year Plan Updates to be made to the Vision as follows: <ul style="list-style-type: none"> removal of the word “social” in the first statement so that it reads “health and care”; final statement to finish “...where there is value in doing so.” with the remainder of the sentence to be removed; Removal of the numbers on the indicator dials. 	M Bell	Immediately	[MBe 27.03.18] Completed.
7.1	Risk Appetite The Board suggested reconsidering the wording used in the explanation of the reputational risk appetite (“NSS preserves a high reputation...”).	M Bell/M Walker	Immediately	[MW 27.03.18] Revised wording considered by NSS Audit and Risk Committee on 28.03.18.
9.1	People Report A separate paper on the incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) to be provided to the next Staff Governance Committee meeting, along with the terms of reference for the Short-Life Working Group set up to review forklift truck and pedestrian movement and separation in the Canderside warehouse.	J Jones/L Bailey	For 16.02.18 SGC Meeting	[LB 27.03.18] Completed.
12.1	Public Health Body The Board asked to receive regular updates on this work, particularly focussing on the NSS impact and the opportunity costs.	C Lang	For NSS Board Forward Programme	[CJL] Noted. Next update to be provided at Board meeting on 06.04.18
13.1	Digital Transformation A further update on the project’s progress, including an overview of the HIFI and costs involved, to be brought to the April Board Meeting	M Neilson	For 06.04.18 Board Meeting	On the Agenda for the Board meeting on 06.04.18.
15.1	CHI and Child Health Systems The Board requested a further update on this at their April meeting but suggested that, going forward, the Audit and Risk Committee should have oversight with referral back to any future Board meetings as appropriate.	J Hall Committee Secretary	For 06.04.18 Board Meeting For ARC Forward Programme	On the Agenda for the Board meeting on 06.04.18. [CJL] Added to ARC Forward Programme
19.1	Any Other Business Joint statement on the Bawa-Garba case from Scottish Government’s National Clinical Director, Chief Medical Officer, and Chief Nursing Officer to be circulated.	E McLaughlin/ L Bailey	Immediately	[EMcL 28.03.18] Completed.

B/18/41

NSS Board Meeting – Friday, 6 April 2018

National Boards' Plan 2018 – 23: Summary for Board

Purpose

The Board is asked to support the general principles and direction of travel set out in the enclosed Summary for Board Meetings paper.

Recommendation

That the Board supports the principles and direction as outlined.

Timing

The National Boards' Delivery Plan is due to be submitted to Scottish Government on 3 April. Further work will follow to bring together workstreams with collaborative teams to implement the Plan.

Background

The attached paper provides a summary of the emerging plan for Board meetings taking place around the time of submission to give an update position and highlight the direction of travel. The finalised full documents are being submitted to Scottish Government for review and can be provided on request.

This Plan reflects the long standing desire for the collective expertise of the National Boards to be used to support health and social care services and meet changing needs within the direction prescribed in the Health and Social Care Delivery Plan. It will support Scottish Government policy including the *National Clinical Strategy*, *Realistic Medicine* and the *Everyone Matters: 2020 Workforce Vision*.

The Plan focuses on four key areas:

- Improvement, transformation and evaluation
- Digitally enabled service transformation
- A sustainable workforce
- Financial framework and investment case.

Engagement

Widespread engagement has already taken place with Scottish Government, regional planners, territorial Boards, health and social care partnerships and Trade Union staff side representatives.

Further engagement with these partners will continue and workstreams which will involve Boards collaborating to deliver the plan will require further discussion and sign-off at future Board meetings to ensure the appropriate governance of investment and resource decisions.

Colin Sinclair

Chief Executive

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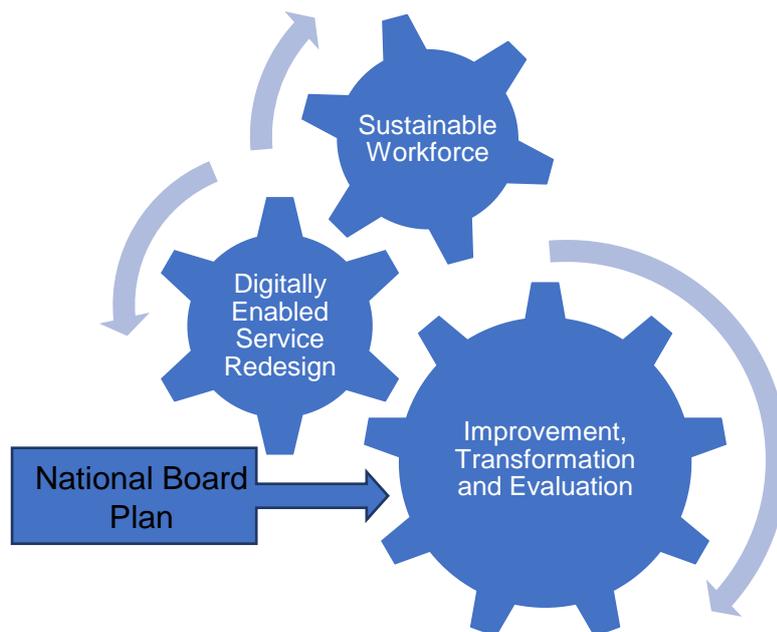
National Board Plan 2018-23

Summary for Board Meetings

Introduction

The National Board Plan 2018-23 will be submitted to Scottish Government at the end of March 2018. This paper provides a summary of the emerging plan for Board meetings prior to the submission deadline and is to endorse the general principles and direction of travel. Further engagement with Scottish Government, regions, territorial boards and social care partners will be required before the plan is finalised and workstreams which will involve Boards collaborating to deliver the plan will require further discussion and sign-off at future Board meetings to ensure the appropriate governance of investment and resource decisions.

As national boards we will support the *Health and Social Care Delivery Plan*, providing services that meet changing national, regional and local needs. Our plan will be closely aligned with regional plans and will support Scottish Government policy including the *National Clinical Strategy*, *Realistic Medicine* and the *Everyone Matters: 2020 Workforce Vision*. The plan will bring together collaborative teams to meet the challenges described in the regional plans and from our own analysis, helping to tackle the challenges of health inequalities, an ageing population and restricted budgets. The plan will involve developing new areas of collaborative work, distinct from 'core business' and underpinned by national evaluation, improvement and transformation services.



Underpinning this plan are the following principles; we will

- use existing capacity and capability wherever possible
- focus on potential impact and added value
- focus on priorities where we can achieve most by working together
- not limit our level of ambition
- work in partnership across health and social care

1. Improvement, Transformation and Evaluation

The national boards have a wealth of resources which can be better linked and made available to support transformational change. The plan will aim to develop national improvement, transformation and evaluation services to support all aspects of the *Health and Social Care Delivery Plan*, underpinned by new national planning arrangements. These services will help develop more integrated partnership approaches to service delivery and strengthen support for transformational change through a collaborative operating model supported by data and analytics and evaluation expertise.

This will involve developing national improvement, transformation and evaluation services which

- bring together expertise and capacity to support transformational change alongside the development of a culture of continuous improvement
- provide self-service data and modelling tools for planning, improvement and change and a 'virtual laboratory' for scenario testing
- bring together research and evaluation expertise to support system wide improvement and transformation which also spreads learning
- maintain a strong focus on public health and supports the transition to a new public health landscape underpinned by population health intelligence and data and modelling tools

Some of the benefits that are expected to accrue from this approach are

- accelerating the shift in the balance of care and reduced pressure on services
- higher quality care at less cost

- an integrated and accessible national framework for change
- better sharing of good practice and effective models of change
- better alignment of workforce, service and financial plans
- better service planning supported by data over a longer timescale
- a better understanding of the evidence base for effective change
- a joined-up approach to public health at a national and local level
- improved access intelligence and data and modelling tools

2. Digitally Enabled Service Transformation

Digital innovation is a key enabler of service transformation and will be a constant theme across the plan to support the *Digital Health and Care Strategy*. Digitally enabled services will help people manage their own health and ensure staff have the skills to deliver digital solutions and use data to improve standards, freeing up clinical time to focus on complex cases and cases where direct clinical input is required.

This will involve helping to drive service redesign in conjunction with users at national, regional or local levels (supported by national improvement, transformation and evaluation services) which

- improve elective and outpatient care to ensure people are directed into the most appropriate care pathway
- provide triage and specialist paramedic practice support which relieves the pressure on primary and unscheduled care
- provide digitally enabled unscheduled mental health services which complement local services and improves access to professionals
- provide alternative care pathways for older people into community services
- help to deliver the *Digital Health and Care Strategy*, providing consistent digital architecture and a national approach to information governance
- provide national cloud-based business systems which enable more effective shared services models, reduce cost and improve analytics
- develop a workforce confident with providing digitally enabled services

Some of the benefits that are expected to accrue from this approach are

- care pathways that better meet people's needs and free up resources

- services that are easier for people to use and don't waste time and money
- reduced acute out-patient demand though less face to face consultation
- reduced demand on primary and unscheduled care and less acute referrals
- public engagement that creates ownership of digital and its benefits
- common technologies that can be built and procured once
- people more able take control of their own health and wellbeing
- the ability to more easily scale up proven digital innovations
- a more digitally ready workforce around the clock easily accessible services

3. A Sustainable Workforce

Redesigned services will require a reshaped workforce supported by data that enables workforce planners to model demand and projected supply. The plan will have a strong workforce element to help improve workforce planning, recruitment and retention, attraction and education and training.

This will involve helping to develop national workforce initiatives, (supported by national improvement, transformation and evaluation services), which

- improve workforce planning with a better match between supply and demand along with new guidance, a data platform and training
- provide *eRostering* to improve staff deployment and help employees to better manage their working lives
- develop recruitment, attraction and employee engagement through a *Digital Portal* and enhanced employer brand
- put in place a new national approach to youth employment
- establish national education and training commissioning along with guiding principles for *Recognition of Prior Learning (RPL)*
- roll out a national cloud-based learning management system
- strengthen leadership, talent management and performance appraisal and develops national support to work with local systems
- deliver national models of employment and employment policies

Some of the benefits that are expected to accrue from this approach are

- better workforce planning over a longer timescale and upskilled planners

- better alignment of workforce, service and financial plans
- employees better able to manage their own working lives
- improved recruitment, retention, talent management and staff engagement
- better awareness and opportunities for young people
- better recognition, transferability and access in relation to learning
- an enhanced talent pool and improved succession planning
- increased leadership capacity and capability for transforming services
- improved employment transferability to support national and regional models

4. Financial Framework and Investment Case

We recognise the continuing financial challenge for the whole system and the importance of a robust financial framework to support the plan. The financial framework will outline the consolidated financial position of the national boards over the next five years and the economic impact of delivering the work in the plan.

The financial framework will be based on developing a culture of sharing risk and cost underpinned by a commitment to value for money (return on investment) in the delivery of core individual operations and collaborative work. The overarching aim is to create capacity and capability to support the health and social care system and manage the ever-increasing demands for services and the associated workforce challenges. The investment case to support the plan will be based on the principle that we will utilise existing national infrastructure to reduce the pressures on individual organisations and achieve economies of scale.

Building a Sustainable Health and Care System for Scotland – the contribution from our National Boards

**Caroline Lamb
Chief Executive
NHS Education for Scotland and
National Implementation Lead**

**Angiolina Foster CBE
Chief Executive
NHS 24 and
National Implementation Lead**

Our Approach Today



- How our thinking has evolved
- Three possible game changers
- Some tangible examples
- Contributing to the “bridge”
- Possible Regional benefits
- Discussion

National Board Collaboration



Challenged ourselves to:

- To be less constrained by our respective organisational starting points.
- To think in truly whole-system terms.
- To consider the **real** assets of the national boards and the **material** deficits in the wider system.
- To be ambitious

Two Crunch Questions



1. Is Scotland's Health and Social Care system **sufficiently equipped** to undertake large scale system redesign?
2. What would **real value-add** from the National Boards look like in the light of answers to 1 above?

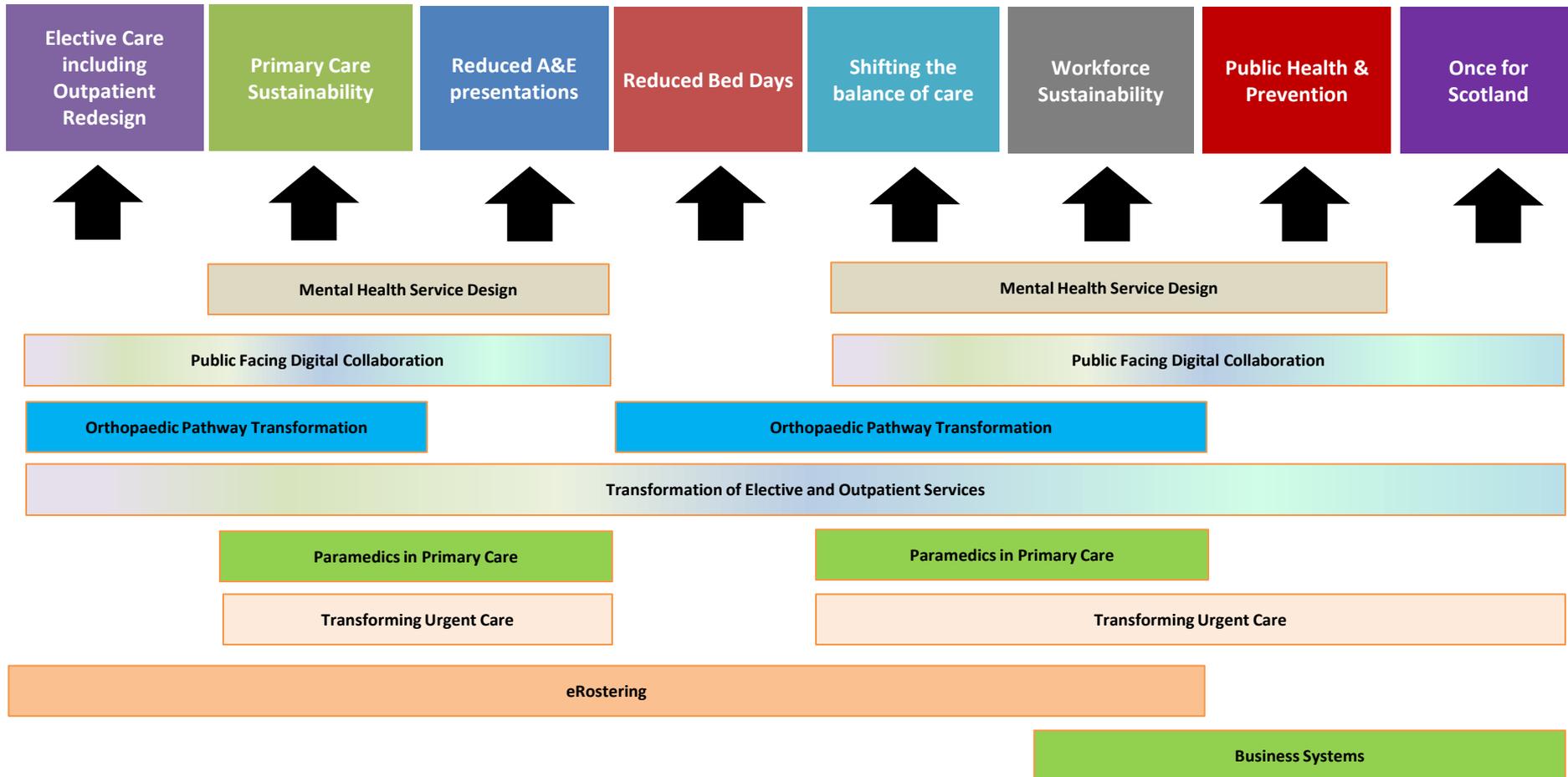
Three Missing Pieces



Contribution to system pressures – Digitally Enabled Service Redesign



The diagram below outlines which initiatives will have an impact on key systems pressures



Service Transformation – In Practice

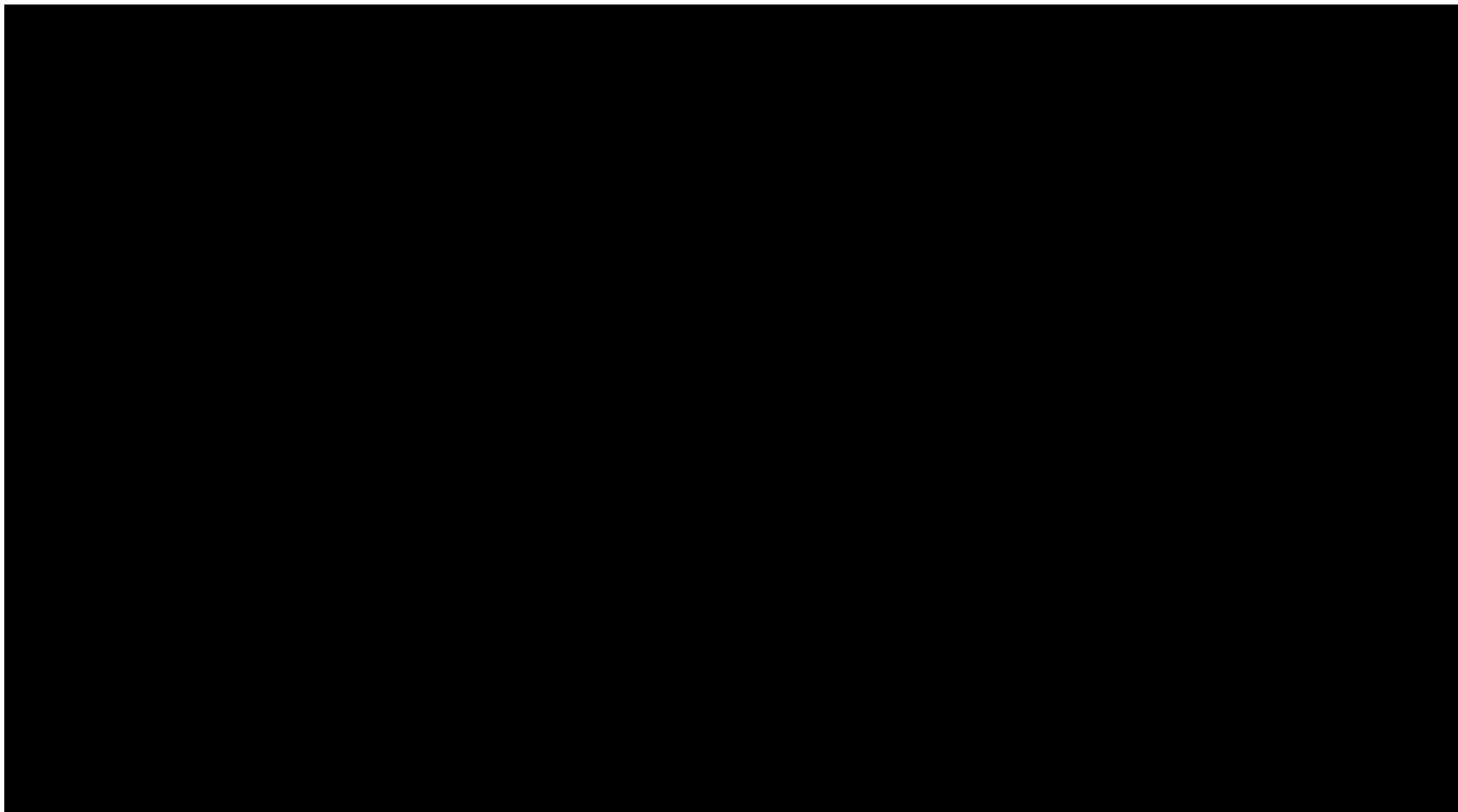


In Hours GP Triage – Aims

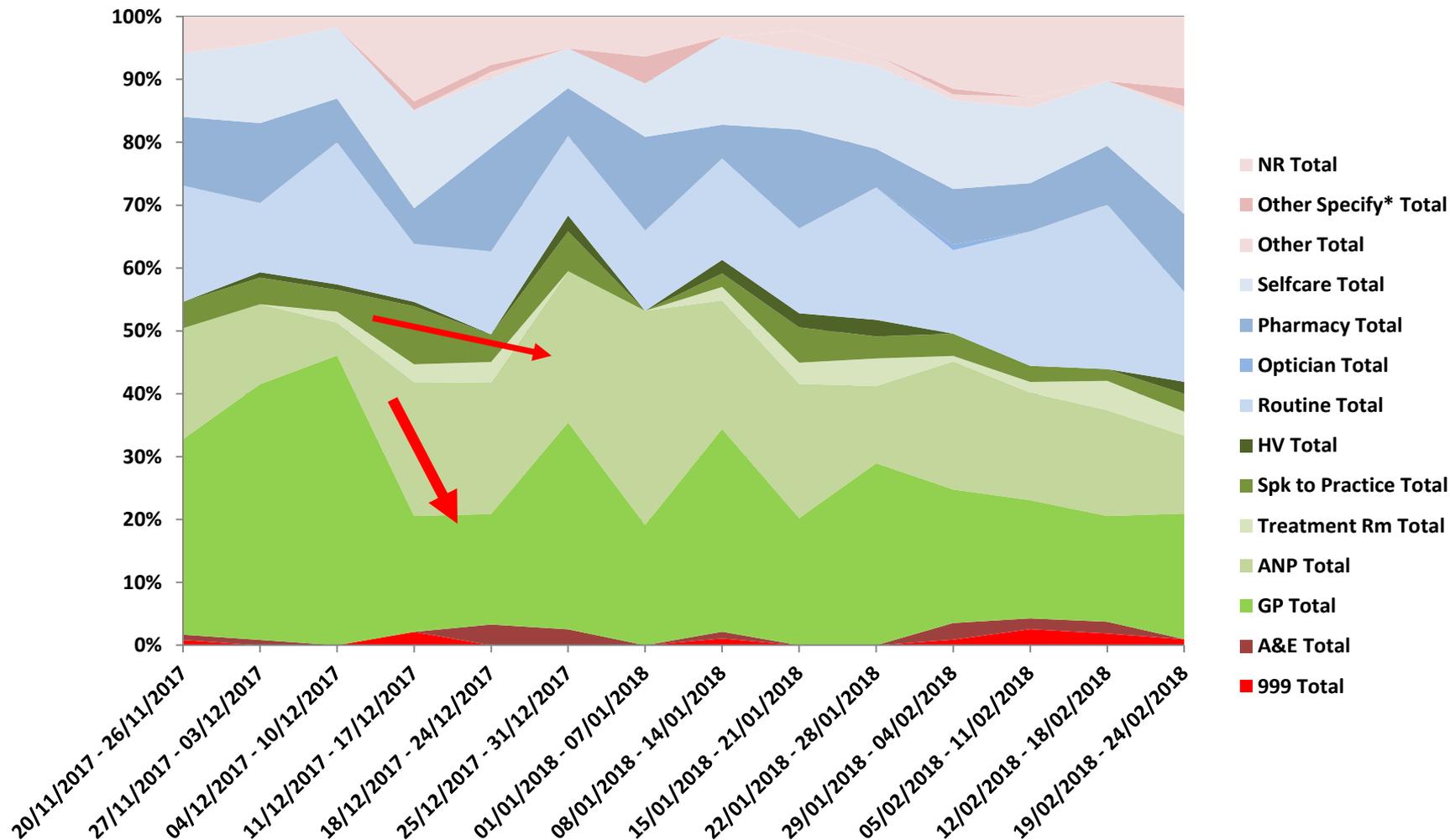
- Increase overall capacity within GP practices, to address rising demand
- Reduce demand for face-to-face same day GP appointments
- Improve overall patient experience/pathways
- Support a model of redirection through digital first service provision
- Improve understanding of telephone triage for Primary Care and GP Practice
- Support integration of health and care services
- Engage stakeholders in service development and ensure our services match stakeholder needs

End-point	Branchalwood	Riverside	
	21/11 – 23/2	Pre 29/1	29/1-9/3 (referral/triage link to community hub established)
Same day GP Appointment	26%	42%	8%
Routine GP Appointment	16%	15%	19%
Self-care	12%	15%	16%
Pharmacy	9%	13%	10%
Speak to Dr/Practice	4%	4%	4%
Treatment Room	2%	.5%	3%
No response	7%	7%	5%
Other*	4%	3.5%	4%
ANP	17%		11%
NP			12%
Paed/other			5%
APP			2%
Mental Health NP/OT			1%

GP Triage Programme

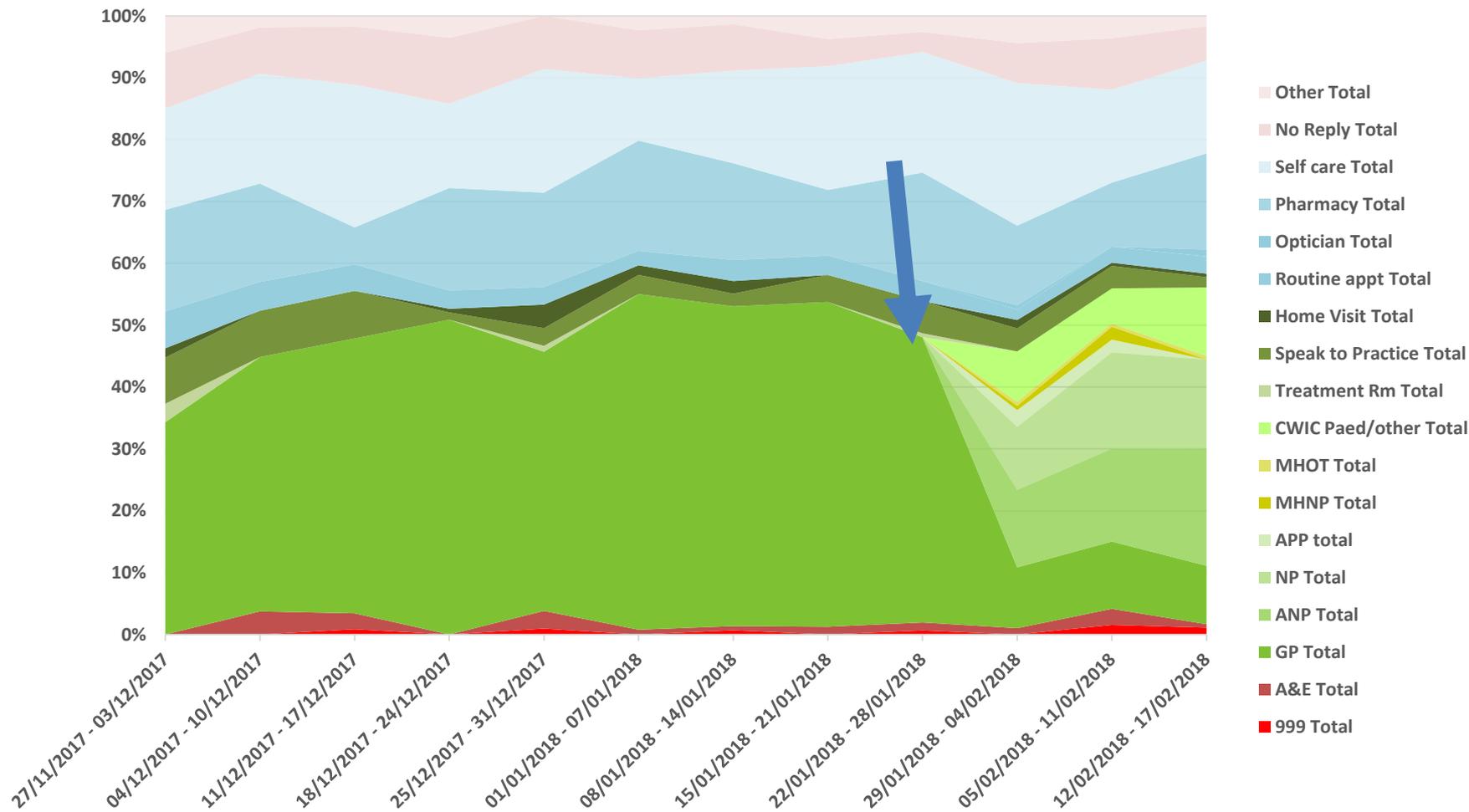


Branchalwood Cumulative Population 5775

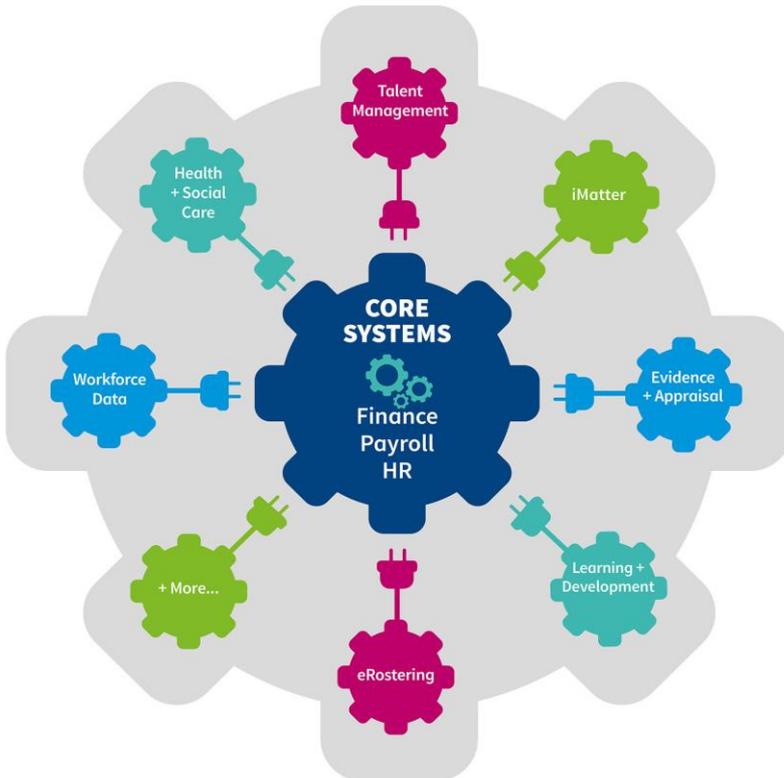


Musselburgh GP Triage Outcomes Percentage by week

Practice population Riverside 10,300 Eskbridge 8,700



Example – Business Systems



- ERP (Enterprise Resource Management) approach –with integration of core systems, providing near real time information & with a consistent look and feel
- User centric, intuitive, freeing up time
- Cloud hosted, accessible across boundaries
- Data entered once used many times
- Supporting shared services
- Modern technologies, API enabled
- NHSS controls interfaces
- Enabling data analytics and intelligence
- Covering Finance, HR, Payroll and Rostering

Cash and Capacity releasing



- Challenge from Scottish Government to better manage £13bn spend – the total resources of our NHS Enterprise
- Opportunities to use modern technologies to reduce the cost of system licenses, hosting and support (£)
- Opportunities to use modern technologies and automation to reduce the cost of ‘back office’ business services (Capacity)
- Opportunities to better deploy our staffing. Improving quality and reducing cost of agency and locum staff (£)
- Opportunities to attract staff back into work or to access additional hours, with flexible access to shifts across Boards (£)
- Opportunities to improve our data and therefore intelligence to inform workforce planning

The Impact at Year 5 – Some Key Examples



200,000

Outpatient demand reduction of 200,000 on acute services

90,000

PCEC visits reduced through the Advanced Clinical Support work

900,000

GP appointments averted due to the ongoing work from the GP Triage service

£18m

Reduction in agency, bank and locum spend enabled through e-rostering

25,000

A&E admissions reduced through the Advanced Clinical Support and Mental Health work

122,000

GP phone calls and home visits averted through the Advanced Clinical Support

66,000

GP Home visits averted through the Advanced Clinical and Mental Health initiatives

£12m

Business systems integration and improvement release cash savings to reinvest

230,000

Specialist paramedic support in primary care will release 230,000 hours of GP time to redirect to complex care.

+1,100,000

Contact opportunities to sign-post to self-care support and health and care information

Potential Benefits – West Region

447,319 GP appointments averted due to the ongoing work from the GP Triage service

9,940 outpatient appointments and **11,133** inpatient episodes diverted through transformed pre and post op, clinical pathways and redesigned flexible workforce skills.

Specialist paramedic support in primary care will release **114,315** hours of GP time to redirect to complex care

32,803 GP Home visits averted in the West Region through the Advanced Clinical and Mental Health initiatives

Additional capacity created avoids the requirement for territorial boards to utilise private sector and/or expensive waiting list costs avoiding **£31m** over 5 years



60,637 GP phone calls and home visits averted through Advanced Clinical Support

Reduce waiting lists, reduce DNA rates and reduce return appointments by **48,708** per year

Potential Benefits – East Region

228,082 GP appointments averted due to the ongoing work from the GP Triage service

30,918 GP phone calls and home visits averted through Advanced Clinical Support

5,068 outpatient appointments and **5,677** inpatient episodes diverted through transformed pre and post op, clinical pathways and redesigned flexible workforce skills.

Specialist paramedic support in primary care will release **58,288** hours of GP time to redirect to complex care



Reduce waiting lists, reduce DNA rates and reduce return appointments by **24,836** per year

Additional capacity created avoids the requirement for territorial boards to utilise private sector and/or expensive waiting list costs avoiding **£16m** over 5 years

16,726 GP Home visits averted in the West Region through the Advanced Clinical and Mental Health initiatives

Potential Benefits – North Region

4,991 outpatient appointments and **5,590 inpatient episodes** diverted through transformed pre and post op, clinical pathways and redesigned flexible workforce skills.

16,471 GP Home visits averted in the West Region through the Advanced Clinical and Mental Health initiatives

30,446 GP phone calls and home visits averted through Advanced Clinical Support

Additional capacity created avoids the requirement for territorial boards to utilise private sector and/or expensive waiting list costs avoiding **£15.7m** over 5 years

224,599 GP appointments averted due to the ongoing work from the GP Triage service

Reduce waiting lists, reduce DNA rates and reduce return appointments by **24,456** per year

Specialist paramedic support in primary care will release **57,398 hours** of GP time to redirect to complex care

Discussion



- Do Chairs see the potential of this work?
- If Yes, how can we marshal our respective infrastructure and capabilities to deliver these plans?
- If No, where are the gaps and how might we improve this proposition?
- Other key issues we need to consider today?

B/18/43

NSS Board Meeting – Friday, 6 April 2018

Operational Delivery Plan 2018/19

Purpose

The Board is asked to approve the Operational Delivery Plan 2018/19.

Recommendation

This Board is asked to approve the document for submission to Scottish Government as a final document.

Risks to delivering the Plan will be incorporated in to the Corporate Risk Register when the targets are agreed with sponsors, if they are not already on the Register.

The associated finance and workforce plans will be developed alongside this service plan.

Timing

Progress towards delivery of the Plan will be monitored on a quarterly basis.

Background

Guidance recently received from Scottish Government has changed the focus from a strategic Local Delivery Plan to a request for an annual Operational Delivery Plan, which shows relevant performance measures.

We have continued with a similar approach to last year. Targets and annual milestones have been submitted by SBUs as part of the Strategic Planning and Resource Allocation process and are fairly consistent with last year. The introductory section has also been reviewed. The draft Plan was sent to sponsors at Scottish Government and comments have been taken into account.

Work is ongoing with the other national Boards to develop a collaborative Delivery Plan, which will set out how the national Boards will develop a transformation service to support the regions and territorial Boards. Targets and milestones contained within the NSS Operational Delivery Plan show initiatives which are primarily managed by NSS and therefore are separate to the national Boards' Plan.

Engagement

Engagement has included Executive Management Team members in bringing together the document. SBUs have engaged various stakeholders in the development of targets. SG sponsors have had the opportunity to comment on the draft as has the Partnership Forum.

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Operational Delivery Plan 2018/19

Was at 29.03.18

Date Published:	February 2018
Version:	Final Document Type:Word
Owner/Author:	Caroline McDermott / Martin Bell
Review Date:	March 2018
Contact:	Caroline McDermott / Martin Bell

February 2018

1.0 Chief Executive's Summary

This Operational Delivery Plan (ODP) sets out the agreement between NHS National Services Scotland (NSS) and the Scottish Government (SG) as to the targets to be delivered in support of Scotland's 2020 Vision for Health and Social Care, the SG's National Strategic Objectives and the Health and Social Care Delivery Plan. It encompasses all aspects of NSS business as usual activities; whether funded directly by SG or through other sources. Transformation activities in conjunction with other national Boards will be delivered through the separate National Boards' Delivery Plan. In maximising its unique skills, expertise and national scale, NSS can deliver best value for Scotland, its people, their health and well-being as well as enabling integration across health and social care.

Whilst the ODP sets formal targets for the year ending 31st March 2019, NSS plans on a 5-year horizon. Long-term programmes are therefore included with appropriate delivery milestones showing the public value provided by undertaking these activities.

During 2018-19 NSS will prioritise enablement of transformation across the bulleted areas below on the basis that our routine shared services support will continue to underpin NHSScotland and other existing customers to improve clinical care, save money and ensure we are a great place to work for our staff.

- **Once for Scotland Shared Services.** NSS will support the transformation of Scotland's health and care services by developing existing common services and where appropriate specialist analytical and healthcare services. The aim is to free up territorial boards and their regional groupings, to focus on the operational delivery of their principle service functions, assured in the knowledge that the value of underpinning support services will be maximised to provide the stable, consistent and continuously improved platforms they require.
- **National Board Collaboration.** In line with the Health and Social Care Delivery Plan, NSS will conduct specific activity to maximise collaboration between its services and the other national Boards. Four specific areas of effort will be developed, namely: a national evaluation, improvement and transformation service, digital services transformation plus workforce and financial sustainability. These opportunities will seek to develop and transform service provision, maximising synergy, efficiency and effectiveness. This will include contributing, appropriately, to the required financial efficiency of £15m on top of existing Cash Releasing Efficiency Savings (CRES) measures. Full details of the deliverables for these four programmes will be captured in the National Boards' Delivery Plan.
- **Digital Transformation.** The Health and Social Care Delivery Plan identified digital as a key enabler. NSS has already commenced significant digital transformation activity across its own services. Where possible and appropriate services will be digitised over the next 5 years. This will support NSS internal efficiency and productivity through consistent, standardised and quality assured processes and systems. It will also improve access to timely data and analytics, supporting broader reach, greater pace and more informed decision making, particularly when working with other boards.
- **Clinical Engagement.** NSS has a highly respected clinical leadership cohort. The professional and clinical insight and influence these exert, internally and externally, are central to the enablement of our various transformation programmes. They also underpin

NSS clinical governance and systemic quality improvement. This high level, clinical engagement ensures health and care remains at the heart of NSS services, visibly delivering the National Clinical Strategy and Realistic Medicine outcomes. Our clinicians are also engaged across with health and life science research initiatives; seeking innovative new developments around advance medical therapies and novel ways to use technology to support health and well-being outcomes across our population.

- **Business Engagement.** NSS will continue to provide high quality business engagement, supporting customer priorities and the development and delivery of strategies and solutions to these. Existing commercial support and the experience gained through Tailored Support to territorial health boards will be harnessed to expand and develop solutions to wider business support functions. This will ensure all NSS activity is aligned to broader national collaboration in the support of better health, improved patient experience and sustainable cost.
- **Public Health Body.** NSS has a significant role to play in the creation of the new Public Health Body. As large elements of the Public Health and Intelligence business unit will migrate to the new body, it is essential that the people, governance and processes are well informed and prepared for the transition. NSS is already fully committed to working with the transition group to ensure issues and risks are identified early and mitigated where possible.

These programmes, combined with the extremely challenging fiscal environment, represent some of the greatest challenges NSS has had to face over the last decade. The ongoing challenge of finding CRES and accommodating the proposed pay settlements means that some of those areas heavily dependent on baseline funding are looking to stop some service provision. An example of this is the MASNET initiative that sought to reduce agency spend across boards. Without funding commitment, the service redesign required cannot be achieved. Significant engagement and collaboration will be required across all stakeholder groups to mitigate the impacts of these challenges. The pace of transformation will also be dependent on the level of support and guidance from organisation sponsors.

To address the latter bullet above, NSS will work in partnership with our Trade Union colleagues to ensure staff matters arising from the creation of the Public Health Body are mitigated as far as is practicable. Again time to conclude meaningful engagement with staff is a key but finite resource. NSS will also need to refocus its priorities once the move of Public Health and Intelligence has been completed. This will ensure the remainder of NSS is appropriately realigned to deliver the transformative and core shared services effects required in support of national boards and 'Once for Scotland' collaboration.

Finally, it is essential that NSS work with partner boards to ensure the outcomes and benefits of collaboration deliver tangible benefits and are not simply focused on shifting of boundaries without adding value. Streamlining of governance and service improvements will only be delivered when all partners can see, believe in and articulate the added value to justify the effort required for transformation.

2.0 Strategic Intent

NSS has set out a vision for the next 5 years, which is:

Supporting the transformation of health and care

NSS, working with others, will **enable** the transformation of health and social care to help improve the health and wellbeing of the people of Scotland.

We will continue to **underpin** a sustainable and resilient NHSScotland by providing excellent support services and expertise.

We will **assist** other public sector organisations where there is value in doing so.

We will achieve this through our strategic objectives

- We put the **customer at the heart** by listening and understanding their needs.
- We **increase our service impact** by being bold, embracing new technologies and new ways of working together.
- We **improve how we do things** by sharing knowledge and continually innovating to find new and better ways of doing things.
- We make NSS **a great place to work** by listening to, supporting and investing in our most important resource – our people.

3.0 Planning Environment

2020 Vision for Health and Social Care

The NSS Operational Delivery Plan is aligned to the 2020 Vision for health and social care, which states:

‘Our vision is that by 2020 everyone is able to live longer healthier lives at home, or in a homely setting. We will have a healthcare system where we have integrated health and social care, a focus on prevention, participation and supported self management. When hospital treatment is required, and cannot be provided in a community setting, day case treatment will be the norm. Whatever the setting, care will be provided to the highest standards of quality and safety, with the person at the centre of all decisions. There will be a focus on ensuring that people get back into their home or community environment as soon as appropriate with minimal risk of re-admission’.

4.0 Nationals’ Delivery Plan

NSS is working collaboratively with the other seven National Boards to develop a Delivery Plan to support high quality and sustainable services across health and social care either directly or by supporting regional delivery. This Plan covers the activities of NSS alone and will not repeat initiatives within the Nationals’ Delivery Plan and vice versa.

5.0 Achieving Our Operational Delivery Plan

The specific targets within this Plan have been agreed with a range of stakeholders and our sponsor in SG Health and Social Care Directorate. Targets can have a number of measurements in the form of key performance indicators or milestones and it is through these that we will evidence performance and service delivery. Responsibility for achievement against the targets is identified against NSS Directorates or Strategic Business Units (SBUs):

Strategic Business Units:

- Scottish National Blood Transfusion Service
- Public Health and Intelligence
- Practitioner and Counter Fraud Services
- Procurement, Commissioning and Facilities
- Information Technology
- Central Legal Office

Support Business Units:

- Business Services (Support SBU)
- Human Resources (Support SBU)

Directorates:

- Clinical
- Customer Engagement and Development
- Strategy and Governance

This Plan will be monitored on a quarterly basis. Progress will be shared with staff, customers, stakeholders and SG colleagues as appropriate.

6.0 Operational Delivery Plan Risk Profile

Risks associated with the achievement of targets are identified and managed in a consistent manner through the NSS Integrated Risk Management Approach. Risk Register identification numbers from our corporate risk register are included alongside the targets below for ease of reference. At the time of writing, there are three risks and one issue identified. This ODP's risk profile is shown at Table 1 below.

Table 1

		Score	Likelihood					Total
			Rare	Unlikely	Possible	Likely	Almost Certain	
			1	2	3	4	5	
Impact	Catastrophic	5	0	0	0	0	0	0
	Major	4	0	1	0	0	0	1
	Moderate	3	0	2	0	0	0	2
	Minor	2	0	0	0	0	0	0
	Negligible	1	0	0	0	0	0	0
Total			0	3	0	0	0	3

7.0 Customers at the Heart of Everything We Do

We recognise the importance of the requirements of our customers in shaping the future services we deliver. We have a range of customers with varying need. To better support these needs, we have identified the following 3 segments.

- **Public Bodies** - We aim to retain and expand our existing health customers and develop new business with integrated bodies and where value can be added, the wider public sector. We will lead the shared services agenda, using our capabilities to do things once for Scotland. This includes increasing collaboration with the other seven National Boards.
- **Professions** - We will provide leadership to maximise the positive impact NSS has on Scotland's health, wellbeing and tackling inequalities agenda. We aim to build trust and understanding and engagement across the professional cadres both internally and externally.
- **The Public** - NSS has identified the role we have in delivering the person centred care ambition of the 2020 Vision for health and social care. We will focus on a number of areas, to improve services for the public who either directly or indirectly utilise our services. We also continue to engage our service users in representative networks to improve services across Scotland.

8.0 Tackling inequalities

NSS recognises their obligation to the legal duty to preventing discrimination from taking place and providing equity of opportunity including setting clear targets to improve the diversity of our workforce. NSS has worked with the Glasgow Centre for Inclusive Living and the Disabled Graduate Scheme; NP implemented the Modern Apprenticeship Scheme which has rolled out to other SBUs and National Services Division is working with Health Scotland to increase uptake of screening, across all programmes, in deprived communities. We continue to provide opportunities for learning and development to all our staff through a range of online and face to face training to recognise both organisational and personal responsibilities in terms of equality and diversity. We believe that the impact of this training will not only benefit our staff, but also our customers' experience, whenever they contact NSS.

We have increased the inequalities content of much of our published work which takes us in the right direction. We will publish a report on inequalities before the end of the year; this will help in identifying where we can do more to utilise the intelligence we have to support the service to tackle health inequalities. Specific targets are referenced in section 1.9 below.

Draft Targets

1. Health Impact

1.1 Safe and sufficient supply of blood, tissues and cells through Service Modernisation (SNBTS).

- No avoidable Transfusion or Tissue Transmitted Infections (TTIs) Risk 4230.
- 3 or more days blood supply available for all blood groups Risk 3236.

1.2 Leverage the benefits of moving to the Jack Copland Centre (SNBTS).

- Complete transition to the Jack Copland Centre. Risk 4129, 1812.

1.3 Build Research, Development and Innovation capability within NSS (SNBTS).

- Perform dose escalation followed by multiple treatment arm of the MATCH study (autologous macrophages in cirrhosis) completion by March 2019.
- Establish an HLA-typed Allogeneic Mesenchymal Stromal Cell bank to improve and support transplant and regenerative early-phase clinical trials by March 2019.
- Derivation and expansion of the first UK GMP-grade iPSC cell lines by December 2019 to support the rapidly growing pluripotent stem cell-derived regenerative medicine field in Scotland and wider UK.

1.4 Build Research, Development and Innovation capability within NSS (Public Health and Intelligence).

- Engaged in both City Deal and Health Data Research UK (HDR UK) – by October 2018, we will have produced a summary of the expected contributions from NSS and ISD.

1.5 Facilities programmes in place to support improved patient care (Procurement, Commissioning and Facilities).

- Reduce the potential for healthcare associated infection by testing and validating equipment for decontamination of reusable medical devices to greater than 90% against the planned programme.
- Aim to reduce healthcare associated infection by implementing the Decontamination Strategy Action Plan, with year 3 measures by March 19.
- All new patients receive oxygen service within 4 days of notification (100%).

1.6 National Specialist Services and Screening programmes meet national standards and demonstrate evidence of continuous quality improvement with a view to achieving optimal outcomes for patients (Procurement, Commissioning and Facilities).

- 100% of commissioned specialist, screening services and networks have quality reviews annually, to identify areas for improvement to deliver better services and patient outcomes by March 2019.
- Quality standards in 33% of commissioning service agreements would be reviewed and updated against international benchmarks to help deliver better services and optimal outcomes by March 2019 (2nd of 3 year programme).
- Implement policy changes in national screening programmes within agreed timeframes, specifically:
 - Milestones in relation to Hr-HPV for Cervical Screening met by March 2019
 - Ensure equitable access to national specialist services and risk share schemes by monitoring geographic uptake against the Scottish average and reporting to NHS Boards. 90% of specialist activity by Board within agreed targets by March 2019.

- Review 12 commissioned specialist service and networks against the national designation criteria to ensure ongoing need in Scotland by March 2019

1.7 Meet the need of customers for information and intelligence to improve outcomes for the people of Scotland (Public Health and Intelligence).

- Completion to schedule of 90% of all Information and Intelligence deliverables identified within the PHI/SG SLA.
- Quality Assurance – embedding new Statistics Code of Practice, including:
 - Undertake quality assurance review of at least 2 data-sets by end March 2019.
 - Participate in assessments of official statistics, as required by the UK Statistics Authority (timetable and publications for review are determined by the UKSA).
- Atlas of Variation:
 - Delivering of three atlas maps on knee, hip and cataract by end April 2018
 - A minimum of a further 12 atlas maps in at least 2 themes by March 19
- Regional support:
 - Sustainable levels of support agreed with all 3 regions by end June 2018 with further deliverables to be agreed in year.
- Excellence in care:
 - All participating Health Boards and partnerships will have an agreed number of indicators for adult inpatients by nurse family and an IT supported approach to submitting data to ISD. Submitted data will be visualised through tableau hosted information system known as Care Assurance Improvement Resource (CAIR).
 - PHI will have 100 test users of 'CAIR' (Care Assurance and Improvement Resource) system by March 2019. The system supports Excellence in Care for both care assurance and quality improvement and uses indicators agreed with health boards and partnerships.
- Primary Care/SPIRE:
 - All data requirements (local reports and extracts) to support the new GP Contract in place in line with Scottish Government requirements (dates to be confirmed – first suite likely to be Q2 in 18/19).
 - By end June 2018, ensure appropriate support is in place for all practices which have the SPIRE software installed to submit data requirements relating to the new GP contract, through the provision of face-to-face training, appropriate "how-to-guides", and on the ground support from LIST analysts.
 - Throughout 2018/19, work with NHS Boards to ensure that GP practices have up to date versions of the SPIRE software, enabling local reporting and extracts to support cluster working and the data requirements of the new GP contract. During 2018/19, a particular focus will be on supporting those Boards which are installing the SPIRE software in line with planned hardware and server upgrades.
- Cancer – delivery of the Scottish Cancer Registry and Intelligence Service (SCRIS):
 - Delivery of all agreed objectives for developing the Scottish Cancer Registry and Intelligence Service (SCRIS) by 31 March 2019 (various deadlines over the year), including integration of radiotherapy, QPI and molecular pathology data, and the establishment of a wrap around intelligence service to embed the use of cancer information locally.
- Whole System Modelling:
 - Support the delivery of the Deloitte whole system model through the provision of high quality data and statistical advice by end June 2018.
 - Put forward a proposal to develop self sufficiency and ongoing capability in whole system modelling in NHS Scotland by end June 2018.

1.8 Intelligence led decision making across the public sector (Public Health and Intelligence).

- By March 19 LIST will:
 - Continue to support 100% of Integration Authorities.
 - Provide support to 100% of established GP Clusters that wish to make use of LIST.

- Work collaboratively with 30 GP Clusters to provide and share insights on needs assessments, local profiles or health inequality initiatives.
- Share 10 initiatives that have been adapted and used by other areas.
- Produce 5 co-designed stories across CPPs, Third Sector and Local Authorities that demonstrate impact.
- Source
 - Data submission and quality assurance of social care activity complete by October 2018, in order to provide full Social Care data to Scottish Government, design and issue a new output on social care activity on the Source Platform and publish Official Statistics thereafter.

1.9 Tackling inequalities - Integrate health inequalities (Public Health and Intelligence).

- Further develop the ScotPHO inequalities interactive profiles tool based on stakeholder feedback and publish a final public version by September 18.
- Working with colleagues in NHS Health Scotland, collect data for a set of health and social care indicators based on UK wide proposals (“Cookson indicators”), develop a clear and attractive interactive user interface to present these indicators; test this with users and modify based on feedback. Publish the final version by March 19.

1.10 Monitor hazards and manage outbreaks and incidents through the national health protection service.

- Ensuring completion to schedule of 95% of all health protection deliverables identified within the PHI/SG SLA.

1.11 Provide surveillance and response coordination as appropriate for all national level health protection threats including healthcare associated infections.

- 100% of all national incidents and outbreaks caused by organisms/agents under current national surveillance are identified through the surveillance system and managed according to the national guideline.

1.12 Delivery of Antimicrobial Resistance and Healthcare Associated Infections (ARHAI) Programme portfolio supporting the national ARHAI strategy. (2017-2022).

- Agree new framework contract with SGHSCD.
- 95% deliverables in the framework contract to time and quality inclusive of annual HAI report with gram negative epidemiology (in support of new targets) in May and a one health AMR report in November (CVO resource dependent).

1.13 Delivery of agreed IT Services to health, including Boards and SGHSCD (IT).

- 95% delivery to Boards of the national SLA for business as usual services on an annual basis.
- 95% delivery to Boards of other services in the national SLA (e.g. IT project management) on a quarterly basis.
- 95% delivery of agreed outcomes to Scottish Government’s Health and Social Care delivered on time and within budget on a quarterly basis.
- 95% Delivery of Major IT programmes to include CHI, PACS, GPIT within Specification, timescale and budget.

2. Financial Impact

2.1 Source and deliver goods to support the NHS to achieve financial targets (Procurement, Commissioning and Facilities).

- Collaborative Contract Coverage £1.4bn.
- Actual NDC Revenue Throughput £153.7m.
- National Contract Delivered Savings £50m (consolidated from contract performance and year 2 of the procurement services transformation programme).

2.2 Single and consistent eProcurement system and processes in place to enable NHS Boards to procure products in a standard manner (Procurement, Commissioning and Facilities).

- Report by March 19 on improvement of use of processes to drive best practice and improve efficiencies.

2.3 Pay approximately £2.5 billion to over 8000 primary care practitioners to agreed standards of accuracy and timeliness (Practitioner and Counter Fraud Services).

- Target of 99.5% accuracy to agreed dates.

2.4 To support health improvement in NHS Scotland by undertaking prevention, detection and investigation initiatives to reduce patient exemption fraud or error by £1million by March 19. (Practitioner and Counter Fraud Services).

- This will be achieved through a combination of recoveries and cost avoidance. Performance indicators to be identified.

2.5 Deliver cost effective litigation, commercial property, commercial contracts and employment legal services (Central Legal Office).

- Achieve greater than 90% customer satisfaction levels for Legal Services and set the annual increase of fees at 0%.

2.6 Support the Scottish Government in improving the overall management of clinical negligence claims, including the increased use of periodic payments for high value negligence claims and ensuring that the information recorded by litigation solicitors in the CLO database is accurate and timely, facilitating an accurate assessment of CNORIS contributions for NHS Boards and assisting financial planning (Central Legal Office).

- 100% update of Clinical Negligence Claims – value and settlement dates.

2.7 Delivery of agreed IT Services to the Scottish public sector beyond health (IT).

- 90% delivery to public sector customers of the SLA for BAU services on an annual basis.
- 90% delivery of agreed outcomes to public sector customers delivered on time and within budget on a quarterly basis.

2.8 Support financial sustainability across NHS in Scotland: (Business Services)

- Contribute towards the National Boards' £15 million recurring savings target.

2.9 Ensure customers understand what NSS can offer them and have high levels of satisfaction with our service delivery (Customer Engagement and Development).

- NSS services achieve a minimum annual customer satisfaction score of 70%.

3. Environmental Impact

3.1 Build sustainable development into all our services to ensure resilience is delivered, including: reduced emissions, adapting for climate change and behaving sustainably (Strategy and Governance).

- Deliver a Good Corporate Citizenship score of:
 - >80% by March 2019
 - ≥ 85% by March 2020.

DRAFT (as at 29.03.18)

B/18/44

NSS Board Meeting – Friday, 6 April 2018

Finance and Workforce Plans FY2019 to FY2023

Purpose

The paper summarises the financial and workforce plans for FY2019 to FY2023 based on the submission of plans by the SBUs and the subsequent adjustments following the RAM sessions. These plans will form the basis of the required submissions to SGHSC as part of the Annual Operational Plan (previously LDP) planning process.

Recommendation

The Board is asked to approve the finance and workforce plan attached.

Timing

The final finance plan supporting the Annual Operational Plan will be submitted in line with SG requirements.

Background

Revenue

NHS National Services Scotland (NSS) will receive a ‘flat cash’ settlement (i.e. 0%) in each year of the plan, other than National Services Division (NSD) which will receive 1.5%, as per guidance from Scottish Government (SG).

SG Pay Policy has been applied which equates to an average increase of 2.3% (c£3m) across NSS. It is assumed that funding for Agenda for Change (A4C) staff for pay increases > 1% will be provided by SG in-line with recent discussions / guidance – this equates to c£1.8m for NSS.

In addition, the return of a combined cash efficiency of £15m from the National Boards collectively which was introduced during 2017-18 has been made a recurring requirement from 2018-19 onwards. For NSS this means that savings from CRES, which would previously have been available to fund developments, will now contribute towards NSS’s share of the £15m. In each year of the Financial Plan, a contribution of £5.5m towards this savings target has been planned – which is £1.5m above NSS’ pro-rata share of the overall amount. Also, a contingency fund of £1m in each year of the plan has been included, as stipulated by the NSS Board.

SBUs have requested revenue development funding of £10.7m through the RAM process, but only £5.5m critical developments have been assumed within the plan due to affordability. A key element of this funding is Digital Transformation to enable new service delivery models which will enable sustainable, efficient and effective services moving forward.

Based on the above and the draft financial plans submitted by SBUs, the forecast position for NSS is a surplus position of £2.0m in 2018-19. There are a number of planned developments totaling £1.5m which may attract specific SG funding but this is not yet confirmed so the NSS surplus will not be committed until such confirmation is in place. This position also provides an

element of cover to mitigate against operational risk and the delivery of our CRES plans in year (£1.3m unidentified at this stage).

The forecast SBU trading position across all five years is an increasing deficit due to the recurring 5% CRES targets. The overall position is a small surplus in each year. It is important to note that the position in FY20-FY23 assume no investment in critical developments though it is clear this will need to happen.

As such, there are a number of areas of opportunity which are being pursued in order to generate further efficiencies:

- Once for NSS Programme;
- Review of Support Services across NSS;
- Leveraging Digital Transformation Investment

NSS's strategic direction, as reflected in the 5 year plan is to:

- Underpin: to provide services that ensure a sustainable and resilient NHS Scotland
- Transform: to support the transformation of Scotland's health and care services
- Enable: to help others (wider public sector) benefit from our services

The scope and scale of our ambition will be dictated by the evolving needs of our partners, stakeholders and customers

Workforce

The workforce plan shows a slight downward trend of (33.5) WTE over the full planning cycle which is a decrease over the 5 year period of 1%.

The expenditure on temporary and agency staff is still planned in line with recent trends for more specialist skills (IT/Programme Management) as this enables NSS to provide a more flexible response to demand for services.

The change in projection for WTE over the planning cycle responds to anticipated new and increasing demand particularly for Analytics, Information Technology and Programme Management offset by the reduction in Practitioner and Counter Fraud Services due to digital transformation and automation.

Capital

The NSS Formula Allocation for Capital is £3.4m which is the estimated funding available for investment in 2018-19. There are also a couple of specific projects (1) JCC Post Practical Completions Works - £0.6m and (2) National Radiology Shared Services - £0.6m which have slipped from 2017-18 into 2018-19 and SG has agreed to reinstated returned funds next Financial Year. SG has also advised that they have also included provision for the Aberdeen Property Project within their capital plan for 2018-19.

Next steps

- Submit the final Annual Operational Plan financial submissions following appropriate internal approval.

- Submit final revised NSS Workforce Planning Strategy following appropriate internal approval.

Engagement

Engagement has been at all levels throughout the organisation. The plans were drafted in partnership and have been challenged as part of the RAM session by members of the EMT.

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Financial and Workforce Plan for the Five Year Period FY19 – FY23

NSS Board – Friday 6th April 2018



Owner:	Carolyn Low Director of Finance & Business Services
Contact:	0131 275 6888
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Version	Author	Summary of Changes	Date
1.0	Andy McLean	Initial Draft	20 th Feb 2018
2.0	Andy McLean	Final Plan	29 th Mar 2018

Reviewers

Name	Role	Organisation
Jacqui Jones	Director of Human Resources	NSS
Carolyn Low	Director of Finance & Business Services	NSS

Distribution

Name	Role	Organisation
	NSS BOARD	NSS

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1 Summary

Revenue

NHS National Services Scotland (NSS) will receive a 'flat cash' settlement (i.e. 0%) in each year of the plan, other than National Services Division (NSD) which will receive 1.5%, as per guidance from Scottish Government (SG).

SG Pay Policy has been applied which equates to an average increase of 2.3% (c£3m) across NSS. It is assumed that funding for Agenda for Change (A4C) staff for pay increases > 1% will be provided by SG in-line with recent discussions / guidance – this equates to c£1.8m for NSS.

In addition, the return of a combined cash efficiency of £15m from the National Boards collectively which was introduced during 2017-18 has been made a recurring requirement from 2018-19 onwards. For NSS this means that savings from CRES, which would previously have been available to fund developments, will now contribute towards NSS's share of the £15m. In each year of the Financial Plan, a contribution of £5.5m towards this savings target has been planned – which is £1.5m above NSS' pro-rata share of the overall amount. Also, a contingency fund of £1m in each year of the plan has been included, as stipulated by the NSS Board.

SBUs have requested revenue development funding of £10.7m through the RAM process, but only £5.5m critical developments have been assumed within the plan due to affordability. A key element of this funding is Digital Transformation to enable new service delivery models which will enable sustainable, efficient and effective services moving forward.

Based on the above and the draft financial plans submitted by SBUs, the forecast position for NSS is a surplus position of £2.0m in 2018-19. There are a number of planned developments totaling £1.5m which may attract specific SG funding but this is not yet confirmed so the NSS surplus will not be committed until such confirmation is in place. This position also provides an element of cover to mitigate against operational risk and the delivery of our CRES plans in year (£1.3m unidentified at this stage).

The forecast SBU trading position across all five years is an increasing deficit due to the recurring 5% CRES targets. The overall position is a small surplus in each year. It is important to note that the position in FY20-FY23 assume no investment in critical developments though it is clear this will need to happen.

As such, there are a number of areas of opportunity which are being pursued in order to generate further efficiencies:

- Once for NSS Programme;
- Review of Support Services across NSS;
- Leveraging Digital Transformation Investment

NSS's strategic direction, as reflected in the 5 year plan is to:

- Underpin: to provide services that ensure a sustainable and resilient NHS Scotland
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The scope and scale of our ambition will be dictated by the evolving needs of our partners, stakeholders and customers

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The workforce plan shows a slight downward trend of (33.5) WTE over the full planning cycle which is a decrease over the 5 year period of 1%.

The expenditure on temporary and agency staff is still planned in line with recent trends for more specialist skills (IT/Programme Management) as this enables NSS to provide a more flexible response to demand for services.

The change in projection for WTE over the planning cycle responds to anticipated new and increasing demand particularly for Analytics, Information Technology and Programme Management offset by the reduction in Practitioner and Counter Fraud Services due to digital transformation and automation.

Capital

The NSS Formula Allocation for Capital is £3.4m which is the estimated funding available for investment in 2018-19. There are also a couple of specific projects (1) JCC Post Practical Completions Works - £0.6m and (2) National Radiology Shared Services - £0.6m which have slipped from 2017-18 into 2018-19 and SG has agreed to reinstated returned funds next Financial Year. SG has also advised that they have also included provision for the Aberdeen Property Project within their capital plan for 2018-19.

Next steps

- EMT to discuss financial strategy for FY19 and beyond in respect of the current position and requirements of National Boards Collaboration
- Submit draft and final Annual Operational Plan financial submissions following appropriate internal approval by EMT and Performance & Finance Committee.
- Submit draft and final revised NSS Workforce Planning Strategy to appropriate internal NSS Committees for approval.

2 Revenue Position

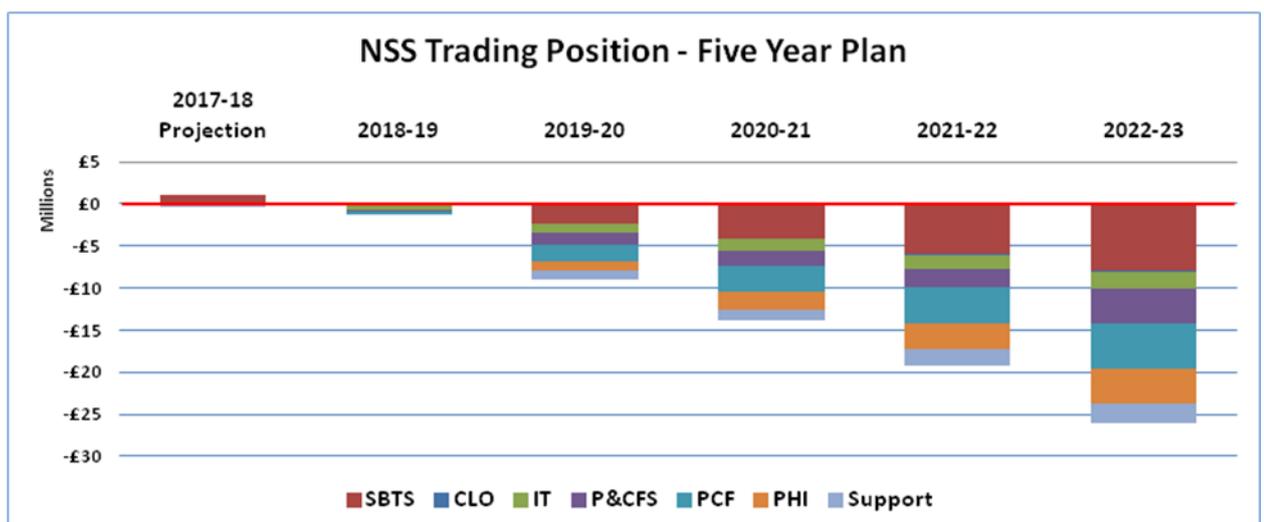
2.1 Summary position from Financial Plans

All SBUs submitted a 5 year financial plan in January 2018 prior to the annual process of review and challenge through the RAM sessions. These plans have been consolidated along with the impact of changes arising from the RAM sessions. The following graphs show the overall trading position by SBU arising from the finance plans across the 5 years.

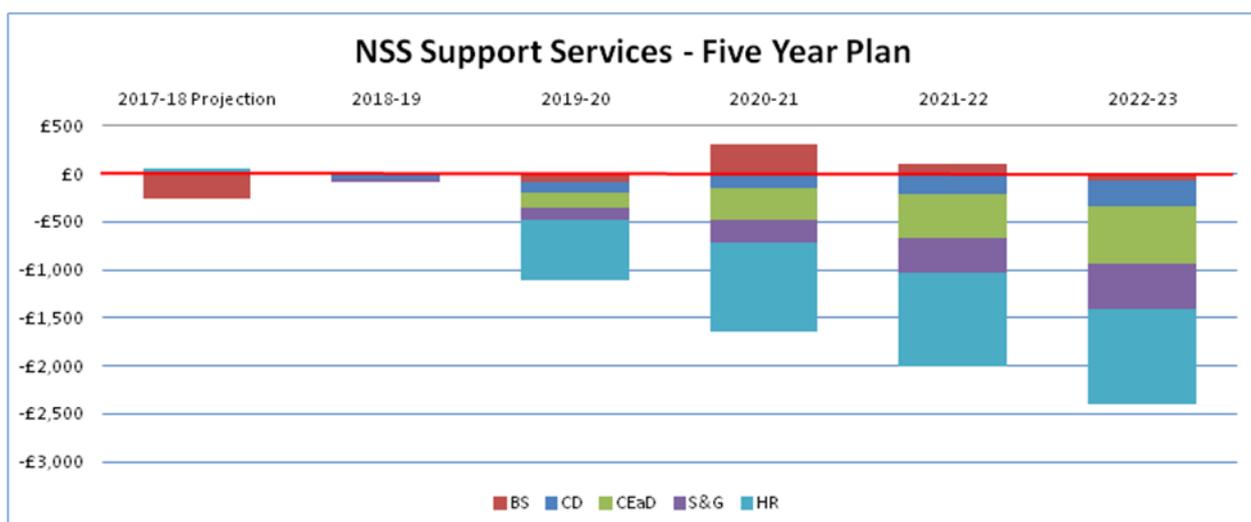
Assumptions included within the plan:

- “Flat Cash” settlement (0% uplift) in all years of the plan (excluding NSD at 1.5%)
- Cash Efficiency return of £5.5m from NSS towards the National Boards £15m target in each year of the Planning Period
- CRES 5% pa applied against SBU baselines
- Pay inflation 2.3% pa (based on SG Pay Policy)
 - o The plan currently assumes additional funding from SG for A4C pay increases > 1% which would equate to c£1.8m
- Provision made for contingency of £1m in each year of the plan

Graph 1



Graph 2



Whilst 2018-19 and 2019-20 look manageable years 3-5 will present a real challenge to breakeven. As a board we must plan to leverage our investments in Digital Transformation and deliver our services differently. Service reform – the new public health body and National Boards collaboration will also be key drivers for change, and a new support services model to respond to these changes will be essential going forward.

Table 1 below presents the overall revenue position over the next five years. Important to note is that developments are planned for year 1 only – the scope and scale service transformation in years 2-5 will be constrained by the availability of resources, and must therefore be targeted at areas which will release revenue for re-investment.

Table 1

	2018/19 £000s	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s
SBU Trading Position	-1,304	-9,095	-13,931	-19,430	-26,526
Reserves	8,767	14,996	21,046	25,648	29,602
Developments	-5,500	tbc	tbc	tbc	tbc
NSS Total	1,963	5,901	7,115	6,218	3,076

Appendix 1 provides a summary of the Income and Expenditure position for FY19 by SBU. Appendix 2 provides an SBU breakdown of the surplus/deficit across the 5 year plan.

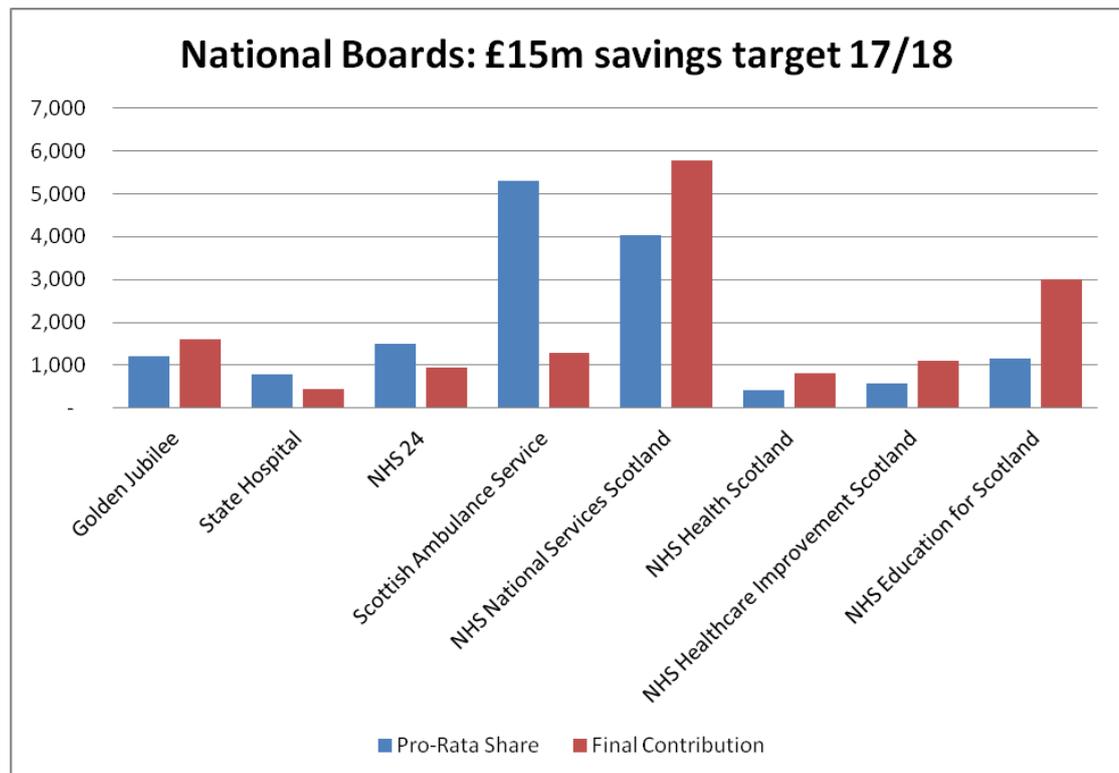
2.2 National Boards Contribution

To encourage collaboration and new ways of working SG has set an additional efficiency target of £15m to be delivered by the National Boards. Programmes of work have been identified to look at new delivery models for support services across the national boards, and it is anticipated that these new models will drive efficiencies on a recurring basis.

The delivery of savings on a recurring basis which can be attributed to this work is limited to date, and individual board contributions towards the £15m target have been agreed – with a greater contribution coming from non-patient facing boards during 2017/18

Graph 3 below shows the contribution made per board in 2017/18 and compares that to the contribution that would be due based purely on a proportionate share of baseline funding.

Graph 3

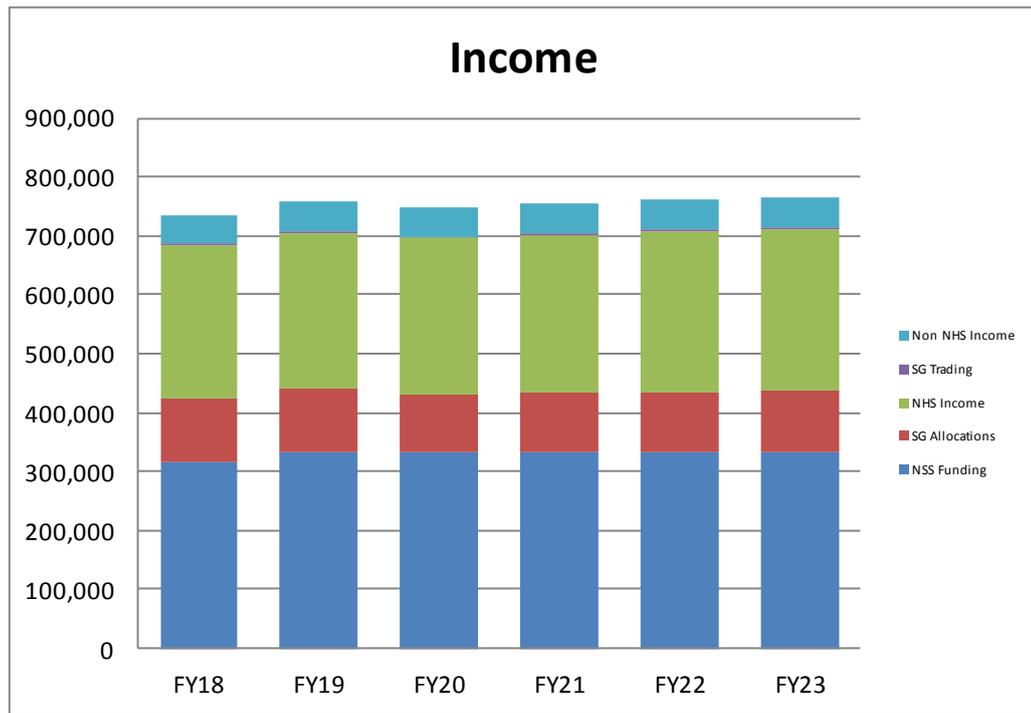


Provision has been made within the plan for a total contribution to National Boards savings from NSS of £5.5m. This compares to our contribution of £5.782m in 17/18, of which £392k relates to a risk share agreement which should flow back to NSS during 2018/19

2.3 Income Analysis

The following graph shows the profile of income levels for NSS from FY18 onwards.

Graph 4



Only 44% (£334.1m) of NSS income is from baseline funding. Income from other sources of 56% (£423.6m) which includes pass through income is less secure.

The SG Allocation reduction in FY20 relates to the completion of CHI/Child Health Programme. The SG allocations then increase between FY21-FY23 as a result of the assumed recurring funding to support the A4C pay award.

Other income increases by 4% (£13.0m) over the planning period due to the expected income growth within PgMS, IT and PHI.

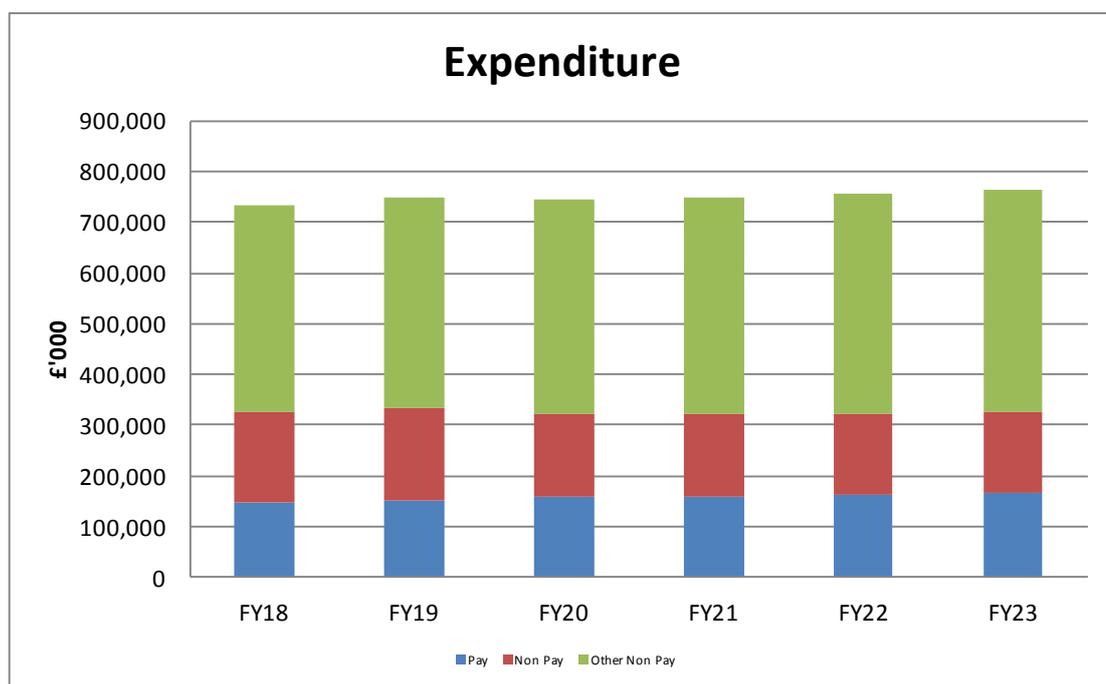
Key Income Assumptions

- The baseline position for FY19 is as advised by Government with 0% uplift to the previous year’s baseline for NSS and 1.5% for NSD.
- The SBU baseline funding is assumed to reduce by 5% p.a. by way of efficiency savings in line with the CRES target.
- Additional funding is currently assumed in the plan for pay increases >1% for A4C staff (c£1.8m)

2.4 Expenditure Analysis

The following graph shows the profile of expenditure levels for NSS from FY18 onwards.

Graph 5



Over the planning period pay costs increase by 8% (£12.8m). This reflects the impact of pay uplifts offset by the reduction in workforce of 33.5WTE.

The non pay costs are expected to reduce by 10% (£18.9m) and other non pay costs to increase by 5% (£19.8m). These movements relate mainly to pass through expenditure.

Key Expenditure assumptions

- The plan includes £1.5m in FY19 rising to £2.3m in FY23 covering the Workforce Resource Team and any associated voluntary redundancies/early retirements as identified in the SBU plans
- A contribution of £5.5m is assumed as cash efficiency towards the National Board CRES target of £15m in each year of the plan
- £1m p.a. has been included by way of a contingency across the 5 years of the plan;

- SG Pay Policy applied:
 - 3% increase for staff earning £30k or less
 - 2% increase for staff earning above £30k (capped at £1,600 for those earning more than £80k)
- Incremental Drift totaling £1.2m.

2.5 Savings Analysis

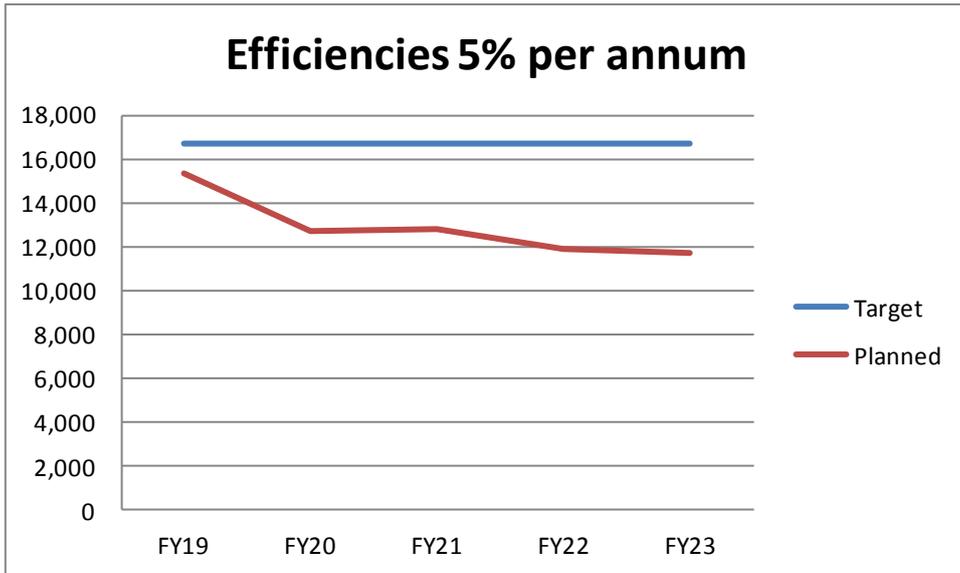
In previous years, all efficiency savings were retained within NSS and utilised for cost pressures and developments. SBUs are expected to manage cost pressures within their overall allocated resources, meeting any resulting deficit through Cash Releasing Efficiencies on a recurring basis. This enables NSS to retain resources centrally to meet in-year pressures and to fund essential developments. The table below highlights the extent of savings required by SBU, as a proportion of baseline, to breakeven.

Table 2

	CLO £000s	IT £000s	P&CFS £000s	PCF £000s	PHI £000s	SNBTS £000s	Support £000s	Total £000s
Baseline	-	16,492	22,822	15,993	18,276	40,039	16,780	130,402
5% CRES	-	868	1,201	842	978	2,107	884	6,880
Cost Pressures								
Pay Increase	200	442	279	540	760	700	381	3,302
Incremental Drift	28	25	26	442	260	145	248	1,174
Non Pay inflation	11	2,100	80	-	-	273	1,216	3,680
CRES relief applied	-	463	-	-	-	-	1,057	1,520
Total Savings Target	239	2,972	1,586	1,824	1,998	3,225	1,672	13,516
As a % of Baseline	n/a	18%	7%	11%	11%	8%	10%	10%

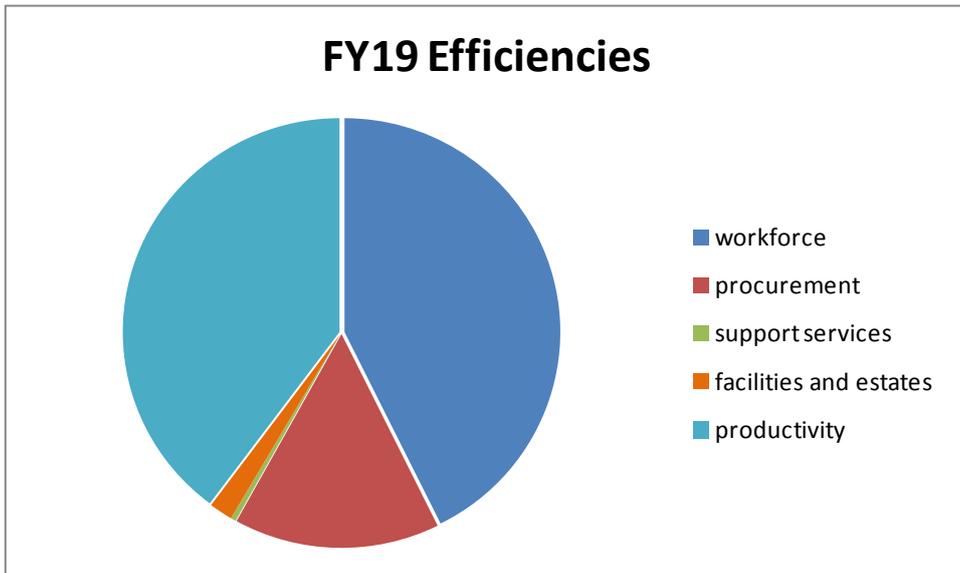
Graph 5 shows the currently identified planned efficiency savings from SBU 5 year plans against the 5% target. There is a shortfall, particularly in the outer years, and this is generating the deficits in SBU's as referred to in Section 2.1.

Graph 5



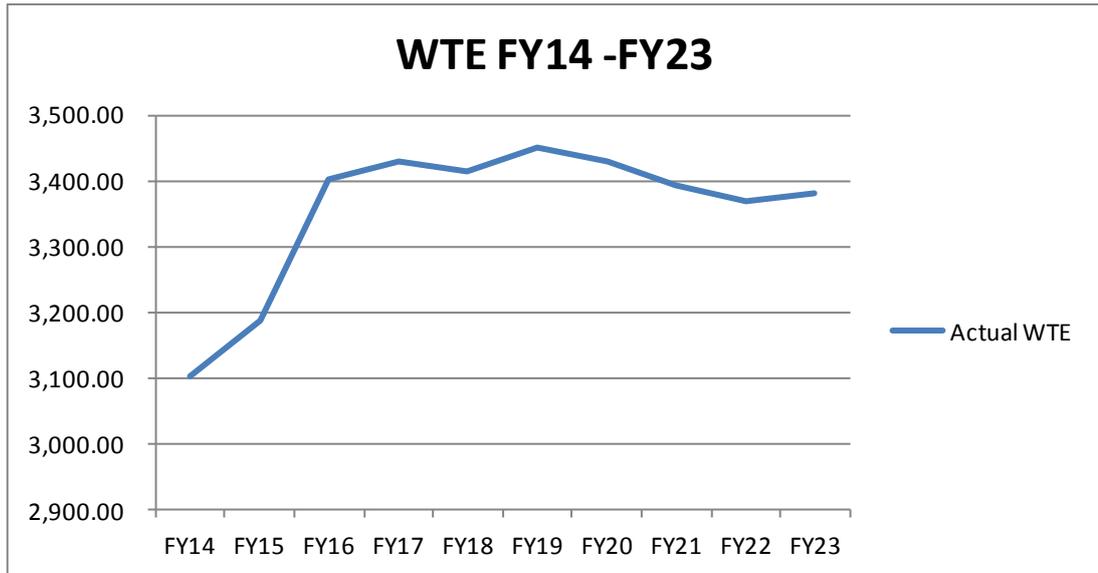
The main categories for identified savings are workforce 43% and productivity 40%. At this stage there is £1.3m of unidentified efficiencies for FY19.

Graph 6



3 Workforce

The forecast WTE based on the SBU workforce plans is shown in the following graph as provided within the consolidated RAM2 submissions.



Over the course of the 5 years within this current workforce plan FY19 to FY23 the WTE is forecast as relatively flat within the SBUs. The overall reduction at the end of the 5 year cycle equates to (- 33.5WTE) or (-1%).

The main movements in WTE over the 5-year period are:

- Practitioner and Counter Fraud Services (P&CFS) will reduce the overall available workforce by 20% due to the increase in automation with digital transformation.
- Business Services (BS) will increase by 20% due to Project and Programme Management services.
- Agency costs mainly relate to IT, PCF and Finance & Business Services with the main driver being 10% year on year increase from PgMS (See Appendix 3)
- The figures presented exclude the planned transfer of PHI staff (approx 700 WTE) to the new Public Health Body

HR will be proactively providing support and influence the development of a workforce plan with SBU SMT's. The aim will be to address three areas:

- Workforce Sustainability
- Workforce Capability
- Workforce Optimisation
- Delivery will be achieved by:
 - The successful delivery of the NSS Workforce Plan for 2018 and beyond;
 - Ensuring effective personal development reviews are in place with an appropriate development plan for all staff;
 - Delivery of a modern approach to recruitment and selection;
 - Develop and implement a staff development programme which will include:

- Development and implementation of an effective Talent Management and Succession Planning model that support the retention and development of skills, knowledge and experience;
 - Line Management Training programme to deliver effective performance management of all staff.
- Workforce Planning 6 step methodology will be applied consistently taking into consideration the business context and future service delivery requirements
 - Enable SBUs to identify appropriate actions that will tackle inequalities to ensure a balanced workforce.
 - Develop and embed good employee relationship practice which enhances the health and well being of staff whilst balancing the interests of employer, employee and their families. It is assumed that the Scottish Government will continue with its mandate of no compulsory redundancy.
 - It is assumed that TUPE will be followed for all staff that may transfer from other employers.

4 Capital

The overall capital position based on the plans submitted by the SBUs is summarised in the following table.

Capital Plan	2018/19 £000s
Capital Allocation : available resources	3,400
Expenditure brought forward from 2017/18	-400
Prioritised Development Requests	4,900
Funding shortfall	-1,100

The NSS Formula Allocation for Capital is £3.4m which is the estimated funding available for investment in 2018-19. There are also a couple of specific projects (1) JCC Post Practical Completions Works - £0.6m and (2) National Radiology Shared Services - £0.6m which have slipped from 2017-18 into 2018-19 and SG has agreed to reinstated returned funds next Financial Year. SG has also advised that they have also included provision for the Aberdeen Property Project within their capital plan for 2018-19.

Prioritised developments include £800k for digital transformation. Further work is required to establish the specific nature of this spend, which in turn will inform any subsequent prioritisation discussions.

5 Risks

5.1 Finance risks

The main financial risks include:

- **Sources of Income:** The share of income received from non Government sources continues to increase particularly income from other Health Boards. In addition income from non NHS sources whilst a small proportion of the overall is expected to grow especially in IT, PHI and BS. These income streams are inherently more risky and dependent on the strength and quality of the service management.
- **Income targets:** Several SBUs, particularly IT, PHI and BS, have varying levels of income targets associated with new business. Failure to meet these targets could result in cost pressures in so much as the associated costs cannot be avoided. However the income targets would appear to be reasonable and will be monitored throughout the year and action will be taken to reduce any cost pressures should targets not be met.
- **Achievement of 5% CRES targets:** There is a high degree of additional challenge across SBU's in demonstrating 5% CRES. There is a risk that areas identified as efficiencies / opportunities do not come to fruition.
- **Limited development funding:** Revenue development requests of £10.7m to support SBU strategic direction have been restricted to £5.5m, due to lack of funding. There is a risk that this will inhibit NSS's ability to deliver its objectives within relevant timescales. However, if potential SG funding for a number of key projects is confirmed, this will allow NSS to invest its projected surplus in FY19.

5.2 Workforce risks

- **NSS Workforce Effectiveness:** There is a risk that NSS is unable to develop and maintain an effective workforce during periods of continual change whilst maintaining business as usual service delivery. Robust workforce planning is in place with clearly defined development plans for staff. Implementation of the agreed Learning and Development Plan across NSS will also support and development and implementation of a staff development programme will be taken forward.
- **Management of Redeployment:** There is a potential risk that the number of staff that are displaced from their substantive posts may increase, and due to individual specialist role or experience the opportunity to secure alternative employment will be challenging. To mitigate this NSS would need to explore options within policy and process, including opportunities for staff to re-train for different roles, to reduce the time staff are on redeployment.
- **Ability to Attract and retain key skills and knowledge:** NSS provides specialist services and expert advice to NHS Scotland and where requested the wider Public Sector including Local Authorities. This has resulted in high levels of specialist skills, knowledge and experience at an individual or very small pool of people within the workforce. This can potentially result in a lack of capacity and resilience particularly in areas of growing and times of peak demand.

Sickness Absence: the target for sickness absence has not been met with a risk that this continues to grow during 2018-19. A group has been established led by HR SBU in

partnership to look at this risk in more detail considering a more robust approach via NSS Policy to management of absence cases, both long and short term, along with training support for managers to effectively manage sickness absence to support the employees back to work at the earliest opportunity.

6 Annual Operational Plan Submission

As part of the Annual Operational Plan (Previously LDP) submissions (draft and final) NSS is required to submit a financial template. The intention is that based on the current figures NSS will submit a plan indicating a break-even position for both revenue and capital.

7 Next Steps

To conclude the Financial and Workforce planning cycle the following next steps have been identified:

- Submit final Annual Operational Plan financial submissions following appropriate internal approval by NSS BOARD.
- Submit draft and final revised NSS Workforce Planning Strategy to appropriate internal approval as required.

Appendix 1 - I&E by SBU for FY19

	CLO	IT	P&CFS	PCF	PHI	SNBTS	BS	CD	CEaD	HR	S&G	RES	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
INCOME													
Board Baseline Allocations	0	16,492	22,822	196,382	18,276	40,039	9,616	817	1,628	3,014	1,705	23,301	334,093
Board Recurring Allocation	0	438	0	751	6	0	0	0	0	46	0	(2,410)	(1,170)
Board Non Recurring Allocation	0	1,066	0	711	1,215	0	2,057	157	0	230	27	(4,251)	1,212
Sg Recurring	0	3,647	0	60,972	0	464	3,458	0	0	0	0	(1,629)	66,912
Sg Earmarked Recurring	0	2,374	6,000	0	979	0	0	0	0	0	0	0	9,354
Sg Non Recurring	0	13,529	144	5,624	9,060	0	3,317	0	0	50	0	100	31,824
Health Board	7,378	55,582	283	187,622	4,526	5,107	2,320	0	0	804	8	0	263,630
Sg Trading	0	0	60	0	8	0	1,413	228	0	46	0	450	2,206
Non Nhs Income	12	982	427	41,354	4,674	1,570	105	2	0	7	1	0	49,135
Total Income	7,391	94,110	29,736	493,416	38,744	47,179	22,286	1,205	1,628	4,197	1,742	15,560	757,195
EXPENDITURE													
Pay	0	0	0	0	0	0	0	0	0	0	0	0	0
Agency	0	1,076	0	721	25	0	200	0	0	0	0	0	2,022
Secondee (NET)	0	0	0	11	1	472	0	55	0	22	0	0	561
Pay	6,903	19,014	16,256	24,558	34,166	33,835	5,572	1,023	1,496	3,229	1,521	2,550	150,123
Total Pay	6,903	20,090	16,256	25,289	34,192	34,307	5,772	1,079	1,496	3,251	1,521	2,550	152,705
Non Pay													
Im&T	37	77,527	135	745	529	110	1,261	25	0	96	66	0	80,532
Medical Costs	0	0	0	41,793	0	8,077	0	0	0	1	0	0	49,871
Office Running Costs	163	661	1,664	242	118	888	25	1	40	8	1	0	3,810
Other Operating Costs	(44)	(6,264)	11,228	3,107	752	1,610	137	42	0	76	23	922	11,588
Personnel Costs	10	0	13	144	20	18	0	0	20	377	1	0	603
Professional Fees	69	751	415	2,893	2,323	236	0	24	23	168	111	70	7,083
Property Costs	2	18	80	4,349	61	275	71	12	0	26	0	(348)	4,548
Publicity & Advertising	0	0	15	6	7	659	71	0	20	0	1	0	778
Staffing Costs	44	218	176	1,427	586	944	2,692	22	0	72	27	60	6,268
Training Costs	71	87	33	88	155	139	12,255	49	28	117	24	0	13,047
Transport	0	0	6	2,367	3	428	1	1	0	5	0	0	2,810
Total Non-Pay	352	72,999	13,766	57,160	4,553	13,384	16,513	176	132	946	254	704	180,938
Capital Charges	54	3,132	20	1,350	0	0	0	0	0	0	0	3,539	8,094
Purchase of Healthcare	0	(1,451)	0	223,843	0	(511)	0	0	0	0	0	0	221,881
Cost of Sales	0	0	0	186,111	0	0	0	0	0	0	0	0	186,111
Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub Total	54	1,681	20	411,304	0	(511)	0	0	0	0	0	3,539	416,086
Total Expenditure	7,309	94,770	30,042	493,753	38,744	47,179	22,286	1,255	1,628	4,197	1,775	6,793	749,730
NET TOTAL	82	(659)	(306)	(337)	0	(0)	0	(50)	0	(0)	(33)	8,767	7,465

Appendix 2 – SBU break-down of surplus/(deficit) for 5 years

	FY18 Forecast	FY19	FY20	FY21	FY22	FY23
Strategic Business Units						
CLO	0	82	(2)	28	(52)	(130)
IT	0	(659)	(989)	(1,319)	(1,649)	(1,978)
P&CFS	0	(306)	(1,478)	(1,844)	(2,238)	(4,231)
PCF	(153)	(337)	(1,915)	(3,117)	(4,249)	(5,381)
PHI	0	0	(1,068)	(2,093)	(3,076)	(4,020)
SNBTS	1,007	(0)	(2,400)	(4,168)	(5,981)	(7,879)
Support Business Units						
BS	(12)	0	(89)	301	101	(77)
CD	0	(50)	(227)	(226)	(284)	(340)
CEaD	20	0	(170)	(323)	(466)	(592)
S&G	0	(33)	(124)	(243)	(361)	(481)
HR	50	(0)	(633)	(929)	(1,176)	(1,416)
RESERVES	22	8,767	14,996	21,046	25,648	29,602
NET TOTAL	934	7,465	5,901	7,115	6,218	3,076

Appendix 3 - NSS Workforce Plan

Workforce Capability, Sustainability & Optimisation						
NSS	FY18 Forecast	FY19	FY20	FY21	FY22	FY23
Workforce Numbers (WTE)	3,336	3,399	3,371	3,325	3,292	3,291
Paybill £000	143,946	150,683	155,457	157,034	159,679	163,401
Agency Staffing (WTE)	78	52	57	67	77	89
Agency Budget £000	4,234	2,022	2,054	2,086	2,118	2,151
% of Agency Staffing (WTE)	2.3%	1.5%	1.7%	2.0%	2.3%	2.6%
Total NSS Workforce Numbers (WTE)	3414	3,451	3,428	3,392	3,369	3,380
Total Paybill £000	148,180	152,705	157,511	159,120	161,797	165,552
% Movement of Total WTE		1.1%	-0.7%	-1.1%	-0.7%	0.3%
% Movement of Total Paybill		3.1%	3.1%	1.0%	1.7%	2.3%

In-Year Comment

The National Boards' Delivery Plan is being finalised (by April 2018) which includes bids for funding for service transformation and shared services.

SNBTS have now started to occupy the Jack Copland Centre.

Work continues to progress around:

- Digital Transformation Programme
- Identifying and forming a proposition on how NSS will deliver shared services to the new Public Health body
- Identifying which staff will move into the new Public health body and the subsequent impacts on NSS of the change

Overall, NSS remains on track to meet its 2017/18 operational and financial targets.

Five-Year Comment

The five-year financial position remains RED and challenging. The environment within Health & Social Care is complex and challenging with many "moving parts".

Collaboration with other National Boards and with the emerging regions must move forwards to support true, transformational change if sustainable long-term efficiencies and improvements are to be delivered. NSS is endeavouring to take a leadership role in this.

The potential move of the majority of PHI into the new public health body raises questions over the long term positioning of NSS. For example, good connections have been developed in some areas of the wider public sector. The NHS in Scotland still requires support to maintain and efficient service and make transformational change.

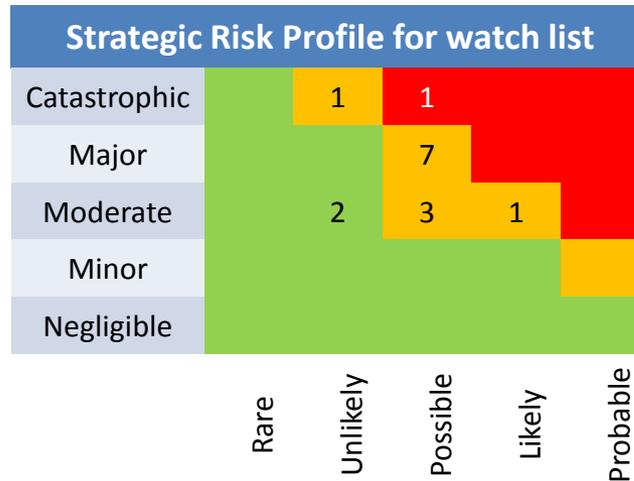
Strategic Overview October 2017

5 Year Horizon

Strategic Position	
Market Position	G
Customer Position	A
Competitive Position	A
Supply Position	A
Health Position	A
Financial Position	R
Environmental Position	A
Staff Position	G 

Strategic Implementation	
Customer at the Heart	A
Improving The Way	G
Service Impact	A
Great Place to Work	G

Strategic Options	
Change of Scope / Market Direction	For Scotland
Change of Scope / Services	Moderate Level of New Services



In Year Overview

Incidents (to date in FY17/18)	
Financial	0
Clinical	0
Info Gov	0
RIDDOR	6
FOI	0
Feedback / Complaints	99% (Aug)
Resilience / Business Continuity	18

FY 17/18 Position	
£	
	
LDP	

Date	Horizon Scanning – Events	Date	Horizon Scanning - Events
May 18	General Data Protection Regulation	Apr 19	Brexit
2021	SG Elections		

Strategic Position (5 Year Horizon)

Health Position	
Healthcare Quality	A
Public Health	A 
V & S	A

Market Position	
PHI	G
SNBTS	G
IT	A
PCFS	G
PCF	A
CLO	G
PgMS	G

Staff Position	
Engagement	G
Turnover	G
Establishment	G
Recruitment	A
Sickness Absence	G
Skills	A

Financial Position	
Revenue Breakdown	R
Capital Breakdown	A
CRES	R

Environmental Position	
Economy	R
Political	A
Regulatory	G 
Labour Market	A
Technology	A
Environment / Sustainability	A

	Legend
	Content with Position
	Work Required
	Concern – Significant Work Required
 	Change in assessment

Competitive Position	
Private Sector	G
Other Public Sector	G 
NHS	A

Supply Position	
IT	A
Supplies & Svces	G
Medicines	A
Agency	G
Blood Supply	G
Data	A

Customer / Stakeholder Position	
NHS	A
IJBs	A
Local Authy	G
NDPBs	G 
SGHD	A
Other SG	R
Professionals	A
Public	A

Strategic Options

(5 Year Horizon)

Change of Scope (Market Sector)	
For Scotland	
Health Plus	X
Health	

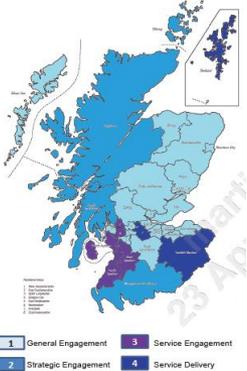
Change of Scope (Services)	
Reinvention	
High Level of New Services	
Moderate Level of New Services	X
Existing Services Only	

Change of Investment	Increase	Maintain	Decrease
PHI		X	
SNBTS			X
IT	X		
PCFS			X
PCF	X		
CLO		X	
HR	X		
Finance		X	
PgMS	X		
Clinical		X	
Strategy & Governance		X	
CEAD		X	

Strategic Implementation

(5 Year Horizon)

Customer at the Heart (Internal View)



- Brand Position
- CRM
- National Collaboration
- Digital Transformation

• Progress:

- Public Bodies ●
- Professionals ●
- Public ●

Improving the Way We Do Things

SNBTS Jack Copland Centre (Transition) ➔

Modernise Blood Collection / Production ➔

Digital Transformation ➔

Aberdeen Property Move ➔

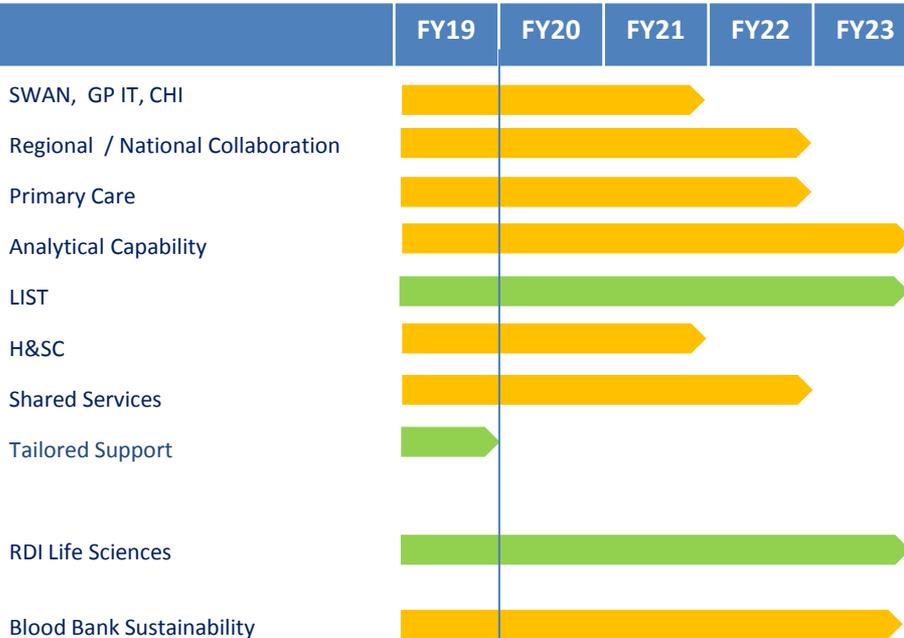
People



Finance

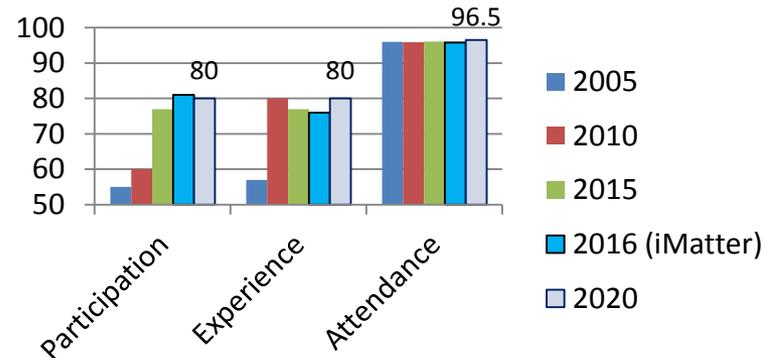


Increase our Services Impact



Great Place to Work

- ❖ Positive Staff Experience ●
- ❖ Healthy, Well & Safe ●
- ❖ Sustainable Workforce ●
- ❖ Staff / iMatter Survey: ●



Strategic Risks (for Board watch list)

Risk	Classification	Magnitude	Strategic Descriptor	Owner	L'hood / Impact	Risk Appetite
4303 4895	Business Reputational	Medium	PACS backup Mitigation: ATOS and Carestream optimising the back-up process PACS IT Replacement Mitigation: Continue live service in parallel with data migration	James Hall (for SG)	3/4	High Medium
4184	Business	Medium	NSS Workforce Effectiveness Mitigation: Implement L & D and Staff Development Plan	Jacqui Jones	4/3	High
2943	Business	Medium	SWAN Failure to Deliver Commercial Value Mitigation: Assessing value for money through continued assessment	James Hall	3/3	High
4129	Business	Low	NSS support to the National Centre Mitigation: NSS IT, Facilities and HR engaged	Paul Milne	2/3	High
3987	Clinical	Medium	Islet Cell Service Mitigation: Develop and evaluate use of Prodogy	Marc Turner	3/4	Low
3474	Business	Medium	Volume of Change Mitigation: Maintain visibility of volume of change at EMT and Board and regular temperature checks.	Martin Bell	3/4	High
4766	Reputational	Medium	Decision Makers Mitigation: Supported stakeholder engagement	Matthew Neilson	3/3	Medium
3394	Business	Medium	P&CFS Bespoke Systems - End of Life & Applications Compliance Mitigation: maintenance plan for current systems and business case for replacements ongoing	David Tomsett	3/4	High
4062	Clinical	Medium	Public Health Microbiology Strategy Mitigation: Steering Group and work plans in place and continued engagement with SG	Mahmood Adil	3/4	Low
4870	Reputational	Medium	EDISON Retiral Mitigation: Establish which Boards require extended access and agree rolling contract extension with ATOS	James Hall	3/3	Medium
4885	Reputational	High	CHI and Child Health Transformation Programmes Mitigation: Tight governance around project and regular stakeholder dialogue	James Hall	3/5	Medium
4561	Reputational	Medium	Brexit Mitigation: Continuous liaison with regulatory bodies/ institutions/ organisations on future implications	Mary Morgan	2/5	Medium
4574	Clinical	Low	Tolerance of clinical risk Mitigation: Enhanced governance around risks with a clinical dimension	Noreen Kent	2/3	Low
1155	Reputational	Medium	IT Security Infrastructure Mitigation: Continued software updates and monitoring backups	James Hall	3/4	Medium

B/18/46

NSS Board Meeting – Friday, 6 April 2018

Finance Report: For the Period to 28 February 2018

Purpose

The purpose of the attached paper is to report on NSS Financial Performance against agreed LDP targets for the period 1 April 2017 to 28 February 2018

Recommendation

The Board is asked note the contents of this report.

Timing

N/A

Background

The Financial Performance of NSS is measured in terms of the achievement of the following key metrics:

- a) Operate effectively and deliver all LDP targets within a balanced revenue budget of £746.079m (Revenue Outturn Breakeven)
- b) Deliver our capital investment programme within a balanced budget of £3.439m (Capital Outturn Breakeven)
- c) Deliver Cash Releasing Efficiency Savings of 5% of baseline on a recurring basis

NSS is on course to meet its financial targets.

NSS Target	RAG rating*	Year to Date	Full Forecast	Year
Revenue outturn	Green	£1.8m surplus	£0.7m surplus	
NSD CRES savings	Green	102%	120%	
NSS CRES savings	Green	93%	100%	
Capital outturn	Green	Breakeven	£0.1m surplus	

Key

Red: Target will not be met

Amber: Uncertainty over whether target will be met

Green: On target

Engagement

This report is based on monthly financial performance reports prepared by Finance following consultation and engagement with SBU directors, who confirm that the position reported reflects fairly the financial performance of their SBU.

Carolyn Low

Director of Finance & Business Services

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Email: carolynlow@nhs.net

NSS BOARD

FINANCE REPORT - For the year to 28th February 2018

1. PERFORMANCE AGAINST LDP FINANCIAL TARGETS

NSS is on course to meet its financial targets within an increasingly challenging environment.

Revenue - NSS is reporting a £1.8m surplus as at the end of February. All but three SBUs are trading ahead of plan.

PCF and BS are reporting deficits arising from unfunded Once for Scotland and internal project costs, whilst P&CFS report a small YTD deficit – the net impact of the previously reported under-recovery of eOphthalmic income.

The most significant variance relates to the £0.8m under spend within the SNBTS arising from a higher level of staff vacancies due to the timing of the move to the JCC.

This favourable trading position has allowed NSS to bring forward some essential developments planned for 2018-19, and prioritised by EMT, into this financial year. It has also allowed NSS to make a contribution of £5.8m towards the National Boards Savings Target which is £1.8m above our pro rata share. As part of this arrangement, NSS agreed to contribute a capital to revenue transfer of £0.2m and to underwrite the remaining £0.4m balance on the basis that any surpluses in other Boards at year end will flow to NSS (proportionately) to mitigate the impact on NSS.

NSS is currently forecasting a £0.7m surplus at year end (excluding additional National Board Savings underwritten) as a result of the delayed transition to the JCC. The impact of the delay means that some staff will not be displaced until next financial year and decommissioning costs for Ellens Glen Road will not be incurred as it is still in operational use. Following discussions with SG, they have confirmed an under spend of up to £0.8m arising from the delayed transition to JCC will be reinstated next year.

Capital – NSS is reporting a YTD and full year surplus of £0.1m. The EMT have approved additional capital investment during the year totalling £1.9m for programmes such as Blood Banking, Radiology, NSD Laboratory Genetic, VC equipment and server replacement for the Gyle Square.

In addition to the previously reported slippage on the Radiology programme and the post practical completion costs for JCC the Gyle courtyard project will not be carried out by the end of March. SG have agreed that the capital funding totalling £1.225m will be reinstated next year.

CRES – NSS is continuing to forecast a slight overachievement of agreed SBU CRES targets. This has improved as a result of further identified non recurring savings within IT. NSD have extended a number of contracts which has resulted in further recurring savings of £3m. Overall NSS will achieve efficiencies of £18.6m (£2m ahead of target) - the main element relating to NSD.

NSS Target	RAG rating*	Year to Date	Full Year Forecast
Revenue outturn	Green	£1.8m surplus	£0.7m surplus
NSD CRES savings	Green	94%	121%
NSS CRES savings	Green	87%	100%
Capital outturn	Green	Breakeven	£0.1m surplus

Key

Red: Target will not be met

Amber: Uncertainty over whether target will be met

Green: On target

2. REVENUE POSITION

At the end of February 2018, NSS is operating ahead of plan. The surplus is £1.6m ahead of budget. The revenue position is summarised below. Major variances are explored in detail in the following paragraphs.

	YTD Budget £000	YTD Actual £000	YTD v Budget £000	FY Forecast £000	CM Budget £000	CM Actual £000	CM v Budget £000
NSS Baseline Allocation	297,538	297,538	0	328,174	28,242	28,242	0
SG Allocation	87,496	87,496	0	101,347	9,276	9,276	0
NHSS Health Board Trading	239,926	238,401	(1,524)	263,455	21,982	20,435	(1,547)
SGHD Trading	1,776	1,527	(249)	1,713	182	25	(157)
Non-NHSS Income	51,114	46,845	(4,269)	51,390	4,722	431	(4,291)
Total Income	677,849	671,807	(6,042)	746,079	64,404	58,408	(5,995)
Pay	137,742	135,049	2,693	148,028	12,617	12,452	165
Non Pay	161,371	160,288	1,082	186,997	17,339	13,140	4,199
Depreciation/Capital Charges	8,024	7,973	51	8,955	751	745	7
Purchase of Healthcare	201,059	201,239	(180)	219,472	18,348	18,396	(48)
Cost Of Sales (Logistics)	169,450	165,448	4,002	181,789	15,275	13,436	1,839
AME	0	0	0	91	0	0	0
Total Expenditure	677,645	669,998	7,647	745,332	64,331	58,169	6,162
Net Surplus/(Deficit)	204	1,809	1,605	747	72	239	167

The forecast position assumes a return of funding relating to slippage on CHI /Child health and GP IT totalling £9.1m - this has still to be agreed and transacted by SG.

a) Income

Income received year to date is £6.0m less than planned. A breakdown of the key variances by SBU is presented in the table below:

	CLO	PCF	IT	P&CFS	CD	CEAD	S&G	BSS	HR	PHI	SNBTS	WRP	Reserves	TOTAL
Health Board	(319)	(1,993)	169	97	(23)	0	0	525	83	(67)	3	0	0	(1,524)
Sg Trading	0	40	0	40	0	0	0	(303)	0	54	0	0	0	(249)
Non Nhs Income	(1)	(2,987)	(109)	(562)	1	(0)	0	(695)	3	(22)	101	0	0	(4,269)
	(320)	(4,940)	60	(425)	(22)	(0)	0	(472)	86	(34)	104	0	(80)	(6,042)

The main variances are:

- **NHSS Health Board Trading income -**
 - **CLO** (£0.3m lower than budget) due to lower than expected levels of activity with NHS Boards. This is offset by increased activity within NSS which is disclosed as a credit within non pay.
 - **PCF** (£2.0m lower than budget) this is due to NDC income lower than target. This is offset by the under spend within non pay (cost of sales).
 - **IT** (£0.2m higher than budget) relates mainly to due diligence work on behalf of NHS 24. This favourable variance is offset by additional costs within non pay.

- **BSS** (£0.2m higher than budget) primarily due to increased demand for PgMS services.
- **Non NHS income -**
 - **PCF** (£3.0m lower than budget) this relates mainly to pass through income for pharmacy rebates which has no impact on the bottom line.
 - **P&CFS** (£0.6m lower than budget) mainly due to the decision between Scottish Government and Optometry Scotland that the service cannot charge for paper processing despite an electronic solution being in place. NSS have agreed to fund this shortfall in year.
 - **BS** (£0.7m lower than budget) this is partially due to the focus on project work with the health boards as discussed above and an ambitious income generation target included in plan. PgMS is actively pursuing alternative funding sources for unfunded projects whilst ensuring that any resource capacity is utilised against funded programmes.
 - **SNBTS** (£0.1m higher than budget) this is as a result of higher level of patient services to third parties.

b) Pay/WTE

Pay is the key driver of the NSS operating surplus, with a net £2.7m under spend and 113.2wte vacancies at the end of February. Pay and WTE variances for the year to date by SBU are detailed in the tables below:

Pay Variances

	CLO	PCF	IT	P&CFS	CD	CEAD	S&G	BSS	HR	PHI	SNBTS	WRP	Reserves	TOTAL
Agency	46	(455)	1	(120)	0	(122)	0	(219)	(28)	(30)	(6)	0	(256)	(1,191)
Seconded Costs	(11)	76	0	0	23	15	(2)	(65)	26	(32)	(130)	0	0	(101)
Pay	231	441	213	852	(33)	172	(2)	508	(13)	150	1,115	320	30	3,985
Total Pay	267	62	214	731	(10)	65	(4)	223	(15)	88	979	320	(226)	2,693

WTE Variances

SBU	M11			Full Year Forecast		
	Budget	Actual	Variance	Budget	Actual	Variance
SNBTS	820.8	795.8	25.0	820.8	791.3	29.5
PHI	700.5	713.2	- 12.7	702.0	714.3	- 12.3
PCF	655.7	636.7	19.0	655.7	634.9	20.7
CLO	113.7	111.5	2.2	113.7	111.8	2.0
IT	345.0	349.0	- 4.0	345.0	352.3	- 7.3
P&CFS	490.7	465.5	25.2	490.7	466.2	24.5
BS	173.1	162.4	10.7	173.1	167.9	5.1
HR	73.9	77.9	- 4.0	73.9	76.9	- 3.0
CD	7.8	7.5	0.3	7.8	7.5	0.3
CEaD	28.3	35.2	- 6.9	28.3	30.5	- 2.2
S&G	37.0	37.4	- 0.4	37.0	36.8	0.2
WRT	42.4	16.3	26.2	42.4	16.3	26.2
Total	3,488.8	3,408.4	80.4	3,490.3	3,406.6	83.7

Staffing levels continue to be actively managed by SBUs and at a corporate level. Some SBUs are using agency staff to provide services in a more flexible way and cover vacancies within agreed establishments.

The main variances are:

- **SNBTS** (£1.0m underspend and 25.0 WTE variance) - this is mainly due to the timing of the move to JCC but recruitment is ongoing to fill all the remaining vacancies.
- **P&CFS** (£0.6m under spend and 25.2 WTE variance) - this is due to the strict management of vacancies to offset the shortfall against GOS income and additional costs relating to the ATOS contract.

c) Non Pay

Non pay variances for the year to date by SBU are detailed in the tables below:-

	CLO	PCF	IT	P&CFS	CD	CEAD	S&G	BSS	HR	PHI	SNBTS	WRP	Reserves	TOTAL
Non Pay	147	787	(273)	(315)	58	10	17	218	98	93	(425)	243	424	1,082
Capital Charges	(0)	19	8	1	0	0	0	(8)	0	0	30	0	0	51
Purchase Of Healthcare	0	(180)	(0)	0	0	0	0	0	0	0	0	0	0	(180)
Cost of Sales	0	3,948	0	0	0	0	0	(1)	0	0	55	0	0	4,002
Total Non Pay	147	4,574	(266)	(314)	58	10	17	209	98	93	(339)	243	424	4,955

The main variances are:

- **CLO** (£0.2m under spend) as reported above this is mainly due to higher than expected activity within NSS.
- **PCF** (£4.6m under spend) as above there is a corresponding under-recovery within income budgets to offset this cost for pass through pharmacy rebates.
- **IT** (£0.3m over spend) as discussed above additional costs relate mainly to the due diligence work for NHS 24 and the extended warranty for IT servers through the Capita contract.
- **P&CFS** (£0.3m over spend) mainly due to additional IT change control costs.
- **SNBTS** (£0.3m over spend) this is due to additional professional fees and maintenance costs as a result of the delayed transition to JCC.

SBU FINANCIAL PERFORMANCE

SBU financial performance is monitored monthly with dashboards highlighting key variances against plan with a supporting narrative are agreed with SBU directors. These dashboards are presented in Appendix 3, and demonstrate how each part of NSS contributes to overall financial performance.

3. MAJOR PROGRAMMES

a) Jack Copland Centre

The table below outlines the current and forecast financial position for the Jack Copland Centre project as at 28th February 2018.

An overall deficit of £0.3m on revenue is due to the delayed transition. A cost pressure of £0.5m has been identified for dual running where existing SNBTS sites must remain

operational longer than originally planned due to the delay. This is partially offset by an under spend on excess travel.

The initial budget assumed that Rates relief for the first year of occupation of new build properties would be applicable to the JCC. It has since been confirmed that this relief does not come into effect until April 2018 resulting in a further cost pressure.

Jack Copland Centre	YTD - P11			FY18		
	Budget	Actual	Variance	Budget	Forecast	Variance
	£	£	£	£	£	£
SNBTS						
Pay Costs	207,242	207,242	0	220,902	217,243	3,659
Professional Fees	139,936	139,936	0	142,640	144,936	(2,296)
Transition costs						
Relocation /Decommissioning	490,712	490,712	0	490,712	490,712	0
Validation	227,096	227,096	0	269,465	381,911	(112,446)
Total Transition Costs	717,808	717,808	0	760,177	872,623	(112,446)
Excess travel costs	226,417	28,522	197,895	247,000	32,917	214,083
FACILITIES MANAGEMENT						
Dual running costs	322,143	636,632	(314,489)	451,000	850,079	(399,079)
Rates (Year 1 relief)	300,000	300,920	(920)	350,000	363,527	(13,527)
Decommissioning costs	0	1,361	(1,361)	150,000	118,894	31,106
OPERATIONAL EQUIPMENT						
Equipping List - IT	56,040	59,538	(3,498)	68,000	71,100	(3,100)
Equipping List - FM	0	5,354	(5,354)	0	5,354	(5,354)
Furniture & Fittings - FM	0	0	0	0	0	0
Total Revenue	1,969,586	2,097,313	(127,727)	2,389,719	2,676,672	(286,953)

b) Digital Transformation

The table below sets out the budget for the year by strategic theme:

Strategic Theme	Lead SBUs	Revised Budget Allocation £000's	Spend to Date £000's	Committed Spend £000's	Projected Variance £000's
Digital Workplace	Corporate / IT	460	49	411	0
Digital Engagement	CEAD / IT	369	58	311	0
Data and Technology	PHI / IT	753	345	408	0
Single Customer View	CEAD	0	0	0	0
Agile	PGMS	133	0	133	0
Digital Delivery	Core Team / SBUs	155	0	155	0
People	HR	40	0	40	0
		1,910	452	1,458	0

The year to date spend against the programme is £0.5m with further spend commitments of £1.5m. Finance has been working closely with the Digital Programme Team to ensure that all orders are been raised and that receipts are processed in a timely fashion when services have been provided. The revised budget reflects the £1.6m approved as part of the plan and a further investment of £0.3m during the year.

c) National IT Programmes

eHealth Project	Projected Actual Expenditure 17/18	National Programme Slippage
GP IT	£0.791m	£3.500m
CHI Child Health	£2.982m	£3.003m

Spend on the CHI Child Health programme is significantly less than planned due to delays in the Proof of Concept and Due Diligence contractual stages. It has taken longer than planned for suppliers to demonstrate effectively that the proposed solution will be able to deliver future service requirements. Consequently, approval of the FBC has been delayed, with a consequent delay in providing notice to suppliers of the implementation start date.

The GP IT slippage is a result of delayed supplier implementation arising from re-procurement programme delays

The GP IT project slippage has been reported to SG eHealth / GP IT Programme Board and the CHI Child Health Programme Board was aware of project slippage (last meeting December 2017 – next meeting on 28th March).

4. EFFICIENCY PROGRAMME

The SG CRES target is set at 5% of the baseline allocation which for NSS is £7.1m and £9.7m for NSD. Performance against the CRES programme is shown in the following table:

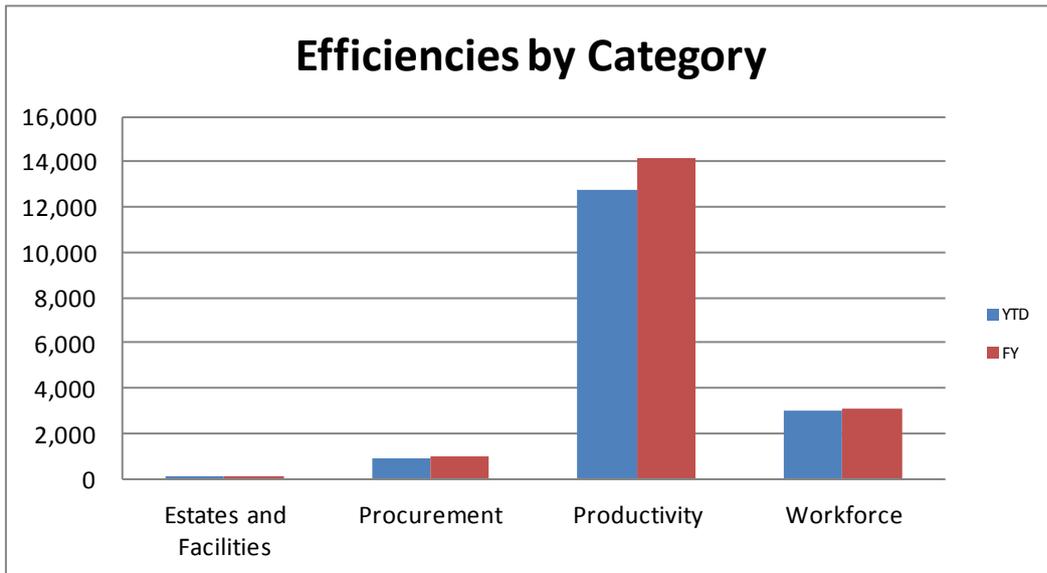
	SNBTS	IT	PCFS	PCF	PHI	Corporate	NSS Total	NSD	LDP
	£000	£000	£000	£000	£000	£000	£000	£000	Efficiencies £000
Baseline	41,635	16,878	24,023	188,637	17,225	39,968	328,366	0	328,366
CRES Target (5% of baseline)	2,082	844	1,201	561	861	2,129	7,678	8,871	16,549
Target Savings to February 2018	2,032	484	1,168	523	1,409	961	6,577	8,151	14,728
Savings to February 2018	2,032	765	1,168	543	1,413	1,190	7,111	9,696	16,807
YTD savings over/(under) achieved against target	1	280	0	20	3	229	534	1,545	2,079
Total savings forecast to March 2018	2,126	834	1,264	644	1,426	1,388	7,683	10,677	18,360
Total savings over/(under) achieved against target	44	(10)	63	83	565	(741)	4	1,806	1,810

At the start of the financial year, 5% efficiencies are applied to baseline and retained for reinvestment. During the financial year, services must demonstrate delivery of this efficiency and break-even against agreed budgets.

NSS are now forecasting £18.4m savings in year, £1.8m ahead of target – almost all of which relates to NSD.

As highlighted above, the identification of efficiencies across SBUs has allowed NSS to make an overall £5.8m cash contribution towards the National Boards Collaboration target of £15m. This includes underwriting the remaining £0.6m balance on the basis that any surpluses from other National Boards will flow to NSS to mitigate the impact.

The chart below provides a breakdown of the local efficiency savings programme by category



5. CAPITAL

The detailed capital programme is shown in Appendix 1 by project.

The main points to note are:

- The full capital allocation has been received.
- The capital allocation includes an agreed return to SG of £1.225m due to slippage on Radiology, JCC post practical completion and Gyle Courtyard projects. This will be reinstated in the next financial year in line with spend.
- £1.2m is transferred to NHS Boards to support the NSD capital plan.
- The current forecast is a surplus of £0.1m. This assumes that £2.3m will be spent against capital programmes in the final month of the year. This is not unusual, there are a number of orders placed for goods and services that will be received in March. SBUs are monitoring the spend closely to ensure we meet our financial target.

6. SUMMARY

NSS is on track to deliver its financial targets in FY18 and the position will be closely monitored to ensure targets are achieved. The projected £0.7m surplus on revenue is a result of the delayed transition to JCC and SG has indicated that NSS will be able to carry forward up to £0.8m of this surplus into 2018-19 when the costs will be incurred. SG discussions are ongoing with regards to the return of National IT programme funding arising from slippage on two major programmes. NSS has agreed to underwrite the balance of the National Boards Savings Target against our projected surplus by £0.6m. This commitment has been made on the basis that any surpluses achieved by other National Boards will flow to NSS at the year end to mitigate the impact. Any shortfall will be made good by National Boards in 18/19.

Carolyn Low
Director of Finance & Business Services
23rd March 2018

Appendix 1 – Capital Programme

SBU	NSS Funded Programmes	Business Cases o/s	LDP Capital Plan £'000	Movement in funding £'000	Revised Programme £'000	YTD Budget £'000	YTD Expenditure £'000	Full Year Expenditure £'000	FY Variance £'000
PHI	CivTech Wallscope	No	110	(10)	100	72	72	100	0
	National Audit System	No	75	0	75	0	0	0	75
	Legacy System Programme	No	120	(120)	0	0	0	0	0
	CivTech Symphonic	No	65	0	65	60	60	65	0
	SCRIS	No	0	276	276	0	0	276	0
	Piper to SPIRE Transition	No	100	(100)	0	0	0	0	0
	Research Ready Data Work	No	100	(100)	0	0	0	0	0
Subtotal	PHI		570	(54)	516	132	132	441	75
PCF	Breast Screening Mobile Trailer Maintenance	No	300	(300)	0	0	0	0	0
	Breast Screening Mobile Equipment Maintenance	No	130	(130)	0	0	0	0	0
	Facilities upgrades / Compressor JCC - transferred to S	No	0	0	0	0	0	0	0
	Gyle Courtyard - GEP Funding - Returned to SG Agree	Yes	0	0	0	0	0	0	0
	Gyle Courtyard - NSS Funding	Yes	0	20	20	0	0	15	5
	General Capital Programme - Transferred to Boards	No	500	(511)	(11)	0	0	0	(11)
	Molecular Genetics - Transferred to Boards	No	300	(300)	0	0	0	0	0
	Deliver Solution for M&E Lighting - Gyle	No	295	0	295	0	0	0	295
	Fire Alarm Replacement	No	57	0	57	0	0	0	57
	Food in hospitals self assessment tool	No	0	64	64	0	0	64	0
Subtotal	PCF		1,582	(1,221)	425	0	0	79	346
IT	IAM	No	150	(150)	0	0	0	0	0
	Resilience Activity SNBTS/NP	No	50	(50)	0	0	0	0	0
	Network Infrastructure	Yes	325	0	325	0	0	325	0
	Data Virtualisation	No	0	585	585	479	479	585	0
	VC	Yes	0	270	270	0	0	270	0
	Network Infrastructure addl expend Jan	Yes	0	206	206	206	206	206	0
Subtotal	IT		525	861	1,386	685	685	1,386	0
SNBTS	National Fleet Replacement	No	350	0	350	25	25	350	0
	National Replacement & Equipment Improvement Pro	No	400	0	400	275	275	400	0
	eProgesa reconfiguration (Semester patch)	No	50	(50)	0	0	0	0	0
	eTraceline (Clinical)	No	200	(200)	0	0	0	0	0
	IT System for Sample Referral & Reporting (NMRU)	No	50	(50)	0	0	0	0	0
	Medussa data migration	No	10	(10)	0	0	0	0	0
	JCC	No	0	163	163	50	50	163	0
	JCC	No	600	(600)	0	0	0	0	0
	Donor Session record Scanning	No	0	42	42	0	0	42	0
	Blood Bank Sustainability (IT)	No	0	150	150	0	0	150	0
Subtotal	SNBTS		1,660	(555)	1,105	350	350	1,105	0
BS	Radiology - Shared Services Programme	No	0	195	195	0	0	133	62
Subtotal	BS		0	195	195	0	0	133	62
RES	unique identifiers		0	13	13	0	0	0	13
	Unallocated capital		613	(829)	(216)	0	0	0	(216)
	JCC Construction Costs		0	0	0	0	0	223	(223)
	Reserves		613	(816)	(203)	0	0	223	(427)
	Total Capital Programme		4,950	(1,590)	3,424	1,168	1,168	3,368	56

Appendix 2 – Efficiency Savings

Efficiency Savings	SBU	RAG	Full Year Targ £000s	Year to Da £000s	Forecast year end outtu £000s
Total savings target per agreed LDP				14,728	16,549
Specialist and Screening efficiencies	PCF	R	1,892	0	0
Additional income for manual form processing of GOS (General Ophthalmic Service)	PCFS	R	500	105	140
Apheresis reduction	SNBTS	R	0	0	0
TOTAL RED EFFICIENCIES			2,392	105	140
Management of Vacancies	PCFS	A	78	273	298
National Centre synergies	SNBTS	A	100	18	24
IIA/Once for NSS	Corporate	A	500	200	300
Savings to be identified by SMT	PCFS	G	0	0	0
Logistics productivity savings	PCF	A	256	161	200
TOTAL AMBER EFFICIENCIES			434	652	822
Specialist and Screening efficiencies	PCF	G	7,000	9,746	10,737
Staff Rationalisation - dis-established posts & associated costs	SNBTS	G	598	764	764
A&I Pay : 11.36 WTE	PHI	G	402	402	402
DM Pay : 9.1 WTE	PHI	G	378	146	146
Vacancies not Filled/reduction of travel costs	PCFS	G	263	263	263
HP Non Pay : Prof Fees, Uncon.Gas & Travax	PHI	G	40	40	40
CKRS Pay : 4.5 WTE	PHI	G	148	148	148
CKRS Non Pay : Rocket maintenance	PHI	G	14	14	14
eSystems Automation (inc termination of QOF charges)	PCFS	G	273	237	258
Moving towards current best practice	Corporate	G	250	229	250
Supply & Demand - Changes	SNBTS	G	250	209	224
DM: Non-recurring Income	PHI	G	0	233	232
Review of support services across NSS	Corporate	G	205	188	205
Collaborative procurement	SNBTS	G	200	579	623
Staff Rationalisation & Restructure - Lean improvements	SNBTS	G	177	177	177
Changes in Service Delivery	SNBTS	G	175	124	145
CLINICAL : Non-recurring Income	PHI	G	169	154	169
Non Pay Savings	Corporate	G	159	145	159
Reduction in GP Stationery & NHS Publications	PCFS	G	150	138	150
Synergies from NSS Business IT. Transfer staff to externally funded services and NSS	IT	G	132	46	50
ePharmacy Contractors	PCFS	G	0	125	125
HP Non Pay : Prof Fees, reduction to GCU contracts	PHI	G	120	120	120
Business Development efficiency	PCF	G	106	106	106
Pay protection reduction	SNBTS	G	100	92	100
NSS portion (including benefit to P & CFS) of National IT Contract (NITC) Atos OA eg up	IT	G	100	121	132
Hosted Only power efficiency & increased transaction volume efficiency from modernisi	IT	G	100	60	100
Vacancies not being replaced	Corporate	G	100	92	100
HP Pay : 1.90 WTE	PHI	G	92	92	92
Non Pay Savings	Corporate	G	89	81	81
Non Pay Savings	Corporate	G	88	73	88
Facilities pay efficiency	PCF	G	85	85	85
Director PCF non pay saving	PCF	G	83	42	83
G&S Rationalisation	SNBTS	G	70	70	70
Additional external income	IT	G	50	448	402
Savings to NSS from collaborative working IT tools such as Office 365	IT	G	50	0	50
Reduce WTE through shared services	Corporate	G	50	46	50
Vacancies not being replaced	Corporate	G	50	46	50
Non Pay Savings	Corporate	G	43	39	43
eLinks data transfer efficiencies	IT	G	0	90	100
1% reduction in property costs	PCF	G	0	90	100
VAT Savings	Corporate	G	0	37	40
CKRS : Non-recurring income	PHI	G	35	35	35
Independent Living Fund (Scotland) - CFS provision of services	PCFS	G	0	28	30
CKRS Non Pay : Library & Printing	PHI	G	11	11	11
A&I Non Pay : Audits Chair Fees	PHI	G	100	10	10
Strategic Sourcing pay efficiency	PCF	G	10	10	10
CKRS Non Pay : Office running costs	PHI	G	9	9	9
Board Pad Licences	PHI	G	0	0	7
Finance - EDM Image Charges	Corporate	G	0	14	15
TOTAL GREEN EFFICIENCIES			12,524	16,050	17,398
TOTAL EFFICIENCIES			15,350	16,807	18,360
Balance (outstanding) / overachieved			7,672	2,079	1,810

Appendix 3 – SBU Performance CLO

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	0	121	↑ 121	#DIV/0!
	Income	7,104	7,498	↑ 394	5.5%
	Total Income	7,104	7,619	↑ 515	7.2%
	Total Pay	6,505	6,834	329	5.1%
	Non Pay	587	785	198	33.8%
	Cost Of Sales / Healthcare	0	0	0	#DIV/0!
	Total Expenditure	7,092	7,619	↑ 527	7.4%
	Net Surplus/(Deficit)	12	0		

STAFFING	WTE
Actual (Mar 17)	111.6
Budget (current period)	113.7
Actual (current period)	111.5
Variance (Current period)	2.2
Movement since Mar 17	↓ 0.0

Active Vacancies	● 0.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	121	121	● 0	121
	Income	7,049	6,729	● (320)	7,114
	Total Income	7,171	6,850	● (320)	7,235
	Total Pay	6,252	5,986	● 267	6,538
	Non Pay	713	566	● 147	697
	Cost Of Sales (Logistics)	0	0	● (0)	0
	Total Expenditure	6,965	6,552	● 413	7,235
	Net Surplus/(Deficit)	206	299	● 93	0

CRES	£000
Target YTD	0
Actual YTD	0
Variance	● 0

CLO is reporting an underspend of £93k at the end of February. This underspend is a result of a £267k pay underspend with an average of 2.5 wte vacancies during the first 11 months. In addition there is also an underspend of £147k across non-pay budgets, some of which are related to spend which will be incurred during March. Given that monthly income targets remain challenging (Health Board recovery below target but NSS recovery above target), the service is still forecasting a year end position of break-even.

IT

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	22,594	30,616	↑ 8,022	35.5%
	Income	56,021	55,897	↓ (124)	-0.2%
	Total Income	78,615	86,513	↑ 7,898	10.0%
	Total Pay	17,971	18,599	628	3.5%
	Non Pay	58,608	69,236	10,628	18.1%
	Cost Of Sales / Healthcare	2,036	(1,321)	(3,357)	-164.9%
	Total Expenditure	78,615	86,513	↑ 7,898	10.0%
	Net Surplus/(Deficit)	0	0		

STAFFING	WTE
Actual (Mar 17)	333.8
Budget (current period)	346.9
Actual (current period)	349.0
Variance (Current period)	-2.1
Movement since Mar 17	↑ 15.2

Active Vacancies	
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	24,768	24,768	● 0	30,616
	Income	49,150	49,210	● 60	56,227
	Total Income	73,917	73,977	● 60	86,843
	Total Pay	16,909	16,695	● 214	18,437
	Non Pay	57,009	57,274	● (266)	68,406
	Cost Of Sales (Logistics)	0	0	● (0)	0
	Total Expenditure	73,917	73,969	● (52)	86,843
	Net Surplus/(Deficit)	0	8	● 8	0

CRES	£000
Target YTD	626
Actual YTD	626
Variance	● 0

The IT SBU is showing a small YTD surplus of £8k and a full year forecast of breakeven on the assumption that SG are able to carryforward £9.1m of revenue funding from CHI/Child Health and GP IT programme slippage. Digital Transformation projects are on target and any additional year end income is forecast to be spent before the end of March 2018.

PCF

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	248,695	262,375	↑ 13,680	5.5%
	Income	212,611	240,254	↑ 27,643	13.0%
	Total Income	461,306	502,629	↑ 41,323	9.0%
	Total Pay	22,180	25,389	3,209	14.5%
	Non Pay	44,118	69,664	25,546	57.9%
	Cost Of Sales / Healthcare	394,904	407,577	12,673	3.2%
	Total Expenditure	461,202	502,629	↑ 41,427	9.0%
	Net Surplus/(Deficit)	105	0		

STAFFING	WTE
Actual (Mar 17)	568.8
Budget (current period)	655.7
Actual (current period)	636.7
Variance (Current period)	19.0
Movement since Mar 17	↑ 67.9

Active Vacancies	
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	238,051	238,051	0	261,481
	Income	217,641	212,701	(4,940)	233,309
	Total Income	455,692	450,752	(4,940)	494,791
	Total Pay	23,111	23,050	62	25,311
	Non Pay	263,143	262,517	626	287,814
	Cost Of Sales (Logistics)	169,438	165,490	3,948	181,819
	Total Expenditure	455,693	451,057	4,636	494,944
	Net Surplus/(Deficit)	(1)	(305)	(304)	(153)

CRES	£000
Target YTD	7,904
Actual YTD	10,239
Variance	2,335

PCF is currently £305k in deficit for the year to date. Unfunded Once for Scotland work, including National Fleet management costs (£350k) and MASNET costs (£102k), are being partly mitigated by non recurring underspends across the SBU. Logistics NDC income is lower than target by £4.8m and forecast £5m behind budget. The year end forecast for PCF of £153k deficit, also includes a projected overspend on dual running costs associated with the delayed JCC entry.

P&CFS

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	28,625	33,757	↑ 5,132	17.9%
	Income	923	970	↑ 47	5.1%
	Total Income	29,548	34,727	↑ 5,179	17.5%
	Total Pay	16,678	16,978	300	1.8%
	Non Pay	12,866	17,749	4,883	38.0%
	Total Expenditure	29,544	34,727	↑ 5,183	17.5%
	Net Surplus/(Deficit)	4	0		

STAFFING	WTE
Actual (Mar 17)	491.6
Budget (current period)	490.7
Actual (current period)	465.5
Variance (Current period)	25.2
Movement since Mar 17	↓ -26.2

		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	28,405	28,405	0	33,757
	Income	1,079	654	(425)	753
	Total Income	29,484	29,059	(425)	34,510
	Total Pay	15,427	14,696	731	16,117
	Non Pay	14,056	14,370	(314)	18,392
	Total Expenditure	29,484	29,066	417	34,510
	Net Surplus/(Deficit)	(0)	(8)	(8)	0

CRES	£000
Target YTD	1,168
Actual YTD	1,168
Variance	0

P&CFS is reporting an overspend position of £8k at the end of February, with the main pressure being an under-recovery of income: £500k income from opticians for charging for paper claims to be processed (instead of using the e-Ophthalmic solution) which has not been achieved due to an agreement between Scottish Government and Optometry Scotland for 2017-18. However, NSS have now provided an additional allocation of £300k funding to help mitigate some of this pressure. In addition to this income from NSS the under recovery of income has also been partially offset by an under spend in pay with the number of current vacancies exceeding the agreed budgeted vacancy factor. The remaining forecasted underspend following the additional allocation has been used to help P&CFS make some progress on planned expenditure that was originally not being progressed due to our forecast financial position earlier in 2017/18. P&CFS are now able to project a breakeven position for Financial Year 2017-18

PHI

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	29,249	31,499	↑ 2,250	7.7%
	Income	5,306	6,341	↑ 1,034	19.5%
	Total Income	34,555	37,840	↑ 3,285	9.5%
	Total Pay	30,375	31,513	1,138	3.7%
	Non Pay	4,215	6,327	2,112	50.1%
	Total Expenditure	34,589	37,840	↑ 3,250	9.4%
	Net Surplus/(Deficit)	(34)	0		

STAFFING	WTE
Actual (Mar 17)	677.6
Budget (current period)	700.5
Actual (current period)	713.2
Variance (Current period)	-12.7
Movement since Mar 17	↑ 35.6

Active Vacancies	● 8.0
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CRES	£000
Target YTD	1,409
Actual YTD	1,413
Variance	● 3

		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	28,547	28,547	● 0	31,499
	Income	5,797	5,763	● (34)	6,341
	Total Income	34,345	34,311	● (34)	37,840
	Total Pay	28,774	28,686	● 88	31,515
	Non Pay	5,571	5,478	● 93	6,325
	Total Expenditure	34,345	34,164	● 180	37,840
	Net Surplus/(Deficit)	(0)	146	● 146	(0)

A balanced year end position remains forecast, the reported surplus should reduce as non-pay expenditure is confirmed. There are no significant variances to report and CRES remains ahead of schedule. Only £200k of SG allocations remain outstanding and all items should be confirmed. Staffing levels have increased to just over establishment levels, further reducing the risk of there being insufficient resource to deliver income projections.

SNBTS

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	47,068	44,585	↓ (2,483)	-5.3%
	Income	8,018	7,973	↓ (45)	-0.6%
	Total Income	55,086	52,558	↓ (2,528)	-4.6%
	Total Pay	35,677	35,974	297	0.8%
	Non Pay	17,654	17,052	(602)	-3.4%
	Cost Of Sales / Healthcare	11	(468)	(479)	-4355.4%
	Total Expenditure	53,342	52,558	↓ (784)	-1.5%
Net Surplus/(Deficit)	1,744	0			

STAFFING	WTE
Actual (Mar 17)	828.7
Budget (current period)	820.8
Actual (current period)	795.8
Variance (Current period)	25.0
Movement since Mar 17	↓ -32.9

Active Vacancies	● 42.3
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	40,345	40,345	● 0	44,585
	Income	7,327	7,431	● 104	8,083
	Total Income	47,673	47,776	● 104	52,668
	Total Pay	33,061	32,082	● 979	34,952
	Non Pay	14,612	14,951	● (339)	16,771
	Cost Of Sales (Logistics)	0	0	● (0)	(30)
	Total Expenditure	47,673	47,033	● 640	51,693
Net Surplus/(Deficit)	(0)	744	● 744	975	

CRES	£000
Target YTD	1,903
Actual YTD	2,032
Variance	● 129

SNBTS has a current underspend of £744k resulting from :

- lower pay costs £979k from continuing vacancies but total gap reduced due to P&T budget taking out the 15 P&T staff from October and 12 of these people are still employed to help with the JCC transition
- lower collections and hence lower medical and transport costs
- Overspends in other operating costs at EGR (£724k) which includes the savings target figures

Forecast position for full year 17-18 is underspend of £9757k resulting from underspend in pay reduced by continuing staff in P&T (budget ended in September), income from Western Isles, HEV funding, transitional costs to JCC including further professional fees being incurred.

BS

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	19,976	16,352	↓ (3,624)	-18.1%
	Income	4,314	3,862	↓ (452)	-10.5%
	Total Income	24,290	20,214	↓ (4,076)	-16.8%
	Total Pay	8,722	6,459	(2,263)	-25.9%
	Non Pay	15,353	13,756	(1,598)	-10.4%
	Total Expenditure	24,075	20,214	↓ (3,861)	-16.0%
	Net Surplus/(Deficit)	215	0		

STAFFING	WTE
Actual (Mar 17)	164.6
Budget (current period)	173.1
Actual (current period)	162.4
Variance (Current period)	10.7
Movement since Mar 17	↓ -2.2

Active Vacancies	4.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	14,815	14,815	0	16,352
	Income	3,543	3,071	(472)	3,406
	Total Income	18,358	17,886	(472)	19,758
	Total Pay	5,898	5,675	223	6,228
	Non Pay	12,460	12,251	209	13,545
	Total Expenditure	18,358	17,926	432	19,773
	Net Surplus/(Deficit)	(0)	(40)	(40)	(15)

CRES	£000
Target YTD	422
Actual YTD	592
Variance	170

Business Services is reporting a year to date over spend of £40k as at the end of Febuary with a small deficit of £15k forecast at year end. The overall position includes a £182k projected pressure within PgMS including £210k Agile Team costs which have been absorbed and have not been recharged to Digital Transformation. This pressure is being offset by an under spend within Facilities Management (Property Costs) although it should be noted that the planned reduction in Meridian Rent through an extension of lease will not be realised in 2018-19.

CD

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	1,611	1,489	↓ (122)	-7.6%
	Income	2	27	↑ 25	1144.6%
	Total Income	1,613	1,516	↓ (97)	-6.0%
	Total Pay	1,465	1,333	(132)	-9.0%
	Non Pay	148	183	35	23.8%
	Cost Of Sales / Healthcare	0	0	0	#DIV/0!
	Total Expenditure	1,613	1,516	↓ (97)	-6.0%
Net Surplus/(Deficit)	0	0			

STAFFING	WTE
Actual (Mar 17)	9.8
Budget (current period)	7.8
Actual (current period)	7.5
Variance (Current period)	0.3
Movement since Mar 17	↓ -2.3

Active Vacancies	0.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	1,377	1,377	0	1,489
	Income	25	3	(22)	3
	Total Income	1,402	1,381	(22)	1,491
	Total Pay	1,238	1,248	(10)	1,287
	Non Pay	164	106	58	194
	Cost Of Sales (Logistics)	0	0	(0)	0
	Total Expenditure	1,402	1,354	48	1,481
	Net Surplus/(Deficit)	0	27	27	10

CRES	£000
Target YTD	39
Actual YTD	39
Variance	0

The Clinical Directorate is reporting an under spend of £27k as at the end of February. This is mainly driven by an underspend across non-pay budgets, however, some spend in this area is expected during March with a year-end surplus forecast of £10k.

CEAD

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	1,923	1,714	↓ (209)	-10.9%
	Income	0	3	↑ 2	639.9%
	Total Income	1,924	1,717	↓ (207)	-10.8%
	Total Pay	1,413	1,480	67	4.8%
	Non Pay	511	236	(274)	-53.7%
	Cost Of Sales / Healthcare	0	0	0	#DIV/0!
	Total Expenditure	1,924	1,717	↓ (207)	-10.8%
	Net Surplus/(Deficit)	0	0		

STAFFING	WTE
Actual (Mar 17)	28.7
Budget (current period)	28.3
Actual (current period)	35.2
Variance (Current period)	-6.9
Movement since Mar 17	↑ 6.5

Active Vacancies	● 3.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	1,571	1,571	● 0	1,714
	Income	2	2	● (0)	35
	Total Income	1,574	1,573	● (0)	1,749
	Total Pay	1,357	1,292	● 65	1,474
	Non Pay	217	206	● 10	189
	Cost Of Sales (Logistics)	0	0	● (0)	0
	Total Expenditure	1,574	1,499	● 75	1,663
	Net Surplus/(Deficit)	0	74	● 74	86

CRES	£000
Target YTD	73
Actual YTD	73
Variance	● 0

CEAD is reporting an underspend of £74k at the end of February mainly driven by a £65k under spend in pay due to vacancies resulting from organisational change. Due to lower than expected activity costs on some initiatives, the forecast position is now an underspend of £86k.

HR

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	3,616	3,503	↓ (113)	-3.1%
	Income	847	857	↑ 10	1.2%
	Total Income	4,463	4,360	↓ (103)	-2.3%
	Total Pay	3,105	3,177	72	2.3%
	Non Pay	1,266	1,183	(83)	-6.5%
	Cost Of Sales / Healthcare	0	0	0	#DIV/0!
	Total Expenditure	4,371	4,360	↓ (11)	-0.2%
	Net Surplus/(Deficit)	92	0		

STAFFING	WTE
Actual (Mar 17)	72.9
Budget (current period)	73.9
Actual (current period)	77.9
Variance (Current period)	-4.0
Movement since Mar 17	↑ 5.0

Active Vacancies	● 0.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	3,189	3,189	● 0	3,503
	Income	786	872	● 86	954
	Total Income	3,975	4,062	● 86	4,457
	Total Pay	2,909	2,924	● (15)	3,184
	Non Pay	1,066	968	● 98	1,223
	Cost Of Sales (Logistics)	0	0	● (0)	0
	Total Expenditure	3,975	3,892	● 83	4,407
	Net Surplus/(Deficit)	0	169	● 169	50

CRES	£000
Target YTD	145
Actual YTD	145
Variance	● 0

HR is reporting a YTD underspend of £169k at the end of February. This is mainly driven by an underspend across non-pay budgets and additional income received from HIS. With spend of non pay budgets expected during March the year-end forecast is a £50k surplus which relates to the Management Development budget, this was originally budgeted for £100k in the current year, but has now been changed to a two year plan with £50k being spent this year and £50k next year.

S&G

FINANCIAL POSITION		Actual 16/17 £000	Budget 17/18 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	1,971	1,864	↓ (107)	-5.4%
	Income	16	3	↓ (13)	-80.2%
	Total Income	1,987	1,867	↓ (120)	-6.0%
	Total Pay	1,581	1,623	42	2.6%
	Non Pay	268	245	(23)	-8.7%
	Cost Of Sales / Healthcare	0	0	0	#DIV/0!
	Total Expenditure	1,849	1,867	↑ 18	1.0%
	Net Surplus/(Deficit)	138	0		

STAFFING	WTE
Actual (Mar 17)	41.1
Budget (current period)	37.0
Actual (current period)	37.4
Variance (Current period)	-0.4
Movement since Mar 17	↓ -3.7

Active Vacancies	● 0.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	1,710	1,710	● 0	1,864
	Income	3	3	● 0	3
	Total Income	1,713	1,713	● 0	1,867
	Total Pay	1,489	1,493	● (4)	1,638
	Non Pay	224	207	● 17	230
	Cost Of Sales (Logistics)	0	0	● (0)	0
	Total Expenditure	1,713	1,700	● 13	1,867
	Net Surplus/(Deficit)	(0)	13	● 13	(0)

CRES	£000
Target YTD	81
Actual YTD	81
Variance	● 0

S&G is reporting a marginal underspend of £13k at the end of February with spend expected during March to bring this back closer to budget.

NSS Board
Friday, 6 April 2018

B/18/47

NSS People Report

Purpose

The purpose of this paper is to inform the Board of the progress against the key workforce targets contained within the NSS Great Place to Work Plan and to summarise the key workforce information as at 28 February 2018.

Recommendation

The Board is asked to note the information contained in the report and the key points for consideration within the summary section below.

Timing

The report covers the month of February 2018.

Summary

In summary, in consideration the positions relating to iMatter, Dignity at Work and the reduction in sickness absence along with all measures against our corporate responsibility indicate that NSS has a positive position in respect to the engagement of its workforce and commitment to staff governance.

Whilst there was a slight increase from January relating to sickness absence, which subsequently decreased in February 18, when compared against previous year's information the overall trend of absence is down.

Areas of concern relate to the number of RIDDORs and Fire Safety Training which specific SBUs are addressing through actions plans locally. In particular Procurement, Commissioning and Facilities (PCF) have established a short life working group to review the effectiveness of vehicle and pedestrian separation controls with a range of options for improvement being considered. In respect to Fire Safety Training, action plans are in place locally to ensure managers take forward the training with their teams.

Great Place to Work Measures

iMatter

NSS is currently reporting Green against the key deliverables required by the Scottish Government and NSS iMatter Project Plan.

There was a request from the EMT for NSS to internally extend team action plan submission to 28 February. This extension was to support all managers identified within the iMatter system and ensure they could continue to submit their team actions. Reminders were sent and there are, as at 12 March, 21 team action plans outstanding in Information Technology, Practitioner and Counter Fraud Services, Procurement, Commissioning and Facilities and SNBTS. The HR Director will discuss with the relevant SBU Director and identify what additional support is required to ensure submission.

Scottish Government Update

The Health and Social Care Staff Experience Report 2017

This is now published and currently being reviewed by the HR Director, iMatter and Dignity at Work Leads to identify how this will be communicated across the organisation.

All Boards are able to access their Dignity at Work Survey Board report, which includes breakdown by NHS Scotland and local authority staff group and socio-demographic group, through the Webropol portal from the publication date. Local iMatter Operational Leads and Dignity at Work Survey Leads will be able to assist with portal access if required.

eESS and iMatter

- A short life working group has been formed, with members from the National eESS Team, Scottish Government, National Education Scotland, Forth Valley, Borders and NSS. This group has been created to identify and pilot an anniversary process developing a link between eESS and iMatter, whereby eESS will populate iMatter data for team confirmation.
- The initial meeting identified that there is a way to link OBIEE (Oracle Business Intelligence Enterprise Edition) reporting from eESS to the iMatter system. The next meeting is scheduled for 15 March 2018.

Health and Safety – RIDDORs

One RIDDOR reportable injury was submitted to the Health and Safety Executive by NSS in January 2018. There are no reportable injuries submitted for February 2018. The accident in January was in Procurement, Commissioning and Facilities (PCF) and is the third warehouse vehicle related accident resulting in a reportable injury in 2017-18.

This accident now brings the total RIDDORs submitted by NSS in 2017-18, to six which is extremely disappointing. The Occupational Health and Safety Advisory Committee will be discussing and taking forward a range of measures to highlight the importance of health and safety across NSS.

The PCF Logistics Director has set up a short life working group to review the effectiveness of current vehicle and pedestrian movement and separation around the warehouse. The group have now met twice and are considering a number of options, including visiting another distribution warehouse in the UK and possibly undertaking some benchmarking work. The group will produce a report on their findings and subsequent recommendations to the PCF SMT on completion of the review.

Sickness Absence

January 2018 saw an increase in a number of aspects of sickness absence with a YTD total of 3.96%. However, February 2018 sickness absence figures continue to show below the 4% target in terms of the end of year forecast at 3.88%. The current monthly total is at 4.18% with a YTD of 3.91% overall.

In terms of SBUs, four SBUs have seen a decrease overall in their sickness absence figures this month with six increasing overall and one showing no movement. Six SBUs have seen rises in relation to short term absence in terms of YTD totals sitting at 1.54% YTD overall. Clinical reports the largest increase with a 0.29% change from January figures however three SBUs report a decrease with two indicating no movement. There has been a decrease

in long term absence overall with a YTD total of 2.37%, a decrease of 0.08% on the January figure. Comparisons against the February 2017 reporting figures show a decrease overall of 0.08% YTD figure which was at 3.99%.

The main reasons for absence shows a decrease in employees off sick with cold/cough/flu – influenza with a reduction of 88 employees when compared to January totals. There has also been a decrease in employees absent with gastro-intestinal problems by 26 showing a monthly total of 65 and those off with chest and respiratory problems has also decreased by 13 employees and is at 22 for February. The largest increases in month are related to other musculoskeletal problems which rose by seven to 26 and pregnancy related disorders which rose by five to seven. However the overall total number of employees off sick decreased from 666 to 519 in February 2018.

The EMT have requested some further work be undertaken in respect to Other Unknown reasons for sickness absence with breakdown information being issued out to each SBU. Work is progressing locally in order to understand this in more detail.

In relation to hours lost to stress and mental health, February 2018 saw an increase in the overall hours lost which shows a figure of 4,966 an increase of 944 hours against the January figure. Support continues to be provided to managers in order to ensure anxiety at work is managed effectively as part of the absence management requirements.

The table below provides the February 2018 breakdown of information.

February Absence Reasons	Count of Employee Number
Cold, cough, flu – influenza	154
Gastro-intestinal problems	65
Anxiety/stress/depression/other psychiatric illnesses	59
Other known causes - not otherwise classified	27
Other musculoskeletal problems	26
Injury, fracture	24
Back problems	22
Chest & respiratory problems	22
Unknown causes/not specified	22
Headache/migraine	18
Ear, nose, throat (ENT)	16
Genitourinary & gynaecological disorders - exclude pregnancy related disorders	14
Benign and malignant tumours, cancers	13
Eye problems	7
Pregnancy related disorders	7
Heart, cardiac & circulatory problems	6
Nervous system disorders - exclude headache, migraine	5
Skin disorders	4
Dental & oral problems	3
Infectious diseases	3
Burns, poisoning, frostbite, hypothermia	1
Endocrine/glandular problems	1
Grand Total	519

Given the recent snow and travel disruption, there has been an increase in the use of Special Leave for the purpose of winter weather. Information is being collated to understand the amount of time lost during this period and will be reported in next month's report to the EMT.

Workforce Capability, Sustainability and Optimisation

Staff Turnover and Leavers

The YTD and end of year forecast are both above the target set however there are no concerns being raised in respect to this levels during January and February.

Recruitment

There are currently 137 active recruitment posts at various stages in the process. This is a slight increase on last period, however still in line with what would be expected for this time of year. In the month of February 2018, 42 new posts were approved for advertising, 36 of which were band 5 and above.

HR is currently working closely with the business to map out plans for recruitment activity in the next financial year. These are specifically aimed at increasing the number of young people and people with a disability in the organisation. As well as supporting the business with solutions for difficult to recruit posts, HR have also been scoping out opportunities for collaboration between the National Boards in relation to recruitment projects and activity.

Key Workforce Data

Mandatory & Statutory Training

January and February 2018 show an increase in all three elements of mandatory and statutory training with Fire Safety Awareness showing an increase against the January total of 2% now at 58% completion rate. Work will be required during March to ensure all targets are met.

Agency Spend

Whilst the overall NSS forecast is to end the year above target, this will still be within the overall staffing budget.

Case Management Activity

There was a 45% reduction in formal cases logged with HR Services in February compared to January. Absence awareness sessions have now taken place in all SBUs, which could be attributed to the reduction of sickness absence cases being logged with HR Services. Managers now fully understand their roles and responsibilities when managing sickness absence and recognise that not all cases of sickness absence need to be logged formally with HR Services.

Absence management continues to be the main focus of case management with 85% of current cases being supported through the policy framework of Promoting Attendance and Management of Capability. Management of Employee Conduct accounts for 12.5% of current cases with the remainder 3.5% relating to ongoing Grievance and Dependency cases.

No cases were progressed to dismissal and no new bullying and harassment cases were raised in February.

Corporate Responsibility

NSS have achieved their Corporate Responsibility targets. In particular the number of applicants appointed who have a disability, which exceeds the target with a year to date figure of 20 against a target of six. This is as a result of the work of the Recruitment Team in attracting candidates who have a disability and having effective processes in place which ensure that those candidates who meet the minimum criteria of the post are supported through the interview process.

Also the overall culture of NSS which is generally supportive of disabled employees is making us an attractive organisation to work for.

In respect of increasing the recruitment of young people (defined as 25 and under) this is also positive with a year to date figure of 65 against a target of 46. HR will continue working with SBUs and developing the Candidate Attraction Strategy in order to maximise the opportunities presented by the diverse range of roles and working environments across NSS.

Jacqui Jones
Director of HR and Workforce Development
March 2018

NSS People Dashboard February 2018

Great Place to Work Measures

	Target	Current Month	YTD	Forecast	RAG	Progress
Riddors	<4	0	6	7	●	↓
Accident Incident Rate	<30.42	1.29	30.78	33.58	●	↓
Sickness Absence Total (%)	4.00	4.18	3.91	3.88	●	↓
Long Term Total (%)	N/A	1.74	2.37	2.32	●	↑
Short Term Total (%)	N/A	2.44	1.54	1.56	●	↓
Hours Lost (Stress & MH)	63,291	4966	57680	63,894	●	↑

Workforce Capability, Sustainability & Optimisation

	Target	Current Month	YTD	Forecast	RAG	Progress
Staff Turnover (%)	7.00	0.35	8.32	8.92	●	↓
Workforce Numbers (WTE)	3482.48	3320.38	3288.05	3322.54	●	↑
Paybill £	£147.56 M	£12.084 M	£131.187 M	£143.648 M	●	↑
Agency expenditure £	£3.146 M	£0.368 M	£3.862 M	£4.38 M	●	↓
Agency (WTE)	61.53	88.04	90.30	88.62	●	↑
% of Agency (WTE)	1.77%	2.65%	2.75%	2.67%	●	↓
No. Leavers	242	13	311	326	●	↓

Key Workforce Data

	Target	Current Position	Progress
Mandatory Training 3 YR Ave (%)	100	90	↑
Mandatory Training 2 YR Ave (%)	100	89	↑
Statutory Training 2 Years (%)	100	58	↑

Case Management Activity

	2016-17	Current Month	YTD	Forecast	Progress
Cases – Informal	202	9	169	177	↓
Cases – Formal	175	3	141	148	↓
Total Managed Cases	377	12	310	325	↓
Active Cases	N/A	165	N/A	N/A	↑

No. Formal B&H	1	0	0	0	↔
No. Discrimination cases	1	0	0	0	↔

Recruitment

	Target	Current Month	YTD
Active Vacancies		137	N/A
Authorised Recruitment		35	394
Posts Filled		32	522
Vacancy Factor			

People Report Guidance

RIDDORS	Please see link below for information on riddor definition and types of work related injuries: http://www.hse.gov.uk/riddor/reportable-incidents.htm
Data Source	Healthy Working Lives Team
Target	Less than 4 is the overall measure agreed by NSS, there is not an individual SBU target
Mth	Any new recordings for the month specified
YTD	Total of recordings for the financial year to date period
Forecast	Forecast is a year end predicted value which has been calculated using a trend formula based on existing values from the range of data for a rolling period of 24 mths.
RAG	The RAG status is used to highlight the overall risk to the organisation/SBU. The RAG status within the People report is calculated by comparing the predicted value against the target value. Each measure on the system has a 'Target', 'Level of tolerance' and a forecast value. The RAG status for riddors is calculated on the tolerance noted below.
Tolerance Level	Green =1 Amber =2 Red =3+
Progress	This will indicate the the progress of the current month in comparison to the previous month using the following levels: ⇔ No change ↓ Reduction ↑ Increase

Accident Rate	Accident Incidence Rates are used to benchmark against national accident statistics and measure health and safety performance with other workplaces, particularly those in similar industries. They also provide a useful measuring tool to compare against our own previous quarterly or annual figures, and the means by which to set our own targets. The rate is calculated by multiplying the amount of work related injuries sustained over an agreed period by a common multiplier (which in NSS's case is 1000) and then dividing that figure by the average number of staff employed over that agreed period. This gives you the number of work related injuries per 1000 employees known as the Accident Incidence Rate.
Data Source	Healthy Working Lives Team
Target	Less than 30.42% overall for NSS
Mth	Any new recordings for the month specified
YTD	Total of recordings for the financial year to date period
Forecast	As this is a new measure we do not currently have retrospective data to forecast upon and therefore this has been calculated using an average projection based on the current financial year
RAG	The RAG status is used to highlight the overall risk to the organisation/SBU. The RAG status within the people report is calculated by comparing the predicted value against the target value. Each measure on the system has a 'Target', 'Level of tolerance' and a forecast value. The tolerance rate is set at 10% above the target depending on the measure. This will determine the RAG status. e.g The target for NSS is 30.42, 10% of this would equate to 3.04%, therefore Red = more than 33.46 Amber = 30.43 - 33.46 Green = less than 30.43
Tolerance Level	10% above the target
Progress	This will indicate the the progress of the current month in comparison to the previous month using the following levels: ⇔ No change ↓ Reduction ↑ Increase

Sickness Absence	Sickness Absence Rate % and Hours Lost
Data Source	eESS
Target	Less than 4% is the overall measure agreed by NSS, each SBU's have set individual targets which we have sourced from DST. If there is no measure in DST we will default to the NSS target
Mth	Any new recordings for the month specified
YTD	Total of recordings for the financial year to date period
Forecast	Forecast is a year end predicted value which has been calculated using a trend formula based on existing values from the range of data for a rolling period of 24 mths.
RAG	<p>The RAG status is used to highlight the overall risk to the organisation/SBU.</p> <p>The RAG status within the People report is calculated by comparing the predicted value against the target value.</p> <p>Each measure on the system has a 'Target', 'Level of tolerance' and a forecast value. The tolerance rate is set at 10% above the target depending on the measure. This will determine the RAG status. e.g The target for NSS is 4%, 10% of this would equate to 0.4%, therefore Red = more than 4.4% Amber = 4% - 4.4% Green = less than 4%</p>
Tolerance Level	10% above the target
Progress	<p>This will indicate the the progress of the current month in comparison to the previous month using the following levels:</p> <p>↔ No change ↓ Reduction ↑ Increase</p>

Turnover	Turnover rate %
Data Source	eESS
Target	Target for NSS is 7%, each SBU's have set individual targets which we have sourced from DST. If there is no measure in DST we will default to the NSS target
Mth	Any new recordings for the month specified
YTD	Total of recordings for the financial year to date period
Forecast	Forecast is a year end predicted value which has been calculated using a trend formula based on existing values from the range of data for a rolling period of 24 mths.
RAG	<p>The RAG status is used to highlight the overall risk to the organisation/SBU.</p> <p>The RAG status within the People report is calculated by comparing the predicted value against the target value.</p> <p>Each measure on the system has a 'Target', 'Level of tolerance' and a forecast value. The tolerance rate is set at 10% above the target depending on the measure. This will determine the RAG status. e.g The target for NSS is 7%, 10% of this would equate to 0.7%, therefore Red = more than 7.7% Amber = 7% - 7.7% Green = less than 7%</p>
Tolerance Level	10% above the target
Progress	<p>This will indicate the the progress of the current month in comparison to the previous month using the following levels:</p> <p>↔ No change ↓ Reduction ↑ Increase</p>

Leavers	Number of Leavers
Data Source	eESS
Target	There is no target set for the number of leavers. We measure the current year to the previous year.
Mth	Any new recordings for the month specified
YTD	Total of recordings for the financial year to date period
Forecast	Forecast is a year end predicted value which has been calculated using a trend formula based on existing values from the range of data for a rolling period of 24 mths.
RAG	<p>The RAG status is used to highlight the overall risk to the organisation/SBU.</p> <p>The RAG status within the People report is calculated by comparing the predicted value against the target value.</p> <p>Leavers do not hold a specific target, we measure the current year on previous year total. The tolerance rate is set at 10% above the target depending on the measure. This will determine the RAG status. e.g Last year total number of leavers for NSS was 242, 10% of this would equate to 24, therefore the RAG calculation for NSS is indicated below: Red = more than 266 Amber =242 - 266 Green = less than 242</p>
Tolerance Level	10% above the target
Progress	<p>This will indicate the the progress of the current month in comparisson to the previous month using the following levels:</p> <p>↔ No change ↓ Reduction ↑ Increase</p>

Mandatory Training	<p>Mandatory training is required to be completed by all staff within the current reporting cycle, at the insistance of NSS and as result of the Scottish Government Directive. I have noted the training cycles below:</p> <p>2 Year Compliance Safe Information Handling Equality & Diversity</p> <p>3 Year Compliance Health & Safety Induction Risk & Resilience Freedom of Information Manual Handling Passport Counter Fraud Awareness</p>
Data Source	Learnpro
Target - Target is currently under review	100% of training completed for all staff
Current Position	The overall training compliance % is calculated using the number of successful completions for each module divided by the total headcount for the SBU to produce a %. This is then calculated into an average based on the number of courses within the 2 or 3 year cycle.
Forecast	Forecast is a year end predicted value which has been calculated using a forecast formula based on existing values and rate of increase, from the range of data for a rolling period of 24 or 36 mths as equivalent.
RAG	<p>The RAG status is used to highlight the overall risk to the organisation/SBU.</p> <p>The RAG status within the people report is calculated by comparing the predicted value against the target value. Each measure on the system has a 'Target', 'Level of tolerance' and a forecast value. The tolerance rate is set at 20% below the target depending on the measure. This will determine the RAG status. e.g The target for NSS is 100%, 20% of 100% would equate to 20%, therefore the RAG for NSS is indicated below:</p> <p>Red = Less than 80% Amber = between 80-89% Green = More than 90%</p>
Tolerance Level	20% below the target
Progress	<p>This will indicate the the progress of the current month in comparisson to the previous month using the following levels:</p> <p>↔ No change ↓ Reduction ↑ Increase</p>

Statutory Training	Statutory Training Compliance - Awaiting Narrative
Data Source	Business Services - Fire safety team
Target	100% of training completed for all staff
Current Position	The current position is calculated will have a total number of passes, this is then divided by the total headcount for SBU to produce the %
Forecast	As this is a new cycle we do not currently have retrospective data to forecast upon and therefore this has been calculated using an average projection based on the current financial year
RAG	The RAG status is used to highlight the overall risk to the organisation/SBU. The RAG status within the people report is calculated by comparing the predicted value against the target value.
Tolerance Level	No tolerance
Progress	This will indicate the the progress of the current month in comparrison to the previous month using the following levels: ⇔ No change ⇓ Reduction ⇑ Increase

Case Management	Number of new cases and current active cases
Data Source	eESS
Target	There is no target set for the number of leavers. We measure the current year to the previous year.
Mth	Any new cases for the month specified
YTD	Total number of cases for the financial year to date period
Forecast	Forecast is a year end predicted value which has been calculated using a trend formula based on existing values from the range of data for a rolling period of 24 mths.
RAG	We have removed the RAG calculation for cases as we do not feel that this is beneficial.
Progress	This will indicate the the progress of the current month in comparrison to the previous month using the following levels: ⇔ No change ⇓ Reduction ⇑ Increase

Corporate Responsibility	Number of new staff within the age category of under 25. New staff who have declared a disability
Data Source	eESS
Target	NSS Target for under 25 is equal to 46 NSS Target for disability is equal to 6
Mth	Any new recordings for the month specified
YTD	Total of recordings for the financial year to date period
Forecast	Forecast is a year end predicted value which has been calculated using a trend formula based on existing values from the range of data for a rolling period of 24 mths.
RAG	The RAG status is used to highlight the overall risk to the organisation/SBU. The RAG status within the people report is calculated by comparing the predicted value against the target value. Corporate responsibility has a target for NSS overall, however not target has been set at SBU Level, for SBU level we measure the RAG by comparing current year to the previous year total. The tolerance rate is set at 10% below the target. This will determine the RAG status. e.g The target for NSS for the under 25 category is 46, 10% of this would equate to 4.6, rounding to 5 therefore the RAG measure for NSS is indicated below: Red = less than 40 Amber =40 - 45 Green = more than 45
Tolerance Level	10% below the target
Progress	This will indicate the the progress of the current month in comparrison to the previous month using the following levels: ⇔ No change ⇓ Reduction ⇑ Increase

Paybill/Agency Spend/ WTE	The number of WTE. Paybill Buget and Current month YTD position
Data Source	Finance Department
Target	The targets are provided by the Finance Department
Mth	Any new recordings for the month specified
YTD	Total of recordings for the financial year to date period
Forecast	Forecast is a year end predicted value which has been calculated by Finance Department.
RAG	The RAG status is used to highlight the overall risk to the organisation/SBU. The RAG status within the Financial Information is calculated by comparing the predicted value against the target value. Currently there is no tolerance set for the financial extract.
Tolerance Level	No Tolerance

Progress	This will indicate the the progress of the current month in comparrison to the previous month using the following levels: ⇔ No change ↓ Reduction ↑ Increase
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B/18/48

NSS Formal Board Meeting – Friday, 6 April 2018

Risk Management Update

Purpose

To present the Board with the biannual risk management update in line with the reporting requirements set out in the NSS Integrated Risk Management Approach (IRMA) for review and comment.

Recommendation

The Board is asked to note the risk profile for the organisation, the current key risks being addressed and the improvements we have made to our risk management approach, and to consider the suggested amendments to the list of strategic risks.

The Board are also asked to challenge the report should there be areas of concern to Members that are not highlighted or explained within the report.

Timing

There are no time constraints associated with this paper.

Background

The attached paper outlines the current level of risk faced by NSS and developments in our risk management processes. Key points to note are:

1. Risks are being managed appropriately by risk owners;
2. As at 28 February 2018 there was one Red risk;
3. The progress to address the wider actions identified following the publication of the HIS review of the Breast Screening Programme;
4. Our Red and new Amber risks have been reviewed and challenged according to IRMA guidance;
5. Work continues to further develop the Risk Management Tool;
6. The Risk and Resilience eLearning training awareness module has been completed by 85% of our staff. This mandatory training is completed on a rolling three yearly basis; and
7. Our risk scoring matrix, likelihood and impact descriptions are provided at Appendix 3 for reference.

Engagement

The Board Sub-Committees, the EMT, SBU senior management teams, Risk Champions and staff are all involved with risk management across the organisation as they support the delivery of our services and strategic objectives.

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Risk Manager Lead

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RISK MANAGEMENT UPDATE

1. NSS Risk Register

1.1 Summary

The risk management update is presented to formal Board meetings twice a year in line with the NSS Integrated Risk Management Approach (IRMA).

NSS management groups and Board Sub-Committees have reviewed the corporate NSS risks (Red and new Amber) by risk category - Business, Staff, Clinical and Reputational on a regular basis. Information Governance risks have also been reviewed on a regular basis within the period.

The EMT has reviewed and challenged the corporate risks on the NSS Risk Register (Red and new Amber risks) monthly during the period, through the online Decision Support Tool. The Board and Sub-Committees have also reviewed their strategic risks regularly, ensuring these are up to date and in line with current strategic thinking. Risks have then been updated by risk owners to reflect the comments received by the Board and EMT.

The table below summarises the movements since the last report to the Board in November 2017. This covers the period 30 September 2017 to 28 February 2018.

Risk Rating	Sept '17 No of risks	Movements				Feb '18 No of risks
		New risks	Closed risks	Transfers in	Transfers out	
HIGH	6	2	0	0	(7)	1
MEDIUM	71	10	(11)	9	(11)	68
LOW	43	3	(9)	10	0	47
Total	120	15	(20)	19	(18)	116

As at 28 February 2018 there were 116 risks held on the NSS Risk Register, a net decrease of four in the period. While a number of new risks were identified they have been managed effectively, closed or mitigated down to an Amber or Green risk rating.

A summary of the Corporate Red risk on the NSS Risk Register as at 28 February 2018 is provided in Appendix 1. In summary:

- Our overall exposure to corporate Red risks has decreased from six to one in the period.
- Two new red risks were raised, 4885 CHI and Child Health Transformation Programmes and 4868 JCC Supplemental Agreement. Risk 4868 crystallised into an issue and following signing of the Post Practical Completion Supplemental Agreement on 8 March 2018 this issue has now been closed. Risk 4885 continues to be managed as a Red risk.
- Risk 4574 Tolerance of Clinical Risk has been mitigated from Red to Green as a number of the mitigating actions have been completed.

- Five Red risks have been mitigated from Red to Amber, 4062 Public Health Microbiology, 2136 Scottish Electro Convulsive Therapy Accreditation Network (SEAN) database failure, 4460 Risk around Emergency Care Summary (ECS) Functionality, 3882 Health Protection Website and Risk 4535 Single Cleft Surgical Service.

A reference guide to the Health Impact scores is provided at Appendix 2 and our risk scoring matrix, likelihood descriptions and impact descriptions have been provided at Appendix 3.

1.2 Risks by Category

The corporate risks on the NSS Risk Register as at 28 February 2018 are summarised below by Risk Category.

Risk Rating	Risk Category				Sept '17 No. of Risks	% of total
	Business	Staff	Clinical	Reputational		
HIGH	0	0	0	1	1	1%
MEDIUM	37	1	7	23	68	59%
LOW	24	1	10	12	47	40%
Total	61	2	17	36	116	100%
<i>Total Sept'17</i>	63	5	19	33	120	

The number of risks in Business, Staff and Clinical categories has decreased in the period with the number of Reputational risks increasing.

1.3 Risk Profile

The current risk profile for NSS corporate risks is shown below. This is also available on the Decision Support Tool as a basis for risk reviews by the EMT and our Strategic, Support Business Units (SBUs) and Directorates.

Impact		Score	Likelihood					Total	Sept '17
			Rare	Unlikely	Possible	Likely	Almost Certain		
			1	2	3	4	5		
Impact	Catastrophic	5	0	6	1	0	0	7	8
	Major	4	0	18	26	0	0	44	52
	Moderate	3	0	17	24	12	0	53	44
	Minor	2	1	2	6	3	0	12	16
	Negligible	1	0	0	0	0	0	0	0
Total			1	43	57	15	0	116	
<i>Sept '17</i>			2	37	62	18	1		120

The changes to our risk profile (increase or decrease in number of risks) in the period from 30 September 2017 to 28 February 2018 are summarised in the heat map below.

		Score	Likelihood					Total Change
			Rare	Unlikely	Possible	Likely	Almost Certain	
			1	2	3	4	5	
Impact	Catastrophic	5	0	(1)	0	0	0	(1)
	Major	4	0	4	(8)	(4)	0	(8)
	Moderate	3	0	4	5	1	(1)	9
	Minor	2	(1)	(1)	(2)	0	0	(4)
	Negligible	1	0	0	0	0	0	0
Total change			(1)	6	(5)	(3)	(1)	(4)

Key points to note from the above heat maps are:

- Risks have reduced in Red and Amber rating categories.
- In terms of likelihood no Red risks have been classified as “Almost Certain”.
- In terms of impact Risk 4885 CHI and Child Health Transformation Programmes has been classified as “Catastrophic”.

2. Risk Challenge & Review

The individual risk categories (Business, Staff, Clinical and Reputational) have been reported to and challenged by the appropriate NSS Committees in the period. The most recent reviews are as follows:

- Business risks - Performance & Finance Committee on 23 February 2018;
- Staff risks - Staff Governance Committee on 16 February 2018;
- Reputational risks – Audit & Risk Committee on 28 March 2018; and
- Clinical risks - Clinical Governance Committee on 22 March 2018.

Information Governance risks across all of the above categories were also reviewed during the period with the most recent Information Governance Committee meeting held on 25 January 2018. The Information Governance Group continues to review fully all risks with an information governance impact.

Following the Healthcare Improvement Scotland (HIS) “Review of the Scottish Breast Screening Programme” published in December 2016 a paper on the “Broader actions on risk management following the HIS report” was presented to the Board. In response to the action to ensure that IRMA is being used consistently across NSS this is being address by the mitigating actions from Risk 4423 (Recording Risks in compliance with IRMA). The Risk Lead and Risk Champions have been working together to address these mitigating actions and have confirmed that all SBU/Directorates are compliant with IRMA. Information Technology SBU continues to work towards recording all risks on the risk register tool. In addition an internal audit has been suggested for Q1 2019/20 to assure SBU compliance.

3. Strategic Risks Challenge & Review

Strategic risks have been defined by NSS as those that if crystallised would impact the long-term vision and success of NSS. These risks are owned by the Board and reviewed regularly through the Strategic Scorecard. As new risks emerge the Board Members have the opportunity to discuss these risks and decide whether they should be flagged as strategic for their ongoing consideration. The Sub-Committee meetings also discuss strategic risks within their area of responsibility. As our strategic risks can be Red, Amber or Green this allows the Committees the opportunity to focus on all strategic risks, and not just the Red and new Amber risks.

4. Strategic Scorecard Review

The strategic risks contained within the Strategic Scorecard paper being considered by the Board Members today has been updated to include risk 4766 “Decision Makers” which was raised in October 2017, following discussions on potential new strategic risks by the Board and EMT earlier that year. Risks 3492 “Managing Stakeholder Risk” and 3436 “Edison PSN Accreditation” were closed during the period and have been removed from the scorecard.

Risk 4129 “NSS support to the National Centre” has been mitigated to Green and is being managed as BAU by Facilities Management, IT and HR. It is suggested that this risk now be removed from the strategic watch-list. In addition, many of the mitigating actions of risk 4574 “Tolerance of Clinical Risk” have been completed and the risk rating reduced to Green. It is also suggested that as the clinical risk tolerance is being managed in a better way that this risk remain the responsibility of the Clinical Governance Committee, and be removed from the strategic watch-list.

Risk 4303 “PACs backup” remains a strategic risk. During February a new corporate PACs risk was raised around its IT replacement (risk 4895). As this new risk is categorised as a reputational risk the Audit & Risk Committee, at their 28 March 2018 meeting, agreed to include this risk as strategic. Risk 3436 EDISON PSN Accreditation was closed within the period under review and as such removed from the strategic watch-list, but a further risk (4870) around the retrial of the EDISON system has been raised as a Reputational risk. The Audit & Risk Committee also considered whether this should be regarded as a strategic risk and agreed that this risk should be included within the strategic watch-list. Risk 4885 CHI and Child Health Transformation Programme was raised as a new Red reputational risk and the Audit & Risk Committee agreed that this risk would also be included within the strategic watch-list.

An Amber Business corporate risk was raised recently, risk 4894 around the delivery of the new Aberdeen accommodation. Could the Board advise whether or not it would like this risk added to the strategic ‘watch-list’ as the Performance and Finance Committee have not had the opportunity to discuss whether or not this risk should be considered as strategic. Full details of the suggested additional strategic risks have been included as Appendix 4.

This update allows the Board the opportunity to review your ‘watch-list,’ making amendments as appropriate, to ensure all inclusions are of genuine strategic importance.

5. Further Development of the Risk Management Tool (the “tool”)

The Risk Register tool is continually updated to ensure that it fulfils the needs of the Risk Champions and business users. The tool now has the facility to create a risk in draft allowing a digital solution to our current method of sharing risks in draft format.

6. Integrated Risk Management Approach (IRMA) – continuous improvement

Decision Support Tool

The EMT continues to use the risk heat map on the Decision Support Tool (DST) to review the corporate risks on the NSS Risk Register.

Integrated Risk Management Approach (IRMA) guidance

The Risk and Resilience Group approved the revised IRMA which will be presented, for information, to the March Audit & Risk Committee.

Risk Appetite Statement

The NSS Risk Appetite Statement was approved at the 2 February 2018 formal Board meeting.

7. Risk Champions Group Meetings

Risk Champion meetings continue to be held quarterly with meetings being held on 7 December 2017 and 14 March 2018. The meetings were joint between Risk Champions and Resilience Leads. The risk elements focused on:

- a. Shared Risks across NSS
- b. Low Probability/High Impact Risks
- c. Risk and Resilience eLearning figures
- d. Outcome of Peer review of corporate risks by Risk Champions and noted completed recommendations
- e. IRMA annual approval
- f. Information Security Management System (ISMS) risk assessment tool overview and context, including demonstration by IT Information Security Manager
- g. Records retention for risks by Business Classification Scheme Lead
- h. Introduction of quarterly Risk & Resilience Newsletter in December 2017.

8. Risk Management Training

A Risk and Resilience eLearning awareness module was launched in autumn 2015 and forms part of the mandatory training for all NSS staff. All staff are required to complete this training on a rolling three yearly basis. Below are details of the mandatory R&R eLearning undertaken by SBU's between its launch and 31 January 2018.

SBU	Completed Risk & Resilience Training	Headcount	%
Business Services	170	182	93%
Central Legal Office	121	127	95%
Clinical Directorate	9	11	82%
Customer Engagement & Development Directorate	23	37	62%
HR & Workforce Development	71	81	88%
Information Technology	282	354	80%
Practitioner & Counter Fraud Services	524	544	96%
Procurement Commissioning & Facilities	533	665	80%
Public Health & Intelligence	578	771	75%
SNBTS	963	930	100%
Strategy & Governance Directorate	32	35	91%
TOTAL	3306	3737	88.5%

Appendix 1: Summary of Red Risks as at 28 February 2018

Reputational (Red/High)

ID	Date Raised	SB U	Title	Risk Description	Last Update	Risk Rating	Residual RAG	Movement on prior month	Secondary Category	Health Impact		Financial Impact
										Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	
4885	08/02/18	IT	CHI and Child Health Transformation Programmes	There is a risk that the CHI and Child Health Transformation Programmes are not delivered and the new IT system implemented by NSS IT due to decisions by stakeholders not to continue.	20/02/18	15	15	New	Business	<5,000	2	>1,000K

Appendix 2: Health Impact

Number of people affected	Extent of potential adverse health impact
Zero	0 = Nil
Less than 5,000	1 = Realisation of minor adverse event. Small adverse impact on health status.
5,000 – 50,000	2 = Disruption to provision of clinical services resulting in minor treatment delays.
50,000 – 500,000 Likely to apply where the focus of our activity is within secondary care	3 = Moderate reversible adverse effect on health status. Disruption to provision of clinical services resulting in unacceptable delays to treatment.
500,000 – 5,000,000 Likely to apply where the focus of our activity encompasses both secondary and primary care.	4 = Irreversible effect on health status through extensive injury or major harm. Sustained loss of service.
More than 5,000,000. Relevant where the focus is on public health or population-wide activity.	5 = Severe adverse event occurs Death or long term morbidity Complete loss or permanent discontinuation of services.

Appendix 3: NSS INTEGRATED RISK MANAGEMENT APPROACH v1.4

		Likelihood					
		Rare	Unlikely	Possible	Likely	Almost Certain	
		Score	1	2	3	4	5
Impact	Catastrophic	5	5	10	15	20	25
	Major	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Minor	2	2	4	6	8	10
	Negligible	1	1	2	3	4	5

KEY

Risk rating	Combined score	Action/Treatment
HIGH	15 – 25	Poses a serious threat. Requires immediate action to reduce/mitigate the risk.
MEDIUM	9 – 12	Poses a threat and should be pro-actively managed to reduce/mitigate the risk.
LOW	1 – 8	Poses a low threat and should continue to be monitored.

Likelihood			
Score	Description	% Occurrence	Chance of Occurrence
1	Rare	0 – 15%	Hard to imagine this event happening – will only happen in exceptional circumstances.
2	Unlikely	15 – 35%	Not expected to occur but might – unlikely to happen.
3	Possible	35 – 60%	May occur – reasonable chance of occurring.
4	Likely	60 – 80%	More likely to occur than not.
5	Almost Certain	80 – 100%	Hard to imagine this event not happening.

NSS INTEGRATED RISK MANAGEMENT APPROACH v1.4

Impact					
		Category			
Score	Description	Business	Staff	Clinical	Reputational
1	Negligible	<ul style="list-style-type: none"> Financial impact/penalties/ fines of <£10k Project delays <2% of remaining timescales Minimal impact - no operational disruption IG Adverse Event with negligible business impact 	<ul style="list-style-type: none"> No obvious harm to staff Minimal disruption to staff Very minor delay in recruiting staff IG Adverse Event with negligible staff privacy impact 	<ul style="list-style-type: none"> Interruption to a service which does not impact on the delivery of services to patients or the public or the ability to continue to provide service No obvious harm to patient/public IG Adverse Event with negligible privacy/ clinical impact 	<ul style="list-style-type: none"> Rumours – no interest to the press No damage to reputation with stakeholders Overspend of <5% of Budget IG Adverse Event with negligible reputational impact
2	Minor	<ul style="list-style-type: none"> Financial impact/ penalties/ fines of £10k-£100k Project delays 2%-5% of remaining timescales Minor impact on service provision 	<ul style="list-style-type: none"> Minor H&S incident due to unsafe working environment or working practice Minor staff complaint Short term vacancy Small number of NSS staff not informed, trained, involved in decisions, treated fairly & consistently IG breach with personal data relating to <10 staff that poses low privacy risk 	<ul style="list-style-type: none"> Minor effect on the health impact of our services Short term disruption to service with minor impact on delivery of services to patients/public Minor injury – first aid treatment required IG breach with personal data relating to <10 individuals that pose low risk to privacy and has no impact on their health or safety but causes localised inconvenience or delays 	<ul style="list-style-type: none"> Some public embarrassment Minor damage to reputation with stakeholders (1 NHS Board) Minor effect on staff morale Overspend of 5-15% of Budget IG breach which results in an adverse finding but no enforcement action by an external regulator
3	Moderate	<ul style="list-style-type: none"> Financial impact./ penalties/ fines/of £100k-£250k Project delays 5%-20% of remaining timescales Some operational objectives partially achievable 	<ul style="list-style-type: none"> H&S incident with some harm Staff unrest Key post vacant for some time Moderate number of NSS staff not informed/ trained/ involved in decisions/ treated fairly & consistently IG breach with personal data or privacy/data integrity breach relating to between 10-100 staff members IG breach with sensitive staff information causing negative staff impact 	<ul style="list-style-type: none"> Moderate effect on the health impact of our services Some disruption in service with unacceptable impact on delivery of services to patients/public Medical treatment and/or counselling required IG breach with personal data or privacy/ data integrity breach relating to between 10-100 individuals IG breach with sensitive clinical information 	<ul style="list-style-type: none"> Regional media – long-term adverse publicity Moderate damage to reputation with local Stakeholders (> 1 NHS Board) MP concern Moderate effect on staff morale Overspend of 15-40% of Budget Enforcement action with no monetary penalties taken by an external regulator
4	Major	<ul style="list-style-type: none"> Financial impact/ penalties/ fines of £250k-£1,000k Project delays 20%-50% of remaining timescales Significant impact on service provision 	<ul style="list-style-type: none"> Severe H&S incident Industrial action Unable to recruit skilled staff to key roles for extended period Significant number of NSS staff not; informed/ trained/ involved in decisions/ treated fairly & consistently IG breach with personal data or privacy/ data integrity breach relating to >100 staff members IG breach with highly sensitive personal information which could affect the health or safety of >1 individual 	<ul style="list-style-type: none"> Major effect on the health impact of our services Sustained loss of service which has serious impact on delivery of services to patients/public (resulting in major contingency plans being invoked) Extensive injury/ major harm IG breach with personal data or privacy/ data integrity breach relating to >100 individuals IG breach with highly sensitive personal information which could affect the health or safety of >1 individual 	<ul style="list-style-type: none"> Scottish media – adverse publicity of less than 3 days Major impact on reputation with stakeholders nationally Significant effect on staff morale Overspend of 40-60% of Budget Maximum enforcement action by an external regulator
5	Catastrophic	<ul style="list-style-type: none"> Financial impact/ penalties /fines of >£1,000k Project delays >50% of remaining timescales Unable to function/ total failure in service provision including irrecoverable loss of operational data 	<ul style="list-style-type: none"> Death causing termination of operations Prolonged industrial action Sustained loss of key groups of staff NSS Staff not; informed/ trained/ involved in decisions/ treated fairly & consistently Loss/integrity of data or privacy breach relating to several Health Boards or on a national scale that impacts large numbers of NHS Scotland staff 	<ul style="list-style-type: none"> Severe effect on the health impact of our services Permanent loss of service or facility Incident leading to death or major permanent incapacity Loss/ integrity of data or privacy breach relating to several Health Boards or on a national scale that could impact large numbers of individuals 	<ul style="list-style-type: none"> UK wide /International media – adverse publicity of more than 3 days. Ministerial concern. Court enforcement. Public inquiry. Severe impact on reputation and stakeholder relations national/international Overspend of >60% of Budget

Appendix 4 Proposed New Strategic Risks

4894 Deliverability of New Aberdeen Accommodation

Last Update 15/02/2018

Date Raised	SBU	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
15/02/2018	PCFS	New Aberdeen property building and infrastructure will not be ready by 09/12/2018.	Unable to move to new property before existing lease expires. Impact on Service Delivery and staff morale.	(Brian Hagan) David Knowles	3	3	9	2	Prevention	Business	Staff

HIGHLIGHTS FROM NSS BOARD SUB-COMMITTEE FOR APRIL 2018 NSS BOARD NSS AUDIT AND RISK COMMITTEE

B/18/49

Issues & Risks for the Board's Attention

This report will go to the Board as a standalone item. Given the remit of Audit and Risk Committee (“ARC”) and their role as a scrutinising committee, this report will be more detailed than for other sub-committees of Board.

Key Audit Matters:

eHealth funding – this matter was discussed thoroughly at the commercial in confidence meeting held prior to the main Audit and Risk Committee meeting. Members agreed that the action plan produced should be circulated to the Board for consideration and further discussion at the April meeting. It was agreed that a follow up audit should be planned for later in 18/19 to review the progress against the action plan. The Grant Thornton report is available to all members [here](#). The KPMG report is available to all members via the ARC commercial in confidence section on AdminControl.

Internal Audit: Progress with the current plan was on track and the plan for 18/19 was approved, as was the Charter and the paper detailing satisfaction with follow up on high risk actions. The Financial Controls Audit was well received with particular emphasis placed on the importance of a contracts register.

Service Audit: Progress with service audits was noted. It was noted that there were some themes to pick up around the practitioner services audit with management which would be undertaken before the final report. Further it was noted that the IT findings had already been circulated to ATOS and management to let work on these be progressed before the final report was produced. The payroll audit was on track.

The governance process for the extension of service and internal audit contracts was noted. The progress within NSS of implementing internal audit recommendations was noted and an extension approved in relation to the information governance audit around workforce.

Key Risk Matters:

The risk management report was discussed and it was determined that both PACs risks should be visible to members through the Strategic Scorecard. It was noted that the EDISON risk should also remain visible until further information on the retiral of EDISON was provided and a risk on eHealth funding should be raised. Members also agreed to the replacement of the word “preserve” with the word “sustain” in the reputational risk appetite statement. A piece of work being raised via EMT on the general risk profile will be shared with members in due course.

The CEO gave a verbal update on RIPSAs powers. Members agreed that a paper providing the assurance outlined by the CEO should be circulated in order that members were aware of all legal and other advice received in relation to the use of RIPSAs powers by Counter Fraud Services when they provide services to third parties.

Emerging Themes for Board Awareness e.g. changing trends in elements of NSS performance

A positioning paper on the GP IT re-provisioning contract was provided. Members noted this and confirmed that a further paper should be brought as planned. That paper should explicitly cover: assurance on governance of funding in relation to the project; assurance of how the new software would communicate with other existing systems and how governance around this had been applied; and finally, it should clearly define the decision making process for the contract including how this was viewed via a NSS lens.

It was noted that the number of complaints had decreased however there were a few SBUs that had not returned their quarterly report, therefore it was accepted that the complaints paper may not reflect the full position for the quarter.

Governance Improvements e.g. actions which have strengthened governance of Committee and should be shared

The Terms of Reference for the Committee are to be updated to include a section on commercial in confidence meetings.

The Committee will be undertaking their annual self-effectiveness questionnaire over the coming few weeks. This information will inform the annual report on the Committee.

Other Matters of Interest

The quarterly Fraud report was well received.

HIGHLIGHTS FROM NSS BOARD SUB-COMMITTEES SINCE FEBRUARY 2018 NSS BOARD NSS PERFORMANCE AND FINANCE COMMITTEE – 23 February 2018

Issues & Risks for the Board's Attention

- The Committee discussed the potential challenges in finding the right approach to achieve the Nationals' collaborative savings target and how to work this into the Nationals' plan.

Emerging Themes for Board Awareness e.g. changing trends in elements of NSS performance

- NSS continued to be well placed in respect of its current LDP targets, its risks and its sustainability plan.

Governance Improvements e.g. actions which have strengthened governance of Committee and should be shared

- Nothing to report.

Other Matters of Interest

- The Committee agreed the draft Operational Delivery Plan - pending some minor changes and recognising there were updates which were still awaited.

NSS STAFF GOVERNANCE COMMITTEE – 16 February 2018

Issues & Risks for the Board's Attention

- The Committee was advised that, despite some areas of very good practice within the organisation, there were some further improvements required in respect of disabled staff and reasonable adjustments.

Emerging Themes for Board Awareness e.g. changing trends in elements of NSS performance

- The Committee were interested to see that there was a lot of focus on strategy and kind of organisation NSS wanted to be – particularly through the Great Place To Work plan
- The Committee sought and received assurance about what managers were doing at local level to have a downstream impact and were pleased to note the progress being made in this respect.

- The Committee received a presentation on the work being done in PHI around Equality and Diversity, and the good practice established that could be shared on an NSS-wide basis.

Governance Improvements e.g. actions which have strengthened governance of Committee and should be shared

- Nothing to report.

Other Matters of Interest

- Nothing to report.

NSS REMUNERTION AND SUCCESSION PLANNING COMMITTEE – 1 March 2018 (see Board paper B/18/60)

NSS CLINICAL GOVERNANCE COMMITTEE – 22 March 2018 – paper to follow

NSS INFORMATION GOVERNANCE COMMITTEE – no meeting held since the February Board meeting

HIGHLIGHTS FROM NSS BOARD SUB-COMMITTEES SINCE FEBRUARY 2018 NSS BOARD MEETING**NSS CLINICAL GOVERNANCE COMMITTEE – 22 March 2018****Issues & Risks for the Board's Attention**

- Adverse Events/Duty of Candour policy to be submitted to NSS Staff Governance Committee in order to gain a balanced view from patients and staff.

Emerging Themes for Board Awareness e.g. changing trends in elements of NSS performance

- Nothing to report.

Governance Improvements e.g. actions which have strengthened governance of Committee and should be shared

- Members were assured by the Annual Regulatory Report.
- Content and length of papers to be reviewed under good governance practice and decision then shared with NSS Performance and Finance Committee.

Other Matters of Interest

- Members acknowledged the work undertaken by staff at SNBTS and Canderside during the recent adverse weather.
- No other items were noted under this heading.

B/18/51

NSS Formal Board Meeting – Friday, 6 April 2018

Register of Interests 2017/18

Purpose

In keeping with good governance standards, the Register of Interests as at 31 March 2018 is submitted to the NSS Board for consideration.

Recommendation

The Board Members are requested to agree the Register of Interests as at 31 March 2018 for publication on the NHS NSS Web pages.

Timing

No timing issues.

Background

In accordance with the Ethical Standards in Public Life, etc (Scotland) Act 2000 (Register of Interests) Regulations 2003, Board Members of devolved public bodies are required to give notice of their interests.

Under the Regulations, information declared will be made available to the public.

Engagement

Engagement has taken place with all Board Members prior to completion of the paper.

Name of the Author: Caroline Lang

Designation: Board Secretary

Tel: 0131 275 7090

Email: clang@nhs.net

2017/18 REGISTER - AS AT 31/03/2018

Changes during year

Changes since last report to Board

Board Member	Gifts & Hospitality	Remuneration	Related Undertakings	Contracts	House, Land & Buildings	Shares & Securities	Non Financial Interests	Election Expenses
							Member, BMA Fellow, Faculty of Public Health UK Fellow, Royal College of Physicians of Edinburgh Member, BMA Member, Stratified Medicine Scotland - Innovation Centre Board Member, Medical & Dental Defence Union, Scotland Member, Health Science Scotland (HSS) Executive Board Co-Chair, Scottish Association of Medical Directors	
Marion Bain	Nil	Nil	Nil	Nil	Nil	Nil	Honorary Professor in the College of Medicine & Veterinary Medicine, University of Edinburgh	Nil
		Advisory Board Member (Health) of Interim Partners	Advisory Board Member (Health) of Interim Partners, part of the New Street Group.				NED/Trustee - Birmingham St Mary's Hospice	
Julie Burgess	Nil	Director, Wale King Associates	Trustee, St Peter's and St James' Hospice in Mid Sussex	Wale King Associates - NHS Elect (England) and IMD Consultancy	Nil	Nil	Public Members - Birmingham Women's NHS FT Trustee, St Peter's and St James' Hospice in Mid Sussex	Nil
Ian Cant	Nil	Nil	Nil	Nil	Nil	Nil	Chair Unison Scottish Health Care Branch (wef 26/03/15)	Nil
Jane Davidson	See note in Appendix A	Chief Executive, NHS Borders	Nil	Nil	Nil	Nil	Member - Managers In Partnership Member - Institute of Chartered Accountants Scotland	Nil
John Deffenbaugh	Nil	Director, Frontline Consultants Ltd	Director, Frontline Consultants Ltd	Nil	Nil	Nil	Nil	Nil
		Chair, Alan Dunlop Architects						
Kate Dunlop	Nil	Non-Executive Director, Education Scotland						
		Non-Executive Director, Accountant in Bankruptcy	Nil	Nil	Nil	Nil	Nil	Nil
							Vice Chair of NHS Chairs Group NHS Chairs' Representative, CMO task Force, Improving Services for Victims of Rape and Sexual Abuse Member, National Health and Social Care Delivery Plan Board Fellow of Royal College of Physicians Honorary Chair, University of Stirling Member, Medical & Dental Defence Union, Scotland Member, BMA	
Elizabeth Ireland	Nil	Part time salaried GP at Cos Lane Medical Practice, Glenrothes	Nil	Nil	Nil	Nil		Nil
Carolyn Low	Nil	Nil	Nil	Nil	Nil	Nil	Company Secretary, Breeze Media Ltd (Unpaid)	Nil
		Chairman, Plan-Bee Ltd						
Mark McDavid	Nil	Non-Executive Chair, Thirsk Food Logistics Ltd (Trading as HECK)	Nil	Nil	Nil	Nil	Chair, Trinity Park Foundation	Nil
Alison Rooney	Nil	Chief Executive - Royal College of Surgeons, Edinburgh	Nil	Nil	Nil	Nil	Nil	Nil
							Chair, National Infertility Group Member, Data Management Board, Scottish Government Member, National Health and Social Care Delivery Plan Board Member Scottish Medicines Consortium	
Colin Sinclair	Nil	Nil	Nil	Nil	Nil	Nil	Member, Infrastructure Delivery Group Bishop, The Church of Jesus Christ of Latter-day Saints Member, Scottish National Party (SNP)	Nil
							Member of Retired Police Officers Association Member of National Association of Crohn's and Colitis	
Douglas Yates	Nil	Non-Executive Director, Scottish Children's Reporter Administration (SCRA)	Nil	Nil	Nil	Nil		Nil

On a 2 Year Secondment to Scottish Government

Term of office ended 30 April 2017

Board Member	Event	Date	Host	Value
Marion Bain	Dinner with the Director of the Usher Institute of Population Health Services/Informatics & Vice Principle - Data Science, Edinburgh University/Scottish Government Chief Scientist/Director of the Farr Institute, and the Director of Innivative Healthcare Delivery Programme	07/06/2017	Professor Andrew Morris	£30
Colin Sinclair	Dinner with the Director of the Usher Institute of Population Health Services/Informatics & Vice Principle - Data Science, Edinburgh University/Scottish Government Chief Scientist/Director of the Farr Institute, and the Director of Innivative Healthcare Delivery Programme	07/06/2017	Professor Andrew Morris	£30
Colin Sinclair	Dinner hosted by Scottish Institute of Health Management and supported by Atos	13/06/2017	Scottish Institute of Healthcare Management	£75
Mark McDavid	EY Public Sector Independent Directors' Programme, in partnership with CIPFA Scotland. The topic for this dinner being ' <i>The never-ending journey towards good governance</i> ' .	04/10/2017	Ernst & Young	£40

NOTE

Jane Davidson - Details of any gifts and hospitality received are registered under NHS Borders (<http://www.nhsborders.scot.nhs.uk>)

B/18/52

**Board
Update**



**NSS Digital
Transformation
programme**

A brief update on the programme

The NSS Digital Transformation programme was initiated on the 1st June 2017, and represented the implementation of the Digital Transformation Strategy agreed at the end of 2016. The strategy clearly articulated the need to progress at speed and scale to ensure the sustainability of the NSS proposition. The focus for Year 1 of the strategy was to develop the necessary enabling capabilities in order to build the delivery support required to achieve the transformation of our services.

The programme was implemented in Scaled Agile – a recommended methodology which allows synchronised pace and appropriate governance when managing complex initiatives with a high degree of interdependencies.

The Year 1 scope was agreed, and cross-functional teams put in place to deliver the outputs identified for each theme. The programme secured nearly £1m of funding, plus an additional £600k for the implementation of corporate data warehouse infrastructure (itself a key enabler).

The programme is now 9 months old, in it's fourth planning increment. Each increment being three months to allow for responsive planning and focused resource deployment. This has also allowed us to deploy budget appropriately as the themes mature, to ensure pace and output.

We have now an established programme infrastructure. We monitor performance closely, and measure teams weekly on their output – and as such have developed a strong cadence of delivery, where we understand that the programme can deliver between 14-16 features, or valuable operable output, every 2 weeks.

Our vision

“We will transform the way we provide services. Using modern digital delivery we will drive an efficient and scalable shared services capability for the public sector in Scotland, through the deployment of **common capabilities, technologies and data.**”

2017/18 Budget Reconciliation

Digital thread	Est'17/18 ('000)	Expected
Digital Workplace	250	184
Digital People	45	45
Agile	100	133
Digital Engagement	261	290
Digital Service Delivery	200	0
CRM	40	40
Data Science	0*	
Architectural runway	720*	790*
Release train		200
	1,616	1,682

Our scope: key themes that satisfied Year 1 objective – to deliver digital capability.

- Digital Workplace
- Digital Service Delivery
- Digital People
- Customer Relationship Management
- Agile
- Data Science
- Digital Engagement
- Architectural runway

* Data Science and Architectural Runway had originally been planned as a single work stream, and was split in PI2, hence zero balance.

The value the programme is creating

Digital thread	Features include (ie operable output)	Value
 Digital Workplace	Digital Workplace strategy, collaboration spaces; NSS employee personas, intranet architecture, Skype for Business.	Enhanced environment/tools allow increased pace, efficient estate usage, increased productivity. Skype represents £38k saving in tech plus reduced travel costs.
 Digital People	Digital Academy prototype, SG skills collaboration, Culture Change Action Plan, Communication and Engagement Plan.	Digital Academy prototype, SG skills collaboration, Culture Change Action Plan, Communication and Engagement Plan.
 Agile	Trained cohort of agilists, SCRUM and SAFe accredited staff, agile transition model, agile guide/playbook, Intro to Agile training module.	Pace, value and cross-functional focus. Per day avoidance - contractors - £6-700. Developing key talent. Revenue opportunity - Consultancy/delivery proposition for boards.
 Digital Engagement	Practitioner website, ISD Discovery, accessibility/UX/content training. Style manual. Social media strategy, policy; launch of CFS channel.	Optimal service interface. Reduced £ for estate management. Standardised 3 rd party web deployment; SM allowing services direct engagement with customers.
 Digital Service Delivery	SBU draft digital roadmaps, prioritisation models. Development of Programme Team governance function. CLO pilot.	Negotiated position on service priorities and development of 'once-for NSS' capabilities. Demo of service transformation via CLO.
 CRM	Customer Relationship Management tool for EMT to view key customer information.	Allows visibility of key insight and therefore development of fit-for-purpose strategy and proposition. Single point of intelligence.
 Data Science	Data publication website prototype. Open data.	Modern, interactive, user-centric approach to accessing and tailoring data to requirements to drive local developments. Roll-out will reduce cost to serve in creating discrete data publications.
 Architectural runway	Corporate Data Warehouse upgrade, Data Virtualisation. Cloud strategy, GITHUB (code sharing repository), Service Now, AR portal.	Flexible approach to database services. Clinical value via research use cases (POC re cancer). Modernised approach to technical influence, support, capability and accessibility.

Additionally, the programme has developed a Digital Design Authority – with associated published standards and processes – whose remit is to ensure high quality, compliant service outputs, and ‘Once for NSS’ approach.

This has been of considerable interest to external stakeholders with regards to resolving the latent tension between pace and legacy governance models.

The programme has also supported initiatives with new capabilities in areas such as ‘Art of the Possible’ and Agile., which will provide revenue opportunities.

What's next for digital transformation?

If Year 1 has been focused on key enablers, Year 2 of the programme is very much focused on business transformation – i.e. how the capabilities we have developed will wrap around a service to support and deliver a re-imagined sustainable digital service. In addition, the programme needs to transition some of the enabler work into business-as-usual within corporate functions, to ensure programme resources are focused on activities that will drive service value.

The programme also has an important role in developing a fit-for-purpose NSS digital proposition to support the delivery of the Digital Health and Care Strategy (due April). There is a growing appetite for establishing a strong digital delivery function and our model has been of interest to (and subject to visits from) external stakeholders including Scottish Government, Local Government Digital Office and the Ministry of Defence.

We continue to engage with SBUs and our external partners to ensure a balanced approach, and we are building our understanding of where we can deliver additional value. Our programme infrastructure and level of capability is increasing and we need to put it to good use. We acknowledge that some clear challenges remain, particularly in terms of ongoing capacity across the organisation and skill set issues in digital design and user insight/experience.

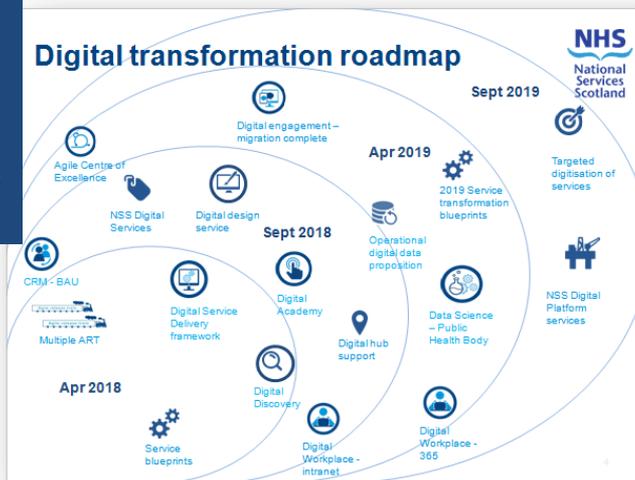
In entering 2018/19, our programme will be 'reset' to ensure we mitigate these risks and deliver our programme goals. The programme is funded to the tune of £1.9m (plus £500k for MS365), and monies will be dynamically managed to support our approach.

Programme Goals



2018/19 Budget – modelled against NISE requirements at end of 17/18, now managed by cross-representative programme team to ensure focus on service transformation.

Overview of the NSS Digital ambition – delivering support and capability across 2 years in line with objectives.



Financial Summary 18/19

Digital thread	Est'18/19 ('000)	Funding
Digital Workplace	100	NSS Corp
Digital People	40	NSS Corp
Agile	50	NSS Corp
Digital Engagement	500	NSS Corp
Digital Services	500	NSS/ SBU/SG
CRM	10	NSS Corp
Data Science	100	NSS Corp
Architectural runway	200	NSS Corp
Programme/ Multiple ART	250	

New capability	Est'18/19	
Digital Service Design	100	NSS Corp
Discovery	100	NSS Corp

Total 1,950

In addition an allowance of £500k has been made for MS365 implementation.

A status overview on key themes

A series of Director consultations and SBU engagements, as well as a review of programme performance, has identified a preliminary digital 'state of play' by theme, moving into Year 2.

Key enabler identified particularly to office-based SBUs. MS 365 implementation 18/19. Delivery of intranet will be symbolic win – 'totem of change' which will propagate the influence and engagement with digital technologies across NSS.

Status: invest, ensure technical alignment with boards.



Digital
Workplace



Digital Service
Delivery

Programme Team will identify NSS services to be prioritised and transformed. Key issue will be understanding and developing each service's digital vision, and to utilise the developed capabilities effectively.

Status: invest, CLO as 'model service', develop strategic digital support for SBUs.

Business change vital to ensure transition of digital services into BAU – strong OD element. Core need will be consistent, repetitive comms to ensure population is taken on the digital journey.

Status: needs increased focus, develop organisational capability.



Digital People



Customer Relationship
Management

CRM tools and techniques in place; seen as a 'corporate sport' at present, and not a capability that will be required for 18/19 service transformation. Likely to be required as services transform and as the market develops.

Status: move to BAU, reassess at increment planning.

Key area for PgMS and IT. Agile maturity required to ensure desirable 'bimodal' approach in delivery. Rapid growth of demand expected as key partners see Agile is key to develop pace.

Status: trained cohort but limited delivery experience, needs to be part of BAU proposition to partners.



Agile



Data Science

SBUs will require a performance/operational data service to support service transformation. Significant risk of losing analytical capability and/or data infrastructure re new public health body. Data service is vital to run digital business of the future.

Status: define data service proposition as a matter of urgency to develop capability and an understanding of Public Health dependencies/interplay.

Area of high demand across SBUs. NSS strategically aligned to Gov best practice but significant challenges re capacity has led to tension. Absolutely vital to fix as web will be our key service access point. Social media will move into BAU as enablers complete.

Status: invest, implementing dedicated Agile Release Train, significant SBU resources and engagement required to mitigate. Key capability gaps.



Digital
Engagement



Architectural
runway

SBUs understand as a modernisation of technical support and development – will come into play as digital service design identifies requirements or gaps.

Status: continue to build AR maturity, support convergence, ensure upstream engagement in 'art of the possible' and focus on emergent tech.



B/18/53

CHI & Child Health Transformation Programme Health Board Chief Executives

April 2018

Full Business Case

Issues with Legacy Systems

- **Inflexibility:** 30 – 35 year old legacy CHI and GPPRS and Child Health systems are poor at supporting changing business priorities and at meeting new requirements. Cannot support Health and Social Care Integration.
- **Poor Architecture:** CHI processes are batch based and compete for a very limited batch window. Both CHI and Child Health have poor data quality.

Legacy Technology: hosted on the Fujitsu VME, old mainframe technology and expensive to maintain. Cannot support access control, audit, legitimate relationships.

- *See Page 6 of FBC Executive Summary*

Full Business Case

New Systems Support and Enable Strategies



- Digital Health and Social Care Strategy
- eHealth Strategy
 - Declared legacy systems obsolete in 2014
- Children and Young People Strategies
- Vaccination Transformation Programme
- *See Page 10 of FBC Executive Summary*

Programme Progress



- **Tranche 1:** December 2014 – February 2017 Procurement
 - CHI and GPPRS – Wipro
 - SCPHWS - Servelec
- **Tranche 2:** February 2017 – 28 March 2018 Due Diligence, Proof of Concept and Full Business Case
 - Programme Board approved the FBC on 28 March (subject to funding).
 - FBC is now with SG for decision.
 - If approved the Programme Team will work with Health Board Lead Officers and suppliers to complete the implementation plan.
- **Tranches 3 and 4:** Implementation (Partially funded with additional funding requested)
- **Tranches 5:** Transformation (No funding requested as yet)

Tranches 3, 4 and 5

- **Many Benefits delivered within Tranches 3 & 4 whilst Tranche 5 is transformational.**
- **Tranches 3 & 4 Benefits (Examples):**
 - Flexible modern solutions and increased automation
 - Single CHI record as source of the truth
 - Access control, legitimate relationships, improved security
 - One database across all Health Boards
 - Increased efficiency and fewer operators
- **Tranche 5 Benefits (Examples):**
 - Real Time messaging instead of daily broadcasts
 - Introduction of the Record Locator Service (RLS)
 - Full audit capability on all transactions
 - Mobile working for Child Health
 - Integration with other national indices - English Patient Demographic Service (PDS), Welsh Demographic Service

Funding and Costs Position



Funding	10 Year Total (£)
eHealth Leads Reinvestment Fund	15.060
eHealth Leads/ SG Requested for past funding (*assuming that it will be approved)	7.410
Additional Funding SG eHealth (total agreed to SG eHealth Leads Feb 2017 letter to NSS £12.206m)	12.206
Total	34.676
Funding Released after Switchover to New Systems	
Old CHI & Child Health System Savings	27.623
Total	62.30
Cost	10 Year Total
Costs to Implement and operate new solutions	67.74

Funding shortfall over 10 years is £67.74 – 62.30 = 5.44 million
(£3 million contingency is also being sought)

Legal Position

Terminate after Tranche 2



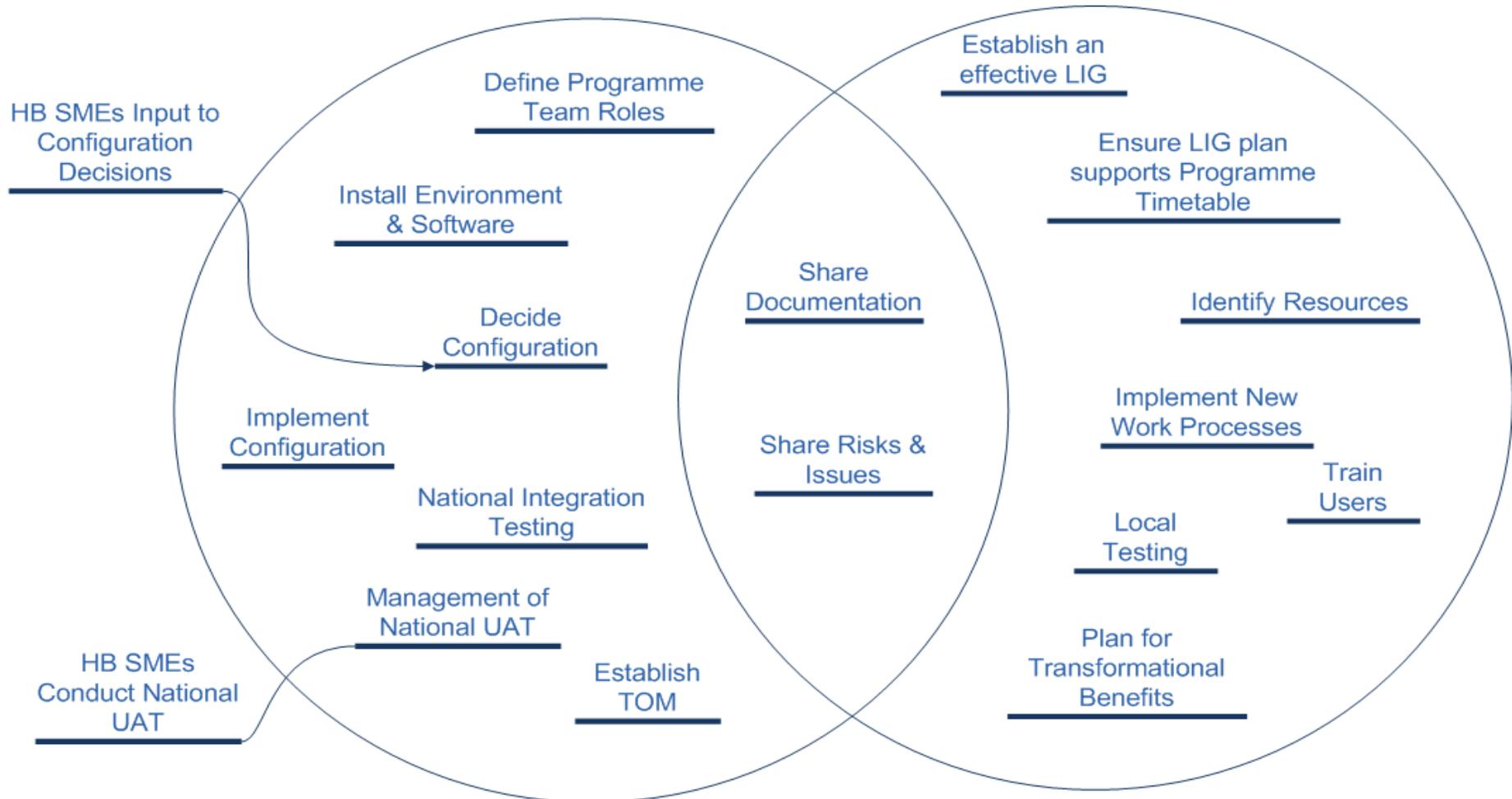
- There is a specific right for NSS to terminate before issue of the Implementation Start Notice, subject to payment of the PoC and DD charges.
- The contracts are in NSS's favour proceeding to Implementation - there was no guarantee that the project would proceed to full implementation and roll out.
- However, a case for compensation beyond the sums agreed for the PoC and DD charges is open to question, there may be advantages in reaching some sort of accommodation with a contractor with regard to reputational damage, avoid a formal legal dispute.

Implementation

Who Does What?

Programme

Health Board Local
Implementation Groups (LIGs)



Health Board Activities & Costs



- Health Board Local Implementation activities, including local testing or activities needed to implement new working practices, are the responsibility of the respective NHS Health Boards.
- As with the procurement, the programme funding does not cover payment to Health Boards to pay for Subject Matter Experts who support the Programme team – for example to support configuration decision making, or to carry out National User Acceptance Testing.
- GGC worked with the programme team to estimate some Health Board Activities and costs which can be extrapolated for other Boards.

Activity	Cost (£)
Child Health Testing	17,000
Child Health Migration	46,000
New CHI Testing(pre go live)	18,000
CHI Migration	11,000
Total	92,000

Commission

- Scottish Government (as primary funders of this Programme) will commission a Board / multiple Boards / a consortia to lead on the implementation phase...
- Key content of commissions
 - Introduction / Background – driven by FBC
 - Commissioned Organisation or Consortia – **decision required...**
 - Scope / Objectives / Deliverables – driven by FBC
 - Governance Arrangements – **decision required...**
 - Conditions, Constraints and Limits – **decision required...**
- Response from Commissioned organisation
 - Recommendations / Risks / Assumptions – **decision required...**
 - Projected Costs – See FBC
 - Programme Plan / Timeline – See FBC
 - Confirmation of Acceptance through own Governance – when ready

Implementation Risk Factors

- Large Scale
- Multiple sub-projects
- New technologies (systems and platforms / infrastructure)
- Scope certainty / knowledge of existing systems
- Mission critical systems / high cost of failure
- Multi-supplier / overall design risk sits with client
- High levels of dependency – supplier and client side
- Dual running of environments / high cutover costs
- High level of local collaboration / activity required

Mitigating the Risks - 1



- OWNERSHIP – Commissioned organisation
 - Joint ownership (NSS + territorial Board) ?
 - Board Chief Executive involvement / engagement / SRO ?
 - Scottish Government directorate involvement
- MULTIPLE SUPPLIERS – How to best manage
 - Retain strong procurement / commercial / legal help
 - Ensure implementation phase CCNs are watertight
 - Create supplier sub-group within Programme Governance
 - Integrated plan with formal acceptance of all parties
- COLLABORATION WITHIN NHSS – How to assure
 - Formal commitments through each Board Chief Executive
 - High visibility through Health Board governance structures
 - Board Lead Officers represented on governance groups

Mitigating the Risks - 2

- **COST CONTROL – Risk mitigation**
 - Clear delineation of programme costs ownership
 - Strong programme level financial tracking regime
 - Contingency arrangements/limits
 - Strong supplier contract management/billing oversight
 - Risk sharing across NHSS ?
- **QUALITY ASSURANCE – Oversight / Control**
 - Continued high level of project/programme board scrutiny
 - External QA/Board assurance on regular basis
 - Adherence to MSP/PRINCE 2 methodology
 - Resilience/sustainability of team addressed/assured
- **OTHER KEY ISSUES FROM CHIEF EXECUTIVES?**

Major Decisions Required - 1

- SG Oversight / Commissioning Directorate
 - SG eHealth department lead / GG ?
- Joint Ownership Model
 - NSS (holds contracts) + AN Other ?
- Governance Structure
 - As per current structure + linkage with CE Group ?
 - New SG Digital governance link tbd
- Chief Executives involvement / engagement
 - Programme Board membership / leadership ?
 - Regular Review / Major Decision consultation ?

Major Decisions Required - 2



- Supplier Management Group
 - NSS, Servelec, Wipro, Atos, Health Board linkage ?
- Resource Commitment / Risk Sharing
 - Chief Exec letter / MOU / written commitment ?
 - SG role / underwriting of risk ?
- External Assurance
 - Programme Delivery - Ongoing / Gateway / Internal Audit ?
 - Clinical Assurance arrangements tbd ?
- Conditions, Constraints & Limits
 - Tolerances and Contingencies / Escalation routes ?
 - External dependencies ?

Approval / Timeline

- FBC / Commission Consultation / Approval / Governance
 - CHI / CHS Programme Board (FBC approval complete)
 - SG Funding & Sponsoring Directorates / DoF
 - eHealth Leads Group
 - SG Digital Assurance Board / Delivery Board
 - Chief Executives Group
 - Commissioned Health Boards Governance Groups
 - Local Health Boards Governance Groups
- Timeline for Commission
 - Discussion with Programme Board: December 15
 - Review with SG eHealth: January 12
 - Discussion with Chief Executives: January 16
 - Draft in correspondence for Programme Board: January 26
 - FBC: February 23rd
 - **Back to Chief Executives Now**

B/18/54

NSS Formal Board Meeting – Friday, 6 April 2018

Update on Public Health Body

Completed Key Activities

- A page on geNSS has been established to share news with staff about the new body; this includes the recently released newsletter from the Public Health Reform team (see attached).
- Joint staff engagement event held with Health Scotland on 12 March 2018, based on stakeholder events being run by Scottish Government Public Health Reform team.
- NSS Programme Director has had introductory meetings with Public Health and Intelligence (PHI), Scottish Government and Health Scotland teams.

Current Key Challenges and Issues

- The first three of a number of commissions have been issued by the Public Health Reform team in Scottish Government, these are:
 - Protecting Health – to be led jointly by NSS and the Directors of Public Health
 - Data and Intelligence – to be led jointly by NSS, the Improvement Service and Health Scotland
 - Improving Health – to be led jointly by Health Scotland and the Integrated Joint Board Chief Officers

These are significant pieces of work with a number of deliverables; the first due by 6 April 2018 is confirmation of the membership of the project team and a draft timeline for the remaining deliverable. As the timelines and implications from these become clearer there will need to be an agreed strategy for managing messages to staff.

- These commissions form the main focus of the first meeting of the new Public Health Reform Board that meets for the first time on 29 March 2018; the Director of PHI is representing NSS on this board.
- Aligning our shared services offer with emerging thinking from SG team

Upcoming Key Initiatives

- Agreeing a validated staff list which will confirm current thinking on staff in/out of scope and communicating this in best way.
- Adding detail to our shared services offer and aligning with National Boards work.
- Developing an ongoing programme of staff communications.

Phil Couser
Director, Public Health and Intelligence
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Public health reform

Update

March 2018



Introduction

Welcome to the first update from the public health reform programme team. This is the first in a series of briefings covering all things public health reform, including the development of public health priorities and a new national public health body for Scotland.

In this briefing, we introduce the programme team, set out the vision for reform and provide an update on progress and next steps in establishing public health priorities for Scotland. The update also describes our work to establish a new public health body for Scotland and the areas the team will focus on over the coming months.

Message from Marion Bain and Eibhlin McHugh, Co-Directors, Executive Delivery Group

The public health reform programme is a jointly led collaboration between national and local government and brings together colleagues from the Scottish Government, Local Government and NHS Scotland.

The aspiration is to create a public health system fit for the future and equipped to respond to the complex challenges of the 21st Century. This is an exciting opportunity for us all. We are ambitious in what we are aiming to achieve for the public's health and we want partners to share in that ambition and help shape its delivery.

There will be opportunities for partners from across local and national government, public sector, private sector, third sector and communities to play a role in creating a new body consistent with the ambitions for improving the public's health.

There is much to do and we will work proactively with partners across Scotland to deliver a reform programme that builds on the evidence of what works in improving the public's health, is future focused and puts communities at the heart of reform.

We look forward to working closely with you over the months ahead to deliver the reform programme and realising this aspiration for Scotland's health.

Meet the Team



Marion Bain, Executive Director



Eibhlin McHugh, Executive Director



Meet the Team



Robert Skey, Programme Director



Amanda Trolland, Programme Manager



Asif Ishaq, Public Health Priorities lead



Colin Sumpter, Public Health Specialty Registrar

Vision for public health reform

The vision for the public health reform programme is “a Scotland where everybody thrives”. The ambition is for Scotland to be a world leader in improving the public’s health.

The reform programme is being led in partnership by Scottish Government and the Convention of Scottish Local Authorities (COSLA), but our ambition for Scotland cannot be achieved by any one body or organisation alone.

It will require the combined efforts of partners from across the public, private and third sectors and importantly, from within local communities as well. Our focus will be working with partners to improve the public’s health through a stronger focus on early intervention and preventing illness. Shared public health priorities for Scotland will be the first key milestone of our reform programme.

Scotland’s public health priorities

The priorities will be developed through a process of engagement with national and local stakeholders and will be the foundation to deliver the wider reform ambitions. Engagement to date has included external stakeholder events in Edinburgh, Aberdeen and Glasgow with participants from local government, NHS boards, third sector and community organisations contributing. Similar events were also held for staff from the national bodies responsible for public health intelligence, health protection and health improvement.

Over 500 individuals participated in the events and contributed to developing the criteria being used to assess potential priorities and put forward their own suggested priorities for consideration. A big thank you to everyone who came along.

We are now collating feedback from this first phase of engagement. Along with evidence from other sources, the feedback will be reviewed by an expert group who will recommend a final set of priorities we believe can deliver real progress. These priorities will be considered by an oversight board in April 2018 before final agreement by Scottish Ministers and COSLA leaders in advance of being published in spring 2018.

Thereafter, the next phase of our engagement will increasingly focus on building consensus, endorsement and commitment from partners across Scotland, to take forward collaborative action, nationally and locally, in support of the new priorities.

Establishing a new public health body

Parallel with work on establishing public health priorities, the focus of the programme team over recent months has been developing the overall 'blueprint' for reform and related programme management arrangements. A programme board has been established to authorise the key tasks and activities required to create the new public health body and the means by which it will support national and local partners. The next task the programme team will take forward is the formal commissioning of work to inform the design of the new body.

These commissions are the building blocks for the new body and will be collaborative from the outset, co-led by organisations from across the wider public sector and with the right expertise to help us design the future. There is also a requirement for the lead organisations to engage with stakeholders in delivery of the commissioned work. A summary of the first suite of commissions is set out below.

Commission	Lead Organisations
Improving health	Health Scotland (HS) / Integration Joint Board Chief Officers Group (IJBCOG)
Protecting health	National Services Scotland (NSS) / Scottish Directors of Public Health
Health and social care public health	NSS / Health Service Public Health Group / Improvement Service (IS) / IJBCOG
Underpinning data & intelligence	NSS / HS / IS
Leadership for public health research	Facilitated workshops undertaken by Scottish Public Health Network (ScotPHN)

An update on these and planned future commissions will be included in future briefings, along with further information on the programme board, details of a new website for public health reform and an update on Scotland's public health priorities, including details of how you can help support their launch and further engagement. In the meantime, if you have any specific questions you would like us to answer, please get in touch using the details below.

Meet the Team



Mark McAllister,
Communication lead



Steven Manson, Policy
Adviser



Aneta Kubik, Business
and Policy Support Officer

Get in touch:

Follow us @phrscot or email publichealthreform@gov.scot

B/18/55

NSS Board Meeting – Friday, 6 April 2018

Review of Severe Weather Incident

Purpose

This paper is to update the Board on the review of the severe weather incident due to snowy conditions at the end February / early March.

Recommendation

The Board are asked to note the recommendations and would welcome comments the Board have in relation to the incident.

Timing

Not applicable

Background

A review has been undertaken of the impact of the severe snowy weather experienced across Scotland and any associated lessons learned / actions from the response to the incident.

Engagement

Engagement has included Executive Management Team members and Resilience Leads.

Caroline McDermott

Head of Planning

Tel: 0131 275 6518 Email: carolinemcdermott@nhs.net

Review of Severe Weather Incident

1. Introduction

During the week of 26th February, much of Scotland was hit by heavy snow falls and blizzard conditions, impacting on transport across the country. This resulted in an impact on the delivery of services for the NHS in Scotland both in terms of staffing and delivery of goods. NSS has undertaken a review of its response to the incident and our associated resilience arrangements in line with the NSS Resilience Management Plan. This paper provides an update to the Board on that review.

2. Situation

Weather forecasters began forecasting cold wintery weather to hit Scotland with yellow, amber and finally a red weather warning issued, articulating the high impact and likelihood of severe disruption due to snow on Wednesday 28th February and Thursday 1st March. The weather conditions, compounded with strong winds had a high impact on transport and movement across Scotland, with the Scottish Government advising people not to travel unless absolutely necessary. Many vehicles with passengers were stranded, particularly on the M80, public transport was stopped and schools closed.

In response to a worsening situation, resilience arrangements within NSS and the NHS in Scotland were implemented. Within NSS, SBUs held resilience meetings and the Resilience Management Team (EMT) met via telephone conference on several occasions throughout the latter part of the week and into Monday morning. A number of communications were also issued to staff and our customers via our website. From the NHS Scotland perspective, the Scottish Government Health Resilience Unit asked Boards to provide regular updates to allow a brief to Ministers and the NHS Scotland Chief Executives held regular calls.

3. Impact of Adverse Weather

The main impacts on NSS were as follows:

- A number of community blood donation sessions had to be cancelled, thus reducing the blood donation availability. During one day the Atheneum building in Glasgow was closed due to essential security staff not being able to attend work thus further reducing donations. We actively targeted donors through our donor register requesting donations from those in specific geographical locations less impacted by the weather and with specific blood types. Focus was maintained in central collection centres, and extra sessions took place to make up shortfalls, such as Athenaeum opening on the Sunday. We have 4x4 vehicle capability and rented extra 4x4 vehicles to assist essential staff to come to work and to deliver blood components where required. Whilst there were concerns around platelets and some specialist O negative stocks, the levels of blood stock both centrally and at hospital blood banks were sufficient and no issues were raised. No patient treatment was compromised.
- National Distribution continued to receive and deliver goods to the NHS in Scotland. Due to the challenging road conditions, there were delays in deliveries to hospitals but no complaints from Boards of any shortages. There were some challenges due to heavy snowfall not being cleared on hospital sites. Any deliveries that could not be made were rescheduled as soon as possible. A number of staff could not attend work

in the warehouse due to the difficult conditions this meant that processes within the warehouse were behind schedule, however extra shifts were brought in at weekends to catch up.

- Home Oxygen – patients with home oxygen also have backup cylinders to give an extra 20 hours backup should anything go wrong. The Home Oxygen team were able to deal with all emergencies and breakdowns. There were no service delivery issues.
- Staff - There were many stories of staff going the extra mile, e.g. staff walking exceptionally long distance to get to work or staff using own personal 4 x 4 vehicles to pick up their colleagues and bring them to work. Staff worked over usual shifts or stayed in hotels near the workplace to maintain service delivery. In discussions with line managers, many staff were encouraged to work from home if they could do so. Non essential staff who could not work for home were given guidance via the Special Leave policy. We received many examples of named individuals and teams who demonstrated their commitment during extreme circumstances and we have run an internal communications campaign highlighting the efforts of our 'Snow Heroes.'

Unfortunately, the NSS Resilience Exercise, planned for 1st March had to be cancelled. This will be re-scheduled for financial year 18/19.

4. Review of Incident

Views have been gathered via a survey of Resilience Leads and EMT on how the incident went in terms of what went well, and what could be improved. Whilst not an extensive list examples of each are listed below. As a result of the survey, discussions took place at the Resilience Leads meeting on 14th March. Operational issues will be taken forward within SBUs / Directorates. and a further paper has been developed for Resilience Leads which highlights those operational issues which need to be dealt with by central departments.

What Went Well

- Staff positive response and flexibility in a difficult situation with a commitment to deliver essential services and many examples of 'going the extra mile.'
- Senior team sent out messages that safety was paramount and staff should be supported.
- Service delivery maintained for essential services. No issues reported from other Health Boards in terms of our service delivery.
- Good support from suppliers.

Recommendations

- A number of operational recommendations have been made which individual SBUs will consider e.g. clarifying communication channels during an incident; reviewing service priorities when capacity drops and agreeing future training / exercising requirements.
- Consider with Scottish Government colleagues whether certain sites could be given specialist support during a severe weather incident to ensure access was clear e.g. JCC, Canderside and specialist supplier sites. Also, consider with Scottish Government colleagues how to improve reporting and feedback to SGHRU, e.g. consider web based reports and improved sharing of information across Boards.
- A resilience and communication lead should be included in NSS Resilience Team (EMT) meeting to ensure appropriate actions are taken forward quickly and maintain a log.
- The snowy period only lasted for a few days and we managed the situation. The business should consider the implications if this severe weather period would have lasted much longer. SBUs have been asked to review Business Continuity Plans.

minutes (APPROVED)

B/18/56

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD ON FRIDAY 1 DECEMBER 2017 IN BOARDROOM 1, GYLE SQUARE, EDINBURGH COMMENCING AT 0930HRS

Present: Julie Burgess, Non Executive Director
Jane Davidson, Non Executive Director
Mark McDavid, Non-Executive Director (Chair of the Committee)
Alison Rooney, Non Executive Director

In Attendance: Martin Bell, Interim Director, Strategy & Governance
Helen Berry, Scott Moncrieff (Minute Item 13)
Rachel Browne, Audit Scotland
Ian Cant, Non Executive Director – (Minute Item 5)
John Fox-Davies, Outgoing, Director of Strategy and Governance
Professor Elizabeth Ireland, NSS Chair
Jacqui Jones HR and Workforce Development Director - (Minute Items 5 and 7)
Paul Kelly, Scott Moncrieff, (Minute Item 13)
David Knowles, PCFS Director, – (Minute Item 9)
Carolyn Low, Finance and Business Services Director
James Lucas, Internal Auditor, KPMG
Eilidh McLaughlin, Associate Director of Corporate Affairs and Compliance
Mary Morgan, SNBTS Director – (Minute Item 16)
Andy Robertson, Director of IT – (Minute Item 10 and 11)
Andy Shaw, Internal Auditor, KPMG
Colin Sinclair, Chief Executive
Aileen Stewart, Head of Organisational Effectiveness (Minute Item 7 only)
Mark Taylor, Audit Scotland
Drew McErlean, Committee Secretary (Minutes)

Apologies Kate Dunlop, Non Executive Director
Fraser Nicol, Scott Moncrieff

ACTION

1. CHAIRMAN'S INTRODUCTION

- 1.1 Mark McDavid welcomed members and attendees to the meeting. Apologies were noted as above.
- 1.2 Members confirmed that they had no interests to declare in relation to any of the agenda items.

2. MINUTES OF THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON 14 SEPTEMBER 2017 [Paper AR/17/89 refers]

- 2.1 The Minutes were agreed as an accurate record of the meeting.



Headquarters

Executive Office, Gyle Square, 1 South Gyle Crescent,
EDINBURGH EH12 9EB

Chair
Chief Executive

Professor Elizabeth Ireland
Colin Sinclair

Matters Arising**3. Action Sheet from the NSS Audit & Risk Committee Meeting held on 14 September 2017 [Paper ARC/17/90 refers]**

3.1. All of the actions were noted as being complete.

4. IT Resilience Audit – PACs update since meeting of 14.09.17 [Paper ARC/17/91 refers]

4.1. Julie Burgess noted that there appeared to be different aspects of this issue being raised at various meetings and questioned whether the governance was being managed correctly on this issue. Audit Scotland noted that delivery of the interim solution would take a number of months to ensure that all 6 million studies in the backlog were fully secured to this interim solution. This would mean that some aspects of the overall risk will not be fully mitigated until late summer 2018 (i.e. just before the scheduled delivery of the full solution). This had been raised at operational management level but appeared to require escalation

4.2. Colin Sinclair noted that the risk on this issue was now low and a lot of work had been done to mitigate the risk. There was still a lot of work to be done around clinical, technical and commercial issues but matters had moved on significantly. It was agreed that a list of the current issues would be pulled together and that the governance on this issue would be progressed via the Clinical Governance Committee in the future, where it would be a standing item on the agenda for their meetings.

**Committee
Secretary**

5. Health and Safety Controls Audit – Follow up to meeting of 14.09.17 - [Paper ARC/17/92 refers]

5.1. Jacqui Jones noted that the Audit & Risk Committee had previously requested reassurance and clarity over the Health and Safety controls within NSS. The remits of the independent reviews were noted. Both reviews had concluded that robust systems were in place and being operated effectively. Some recommendations had also been made and the completion of these would be progressed via an action plan that would be overseen by the Occupational Health and Safety Committee (OHSAC). In addition a bid had been made to purchase licences for an IT system that would enable some of the current processes to be automated and improve record keeping.

5.2. Leadership at all levels of management was key to ensuring that Health and Safety issues were given the required priority and there was some scope for leadership to be improved at SBU Director level. This was primarily around making sure there was constant reinforcement of the key health and safety messages and that it was an issue which was discussed rigorously at management and partnership meetings. In response to a question from Jane Davidson it was noted that if the audit work was carried out again now, a very different and more assured report would be produced.

5.3. In response to a question from Alison Rooney it was noted that NSS was consistent with other Health Boards in relation to their record on slips and trips. This continued to be the biggest Health and Safety issue for NSS. There would be an information campaign launched to address this and OHSAC would oversee whether or not the campaign resulted in improved performance. The main issue was making staff in office environments more aware of their immediate surroundings and the potential hazards that existed.

- 5.4. Elizabeth Ireland noted that all RIDDORs had been thoroughly investigated and appropriate mitigating actions taken. It was agreed that all Non Executive Board members should sign up to take part in the Leadership Training on Health and Safety.
- 5.5. Ian Cant commented that as Chair of OHSAC he had been reassured by the reports produced from the recent reviews. From a Trade Union perspective they did not feel that Health and Safety was a particular area of concern within NSS. The Audit & Risk Committee noted it was content that the concerns they had previously raised had been addressed and that there was a robust plan and approach in place to progress the completion of all recommended actions.

INTERNAL AUDIT

6. Report on Internal Audit Status Including Completed Reviews [Paper ARC/17/93 refers]

- 6.1. Andy Shaw noted that Property Transaction Monitoring audit would be re-scheduled. The audit on delivery of NSS strategy had been deferred at the request of management due to the work that had been done to review the current strategy statement. The audit reports that would be brought to the meeting of the Audit & Risk Committee on 28 March 2018 were noted.

7. Statutory and Mandatory Training Audit Report [Paper ARC/17/94 refers]

- 7.1. James Lucas noted there was mandatory training that applied to all staff, whilst other mandatory training was either role specific or for individual specialists. The scope for this audit had been the mandatory training that applied to all staff. The process overall was robust and the overall report rating was 'Significant assurance with minor improvements'.
- 7.2. There had been one medium rated risk around the potential for duplicating the process for evaluation of training requirements. This had been considered by the Executive Management Team (EMT). James Lucas confirmed he was satisfied with what had been proposed – i.e. that final approval would be from the EMT. Aileen Stewart confirmed that HR were very happy with the outcome of the audit. There had not been any new mandatory training that required approval for a while so it had been helpful to have the approval process confirmed.

- 7.3. Aileen Stewart noted that some mandatory training modules were generic across other NHS Boards but not across the wider public sector. Some of the mandatory training was more appropriate than others for Non Executive Directors. The modules that were most relevant would be identified and the method of delivery for this training to Non Executive Directors would need to be considered so that it was done in the most efficient way. It was noted that a development action for the Board had been for members to engage with other NHS Boards and attend their Board meetings to assist with broader understanding of the key issues across the health sector. Elizabeth Ireland undertook to coordinate this.

Elizabeth Ireland

8 Financial Sustainability/ Revenue Generation Audit Report [ARC/17/95 refers]

- 8.1. James Lucas noted the background to the scope of the audit work which had focussed on two SBUs – Programme Management Support Services

(PGMS) and IT. The overall report rating had been 'Significant assurance with minor improvements'. A medium rated recommendation had been raised over the need for a consistent approach to recharging and delivery of internal work. This was noted as being applied more consistently in IT Division. The investment in Agile methodology was reported as being a positive development as Agile trained staff were well regarded in the marketplace. This may result in there being a need for better demand management if an increased level of opportunities arose. In response to a question from Alison Rooney it was noted that the level of inconsistency in re-charging was not too significant and the main issue was around internal work within NSS. Carolyn Low noted that work would be done to look at how cross charging could be improved but that would be balanced against the risk of introducing an overly bureaucratic process. Elizabeth Ireland noted that she felt this was a sensible approach and the key issue was to ensure that PGMS was sustainable.

- 8.2. In response to a question from Jane Davidson it was noted that productivity had not been part of the audit scope. Carolyn Low noted that there would be some work done to consider wider use of productivity metrics. It was noted that all projects undertaken by PGMS were fully funded.
- 8..3. Mark McDavid asked what competition there was for the services that PGMS supplied. Carolyn Low advised that the other Health Boards had the option of doing their own programme management. NSS services were probably a bit more expensive than in-house management but the added value came from the expertise and knowledge of the wider health and public sectors that NSS brought.

9. Scottish Infected Blood Support Scheme [Paper ARC/17/96 refers]

- 9.1. James Lucas noted that the overall report rating was 'significant reassurance with minor improvements'. There had been two medium rated recommendations made. One of these related to access to the records of the previous scheme administrators and this issue would continue to be raised by the Scottish Government with the UK Government Department of Health. With regards to the other finding, segregation of duties would be in place until an IT fix was implemented to address the self authorisation potential on payments.
- 9..2. David Knowles commented that the Scheme had been set up in a very demanding timescale and that the progress made had been very positive. The Payments regime is relatively complex due to many clinical issues that can contribute to the decision about eligibility for a payment to be made to a claimant. An appeals panel had also been established as required under the terms of the scheme. This had met once, with one appeal being successful and another rejected.
- 9.3. Julie Burgess asked what issues could cause things to go awry with the payments process. David Knowles noted the dependency on technology to process payments and the complexity of the calculations were potential risks. There was also a dependency on key staff but that was not a significant issue. Colin Sinclair noted that it had been a very complex and demanding piece of work for NSS to take on responsibility for this payment process and a lot of improvements had been made in comparison to the previous administration. A much better service was being provided to patients and their families. The Committee noted its appreciation of the work undertaken by those who had set up the scheme payments process within NSS.

10. CHI Audit Report [Paper **ARC/17/97refers]**

- 10.1. Andy Robertson noted the background to the production of the audit report. The CHI system was at the core of NHS IT and was essential in the delivery of patient care. It was old technology that had to be replaced. The project had gone beyond the procurement stage with preferred suppliers having been selected. The proof of concept phase was an extra step in the usual IT system development cycle but had been regarded as essential in this instance. It had been agreed that before further work was commissioned via a full business case, evidence was required that the proposed developments could function successfully in the NHS IT environment.
- 10.2. The Proof of Concept phase would identify whether the proposed solution was either too complex or too expensive. Andy Robertson outlined how the programme of work was being managed and the challenges that had arisen including the need to recruit a new Programme Manager when the previous incumbent resigned. There had been 3 months slippage in the project but it was agreed that this slippage was less of a concern than making sure that the development challenges were fully researched and all possible issues surfaced at this point. All of the recommendations made in the report had been accepted.
- 10.3. In response to a question from Julie Burgess it was noted that NSS was currently responsible for delivery up to and including the proof of concept phase. If a decision was made to proceed beyond the proof of concept phase the responsibilities were yet to be determined. Julie Burgess noted that she was concerned about NSS being held responsible for any issues if the work was signed off by the CHI Board. Andy Robertson noted that NSS would have the right not to take on a role beyond proof of concept if it was uncomfortable with any decision made by the CHI Board.
- 10.4. In response to a question from Elizabeth Ireland it was noted by David Knowles that there was a lot of engagement with stakeholders to ensure that they fully understood the complexities of this work and what their governance responsibilities were. Andy Robertson noted that he had advised the CHI Board that now was the time to say if they felt any lack of confidence in the role NSS had in this project. They had not indicated any concerns on this issue.
- 10.5. The Committee noted that given the level of complexity and sensitivity over accountabilities for this work the proof of concept phase had been a very sensible and pragmatic approach to take. It was also essential that NSS was fully aware of the level of risk it could take on for any future involvement in this project and for the organisation to have appropriate risk mitigations in place. It would ultimately be a decision for the NSS Board about what role if any NSS should take on if the CHI Board decided that the project should progress beyond the current phase.

11. CHI Update

- 11.1. In addition to the Audit Report a presentation was given by Andy Robertson explaining the wider issues related to the commissioning of CHI and Child Health Systems implementation phase. It was emphasised that the NSS Board would need to determine if it wanted to be part of the commissioning of any work beyond the proof of concept phase. It was agreed that an update on the project would be provided at the meeting of the NSS Board on 2 February 2018.

**Andy
Robertson/
Committee
Secretary**

- 11.2. The complexity and risk issues were noted with particular reference to the need to run the existing and new systems concurrently for a period of up to one year following initial implementation. That would have to be coordinated across all 22 Health Boards in Scotland. In Andy Robertson's opinion it was reasonable to describe this as the single biggest IT development undertaken by the NHS in Scotland in a generation. Jane Davidson commented that this was a make or break piece of work for the NHS. Colin Sinclair questioned whether the NHS could afford not to do it given the risk of failure of the current technology. It was agreed that this issue would be discussed with the NHS CEOs at their meeting in January 2018 to gauge the level of commitment and understanding about this project at that level. **Colin Sinclair**
- 11.3. In response to a question from Julie Burgess it was noted that work had started to define the clinical risks that would arise if this development did not proceed. This would be discussed by the Clinical Governance Committee in March 2018. **Julie Burgess.**
- 11.4. Andy Robertson also emphasised that work was needed to look at what needed to be done to keep the existing technology functioning effectively whilst any new development was underway. Alison Rooney noted that at the NSS Board meeting on 2 February there would be a need to consider the risks at the level above the project work to ensure that all of the broader issues were fully understood. **Andy Robertson**
- 12. Draft Internal Audit Plan for 2018/2019 [Paper ARC/17/99 refers]**
- 12.1. Andy Shaw noted that the final version of the plan would be brought to the meeting of the Audit & Risk Committee on 28 March 2018. Mark Taylor noted that Audit Scotland were content from their initial review of the plan that it addressed the key areas. An appropriate balance between strategic and operational issues had been achieved. Elizabeth Ireland noted there needed to be some governance audits added but these may occur in 2019/2020. In response to a question from Julie Burgess it was noted that clinical issues would be addressed within the detail of some of the audits. The meeting of the Clinical Governance Committee on 1 December would consider whether it felt that any specific clinical issues should be added to the audit plan. **Julie Burgess**
- Service Audit**
- 13. Service Audit Progress Reports**
- National IT Service Contracts Audit Report [Paper ARC/17/100 refers]**
- 13.1 Paul Kelly noted that work was being progressed on schedule and no major issues had been identified to date. All of the actions from the 2016-2017 audit had been completed by ATOS.
- Payroll Services Audit Report [Paper ARC/17/101 refers]**
- 13.2. Helen Berry reported that the full programme of testing for the 2017-2018 audit had been agreed with management. All of the actions from the 2016-2017 audit had been completed.

Practitioner Services Audit Report [Paper **ARC/17/102** refers]

- 13.3. Helen Berry noted that preliminary testing had been completed in the key areas and there were no matters of concern to report at this stage. Six of the eight actions identified in the 2016-2017 audit were complete. The other 2 were not yet due for completion but would be tested in January 2018.

Service Audit Reporting to Audit & Risk Committee

- 13.4. It was agreed on the assumption that the current pattern of Audit & Risk Committee meetings was unchanged, that for future December meetings the Service Auditors would only be required to attend and report to the Committee if they had a significant issue to bring to the Committee's attention. The Forward Programme would be updated accordingly. **Committee Secretary.**

External Audit

14. **Draft Annual Audit Plan 2017-2018 incl External Audit view of Internal Audit** [Paper **ARC/17/103** refers]

- 14.1. Mark Taylor noted the different dimensions covered by the Plan and the risk based approach taken. Key areas of focus for the year ahead would be –

- Financial sustainability
- Creation of the new Public Health Body
- Cyber security
- Contract management regimes – e.g. the CHI work.

- 14.2. In response to a question from Elizabeth Ireland, Audit Scotland suggested it could add value to the audit process by applying their knowledge of what was happening in other Health Boards. Carolyn Low noted that this audit was primarily about NSS Performance rather than broader public sector and health issues. It was agreed that the wording of Item 8 in the plan, which referenced CRES savings, should be re-defined and updated. **Rachel Browne**

- 14.3. In response to a question from Alison Rooney the work done by NSS to track the delivery of planned efficiency savings was noted by Colin Sinclair. This tracking was more effective for the larger scale initiatives and there was some scope to do more to evidence the benefits actually delivered.

15. **NHS in Scotland 2017: National Overview Report** [Paper **ARC/17/104** refers]

- 15.1. This paper had previously been tabled at the NSS Board meeting in October 2017. Elizabeth Ireland noted that the NHS Chairs had welcomed the report as it addressed very important issues. Colin Sinclair commented that the Executive Management Team (EMT) had reviewed the report to identify any opportunities that may exist for NSS in the areas covered.

NSS Updates

16. **New Public Health Body** [Paper **ARC/17/105** refers]

- 16.1. Colin Sinclair noted that the paper pulled together all the implications for NSS of the new Public Health Body. This would be considered in detail at the NSS Board meeting on 2 February 2018. It was expected that all costs and income associated with the Public Health Information (PHI) department at NSS would transfer to the new body. There would be no threat to the sustainability of NSS from the creation of the new Public Health Body.

- 16.2. It was currently anticipated that NSS would provide shared services to the new Public Health Body that covered the overheads used by PHI within NSS. If the new body wanted to deliver these services in-house there was the possibility that some NSS staff could transfer to the new body under a TUPE arrangement or transfer order. Colin Sinclair noted there may be some services currently delivered by PHI that would remain within NSS.
- 16.3. In response to a question from Julie Burgess it was confirmed by Mary Morgan, who was the SRO for the project within NSS, that the broad picture was unlikely to change. The Scottish Government had emphasised that it did not wish to destabilise services currently provided by NSS and wanted the new body to pioneer shared service arrangements. There was no intention to create new accommodation for the new body beyond the possibility of a very small Headquarters. Most staff that transferred to the new body would continue to work from their current location. Elizabeth Ireland noted that at a meeting on 30 November it had been confirmed that Information Services Division (ISD) would be part of the new Public Health body
- 16.4. Mary Morgan noted the risk assessment work that had been done within NSS to consider the organisational change impact. Further work on this would be done at a meeting of the Project Board on 6 December. Colin Sinclair and Elizabeth Ireland would be meeting with Health Scotland in the week beginning 4 December to discuss how the shared services for the new public health body would be delivered. There would also need to be some work done to consider what services NSS would require from the new body.
- 16.5. The governance arrangements for the project were noted and it was confirmed that a full time Programme Manager would be appointed. The role of the SRO would primarily be about key stakeholder engagement. Discussions were ongoing with the Scottish Government around the funding of the extra work that this project would cost NSS. EI
- 17. Internal Audit Actions Report [Paper ARC/17/106 refers]**
- 17.1. There were no issues raised in connection with this report, which was noted by the Committee.
- 18. Risk Management Update [Paper ARC/17/107 refers]**
- 18.1 In relation to Risk 4758 around 'Bridgeview IT Performance Issues', it was noted that work to address the issues was on-going. A move away from these premises was planned for 2018 so there would be no need for any significant further investment. The paper was noted by the Committee.
- 19. Risk Appetite Paper [Paper ARC/17/108 refers]**
- 19.1 The NSS Board would review its Risk Appetite statement at their meeting on 2 February 2018. The report was noted.
- 20. Fraud Update [Paper ARC/17/109 refers]**
- 20.1. There were no issues raised in connection with this report which was noted by the Committee.

21. Quarterly Feedback Concerns and Complaints Report [paper ARC/17/110 refers]

21.1. There were no issues raised in connection with this report which was noted by the Committee as having previously been seen by the Staff Governance Committee.

22 Committee Highlights for the NSS Board Meeting on 29 June 2017 [Paper ARC/17/111 refers]

22.1. Issues & Risks for the Board's Attention

Key Audit Matters:

Internal Audit: All planned audit reports were approved. Members commended the work undertaken in the set up of the Infected Blood Payment Scheme by PCFS. The CHI audit commissioned by the CHI Programme Board was approved and it was agreed that the audit had been completed at a good point in the Programme. The presentation by Andy Robertson was well received and an update on CHI would be brought to the February Board meeting. It was noted that Chief Executives would require an update. Colin Sinclair and Jane Davidson agreed to ensure this occurred.

Service Audit: Progress with the audit plans was noted.

External audit: The annual audit plan was noted.

Key Risk Matters:

The risk report was accepted though clarity was sought on the risk in relation to Bridgeview. This was discussed in the committee and members were assured. All NSS standard reports were accepted.

Emerging Themes for Board Awareness e.g. changing trends in elements of NSS performance

Following from the last meeting, the assurance provided on Health & Safety within the organisation was approved and the report commended. Members confirmed that they were assured in respect of H&S process.

A paper was received on the possible implications for NSS from the new Public Health Body. This included projected possible financial implications and the plan for NSS in terms of the timeline for creation of the new body. The proposal in respect of governance for decisions for NSS was approved. It was requested that risk be explored more fully for the next update.

Governance Improvements e.g. actions which have strengthened governance of Committee and should be shared

It was agreed that PACs should be a standing item on the Clinical Governance Committee agenda. This suggested governance improvement allowed the risk to be discussed in one forum and shared appropriately across the other forums. Members noted the Board learning in risk governance process by adopting this approach.

It was requested that Chairs of the individual committees be involved in internal audit planning in future years.

23 Any Other Business

23.1 There was no other business raised.

24. DATE OF NEXT MEETING

24.1 The next NSS Audit and Risk Committee Meeting would be held on Wednesday 28 March 2018 at 0930hrs

FOR INFORMATION

25. ARC Meeting Dates for 2018 [Paper **ARC/17/112 refers].**

25.1. The schedule of meeting dates for 2018 was noted.

26. Audit & Risk Committee Forward Programme 2016 [Paper **ARC/17/113 refers]**

26.1. The programme was noted.

There being no further business the meeting finished at 12.50 hrs

minutes (APPROVED)

B/18/57

NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF MEETING OF THE PERFORMANCE AND FINANCE COMMITTEE HELD IN BOARDROOM 1, GYLE SQUARE, EDINBURGH COMMENCING AT 0930HRS ON WEDNESDAY 25 OCTOBER 2017

Present: Ms Kate Dunlop, Non Executive Director (in the Chair)
Ms Julie Burgess, Non Executive Director

In Attendance: Mr Martin Bell, Associate Director Planning, Performance & Service
Mr James Hall, Director of IT Operations, (Minute Item 4 only)
Mr Markus Hiemann, Sustainability Lead, (Minute Item 7 only)
Ms Carolyn Low, Director of Finance and Business Services
Mr Peter McConnell, Strategic Sourcing Director, (Minute Items 11 and 12 only)
Ms Caroline McDermott, Planning Lead, (Minute Items 5 – 8 only)
Mr Colin Sinclair, NSS Chief Executive
Ms Marion Walker, Risk Manager Lead, (Minute Items 9 only)
Mr Drew McErlean, Committee Secretary (Minutes)

Apologies: Mr John Fox-Davies, Director of Strategy and Governance
Professor Elizabeth Ireland, NSS Chair
Mr Mark McDavid, Non Executive Director

ACTION

1. Introduction and Apologies for Absence

- 1.1 Kate Dunlop welcomed everyone to the meeting and noted the apologies.
- 1.2 Committee Members were asked if they had any interests to declare in the context of the Agenda items to be considered. There were none.

2. Minutes of Previous Meeting and Matters Arising

Minutes of the meeting held on 31 May 2017 [paper **PFC/17/32**] refers]

- 2.1 The Minutes were agreed as being an accurate record of the meeting.

It was noted that the Lessons Learned exercise referenced at Item 11.2 had been completed.

3. Action Sheet [paper **PFC/17/33** refers]

- 3.1. Colin Sinclair noted that in relation to item 14.3 (Jack Copland Centre) there had been some challenges in dealing with Seacole in relation to things that needed to be fixed in the building that were subject to a Side Agreement. These had been classified by risk and finance into high, medium and low rated items. Seacole had adopted what was felt to be a



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Chair Professor Elizabeth Ireland
Chief Executive Colin Sinclair

rather unhelpful and aggressive approach by attempting to pass risks on to NSS. Colin Sinclair noted that he had escalated this to the Seacole Chief Executive and was awaiting a proposal for resolution. Carolyn Low noted that the day to day working relationship between NSS and Seacole in dealing with the on-going work of preparing the building for full occupation was very good

4. Significant Upcoming IT Projects

4.1 James Hall noted that the PACs programme of work was in a good position financially. An open tender process had been undertaken to ensure best value was achieved. A resilience refresh had been included in the programme of work. A full Disaster Recovery site which would enable immediate switch over if required and eventually remove the need for tape back-up. This phase of work was being targeted for completion by October 2018. Colin Sinclair emphasised the importance of achieving the October 2018 completion date. It was noted that current service levels in business as usual work were very good.

4.2. Work being undertaken via the Farr Institute at Edinburgh University to access anonymised data for cancer cases research was noted. This was a very positive development. Work was also underway to identify a 3rd storage facility that would be vendor neutral – that would be helpful in any scenario where there was a proposed migration to a new supplier.

4.3. The requirements for a technical re-refresh at the local sites would need to be referred to the NHS Chief Executives Group. James Hall noted that this work would have no impact on the national system. There was a budget of £7.2m to upgrade all of these sites over 3 – 5 years. There were 31 sites across the 14 territorial health boards. It was agreed that James Hall should investigate whether the overall costs could be reduced if the number of sites was reduced. James Hall noted that he had done some modelling for a reduction to 18 sites but not any further – for example 1 site for each of the 3 new regions.

James Hall

4.4. In relation to the CHI and Child Health Transformation Update James Hall noted that the full business case was on track to be completed by 15 December 2017. This was around 8 – 10 weeks later than had originally been planned. The original data mapping exercise had missed around 20 fields and so data transfer systems had to be modified. Funding was now in place for the programme. There was some contingency in the programme so some additional cost could be absorbed if necessary but James Hall noted that would prefer to re-negotiate the costs. There had been some resourcing challenges but a new Project Director was now in post. James Hall noted that overall progress was slower than had been hoped for but felt it had been better to take extra time to ensure the detail was correct.

4.5. It was noted that the GPIT programme was proceeding within budget and to schedule.

4.6. In relation to the Community Programme it was noted that there had been an indication from the Scottish Government that may not be as supportive in relation to funding as had originally been indicated. Carolyn Low noted concerns that if central funding was not available where this funding would come from.

- 5. NSS Mid Year Performance Report including Local Delivery Plan**
[paper PFC/17/35 refers]
- 5.1. Caroline McDermott noted that an overall performance rate of 88.9% had been achieved as an additional amber rated risk had been added. There was 1 red rated item which related to projected savings from the PCF fleet logistics programme. Colin Sinclair noted that work would be undertaken to ensure that the projected savings were achieved in the current year and sustained into the future.
- 5.2. In relation to the amber rated items Martin Bell noted that for the PHI eDRIS item, reassurance was needed that the year-end target would be achieved. The challenges in achieving the PCF NDC revenues throughput were noted. There was evidence of suppliers attempting to undercut NDC by selling directly to territorial boards. This was a false economy in the longer term for the territorial boards but the challenge was for NDC to become more efficient to enable it to match prices elsewhere in the market.
- 5.3. The Committee approved the report and noted the overall positive performance against target.
- 6. Resilience Update** [paper PFC/17/36 refers]
- 6.1. Caroline McDermott noted the key activities including the completion of the NHS Scotland Standards for Organisational Resilience Assessment and NSS's involvement in Exercise Border Reiver between 3 and 5 October. In relation to the latter it was noted that NSS had been asked to support work relating to how patient tracking would be undertaken in the event of a multi casualties incident happening. The activities undertaken by NSS in response to the 'Move to Critical' terror threat level were also outlined.
- 6.2. In relation to the recorded incidents it was noted that the loss of connectivity for critical systems at SNBTS Gartnavel on 17 June had not been a consequence of failures in the core systems. This had resulted from out of date contact records held by a supplier of core fibre links. The mitigating actions to prevent this happening again in the future were outlined. Most of the incidents recorded were minor in nature but provided reassurance that there was an effective control environment.
- 7. Mid Year Sustainability Update and Progress on 2015 – 2020 Plan**
[paper PFC/17/37 refers]
- 7.1. Markus Hiemann noted that good progress had been made overall in the last financial year and the LDP target had been met. There had been a lot of work to ensure that procurement was focused on sustainability. In the current year, progress was being made but there were challenges in maintaining momentum. Markus Hiemann noted the work that was being done in relation to the business travel programme.
- 7.2. Work would be undertaken across all NSS products and services to identify sustainability issues and identify opportunities for improvement. Martin Bell noted that overall the report was very positive and there was evidence that sustainability had become a mainstream issue. Julie Burgess noted that it would be helpful to see a sustainability impact assessment for some of the major IT programmes that had been discussed earlier in the meeting.

**Markus
Hiemann**

- 7.3. Colin Sinclair commented on the importance of momentum being maintained and asked that Markus Hiemann provide him with details of what the key sustainability issues were that should be focused on during the upcoming RAM process. It was noted that the report summarised data that would be provided to the Scottish Government. It was agreed that a summary report for a future meeting of the NSS Board would be helpful in keeping them abreast of progress. *(Post meeting note: The report was circulated to members of the NSS Board)*
- 8. Winter Planning Arrangements [paper PFC/17/38 refers]**
- 8.1 Martin Bell noted that the plan was produced in accordance with the requirements of the Scottish Government. The main focus was on resilience and as part of that, the seasonal staff flu vaccination programme had now been launched. Public Health Intelligence (PHI) would monitor any issues in Territorial Boards to identify any knock on impacts for NSS. It was agreed that the plan as drafted would be submitted to the Scottish Government to meet the deadline of end October 2017.
- 9. Review of Business Risks on NSS Register [paper PFC/17/39 refers]**
- 9.1. Marion Walker noted there was one red rated risk (4535) about the Cleft Surgical Service. This had been discussed at meetings of the Audit & Risk and Clinical Governance Committees in September. At the latter it had been reported that the service was meeting the required standard albeit within a stressed system. Colin Sinclair had received a further update as of 5 October 2017 which he would circulate to Non Executive Directors. In summary the patient impact was being closely managed. **Colin Sinclair**
- 9.2. It was agreed that a report would be provided to future meetings of the Clinical Governance Committee in relation to the performance of the Cleft Palate Surgery Service against the clinical standards. **Marion Walker**
- 9.3. It was agreed that the strategic risks which were included in the report for the first time should continue to be included for future meetings. While the number of risks has decreased, the overall risk profile has remained fairly similar to that reported in April 2017 and risks continue to be managed appropriately across the organisation.
- 9.4. In relation to Risk 3492 'Managing Stakeholder Risk', Martin Bell asked if the real issue was about other Boards making a choice not to use services provided by NSS as opposed to a lack of understanding about what NSS could offer. The choice to use other suppliers may be based on what offers are made by other suppliers that allow short term savings to be made. These deals usually end up being more expensive in the longer term. Colin Sinclair noted that he felt there was still an issue of understanding too. It was agreed that Martin Bell would liaise with Matthew Neilson to determine if the description of this risk should be re-worded. *Post Meeting Note: Following discussion between MB and MN the risk would be reworded to reflect the two different elements to the risk.* **Martin Bell**
- 10. NSS Financial Performance: Period 1 April 2017 – 30 September 2017 [paper PFC/17/40 refers]**
- 10.1 Carolyn Low noted that there was a current revenue surplus of £1.3m mainly due to unfilled vacancies in SNBTS. A year-end break even position was forecast. Whilst SNBTS was predicting that it would have filled these

posts by end February, Carolyn Low felt this was overly optimistic and had asked for sight of a plan as to how this would be achieved. It was noted that to date there had been no service impact as a consequence of these vacancies. The 'Once for NSS' process meant that across all SBUs, vacancies were being closely managed and were not being filled unless a post was deemed to be essential. Colin Sinclair commented that the overall staff numbers would be re-based at the end of the current financial year, as it was annually and a vacancy factor would be built in.

- 10.2. Capital was currently £0.4m behind plan due to timing issues with the occupation of the JCC. At mid-year there was £1m unallocated capital. Colin Sinclair commented that there would need to be very close management of the CRES position in relation to National Specialist Services if the target was to be achieved. Colin Sinclair noted that there was a need for an overarching national plan to provide context to and build on the regional planning that was underway.
- 10.3. In response to a question from Kate Dunlop it was noted by Carolyn Low that HR felt they required more specialists in some areas and vacancy management was being used to address this.

11. **National Procurement Contract Schedule [paper PFC/17/42 refers]**

- 11.1 As previously requested, there was a separate section of the report which detailed the IT procurement contracts. In response to a question from Kate Dunlop on the GP IT procurement it was noted that there was an expectation that most GPs would come on board but there would be a choice of suppliers for them. Colin Sinclair undertook to check if this issue would be included in the current re-negotiation of the GP Contract. **Colin Sinclair.**
- 11.2 Peter McConnell noted that the strategic sourcing contracts awarded so far in the current financial year had a value of £254m and savings of 20% had been achieved. The major area of saving was around pharmaceuticals with products coming 'off patent'. In response to a question from Martin Bell about the risk of savings being double counted if territorial boards also reported them, the process for reporting savings to the Scottish Government, which should prevent this, was outlined by Peter McConnell.
- 11.3. The contracts that would be negotiated in the second half of the year were referenced and it was noted that there was a strong expectation that the annual LDP target would be achieved.
- 11.4. The details of 3 specific contract re-negotiations had been included in the report and these were referenced. In relation to the strategy for a Dynamic Purchasing System for medical services at NHS hospitals it was agreed that controls needed to be built into this contract to avoid the situation of NHS staff being employed by the supplier agencies and the NHS paying more than the NHS pay rate for these staff to work at weekends. **Peter McConnell**

12. **Update on Impact of Foreign Exchange Rate Movements on Procurement**

- 12.1. Peter McConnell noted that any changes in foreign exchange rates since the last meeting of the Performance & Finance Committee had been minimal and had no material impact on procurement activity. As a tactical approach to managing future risk there would be a move away from any single supplier arrangements to multiple suppliers. Significant food price inflation was a bigger factor than movement in currency exchange rates.

13. Occurrences Where SFIs Have Not Been Followed

- 13.1 Carolyn Low advised the Committee that there had been no situations in the reporting period when the SFIs had not been followed.

14. Feedback on Relevant Issues from Other NSS Sub-Committees

- 14.1 It was noted that the Clinical Governance Committee meeting on 25 September 2017 had discussed the Breast Screening Review. This had now been signed off. The risks around the Cleft Palate Single Site surgical service and the PACS IT system had also been discussed.
- 14.2. The Audit & Risk Committee meeting on 14 September 2017 had also discussed the Cleft Palate Service issues. There had been significant discussion around 2 internal audit reports on Health and Safety Controls, and IT Resilience.

15. Items the Finance and Performance Committee Would Like to see on the Internal Audit Plan for 2018 - 2019

- 15.1. It was agreed that there would be no recommendations made on this until the draft audit plan had been seen. This was due to be tabled at the meeting of the Audit & Risk Committee on 1 December 2017.

16. Committee Highlights for NSS Board Meeting on 2 November 2017 [paper PFC/17/44 refers]

- 16.1. The items for the Board Highlight Report were identified as

Items and Risks or the Boards Attention

- Progress made in relation to the PACS IT System and the update provided in relation to other major IT projects.
- The Committee agreed to the approach taken with regards to the £300k received in relation to electrical capacity issues within the JCC
- The Winter Planning arrangements had been agreed by the Committee.

Emerging Themes for Board Awareness e.g. changing trends in elements of NSS performance

- The Committee would in the future receive an update on the impact of the creation of the new Public Health Body.

Governance Improvements e.g. actions which have strengthened governance of Committee and should be shared.

- The Committee felt there was evidence of better coordination of issues and discussions across the Board sub-committees.

17. Any Other Business

- 17.1 There was no other business raised.

18. Date of Next Meeting

18.1 Friday 23 February 2018 at 0930 Hrs: South Gyle, Edinburgh

19. For Information

19.1 **Performance and Finance Committee Forward Programme 2018**
[paper **PFC/17/45** refers]

19.2 **Calendar of Meeting Dates for 2018** [paper **PFC/17/46** refers]

Minutes (APPROVED)

B/18/58

NHS NATIONAL SERVICES SCOTLAND CLINICAL GOVERNANCE COMMITTEE

MINUTES OF CLINICAL GOVERNANCE COMMITTEE MEETING HELD ON 1 DECEMBER 2017 IN MEETING ROOM 18, GYLE SQUARE, EDINBURGH, COMMENCING AT 1355 HRS

- Present:** Ms Julie Burgess - Non-Executive Director [Chair]
Ms Jane Davidson - Non-Executive Director
Mr John Deffenbaugh - Non-Executive Director
Professor Elizabeth Ireland - Chair of NSS
- In Attendance:** Mrs Noreen Kent – NSS Nurse Director and Executive Lead for Clinical Governance
Mrs Eilidh McLaughlin – Associate Director of Corporate Affairs and Compliance
Dr Lorna Ramsay – Joint Interim NSS Medical Director
Mr Colin Sinclair – NSS Chief Executive
Professor Marc Turner – Medical Director, SNBTS
Mrs Lynsey Bailey – Committee Secretary [Minutes]
- Apologies:** Dr Mike Winter – Joint Interim NSS Medical Director

ACTION

1. WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

- 1.1 Ms J Burgess welcomed everyone to the meeting and noted the apologies as above. Members were asked to declare any interests in the context of the agenda items but none were declared.

2. MINUTES OF CLINICAL GOVERNANCE COMMITTEE MEETING HELD ON MONDAY, 25 SEPTEMBER 2017 [paper CG/17/51 refers]

- 2.1 Following a brief discussion, Members were content to approve the minutes of the meeting held on Monday, 25 September 2017.

3. MATTERS ARISING AND ACTION LIST [paper CG/17/52 refers]

- 3.1 Members noted that the majority of the items on the action list were either in progress, closed or covered within the agenda and papers for this meeting.

4. UPDATE ON BLOOD & TISSUE SAFETY MEASURES

- 4.1 Professor M Turner spoke to confidential paper **CG/17/58a** which provided an update on blood safety issues within the Scottish National Blood Transfusion Service (SNBTS). The report covered the following areas:
- i. Clinical Apheresis Event
 - ii. Update on anti-GBM antibody testing incident
 - iii. Update on Donor Notification Incident
 - iv. Update on BioRad Incident
 - v. Regulatory and Professional Inspections and Audits
 - vi. Donor Deferral Criteria
 - vii. Transition Plans to Jack Copland Centre (JCC)
 - viii. Letter from Joan McAlpine MSP
 - ix. Sustainability of Scottish Hospital Blood Banks
 - x. HAI Report



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Chief Executive Colin Sinclair

ACTION

- 4.2 Clinical Apheresis Event – Members noted the detail provided of the event involving a patient with thrombotic thrombocytopenic purpura (TTP) and acknowledged the role and response of SNBTS clinicians and the host Board.
- 4.3 Update on anti-GBM antibody testing incident – These tests continued to be run on a different platform with suitable validations in place to avoid any recurrence. SNBTS was still awaiting responses regarding 46 patients from the clinicians who had been contacted.
- 4.4 Update on Donor Notification – Only one donor notification remained “pending” and a full report would be prepared over the next month.
- 4.5 Update on BioRad Incident - Members noted the Variation of Contract agreed with BioRad and its implications.
- 4.6 Regulatory and Professional Inspections and Audits - Members noted the appended reports from the inspections which had taken place since the previous meeting. They also noted that the action plans in respect of any non-conformances had been submitted and closed. Members sought and received reassurance that Professor M Turner had no significant concerns in respect of the content of the reports. With the successful outcome of its first inspection as a new facility, the JCC was now able to issue blood. Members acknowledged the very positive feedback and the role of staff in achieving this.
- 4.7 Donor Deferral Criteria – Members received an overview of the recent updates to donor deferral criteria. SNBTS were hopeful that these new measures would lead to some reduction in deferral rates.
- 4.8 JCC Transition - Members were pleased to note that around 250 staff had now successfully moved into the JCC. They were also provided with an overview of the slight delay for the transition of the testing function and the contingencies in place to continue in the meantime.
- 4.9 Letter from Joan McAlpine MSP – Professor M Turner provided an overview of SNBTS's response to a request, via their MSP, from a family who had concerns about their father's haemophilia treatment in the early 1980s. Members commended the openness of the response.
- 4.10 Sustainability of Scottish Hospital Blood Banks – Members noted the update provided, and received an overview of a proposed approach to a systems-wide governance structure for hospital blood banks. Members sought and received assurance around the management of any safety concerns that arose and that workforce issues (training etc,) were being factored in.
- 4.11 HAI – Members were advised that SNBTS continued to maintain an excellent level of hand hygiene compliance.
- 4.12 Walkround – Ms N Kent and Ms J Burgess provided an update on their recent visit to SNBTS's site at the Royal Infirmary of Edinburgh. Overall, it had been a useful and assuring visit, with one or two observations which would be fed back as potential improvement opportunities.
- 4.13 Members suggested that future front cover sheets, for this and any of the other papers, include a summary and/or statement of assurance at the outset.

Paper Authors**5. NSS CLINICAL ADVERSE EVENTS, RISKS & COMPLAINTS QUARTERLY UPDATE**

- 5.1 Members briefly discussed paper **CG/17/69** which provided an update on clinical adverse events, risks and complaints since the last meeting on

ACTION

Monday, 25 September 2017. There had been marginal increases in all three areas but nothing to give cause for concern.

5.2 Starting with the adverse events, Members were assured that NHS Greater Glasgow and Clyde were leading on the response to the previously reported Paediatric Allogeneic Stem Cell Transplantation Service event and that NSS had appropriate involvement and visibility. Members noted the detail provided on the Abdominal Aortic Aneurysm Screening. While it was useful from a quality assurance perspective, Members felt, in this case, it was sufficient for them to note the event and monitor for any further occurrence. Members also suggested inviting Ms F Murphy to attend a future meeting where NSD case presentations could be used to better illustrate the complexities of NSS & Board roles and accountability. Ms N Kent and Ms J Burgess agreed to discuss and plan this out with the meeting.

**N Kent/
J Burgess**

5.3 Members noted that there were two red risks reported, which had subsequently been reduced after the papers were issued - one to amber and one to green. Members noted the specific update provided in the additional paper **CG/17/74**, which detailed the risk posed in respect of IT support for the current Scottish Electroconvulsive Therapy Accreditation Network database system and the proposed options to resolve this. Members were assured that good progress had been made but there was still work to be done.

5.4 The number of complaints had slightly increased, mainly in respect of Staff Behaviour and work was being done to address the specific issues raised. Members were advised that training on the Model Complaints Handling Procedure was being developed and consideration was being given to how to take forward organisational learning, particularly in respect of human factors.

6. BROADER ACTIONS AROUND RISK MANAGEMENT [paper CG/17/70 refers]

6.1 Members noted the paper, which updated on the review of clinical incidents and adverse events with the aim of identifying any which were not anticipated by risks. Members were reminded that there was also a review of the impact of the clinical flag which was due to come to the committee in June 2018.

7. NSS HEALTH IMPACT PERFORMANCE REPORT [paper CG/17/71 refers]

7.1 Members noted that, at the end of the second quarter of 2017/18, achievement against the Key Performance Indicators (KPIs) was tracking as 100% green, 0% amber and 0% red. Members discussed changing the paper title to be more reflective of the content and the selected KPIs (i.e. to be clearer that it dealt with more “upstream” impacts). Members considered the suggestion that, for next year, they looked at the LDP and agreed the level of detail they wanted to see.

8. CLINICAL DIRECTORATE REPORT [paper CG/17/72 refers]

8.1 Members noted the Clinical Update report, which detailed the work undertaken by the Clinical Directorate since the last NSS Clinical Governance Committee meeting on Monday, 25 September 2017. Dr L Ramsay highlighted the addition of Ms Katherine Ross to the team to undertake work around social care engagement, the work done around Primary Care, and the work done on the Oral and Dental Health Plan. Members were advised that, based on the level of activity undertaken, the Clinical Directorate was confident it had the right level of professional perspectives and expertise. It was now time to focus on where more “value-add” could be achieved.

ACTION**9. OTHER NSS GOVERNANCE COMMITTEE ISSUES**

9.1 Members received the following updates from the other NSS Board Sub-Committees on items of direct relevance to the NSS Clinical Governance Committee (CGC):

NSS Audit and Risk Committee (ARC)

- The risk which had been previously raised around health and safety processes had been re-assessed as low.
- The governance of the Picture Archiving & Communications System was discussed and the ARC requested that the CGC monitor this risk and take forward any actions. A paper would be brought to a future meeting for the purposes of tracking and providing assurance. Until the risk was resolved, this would be a standing item on the agenda for CGC meetings.
- The ARC recognised the clinical risks in implementation of the changes/updates to the Community Health Index and Child Health systems so a dedicated report listing these would also be provided for monitoring purposes.
- The Draft Internal Audit Plan was also discussed and the CGC agreed that they should ensure the clinical implications of audits already planned were taken into account. They recognised much was already covered between other audits (which the CGC may not have visibility of) and annual reporting. Mrs E McLaughlin agreed to provide a list of these to allow the CGC to decide what they would like to see in more detail.

**L Bailey/
L Ramsay**

E McLaughlin

NSS Staff Governance Committee (SGC)

- The SGC had been monitoring staff impact of SNBTS's move to the JCC and how it was being managed,
- The staff impact of the new Public Health Body formation would be a standing item for the foreseeable future.

10. ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT TO THE BOARD

10.1 Mrs L Bailey agreed to draft up the Sub-Committee Highlights Report and send it to Mrs J Burgess for approval to issue with the papers for the next formal NSS Board meeting on Friday, 2 February 2018.

L Bailey

11. ANY OTHER BUSINESS

11.1 Members had no additional business to raise at this point.

12. DATE OF NEXT MEETING

12.1 Members noted the next meeting was scheduled for Friday, 22 March 2017 in Boardroom 2, Gyle Square, Edinburgh at 1230hrs.

13. FOR INFORMATION/NOTING

13.1 Patient Group Directions Audit [paper **CG/17/73** refers]

There being no further business, the meeting finished at 1555hrs.

Minutes (APPROVED)

B/18/59

NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

MINUTES OF NSS STAFF GOVERNANCE COMMITTEE MEETING HELD ON THURSDAY, 30 NOVEMBER 2017 IN BOARDROOM 2, GYLE SQUARE, EDINBURGH, COMMENCING 0930 HOURS

- Present:** Mr John Deffenbaugh - Non-Executive Director [Chair]
Mr Ian Cant - Employee Director
Professor Elizabeth Ireland - NSS Chair
Mr Gerry McAteer - UNISON
Mr Mark McDavid - Non-Executive Director
Mr Bert Stillie - Unite
- In Attendance:** Ms Jane Fewsdale - HR Workforce Information, Systems & Business Support Manager [Items 7-8]
Ms Mairi Gaffney - Head of Healthy Working Lives
Ms Hazel Mackay – HR Services Manager [Items 4 & 5]
Ms Louise MacLennan - Head of Equality and Engagement [Item 9]
Mr Jim Miller – Director of Procurement, Commissioning and Facilities [Items 1-3]
Ms Jenny Pope – HR Business Partner [Items 1-3]
Mr Mike Smith - Associate Director, Facilities Management
Mr Colin Sinclair - Chief Executive
Ms Aileen Stewart – Head of Organisational Effectiveness (deputising for Mrs J Jones)
Mrs Lynsey Bailey - Committee Secretary [Minutes]
- Observing:** Mr Martin Bell - Associate Director, Planning, Performance & Service Delivery
- Apologies:** Mr Tam Hiddleston - UNISON
Mrs Jacqui Jones – Director of HR and Workforce Development

ACTION

1. APOLOGIES AND INTRODUCTIONS

- 1.1 Mr J Deffenbaugh welcomed all to the meeting and noted apologies as above. Prior to starting the formal business of the meeting, Members were asked to declare any interests in the context of the Agenda items to be considered. No interests were declared.

2. MINUTES AND MATTERS ARISING FROM STAFF GOVERNANCE COMMITTEE MEETING HELD ON 20 SEPTEMBER 2017 [papers SG/17/51 & SG/17/52 refer]

- 2.1 Following a brief discussion, Members approved the minutes of the meeting held on 20 September 2017 pending a rewording of the second bullet point of minute 4.1 (refer to taking a consistent approach rather than not having less). Members also received confirmation that the approved minutes of 12 May 2017 were updated to specify the specific Staff Governance standard (Appropriately Trained and Developed).
- 2.2 Members noted the updates provided on the action list, and that all outstanding actions were either being take forward or were covered by the agenda and papers.



Headquarters

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EDINBURGH EH12 9EB

Chair
Chief Executive

Professor Elizabeth Ireland
Mr Colin Sinclair

ACTION

3. SBU SPOTLIGHT – PROCUREMENT, COMMISSIONING AND FACILITIES (PCF)

3.1 Mr J Miller spoke to his presentation which gave an overview of PCF staff demographics, trends in health and safety statistics, engagement initiatives Local Partnership Forum activity and the focussed staff governance work (e.g. equality and diversity, learning and development, and absence management):

- PCF recognised both the challenges posed by upcoming organisational change, and the need to manage these changes for the benefit of all.
- Members were assured regarding the planning and partnership working in place to achieve the organisational objectives.
- It had been agreed that the Equality and Diversity, and iMatter action plans would be the priority for the Local Partnership Forum sub-groups. Members were assured around data cleansing for accuracy of figures and ensuring that reductions were the result of actions being taken rather than a change in the method of reporting
- Members suggested specifying the inclusion of a trade union representative in invitations to future spotlight sessions
- The key messages being highlighted were:
 - PCF was wider than National Procurement and incredibly diverse,
 - Members could be assured that two-way engagement was being used to ensure consistency across the SBU.

L Bailey

4. HR PEOPLE REPORT

4.1 Members noted the content of paper **SG/17/53**, which provided an update on HR case management, the management of employee capability, sickness absence figures and workforce issues.

- NSS, overall, remained in a positive position on a wide range of workforce and people management issues
- There had been improvement in sickness absence, which could be credited to the work put in by Ms H Mackay and her team to develop SBU-specific, tailored solutions.
- Significant progress had been made in the recording of statutory and mandatory training, with Fire Safety Awareness training in particular showing an in-month increase of 24%
- NSS was exceeding its corporate responsibility targets, especially around youth and employment of those with disabilities.
- The number of incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) was a concern but Members were reassured that SBUs were fully supported in enforcing safe systems of work, investigating all reported near-misses or accidents, and implementing lessons learned arising from these investigations
- The response rate to the Dignity at Work survey was low for NSS at around 63% however there had been significant technical issues affecting access to the survey across NHS Scotland. This had been picked up and responses were being provided to Scottish Govt on behalf of NSS.

5. NSS RESOURCING OVERVIEW [paper SG/17/54 refers]

5.1 Members noted the contents of the paper which provided an overview of NSS's workforce planning statistics and any associated risks or issues. Members were assured:

- Redeployment numbers had remained stable
- There was recognition of stress involved for staff who were being displaced and consideration was given to how this was managed as best as possible

ACTION

6. OCCUPATIONAL HEALTH, SAFETY, WELL-BEING AND FIRE 2017/18 QUARTER 1 REPORT [paper SG/17/55 refers]

6.1 Members noted the contents of the paper, which informed Members of the key work completed and progress made by NSS within Occupational Health, Safety, Wellbeing and Fire in line with current legislative and Government requirements/recommendations.

- NSS's RIDDOR figures had been benchmarked against other NHS Boards and were found to be comparable.
- Healthy Working Lives were keen to ensure that all accident/incident investigations were not done in isolation and considered the wider behavioural implications.
- Significant work was being done around mental health and promoting the management training around this.
- Teething issues with the electronic registration for the Active Safety Leadership course had meant the initial uptake had been low but this had now been fixed and improved attendance was expected going forward.
- A report on the review of Health and Safety Processes was being presented to the upcoming Audit and Risk Committee meeting on Friday, 1 December 2017. It would be circulated by Mrs L Bailey following that meeting.
- The review of NSS's Fire Policy was being progressed
- Members were provided with an overview of the up-to-date fire safety statistics (drills, alarm activations, training figures)

L Bailey

7. FIRE SAFETY AWARENESS TRAINING – PROPOSAL

7.1 Members noted the contents of paper **SG/17/56**, which updated on the recommendations for delivery and recording of Fire Safety Awareness training following a pilot, and Members were content for the EMT to progress it.

8. STAFF RISKS – RED AND AMBER [paper SG/17/57 refers]

8.1 Members considered the contents of the paper, which provided details of the staff-related risks appearing on the Corporate and Strategic Business Unit Risk Registers.

- Overall, staff risks within NSS were well managed
- Common themes were around staff pressures resulting from service demand and/or sickness absence. However, all appropriate mitigations were in place.
- Members discussed the inclusion of lower level risks appearing on the corporate risk register but agreed it was better to have these things raised as they could always be scaled back down if the corporate register was found not to be the right place for it.

9. QUARTERLY FEEDBACK REPORT (STAFF) - 2017-18 QUARTER 1: APRIL-JUNE 2017 [paper SG/17/58 refers]

9.1 Members noted the paper, which summarised of the number and nature of feedback received relating to staff and how it had been responded to:

- There had been an increase in complaints but the underlying causes for this had been identified and were being addressed.
- The number of compliments outweighed the number of complaints
- NSS had maintained a response rate of 98-99% of complaints responded to within 20 days.
- Members were invited to attend one of the Donor Awards Ceremonies held to recognise the contribution of blood donors and the dates would be passed on following the meeting.

L MacLennan/
L Bailey

10. NSS PARTNERSHIP FORUM UPDATE

10.1 Members considered the contents of paper **SG/17/59**, which were the available sets of approved and draft NSS Partnership Forum minutes:

- The key issues discussed were public health and national board collaboration.
- The January 2018 Partnership Forum would be run as a workshop session to develop Local Development Plans following the outcomes of the Resource Allocation Meetings
- Members were given assurance that the Partnership Forum was somewhere where issues could be raised, and would then be addressed

11. PUBLIC HEALTH BODY

11.1 Members were provided with an update with regard to the formation of the new Public Health Body:

- A Programme Board, set up to manage NSS's programme of work in respect of this, had met and held a scoping session.
- In respect of the movement of staff, the assumption was that this would be done under Transfer of Undertakings [Protection of Employment] (TUPE) regulations or Staff Transfer Order.
- HR was beginning to develop high level plans on this basis.
- HR was also working to ensure relevant workforce data was as up to date as possible and additional support and training was made available for managers around leading through change.
- A one page briefing, clarifying the differences between TUPE and Staff Transfer Order, would be developed for the Programme Board and would be available to anyone else who wanted to see it.
- In the immediate term, there would be a standing agenda item for the NSS Staff Governance, and the NSS Board, to receive updates from the Programme Board.
- Members were keen to ensure people issues did not get lost in processes
- Consideration was being given to using the learning from SNBTS's move to the Jack Copland Centre and this was part of the reason for Mrs M Morgan had been appointed Senior Responsible Officer for this programme.
- Members recognised the importance of communications, particularly in respect of any consultations and managing expectations.

12. NATIONAL BOARD COLLABORATION - VACANCY MANAGEMENT

12.1 Members received an overview of the discussions which had gone on at a national level regarding a joined up approach to recruitment/vacancy management across all the National Boards:

- A document had been issued by Golden Jubilee, on behalf of the 8 National Boards, outlining some proposals to achieve this.
- NSS provided feedback and had requested clarity around equity of access and compliance with existing policies and processes.
- Going forward, there would be a greater emphasis on finding areas of collaboration for National Boards, as there was recognition that approaches to the planning and delivery of services needed to change.

13. TURAS APPRAISAL/e-KSF

13.1 Members noted the contents of paper **SG/17/60**, which provided an overview and assurance around the implementation of Turas Appraisal, the successor to the electronic Knowledge and Skills Framework (e-KSF) system:

- Since Turas Appraisal was still being built, there were no guarantees that it would meet all requirements but, there would be opportunities for input to try and ensure it would be as close as possible.

ACTION

- It was more important to ensure that the appraisal process took place and not be too focussed on the specifics of how it was recorded.
- With regard to training on the use of Turas Appraisal, Learning and Development departments were engaged to ensure that agile and digital solutions would be used to meet the anticipated timescales.
- The implementation and data transfer period should not impact performance reviews and objective setting for staff.

14. WORKFORCE PLANNING POTENTIAL UPDATE

14.1 In the absence of Mrs J Jones, Mr C Sinclair provided a high level update:

- The importance of a standardised approach and methodology in workforce planning was being emphasised across the organisation.
- The main aim was to ensure that NSS would be best placed to meet the specific workforce challenges it was beginning to face.

15. LEADERSHIP PROGRAMME

15.1 Members received an overview of the Leadership Programme to date, the feedback received from participants and the potential future approaches to being considered:

- Members suggested HR could make use of Mr J Deffenbaugh's expertise with regard to evaluation methodology.
- Members were keen to get assurance that there was an alignment of individual and organisational objectives.
- HR agreed to bring back a paper with developed proposals for the new leadership training programme structure.

16. REVIEW OF STAFF GOVERNANCE COMMITTEE TERMS OF REFERENCE [paper SG/17/61 refers]

16.1 Members considered the current version of the Terms of Reference, in particular any potential rewording of paragraphs 5 a) - c):

- Members asked Mrs J Jones and Mr I Cant to work on it and circulate their proposed amendments between meetings.
- A finalised version would then be presented at the next Staff Governance Committee meeting on Friday, 16 February 2018.

**J Jones/
I Cant**

17. REVIEW STAFF GOVERNANCE ITEMS ON THE DRAFT NSS INTERNAL AUDIT PLAN [paper SG/17/62 refers]

17.1 Members considered the draft NSS Internal Audit plan for 2018/19. While there was nothing immediate to add to this plan, Members felt future audit plans may wish to look at:

- Measuring the impact of "upstream" work on policies, processes, learning and development etc.
- Identifying further areas for investing resources into which would maximise the outcomes.

18. OTHER RELEVANT COMMITTEE GOVERNANCE ISSUES

18.1 Members received updates on items of relevance discussed at recent meetings of the other NSS Sub-Committees:

- Clinical Governance Committee on 25 September 2017 had discussed the learning from Healthcare Improvement Scotland's review of the Scottish Breast Screening Programme.
- The Remuneration and Succession Planning Committee had held a Discretionary Points – overview of not just the award but support being given to applicants.

ACTION**19. ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT**

- 19.1 Members agreed the key points for the Sub-Committee Highlights report to the next formal NSS Board meeting on Friday, 2 February 2018. Mrs L Bailey would send a draft of the report to Mr J Deffenbaugh as soon as possible. **L Bailey**

20. ANY OTHER COMPETENT BUSINESS

- 20.1 Members had no other business to raise at this point.

21. DATE OF NEXT MEETING

- 21.1 The next meeting was scheduled for Friday, 16 February 2018 in Meeting Room 19, Gyle Square, Edinburgh at 0930hrs.

There being no further business, the meeting finished at 1230hrs.

B/18/60

Report for NSS Governance Committees

NHS NATIONAL SERVICES SCOTLAND REMUNERATION AND SUCCESSION PLANNING COMMITTEE

MEETING HELD ON THURSDAY, 1 MARCH 2018 BY TELECONFERENCE AT 0940HRS

Present: Ian Cant, Employee Director
John Deffenbaugh, Non-Executive Director [Chair]
Elizabeth Ireland, NSS Chair
Alison Rooney, Non-Executive Director

In Attendance: Jacqui Jones, Director of HR and Workforce Development
Caroline Lang, Board Secretary
Jen Lindsay, HR Resourcing Manager
Hazel Mackay, HR Services Manager
Colin Sinclair, Chief Executive

Apologies: None

1. **ANNUAL REPORT TO THE COMMITTEE FROM THE DIRECTOR FOR HR AND WORKFORCE DEVELOPMENT (HRWD)** Copies of the previous year's report had been circulated. Members discussed what additional information they would find helpful to have included in the 2017/18 report and agreed the following:-
 - (i) Executive Summary should provide a narrative on the analysis and key points/actions for consideration.
 - (ii) Provide analysis of gender profile for all NSS staff (not just those with salaries over £75,000).
 - (iii) Explore how the Pay Gap Report could be used to help inform the HRWD Annual Report.
 - (iv) Provide a contextual piece on NSS activities (e.g. transformational change) and what NSS should be doing.
2. **REVIEW OF COMMITTEE'S TERMS OF REFERENCE** Members reviewed the current version of the Committee's Terms of Reference as laid down in NSS's Standing Orders. The Committee agreed that the section on 'Appointments' should be amended to reflect that the National Boards' position on recruitment should be taken into consideration when making appointments. The Committee's Terms of Reference would be presented for review to the NSS Audit and Risk Committee and thereafter submitted to the NSS Board meeting in June 2018.
3. **ANNUAL REPORT FOR THE NSS BOARD AND STAFF GOVERNANCE COMMITTEE** The Members noted that a draft of the Committee's Annual Report for the NSS Board and Staff Governance Committee would be circulated for approval out of Committee in time for submission to a meeting of the NSS Staff Governance



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Chair
Chief Executive

Professor Elizabeth Ireland
Colin Sinclair

Committee on 11 May 2018 for noting prior to its submission to the NSS Board meeting on 29 June 2018. The Report would provide an assurance to the NSS Board and Staff Governance Committee that the Remuneration and Succession Planning Committee has discharged its responsibilities in line with its remit under the terms of NSS's Standing Orders. The approval of the final Report would be homologated at the June 2018 Committee meeting.

4. **OVERVIEW OF RECRUITMENT** As part of the process for authorising the recruitment to vacancies and salaries on appointment, the Committee received for monitoring purposes a report outlining recruitment to new/additional posts covering the period November 2017 to January 2018. Members were taken through the key points highlighted in the report and noted in particular that the number of vacancies coming through had stabilised which had allowed several key value add services to gain momentum. During the period, there had also been a more balanced split in appointments of internal and external candidates. The number of candidates under protected characteristics remained relatively consistent. Members noted activity in support of creating more opportunities or posts that would be appropriate for young people and also people with a disability. In order to help show how NSS supported people with a disability to progress within the organisation, it was agreed to include details on internal recruitment in the next report.
5. **REGRAIDING OF NSS EXECUTIVE LEVEL POSTS** NSS had received written confirmation from the National Evaluation Committee (NEC) on the regarding of two posts.
6. **HOMOLOGATION** For the period 25 November 2017 to 15 February 2018, no decisions had been taken out of committee/notifications in relation to appointments to the Executive Cohort, other senior appointments and termination settlements where the costs were in excess of £75,000.
7. **COMMITTEE HIGHLIGHTS** The Members agreed a number of highlights from their discussion which should be brought to the attention of the NSS Board:
 - Increased focus on linking with national boards recruitment.
 - Activities around attracting and recruiting more young and disabled people into NSS.
 - HRWD Annual Report to contextualise analysis.
 - Recruitment activity had returned to a reasonable level which had allowed several key value add services to gain momentum.
 - More balanced split in appointments of internal and external candidates providing NSS with a good balance of new perspectives and experiences.
8. **DATE OF NEXT MEETING** The next scheduled meeting would be held on 25 June 2018.

=====

Governance Arrangements in Place to Manage “Pass Through” Expenditure and Funds Managed on Behalf of NHSScotland

1. Purpose

This paper describes existing governance and reporting arrangements in place to manage “pass through” expenditure and funds managed by NSS on behalf of NHSScotland.

2. Recommendations

The Board are asked to note the arrangements in place and to identify any enhanced governance and reporting required to provide assurance to the Board in respect of the discharge of our obligations in line with professional and legislative requirements and the management of risk.

3. Timing

This paper outlines arrangements in place for 2017/18. Any changes proposed will be introduced with immediate effect.

4. Background

Weaknesses in governance and reporting arrangements were identified within eHealth funds held by NSS on behalf of NHSScotland, and as a consequence enhanced governance and reporting arrangements will be introduced with immediate effect. This paper considers all similar arrangements supported by NSS and allows the Board to review existing arrangements and improve governance and reporting where appropriate.

5. Analysis

a) Governance and reporting arrangements:

The governance and reporting arrangements in place are outlined in the appendix to this report.

Each scheme is subject to specific governance and reporting arrangements, as agreed by the commissioning body, with periodic reporting to Scottish Government, Health Boards or partner organisations as appropriate.

Financial management and reporting is in place at SBU level, but in the majority of cases there is limited visibility of programme detail within finance reports presented to EMT and to NSS Board and its committees.

It is proposed that routine financial reporting to EMT and to NSS Board and its committees be enhanced to ensure programme level performance against budget is adequately reported and subjected to EMT and board scrutiny.

In addition separate programme reporting; outlining financial performance and delivery against outcomes to EMT and Performance & Finance Committee is proposed in the following key areas:

- SIBS (annually)
- CNORIS (annually)
- eDRIS (annually)
- eHealth and ATOS contract (quarterly)
- Logistics (quarterly)
- NSD (quarterly)

b) Risk assessment:

The table details the scope and scale of pass through expenditure and funds managed on behalf of NHSScotland by NSS.

The majority of schemes are, or have been, subject to audit scrutiny in recent years, either as part of routine financial controls testing as part of external audit, annual service audits, or as part of the planned internal audit programme.

The key areas of risk are shaded within the table below.

Programme	Audit Activity	Value
Scottish Infected Blood Support Scheme	Internal Audit 17/18	£6m
Practitioner Payments	Service Audit	£2.5bn
CNORIS	External Audit	£35m claims will be settled in 2017/18
eDRIS	No specific audit activity	£200k
ATOS (non e-Health)	Service Audit	£35m
eHealth	External audit review of SWAN 15/16	£35.2m
Plasma	Subject to financial controls testing as part of External Audit	£24.5m
Logistics	Subject to financial controls testing as part of External Audit	£150m
Logistics Service Charge	No specific audit activity	£13m
NSD	No specific audit activity	£226m
Rebates	No specific audit activity	£50m-£60m
HFS - Oxygen	Internal Audit – External contract income review – 17/18	£7.5m
Childrens Dental Hygiene Scheme	No specific audit activity	£0.595m
Uniforms Supported Business	No specific audit activity	£0.8m
IHI / IHO	No specific audit activity	£0.65m
Flu Vaccines	No specific audit activity	£4.6m

Given recent issues within eHealth this programme remains an area of risk and requires continued audit scrutiny in 2018/19, to ensure the agreed action plan is implemented effectively.

NSD operates within a highly governed environment, through NSSC to Board Chief Executives and Scottish Government. However financial reporting to EMT and NSS Board is limited, and the service has not been subject to external scrutiny from internal audit in recent years. In terms of scope and scale of services provided, NSD represents a significant area of risk for NSS and would benefit from greater internal audit scrutiny going forward.

The logistics service used to be subject to an annual service audit. This was stopped four years ago as it was considered that the service was mature and no longer needed the additional assurance provided by the service audit. Risk here is not considered to be high, but the service should be considered for inclusion within the future internal audit plan.

The Rebates scheme – whilst high value – is relatively simple to operate and is not considered to be a high risk area. The scheme is relatively new, however, and has not yet been subject to audit scrutiny. This is a further area for consideration in any future internal audit plan.

6. Engagement

This paper was produced in consultation with SBU directors, and their Finance business partners / heads of Finance.

Carolyn Low
Director of Finance & Business Services
Tel: 0131 275 6888
Email: carolynlow@nhs.net
4th April 2018

Programme	Scope	Estimated Value	Governance / Controls	Reporting
<p>Scottish Infected Blood Support Scheme</p> <p>Internal Audit 17/18</p>	<p>Payments made to individual patients</p>	<p>£6m</p>	<p>Process / Forms / Authorisation in terms of which patients qualify for compensation. This was recently audited by Internal Audit KPMG</p>	<p>To SG on a quarterly basis and through NSS on a monthly basis as part of P&CFS management accounts</p>
<p>Practitioner Payments</p> <p>Service Audit</p>	<p>Payments made to Independent Contractors on behalf of Boards</p>	<p>£2.5bn</p>	<p>Annual Service Audit on Governance / Controls to provide the necessary assurance. Most authorisation of payment is made by Health Boards but P&CFS can authorise certain payments up to certain thresholds as per agreed / audited processes.</p>	<p>Payments are processed through the NHS Scotland National Finance System e-Financials.</p>

Programme	Scope	Estimated Value	Governance / Controls	Reporting
Subject to financial controls testing as part of External Audit	demand. Individual purchase orders raised by HB's, and Boards recharged on a monthly basis via Payment on behalf.			
Logistics	Products contracted and purchased directly from Manufacturers, held in storage at NDC, Canderside and issued to Health Boards based on HB demand. Individual purchase orders raised by HB's, and Boards recharged on a monthly basis via Payment on behalf.	£150m	DOFs Logistics Group oversee operational and financial performance of the NDC. The group meets 3 times per year. Transactions controlled through Red Prairie warehouse management system which feeds efin stock module. Full monthly reconciliation of systems and control accounts. Cost neutral to NSS as product billed at standard cost with no markup.	DOFs Logistics group - 3 times per year. Annual update to DOFs March/April Through NSS on a monthly basis as part of PCF management accounts. Monthly updates issued to individual Boards

Programme	Scope	Estimated Value	Governance / Controls	Reporting
<p>Subject to financial controls testing as part of External Audit</p>				
<p>Logistics Service Charge</p>	<p>Cost of the Logistics operation (property costs, staffing, transport etc) is endorsed on an annual basis by DOFs Logistics and then approved by DOFs. This is linked to the expected volume of product to be supplied to each Board through the NDC and results in a fixed "service charge". This is transacted through an annual topslice contribution from</p>	<p>£13m</p>	<p>DOFs Logistics Group established to provide governance over this annual process and provide recommendations to DOFs.</p>	<p>Annually as part of budget setting process, and at DOFs Logistics 3 times per year</p>

Programme	Scope	Estimated Value	Governance / Controls	Reporting
	each Board.			
NSD	Responsible for commissioning, national coordination and performance managing National Screening Programmes, Specialist Clinical Services and National Managed Clinical Networks and National Risk Share Schemes on behalf of NHS Scotland.	£226m	NSSC (National Specialist Services Committee) set up by SGHSCD and NHS Boards to oversee and approve the annual business plan for NSD. This demonstrates how delivery of national specialist services to meet assessed population needs will be achieved within budget. The business plan identifies revenue funding options, based on service levels, forecasts for the year ahead and planned efficiencies. Approval process after NSSC is to DOFs and then to Board Chief Execs.	Annual Business Case to NSSC, DOFs and BCE's. Updates to CFN Mid Year and Annual performance reports Through NSS on a monthly basis as part of PCF management accounts.

Programme	Scope	Estimated Value	Governance / Controls	Reporting
Rebates	Nationally managed pharmacy rebate process for Patient Access Schemes and Primary Care Rebates.	£50m-£60m	Initial approval from DOFs / DOPs when national management arrangements were established (15/16) Dedicated NSS resource to manage data (with PHI), supplier billing and Health Board reimbursement. Financial reconciliations completed on a monthly basis.	Updates to FHS Primary Care Execs Group Summary reports to each Health Board Through NSS on a monthly basis as part of PCF management accounts.
HFS - Oxygen Internal Audit – External contract income review – 17/18	Provision of Oxygen Therapy Services via Dolby. NSS Manage the contract with Dolby and centrally manage payment to supplier. Health Boards recharged on a monthly basis through Payment on Behalf.	£7.5m	Original process signed off by DOFs (June 2012). Monthly financial reconciliations	Through NSS on a monthly basis as part of PCF management accounts.

Programme	Scope	Estimated Value	Governance / Controls	Reporting
Childrens Dental Hygiene Scheme	Contract for the provision of childrens dental consumables to Health Boards. SG allocation of £600k to cover costs	£0.595m	Contract managed by Strategic Sourcing, Health Boards advised of budget and they order direct to supplier. Monthly financial reconciliation of expenditure within PCF.	Reports to SG on usage / performance against contract Through NSS on a monthly basis as part of PCF management accounts.
Uniforms Supported Business	One of the suppliers on the National Uniforms contract is a Supported Business. SG provide funding to NSS for the price differential on an annual basis to ensure pricing to Boards is consistent across all suppliers. NSS monitor the volumes with this supplier and coordinate the reimbursement.	£0.8m	Contract sign off through PCF Contracts approval process. Agreement from SG Finance (C McLaughlin) on reimbursement of price differential.	Financial reports submitted to SG. Through NSS on a monthly basis as part of PCF management accounts.

Programme	Scope	Estimated Value	Governance / Controls	Reporting
IHI / IHO	SG instigated contracts for the provision of Consultancy Services for Strategic Quality Improvement Partnering & Acute Patient Flow across NHS Scotland.	£0.65m	SG instruct work with service providers and monitor delivery. Invoices are managed through NSS on SG's instruction with allocations made based on actual expenditure.	Financial reports submitted to SG. Through NSS on a monthly basis as part of PCF management accounts.
Flu Vaccines	National Management of the purchase and distribution of flu vaccines for NHS Scotland.	£4.6m	National Management approved by DOFs and DOPs in 2016 with agreement on high level processes.	Monthly reports to Boards on usage. Reconciliations reported to Boards in January and May each year. Through NSS on a monthly basis as part of PCF management accounts.

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B/18/62

NHS Board Chairs

5 April 2018

Dear colleague

Use of NHS Endowment Funds

NHS Endowment Funds were established by the National Health Service (Scotland) Act 1978. These Funds have charitable status as set out in the Charities and Trustees Investment (Scotland) Act 2005 and are registered with the Office of the Scottish Charity Regulator (OSCR). To meet the requirements of charitable status under the 2005 Act, Trustees must act in the interests of the charity at all times. In 2012, following a review of Lothian NHS Endowment Fund and some work with all the NHS Endowment Funds in Scotland, OSCR wrote to the Chairs of each of the endowment funds reminding them of the need for the charity trustees to act in line with their legal duties and to ensure that all expenditure was in furtherance of their charitable purposes of each charity. To support Boards in complying with the requirements of the legislation, guidance for NHS Boards was developed in 2013 with the involvement of OSCR and the NHSScotland Central Legal Office.

A situation has come to light in NHS Tayside that raises questions about the use of charitable assets and in particular about the retrospective application of NHS Endowment Funds.

Following discussion with the Cabinet Secretary, I am writing at her request to seek your explicit assurance as Chair both to the Cabinet Secretary and to me, by 30 April that:

- a. all funds allocated since the guidance issued have been awarded and used appropriately in furtherance of the charitable purposes of the charity;
- b. that retrospective awards are not permitted, and there have been no exceptions to this;

and by 29 June that:

- c. that the Board's external audit for 2017/18 specifically covers these two points and reports on them as part of the audit opinion

OSCR has confirmed that a formal inquiry will now be conducted into the specific circumstances of the case referred to above and I will update you further once the findings of that review are known.

I am copying this to the Cabinet Secretary, to NHS Board Chief Executives and Finance Directors, and to the Office of the Scottish Charity Regulator and to the Auditor General for Scotland.

Yours sincerely,

A handwritten signature in black ink that reads "Paul Gray". The signature is written in a cursive style with a large initial 'P' and a long, sweeping underline.

Paul Gray