

Agenda

B/22/25a

NSS BOARD FORMAL

FRIDAY, 23 SEPTEMBER 2022 COMMENCING 0930HRS IN BOARDROOMS 1&2, GYLE SQUARE, EDINBURGH (AND VIA TEAMS)

Lead: **Keith Redpath, NSS Chair**

In Attendance: **Neil Redpath – In Private Session Only**
Karen Nicholls, Committee Services Manager [Minutes]

Apologies:

Observer: **Hayley Barnett**
Carol Grant, Audit Scotland
A Pinner
N Smith
V Jackson
B McCulloch
D O'Rourke
S Davidson
S McFadyen
E Byrne
S More
B Kane
K McCarthy

0930 – 1100 hrs

1. Welcome and Introductions

2. Items for Approval

2.1 Minutes of the previous meeting held on and Matters Arising [B/22/26 and B/22/27] - Keith Redpath

2.2 NSS Annual Feedback and Complaints Report [B/22/28] – Lee Neary

3. Items for Scrutiny

3.1 Chairs Report - Keith Redpath



Chair
Chief Executive

Keith Redpath
Mary Morgan

3.2 Chief Executive's Report - **Mary Morgan**

3.3 Finance Report **[B/22/32]** – **Carolyn Low**

4. Items for Information

4.1 NSS Committees Approved and Draft Minutes **[B/22/30]**

- 4.1.1 NSS Audit and Risk Committee 9 June 2022 Approved Minutes
- 4.1.2 NSS Audit and Risk Committee 25 July 2022 Approved Minutes
- 4.1.3 NSS Finance, Procurement and Performance Committee 24 August 2022 Draft Minutes
- 4.1.4 NSS Finance, Procurement and Performance Committee 24 May 2022 Approved Minutes
- 4.1.5 NSS Staff Governance Committee 12 May 2022 Approved Minutes
- 4.1.6 NSS Clinical Governance and Quality Improvement Committee 30 May 2022 Approved Minutes

4.2 Board Forward Programme **[B/22/31]**

5. Any other business

5.1 Date of next meeting: Friday 9 December at 09:30 am – Hybrid Meeting

In Private Session – Members Only

6. Clinical Waste Management **[IP/22/05]**

Minutes Approved

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NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF MEETING HELD ON FRIDAY 29 JULY 2022 IN BOARDROOMS 1&2, GYLE SQUARE, EDINBURGH AND VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

Present:

Keith Redpath, NSS Chair
Lisa Blackett, Non-Executive Director
Julie Burgess, Non-Executive Director
Ian Cant, Employee Director
Gordon Greenhill, Non-Executive Director
Arturo Langa, Non-Executive Director
Carolyn Low, Director of Finance
Mary Morgan, Chief Executive
Alison Rooney, Non-Executive Director

In Attendance:

Laura Howard, Associate Director of Finance
Jacqui Jones, Director of HR and Workforce Development
Matthew Neilson, Associate Director of Strategy, Performance and Communications
Jacqui Reilly, Nurse Director (deputising for L Ramsay)
Lynsey Bailey, Committee Secretary [Minutes]

Apologies:

John Deffenbaugh, Non-Executive Director
Mark McDavid, Non-Executive Director
Lorna Ramsay, Medical Director

Observers:

Carol Grant, Audit Scotland
Rachel Browne, Audit Scotland
Stephanie Knight, Scottish Government
Danny Duffy, Scottish Government
34 NSS Staff Members
3 Members of the Public

1. WELCOME AND INTRODUCTIONS

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



Chair
Keith Redpath
Chief Executive
Mary Morgan

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

2. MINUTES AND MATTERS ARISING [Papers B/22/12 and B/22/13 refer]

2.1 Members discussed the minutes and, subject to corrections to attributions in items 4 and 5 and an action to be added at minute 10.2, were content to approve them as a correct record.

Action: Board Services to update minutes and action list as approved.

2.2 Members noted that all outstanding actions were either complete, programmed for a future meeting, or would be covered by the agenda.

3. SUSTAINABILITY STRATEGY [Paper B/22/14 refers]

3.1 C Low spoke to the paper which laid out NSS's Environmental and Sustainability plan to combat the global climate emergency. Members provided the following feedback:

- There was a table in the strategy with three columns, but language used in describing the items listed within each of the columns was not consistent
- Clarification of paragraphs 4 and 5 was needed.
- There was clarification needed about the mention of cars and whether this was regarding NSS's own vehicles
- More detail and assurance was also needed around measures for the safety of staff using bikes etc.
- Clarification to be provided on the Property and Asset Management Strategy on page 8 and on page 10 under Aspirations and Commitment – the definitions seemed to be quite similar.
- On page 4, it was felt it would be helpful to clarify/understand the sentence in quotations.
- Overall, attention needed to be paid to the use of acronyms and ensure they were written out in full, at least when first referred to.

3.2 C Low thanked Members for their feedback. This was an iterative plan so these comments would be taken on board and worked on outside of the meeting. Members commended the tremendous amount of work behind this, thanked all those involved and noted that this would continue to evolve. On this basis, Members were content to approve the strategy.

4. ANNUAL REPORTS FROM COMMITTEES [Paper B/22/15 refers]

4.1 Members noted the contents of the paper, which summarised the activities of all the Board Committees during 2021/22. Members commented that the date still needed to be added to the NSS Audit and Risk Committee (ARC) annual report. They also fed back that the level of evidence in the Staff Governance Committee's annual report was overwhelming and asked if it could be more succinct in future. In terms of their accuracy, Members were happy to approve as an accurate record of the Committees' activities.

5. UPDATED STANDING FINANCIAL INSTRUCTIONS (SFIs) [Paper B/22/16 refers]

5.1 Members considered the updated SFIs and had the following feedback:

- 10.03 There was a mention of Director – clarification should be given to whether this was a Director of the relevant Strategic Business Unit or the Director of Finance.
- Section 3 Code of Conduct to be checked that it was the correct version.
- The role of the Counter Fraud Champion could be made clearer.
- Clarification needed to be provided on what was meant by strategic contract.
- In Section 11, ensure that discussions about the appointment of consultants and the oversight of that had been incorporated.

5.2 Members noted that Digital and Security had a self-approval limit of £100,000 in an emergency and queried whether that felt right given possible need to response to a cyberattack, major system outage, or similar incident. They received an overview of the decision-making process and were content with that. Members approved the updated SFIs, subject to the feedback above being addressed. **Action: C Low to update SFIs per comments received.**

6. STANDING ORDERS [Paper B/22/17 refers]

6.1 Members considered the revised Standing Orders. Subject to double-checking the correct version of the Clinical Governance and Quality Improvement Committee Terms of Reference had been included, and that the Code of Conduct referred to was the latest version, Members were content to approve the Standing Orders for publication.

7. CHAIR'S REPORT

7.1 K Redpath took Members through a verbal report and highlighted the following;

- Emergency footing had ended in May 2022 but NHSScotland had still not yet fully returned to business as usual, and it was acknowledged Boards were still operating within a highly pressured system.
- K Redpath was still involved in regular meetings with the Cabinet Secretary and other Board Chairs and Members were provided with an overview of the discussions that took place at these meetings.
- Carolyn Lamb had recently visited the Jack Copland Centre and met with some of NSS's Non-Executives and staff.
- Norma Shippin, NSS's Legal Adviser and Director of the Central Legal Office, had retired on 4 July 2022 after nearly 38 years of service. The Board wished to record their appreciation for all her work.
- J Reilly, Nurse Director and Janis Heaney, Associate Director - Customer Solutions and Experience, had both been honoured in the recent Queen's Birthday honours list with a CBE and MBE respectively. Members congratulated them both on this achievement.
- M McDavid would be finishing his term of office and leaving the Board during the coming month. Members wished to acknowledge his extensive contribution

during his time on the Board and record their thanks. They were also given a brief update on progress in the recruitment of his replacement.

- Upcoming changes to Chairs of the Committee – L Blackett was taking over as chair of the NSS Staff Governance Committee and G Greenhill would be taking on the chair of the NSS Finance, Procurement, and Performance Committee.

8. CHIEF EXECUTIVE'S REPORT

- 8.1 M Morgan provided a verbal update and noted the following;

Director recruitment

- Recruitment of the Director of Digital and Security had concluded and Steven Flockhart took up post on 1 May 2022.
- The appointment of the Director for CLO had not been progressed. The post had been reframed as the Legal Advisor to NHSScotland and professional leader for CLO and would report through Finance and C Low for the foreseeable future. Recruitment of this role was underway.
- The recruitment process was well underway for an Associate Director level Board Secretary with final interviews planned for the coming week.

Covid-19 Response

- NSS continued to support the ongoing pandemic response, particularly in relation to securing PPE supply, and vaccination support through digital solutions and National Contact Centre.
- NSS had implemented guidance and relaxed social distancing measures across its sites. For clinical areas, particularly across Blood Donor sessions, risk assessments were being undertaken to optimise donor appointments and venues.

Events attended and upcoming

- 25^t April 2022: Procure for Health (P4H) conference - 600 procurement professionals, along with supplier sponsors came together either in person or online.
- 29/30 April 2022: Scottish Human Embryology and Fertility Group conference – as chair of the National fertility Group.
- 5 May 2022 – visit to SAS Glasgow control centre - as Chair of the Scottish Trauma Network.
- In June 2022 NHS Chief Executives held a two-day, face-to-face strategic meeting/workshop to address the challenges facing NHSScotland with regard to financial sustainability and waiting times recovery. Subsequent work was being progressed with many of NSS strategic business units participating in solutions development.
- This year's NHSScotland event, held in Aberdeen on 21 & 22 June 2022
- An NSS Senior Leadership Forum was scheduled for 23 August 2022 – attendees were Associate Director level staff and Partnership Forum members and the forum would focus on NSS four strategic objectives. Board members would also be welcome to attend. Richard McCallum, Director of Finance,

Sustainability and Value at Scottish Government would be making a presentation on the financial situation facing NHSScotland

Scrutiny

- In addition to the information in the Public Enquiries update, M Morgan met with the solicitors to the UK Public Inquiry earlier in the week to provide an overview of NSS as an organisation, its services, and its contribution to the COVID-19 response.

Celebrating successes

- The Scottish Health Awards were open for nominations until 21 August 2022 and staff were being encouraged to nominate teams and individuals from NSS again this year – last year saw two category winners from NSS and others were shortlisted.
- Planning had begun for the internal NSS awards later in the year, with a virtual event to be held early in 2023.
- Mesh contract had been signed allowing treatments to progress

9. INTEGRATED PERFORMANCE REPORT [paper B/22/18 refers]

- 9.1 Members were taken through the integrated report, which summarised NSS's performance during the first quarter of 2022/23 and was based on the strategic objectives. The overall position was generally positive, but NSS was still operating in a challenging environment. The following highlights were noted:
- Complaints relating to staff behaviours and attitudes was below the expected performance target, but measures were being put into place to address this.
 - HR Business Partners were working in SBUs on training and appraisal compliance, which was improving,
 - Financial performance was on track.
 - In terms of climate, the sustainability strategy had been covered in more detail earlier in the agenda (see item 3) and this was in a positive place.
- 9.2 Members were asked for their feedback on how this report had come together, noting that work was ongoing with clinical colleagues to include information from their area. Members advised they had found the report helpful and thanked all involved in its compilation. They were keen to understand how it linked to the Board Assurance Framework. Members also felt that the section on complaints could be clearer on what the numbers actually meant in relation to the targets and the factors driving the numbers. In discussing the National Contact Centre's impact on turnover and whether the target should be adjusted for it, Members were provided with an overview of how this was being addressed without having to change the target.
- 9.3 Members discussed the user engagement trend graphs and received an overview of the plan to facilitate better understanding of that going forward. Members sought and received clarity about the proportion of Agenda for Change staff in NSS, and how agency and fixed term contract staff were managed. Following up on the mention of non-recurring funding in the baseline and reliance on additional allocations, Members received an overview of the discussions which had taken place with the Scottish Government to address this. Going back to staff turnover, Members suggested that it might be worth considering the inclusion of a graph to illustrate the financial impact

there. Members also noted that staff were applying for new roles on a wider basis than previously seen and it was suggested that this workforce attraction trend could be captured in future reporting.

Action: M Neilson, C Low and J Jones to consider including a graph to illustrate the financial impact of staff turnover.

- 9.4 Going back to the question of the Board Assurance Framework, Members were given an overview of how the integrated report fitted in with that, and also aligned with the risks and issues/incidents report. There was more work needed on linking up these reports and refining the governance route to ensure that all aspects of the Framework were covered within the Board meetings. M Neilson was also working closely with the quality improvement team to cover off continuous improvement. Members were keen to hold a development session on presentation of the Integrated Performance Reporting (IPR) format.

Action: Board Services to arrange a development session to look at the presentation of the IPR information.

- 9.5 Members commended the report but felt it would be useful to take sustainability into account. They also discussed the key, its inclusion, and how it was applied. Members were provided with an overview of the work being done with HR colleagues to move towards a dashboard approach which would allow more flexibility in how the information was presented. Members confirmed they were content with the report and looked forward to seeing how it continued to develop.

10. RISK REPORT [paper B/22/19 refers]

- 10.1 M Neilson briefly spoke to the report, which updated on the overall corporate risk profile with particular attention to all corporate red risks, strategic risks, issues, and the risk management approach. Members noted that the main drivers of risk were staff and systems. A significant amount of work was ongoing to understand this in more detail to consider how best to address the issues, and plan for implementation of solutions. Members asked about the staffing issue identified in Scottish National Blood Transfusion Service (SNBTS) and were given an overview of the staffing risks for SNBTS and the challenges there. There was a combination of factors including, the capacity within the shared support across the UK, and the impact of COVID-19 absence and restrictions. Members welcomed the new format but were keen to have some kind of transitional arrangements to provide reassurance that “old” risks had not been lost.

Action: Look at transition for reassurance that “old” risks had not been lost.

- 10.2 Members challenged some of the information now highlighted (e.g. 6799: risk of industrial action – this should be covered by regular business continuity planning). It was acknowledged that there had been risks included which the Board could not actively address. This had been an attempt at escalation for visibility, but further work would be undertaken to refine the approach. It was acknowledged there needed to be a way to reflect the level of influence the Board could have on the outcome of a risk. Following these discussions, Members confirmed they were content with the level of assurance provided.

11. REGISTER OF INTERESTS [paper B/22/20 refers]

11.1 Members note the Register of Interests and confirmed it was correct as of the current time.

12. ITEMS FOR INFORMATION

12.1 Members were content to note, in full, the contents of the following papers which had presented for information:

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

12.2 The following highlights were briefly discussed:

- The Whistleblowing Annual Report provided assurance that NSS had been proactive in promoting, implementing, and learning from the Standards.
- “Speak Up Week” would take place in October 2022 and its aim was to raise awareness of the whistleblowing arrangements in Boards and promote the role of Confidential Contacts.
- Although the Equality and Diversity impact assessment for the Whistleblowing Annual Report was there, Members were keen to draw this out more within the report in future.
- The Confidential Contacts pilot scheme had been extended by the Workforce Policy Terms and Conditions Group.

13. ANY OTHER BUSINESS

13.1 There was no further public business to discuss.

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

IN PRIVATE SESSION – MEMBERS ONLY

14. AUDIT SCOTLAND ANNUAL REPORT 2021/22 – [paper IP/22/04 refers]

14.1 C Grant spoke to the report, which provided NSS and the Auditor General for Scotland with a summary of the findings and conclusions from the 2021/22 external audit of NHS NSS, including the audit of the 2021/22 annual report and accounts. Members were advised that the highlights remained as per the discussions at ARC earlier in the week and noted the findings and recommendations. Members were pleased to see acknowledgment of the impact of the pandemic, the challenging revenue position and the particular role NSS played in the pandemic response.

Following a brief discussion, Members confirmed they were pleased to accept the assurances provided.

15. NSS ANNUAL REPORT AND ACCOUNTS 2021/22 – [paper IP/22/03 refers]

- 15.1 L Howard spoke to the paper, which would become a public report on the financial and governance affairs of NSS for the financial year 2021/22 and highlighted the incorporation of feedback received from ARC. J Burgess confirmed she was content, as ARC Chair, to recommend that they be signed off and Members confirmed they accepted that recommendation.

16. ANNUAL DELIVERY PLAN – [paper IP/22/03 refers]

- 16.1 M Neilson spoke to the paper, which presented the proposed Annual Delivery Plan for NSS. Members were given an overview of how this aligned with the Scottish Government's priorities and the challenges faced in getting it developed. Members noted the proposed timelines for submission, formal approval, and publishing, as well as the mechanisms for monitoring progress.

Members noted the inclusion of strategic priorities for the next 10 years and the proposals in respect of future planning. C Low updated Members on work being done by Directors of Finance which could align with this and agreed to liaise with M Neilson outside of the meeting. Members acknowledged the need for a joined-up approach with other Boards. They welcomed the plan but fed back that the format could be more accessible. Members sought and received clarity on the approach and expectations in relation to the Counter Fraud Services recovery target. Overall, Members felt assured that the plan was achievable, albeit with some risks behind it, and noted how the Board future development sessions would take this forward. Members confirmed that they were content to approve for submission to Scottish Government.

There being no further business the meeting ended at 11:46.

NSS BOARD - Action List 2022/23

Formal Meeting held: 29.7.22

Item 9.3 Integrated Performance Report

Assigned to: M Neilson/C Low and J Jones

Action: M Neilson, C Low and J Jones to consider including a graph to illustrate the financial impact of staff turnover.

Deadline: Next iteration of the report

Status: Complete for next iteration of the report.

Item 9.4 Integrated Performance Report

Assigned to: Board Services

Action: BS to arrange a development session to look at the presentation of the BAF information.

Deadline: 9.9.22

Status: Complete.

Formal Meeting held: 10.3.22

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

Assigned to: M Morgan/G Beattie

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

Deadline: Outwith meeting

Status: Complete.

2022-03-10 Item 5.1 Integrated Performance Report

Assigned to: All

Action: All to provide feedback on style, content of first version of the IPR.

Deadline: Prior to development session

Status: In progress – see development session 9.9.22

Assigned to: L Neary
Action: LN to liaise with Board Services to identify additional development session.
Deadline: Outwith meeting.
Status: Complete.

2022-03-10 Items for Information

Assigned to: J Jones/A Rooney
Action: Buy back of annual leave discussion
Deadline: Outwith meeting.
Status: Complete.

In Private Session

2022-03-10 Covid Status App

Assigned to: ARC
Action: ARC to follow up on any outstanding actions arising from the ICO's response.
Deadline: Outwith meeting.
Status: Complete.

| | |
|---|--|
| Meeting: | NSS Board |
| Meeting date: | 23 September 2022 |
| Title: | NSS Feedback and Complaints Annual Report |
| Paper Number: | B/22/28 |
| Responsible Executive/Non-Executive: | Lee Neary Director SPST |
| Report Author: | Louise MacLennan/ Deborah Brown /Bill Dunn Customer Experience and Solutions Team |

1. Purpose

The paper is presented to the Board for final approval.

2. Recommendation

It is recommended that the Board approve the report as presented.

3. Discussion

Background

NSS complaints handling procedure reflects our commitment to welcoming all forms of feedback, including complaints and using them to improve services, address complaints in a person-centred way and respect the rights of everyone involved. It supports our staff to resolve complaints as close as possible to the point of service delivery and to respond thoroughly, impartially and fairly by providing evidence-based decisions based on the facts of the case.

The procedure was developed by NHS complaints handling experts working closely with the Scottish Public Services Ombudsman (SPSO). We have a standard approach to handling complaints across the NHS, which complies with the SPSO's guidance on model complaints handling procedure, meets all the requirements of the Patient Rights (Scotland) Act 2011, and accords with the Healthcare Principles introduced by the Act.

The content of the report is driven by the Scottish Government's requirements to report on complaints annually. This year we have included the compliments and positive comments based on committee feedback received to reflect our overall performance.

Our complaints handling procedure helps us to build positive relationships with people who use our services and rebuild trust when things go wrong. We will address complaints effectively, resolve them as early as we can, and learn from them so that we can improve services for everyone.

The model for complaints management and reporting is devolved. This means the services are responsible for handling and capturing all relevant complaints data. They are responsible for driving quality improvement based on this data.

The role of the customer experience team is to ensure that we have processes in place to meet our reporting requirements and to prepare the annual report.

The customer experience team relies on the service leads to provide the complaints data, narrative and quality improvement information to inform the content of the report. The data cleansing took time and resource from the customer experience team which lasted from 1 April to 1 June. However, the customer experience team has worked with DaS to significantly improve the complaints platform on ServiceNow. Further improvements are pending.

Each year a lessons learned exercise is informed by the feedback the team receive and this shapes the next report.

Annual Report for the year 31 March 2022 key highlights

NSS recorded 268 instances of positive feedback and compliments about our services throughout 2021-22. This is up from 190 in the previous year (an increase of 41.1%). This includes a very complimentary letter from the Cabinet Secretary. NSS continues to have low numbers of complaints when we compare this to the volume of interactions with the public in the last year.

The detail is on page 10 of the report.

There is an increase in the number of complaints received compared to the previous year (136.6%). Some of this increase may be accounted for by the inclusion of the NSS COVID-19 response data which was not recorded in the previous annual report. A direct comparison with the 2020-21 report (excluding the NCC data) the total NSS complaints is 506. Rises in complaints about SNBTS and PCF has also driven the increase in numbers. The detail is on pages 14-16 and 17-18.

This is in the context of the number of NCC interactions in 2021-22; 480,000 calls to the contact tracing inbound helpline, 1,726,000 index cases recorded Test and Protect wide including NCC, 2,442,000 contacts of cases recorded Test and Protect wide including NCC, 3,020,000 calls to the Vaccination helpline.

The detail is on page 21 of the report.

Notably, the time to respond has increased in the 20-working day target this is driven by the complexity of the cases that are being dealt with by the COVID-19 response service in an evolving pandemic. Overall NSS complaints were managed well within the targets set. The detail is on page 14 of the report.

To improve the experience of our service users the services have implemented improvements to their services as a result of complaints received. For example, in PCF an upgrade to the warehouse management system improves the management of out-of-date stock.

The detail is on page 17 of the report.

The report includes the completed Scottish Government data collation form. Appendix ii on pages 27-31.

4. Impact Analysis

4.1 Quality/ Patient Care

Quality and patient care are at the heart of complaints handling. All complaints are handled in accordance with the NHS model complaints handling procedure and the Patient Rights (Scotland) Act 2011.

4.2 Equality and Diversity, including health inequalities

Information on how to make a complaint about NSS services is provided in an accessible manner and format. Anyone that requires additional assistance or an alternative format this is provided by NSS. There were 0 complaints reported in relation to the Equality Act 2010 protected characteristics.¹

4.3 Data protection and information governance

The report contains information on complaints data but has no personal identifiable information relating to the complainants.

5. Risk Assessment/Management

There are no risks associated with the report.

6. Financial Implications

There are no financial implications associated with this report the complaints handling procedure is managed within existing resources.

7. Workforce Implications

The complaints handling procedure is managed within existing resources.

8. Route to Meeting

The report has been written in collaboration with the strategic business and directorate complaints leads.

The report has been presented to the EMT at their meeting on 22 August. The feedback from the EMT is incorporated into the report.

The report was presented to the NSS Audit & Risk Committee meeting held on 15 September and a minor change was made to bring the report to Board for formal approval.

¹ [Protected characteristics | Equality and Human Rights Commission \(equalityhumanrights.com\)](http://equalityhumanrights.com)

Table: EMT feedback and actions incorporated into the report by the customer experience team (CEx)

| EMT Feedback | Action |
|--|--|
| At a glance page 3 more positive information to be brought forward on the page. | Completed and page 3 changed. |
| Operational context of NSS to be included in the report. | Additional information added to page 5 taken from the NSS annual accounts and audit report for the year 31 March 2022. |
| Remove service excellence from “our services” section. | Removed - page 6. |
| Good news and more positive information to be included in the report. | Compliments added into report in more detail on pages 10-11. |
| NCC complaints require more detail. | Details taken from a recent published NCC report submitted to SG and provided by the NCC quality team added into pages 20-22. |
| Governance needs updating to reflect the changes to the NSS committee structure and reporting requirements. | Change made on page 25. |
| Change strategy, planning and service transformation to correct title – strategy, performance and service transformation. Final proofread. | Change made on pages 4, and 25. Proofread complete. |
| Demonstrate in the report the context of the number of complaints received against the number of interactions NSS has had in the reporting year. | Information added where possible and where the data has been made available. Page 5, 17 and 20 have had context added to the PCF and NCC sections. |

9. List of Appendices and/or Background Papers

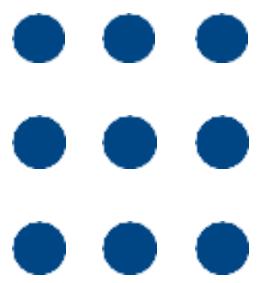
Appendix 1 - NSS Annual Feedback and Complaints Report including the Scottish Government complaints data collation submission form.

Appendix 2 - NHS model complaints handling procedure diagram.

Feedback and Complaints Annual Report

For the year 31
March 2022

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1. At a glance 2021-22



Customer satisfaction scores are on average **75.5%**. (Up from 62.0% in the previous year). Central Legal Office (CLO), Practitioner and Counter Fraud Services (PCFS) and Programme Management Services (PgMS) continue to be leaders in customer satisfaction.



NSS received **268** instances of positive feedback and compliments about our services throughout 2021-22. This is up from 190 in the previous year (an increase of **41.1%**)



In 2021-22, we received **743** complaints, a **136.6% increase** on previous year. This increase is driven by the inclusion of the **237 National Contact Centre (NCC) complaints** which were not included previously and also increases in complaints in Scottish National Blood Transfusion Service (SNBTS) and Procurement, Commissioning and Facilities (PCF).

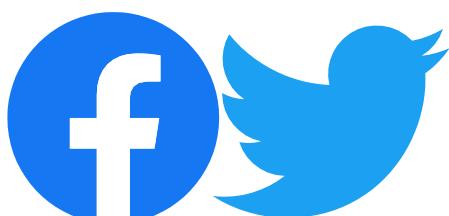


In 2021-22 the Scottish Public Services Ombudsman (SPSO) received 3665 complaints — out of those **0** related to NSS.



82% of less complex complaints were resolved within the **5 working day target**.

86% of complex complaints were resolved within the **20 working day target**.



The NSS Twitter account has **15.2k** followers (an increase of **14.3%** on the previous year) and the SNBTS Facebook page has **72.8k** followers (a decline of 1.0% on the previous year).

2. Introduction

This report provides the summary of the activity surrounding feedback, comments, concerns and complaints received by NHS National Services Scotland (NSS) in the period from 1 April 2021 to 31 March 2022.

Throughout the year we have used feedback, comments and complaints to improve our services. Our management, handling and response rates remain at high levels.

Feedback and complaints are received directly by our services in the Strategic Business Units (SBUs), the Strategy, Performance and Service Transformation Directorate, the NSS mailbox address on the NSS website and social media accounts. Those submitted on the web are routed to the generic NSS Feedback mailbox. All feedback and complaints are handled in line with the NHS model handling complaints procedure (MCHP).

This report will be reviewed by Health Improvement Scotland (HIS) and comments on it will be provided. These comments will be reported on in due course, together with any improvements required.

Empowering people to be at the centre of their care and listening to them, their carers and families is a shared priority for everyone involved in the NHS in Scotland. Feedback, comments, concerns and complaints provide a valued and vital source of information about the quality of service delivery and identifies opportunities for service improvement. This requirement has been embedded in legislation and recognised by HIS along with the SPSO, has required the NHS in Scotland to adopt a model complaints handling procedure to standardise complaints handling across the NHS and to be in line with the rest of the public sector.



3. Our purpose and our services

NSS is a Non-Departmental Public Body (NDPB), accountable to Scottish Ministers. NSS was established as the Common Services Agency in 1974 under The National Health Service (Functions of the Common Services Agency) (Scotland) Order 1974, with a mandate to provide national strategic support services and expert advice to Scotland's health sector whilst maximising health impacts and cost savings.

In 2013, the Public Services Reform (Functions of the Common Services Agency for the Scottish Health Service) (Scotland) Order 2013 extended the remit of NSS enabling the provision of services to other bodies, including local authorities and government departments. More recently, the Public Bodies (Joint Working) Scotland Act 2014 reinforced this requirement to maximise health, financial and environmental impacts by engaging with, and offering services to, and the wider public sector in Scotland.

Key facts

| | |
|----------------------|--|
| Budget: | £1,351.9million |
| Workforce: | 3,622 (WTE) |
| Sites: | 23 |
| Supporting the NHS: | <p>NHSScotland Assure provides a multi-disciplinary approach supporting quality in the design, build and maintenance of major healthcare developments.</p> <p>The National Contact Centre handled over three million calls and booked over one million COVID-19 vaccination appointments.</p> <p>Robot-Assisted Surgery Systems were procured as part of a £20million investment to improve cancer treatment.</p> |
| Resource efficiency: | <p>£17.4million delivered in cash-release efficiency savings.</p> <p>NSS secured savings on behalf of NHSScotland of £38.4million through National Procurement contracts.</p> <p>99.5% accuracy achieved of all primary care contractor payments.</p> <p>Protected £1.87million of NHSScotland resources through prevention, detection and investigation of fraud.</p> |

Our services include:



COVID-19 response

Overview, supply and distribution (inc. PPE, vaccines and boosters), manufacturing and sourcing, COVID-19 testing, convalescent plasma, NHS Louisa Jordan, digital, screening and blood donation. The implementation and delivery of the National Contact Centre (NCC) and two new warehouses.



Specialist healthcare

Providing specialist clinical services, population screening, national network management services.



National Procurement

Strategic sourcing, commercial services, procurement services, terms and conditions, warehouse operations, supply chain, distribution, fleet management and ward product management.



Programme management

Portfolio management, programme and project delivery, programme assurance and programme management office.



Facilities

Capital projects, estate asset management, sustainability, equipping services, engineering, environment and decontamination, facilities management.



Legal

Litigation, employment, commercial property, commercial contracts and policy advice.



Digital and Security

Portfolio management, programme and project delivery, programme assurance, programme management office local and national digital solutions, clinical informatics and cyber information governance.



Blood, tissues and cells

Blood tissues and cells, clinical services, research, development and innovation, training, testing, quality assurance and regulatory compliance.



Practitioner

Pharmacy, medical dental and ophthalmic services: payment, maintaining an up-to-date patient registration database, medical record transfers and clinical governance for dental.



Counter fraud

Fraud prevention, fraud detection, fraud investigation and advice.



Antimicrobial Resistance and Healthcare Associated Infection (ARHAI) Scotland

Coordination of national surveillance, reporting of healthcare associated infections, monitoring of antimicrobial resistance and antimicrobial prescribing, expert advice on infection prevention and control.



NHS Scotland Assure

Improving risk management in the built environment, full building lifecycle, strategic assessment, building operations, maintenance and decommissioning.

4. Encouraging and gathering feedback

We have continued to work with the support of the Community Engagement work stream (formerly known as Scottish Health Council) of Healthcare Improvement Scotland to review and update the methods that we use to seek and gather feedback. It is recognised that as a national board we are mainly a non-patient facing organisation, the approaches taken may differ from those in a territorial NHS Board and other National Boards in Scotland.

NSS undertakes an annual customer engagement index exercise, which tracks customer satisfaction, customer advocacy and customer effort. This enables us to benchmark our performance against the industry standard. The survey is summarised as part of our planning approach and all parts of the organisation are required to deliver and implement a customer action plan based on the results of their surveys.

The Customer Experience Team has analysed the qualitative feedback received through the annual customer satisfaction survey. Themes from the survey relating to external customer feedback are split into two areas – positive feedback and areas for improvement.

We received positive feedback on team behaviours, how supportive we are, the way we respond and our efficient customer focus.

Areas that customers have asked us to improve include being more consistent, better clarity regarding roles, offering tailored support, providing more up to date information, communication, simplification and online services.

The following charts detail our customer satisfaction, customer advocacy and customer effort score for 2021/22 and how our services have performed against the NSS target. In all three of these areas NSS has exceeded the industry standards for the public sector as determined by The Institute of Customer Service in their annual UK Customer Satisfaction Index (UKCSI).

These key measures can be defined as follows:

Customer Satisfaction

Customer satisfaction measures how products or services supplied by an organisation meet or surpass a customer's expectation.

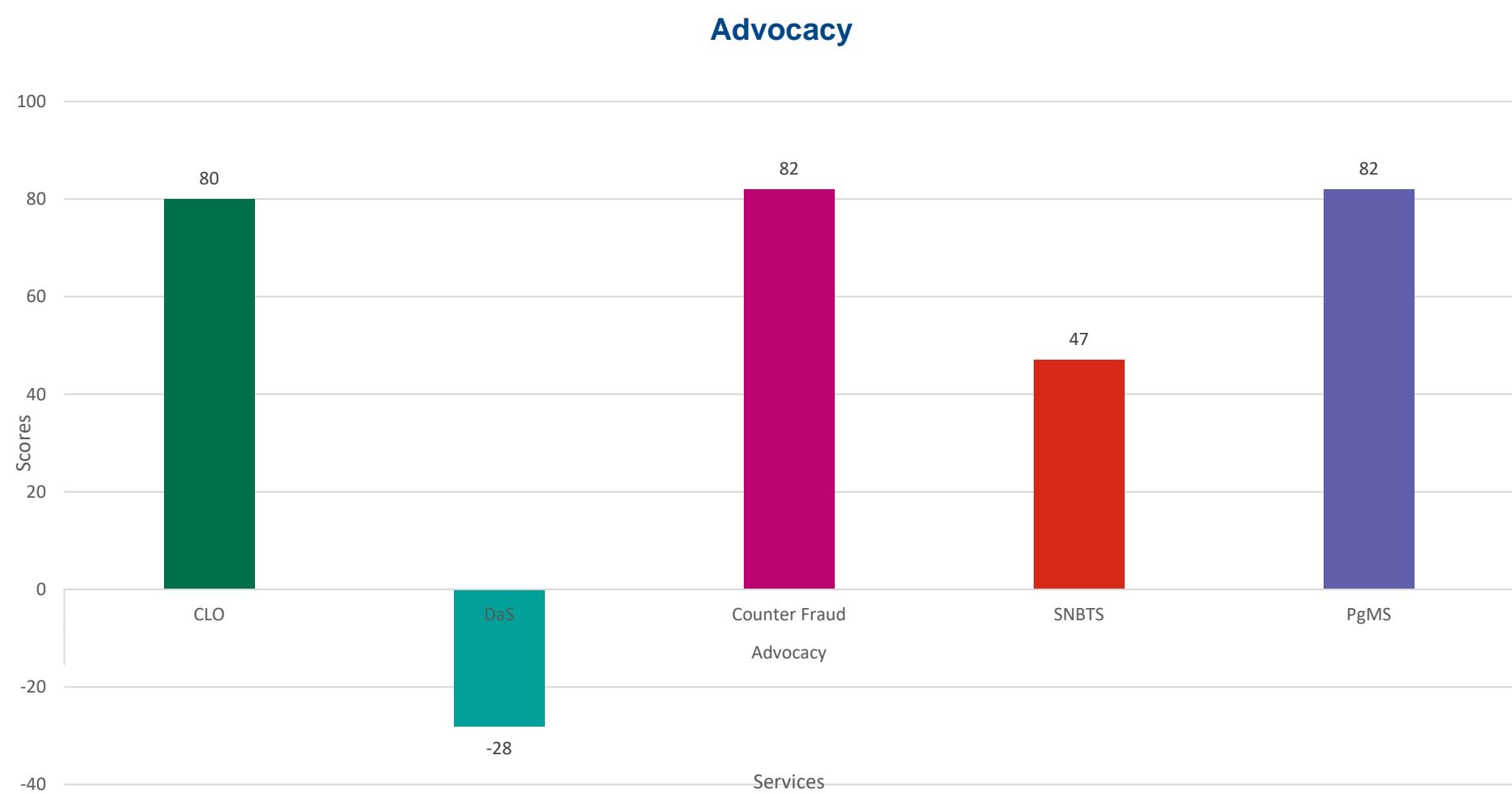
Figure 1: Customer satisfaction scores by service – NSS Target is 70%



Net Promoter Score

Net Promoter Score measures the loyalty that exists between a service provider and a consumer or service user.

Figure 2: Advocacy scores by service – NSS target is 0%



Customer Effort Score

Customer Effort Score measures how much effort is required by customers to access NSS services.

Figure 3: Customer effort by service- NSS target is 62%



The Central Legal Office (CLO) regularly achieves customer satisfaction scores in the high nineties and in 2021-22 achieved 98%. They have developed an engagement approach over a period of time that allows them to capture and act on feedback in a way that is positively received by clients. Both the Programme Management Services (PgMS) and Counter Fraud Services (CFS) maintain high levels of customer satisfaction through close working relationships with their customers and service users.

Each September CLO issues a client survey to capture feedback and comments, with each return read and reviewed by the CLO Director. If any of the comments contain constructive feedback or concerns that need to be addressed, the Director discusses it with the Head of the Department it relates to. A decision is then provided about how best to follow up and resolve any concerns – which may involve contacting the person who made the comment. Additionally, the Director also visits clients on a regular basis to discuss any additional feedback and/or points they want to raise.

Our strategic business units continue to monitor and record all feedback and compliments received. Key positive themes in the feedback received by SNBTS are; good attitude, professionalism, compassionate care and attention given to donors by the donor services teams at the donor sessions.

Compliments in detail

NSS received positive feedback and compliments about our services throughout 2021-22 with **268** compliments instances received. Compliments were received from a wide range of organisations and individuals, across the range of NSS services.

The National Contact Centre was recognised for their work during the Covid pandemic by the First Minister and the Cabinet Secretary for Health and Social Care, extract detailed below:

Thank you – Test and Protect workforce

Dear Test and Protect staff and volunteers,

Following the publication of our Test and Protect Transition Plan, we wish to offer our sincere thanks for the vital contribution you have made working in Test and Protect. At the beginning of the pandemic – before we had the benefit of vaccinations and treatments – large-scale infrastructure to test, process samples, contact trace and isolate on a population-wide scale was required to reduce transmission, alongside a range of other measures.

Test and Protect was established on 28 May 2020 and has been one of our key interventions over the last two years in Scotland to reduce the impact of COVID-19 on our health, and on the wider social and economic harms caused by the pandemic. The system was stood up at phenomenal speed and scale – and it has broken chains of transmission and saved lives.

Whether you have been with us since 2020 or joined more recently, delivering testing, sample processing, contact tracing, or supporting isolation, thank you for your contribution. The range of organisations involved, in no particular order – the Scottish Ambulance Service, Mitie, Sodexo, local authorities, NHS territorial and national boards, a range of contractors supporting the National Contact Centre, the University of Glasgow, NHS National Services Scotland, Public Health Scotland, the Scottish Microbiology and Virology Network, the Scottish Fire and Rescue Service, and the British Red Cross – in collaboration with the Scottish and UK governments, shows the colossal collective effort you have supported to deliver Test and Protect, standing up to the challenge to blunt the impact of Covid.

On behalf of the Scottish Government, our Health and Social Care system, and the people of Scotland, we want to again offer you our enduring thanks for your effort, time and commitment in the fight against this pandemic.

Nicola Sturgeon First Minister Humza Yousaf Cabinet Secretary for Health and Social Care

Compliments received by other parts of NSS included:

PCF

I wanted to express my sincere gratitude and appreciation for all the work that you and your team have done to respond to the crisis in India. As a direct result we have been able to support patients and health professionals in the most exceptional circumstances. These are indeed unprecedented times and I very much recognise all that you have achieved on top of your very challenging day jobs.

With all my thanks and appreciation.

Chief Medical Officer

Huge congratulations from all of us here at the Grampian oxygen team. You and the team do a great job and in extremely challenging circumstances have helped steer us through the last year, offering valuable support along the way.

Nice to see your tremendous efforts are appreciated.

Grampian Oxygen Team

Equipping Services

We want to thank you and the team for all of the hard work that you have all been doing to get us to the point we are at now on the Aviemore site. We are entirely aware that the challenges of the working environment did not allow you all to complete the full set out of the furniture and fittings in order to protect what was on site from damages and that everything possible was done where works were not being carried out.

All of the hard work and extended hours today carried out by yourself and the team was greatly appreciated particularly when there are still areas without ceiling tiles and work continuing has been challenging. You could not have worked harder.

In summary we cannot thank you and the team enough for your ongoing professionalism and support.

NHS Highland

SNBTS

Cabinet Secretary Humza Yousaf visited SNBTS following which he tweeted, ‘Really impressed by range of work @givebloodscot are doing. Processing, testing, supply, research and development of blood and donor tissues and cells. It was a reminder to get myself booked in to give blood. Hope you consider doing so too if eligible’.

From a donor

It was my first donation and I was nervous to say the least. The staff were absolutely amazing and treated me amazingly. Thank you so much to the lady who pricked my finger and to the man who took out my needle. You 2 were honestly so lovely and really put me at ease

CLO

My experience with the CLO last year regarding a case that I had with [named solicitor within Employment Team] advising from a CLO point of view was the most professional and supportive throughout. [named solicitor within Employment Team] and the assistants were always available and the services was second to none.

NHS Ayrshire and Arran

CLO has been a close partner organisation over my lengthy career and I always feel they understand the issues and give expert advice and support.

NHS Lothian

Finance

Just a small note to say a big thank you for all of your hard work in getting the annual report and accounts to completion. I know how much effort you put into getting a quality outcome and am very grateful – especially in my first year! I know you were supported by a wider team and would appreciate if you could extend my thanks to others involved as well.

5. Encouraging and handling complaints

The way we respond to complaints means that the complainants feel that their complaints will be valued and handled appropriately, and that the organisation will take on board what they have to say. This report outlines the complaints received in the following NSS Strategic Business Units and Directorates:

- Scottish National Blood Transfusion Service (SNBTS)
- Procurement, Commissioning and Facilities (PCF)
- Practitioner and Counter Fraud Services (PCFS)
- Central Legal Office (CLO)
- Strategy, Performance and Service Transformation (SPST)

Engagement continues with those SBUs as part of the model complaints handling procedure to understand the methods for obtaining and processing feedback in these areas of NSS where no or very few complaints are received. Different areas of NSS will feature in the quarterly reports and improvement plans, where required, will be agreed.

There were no NSS complaints referred to the Scottish Public Services Ombudsman (SPSO) in 2021-22. This is compared to three in 2020-21.

In 2021-22 NSS resolved 86% of complex complaints received within the guidelines and the average response time was 13.3 days. Any complex complaint must be investigated within 20 working days.

The number of complaints NSS received in 2021-22 has increased from the 2020-21 period (314). In 2021-22 NSS received 743 complaints which is an increase from the previous year of 136.6%. A direct comparison with the 2020-21 report (excluding the NCC data) the total NSS complaints is 506 an increase of 61.1%.

Some of this increase may be accounted for by the inclusion of the NSS COVID-19 response data which was not recorded in the previous annual report. Rises in complaints about SNBTS and PCF has also driven the increase in numbers.

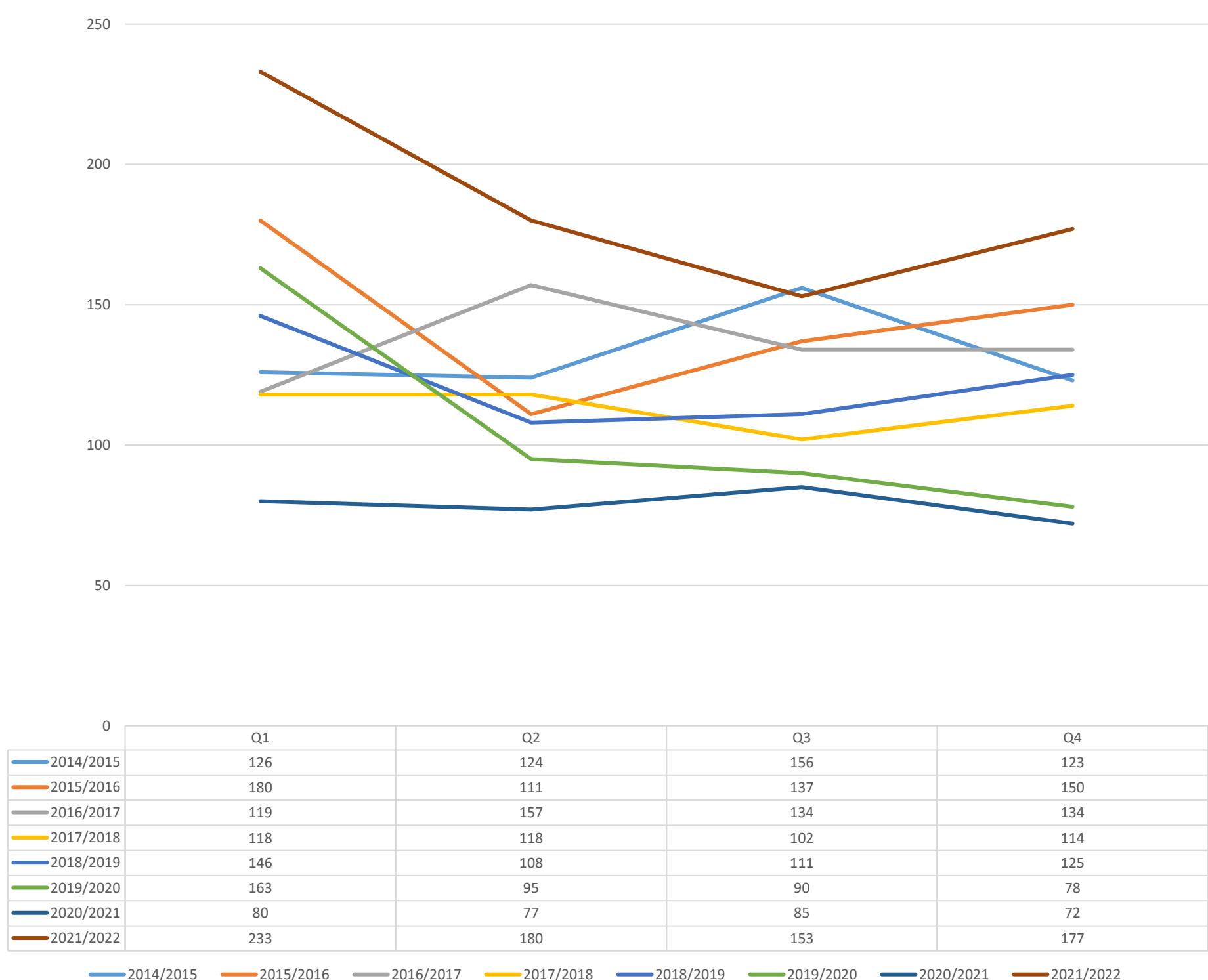
NSS SBUs have fully implemented the NHS model complaints handling procedure (MCHP) and will continue to handle complaints in accordance with this guidance.

An online platform for handling complaints in the ServiceNow service portal has been further developed in 2021-22 and training provided to complaint leads in the NSS SBUs. Further development of the platform was needed in 2021-22 to meet the needs and requirements of Procurement, Commissioning and Facilities (PCF) and in particular the National Distribution Centre (NDC). Further testing and development took place in PCF however, due to the pandemic this was unable to go live as planned. The go live date for PCF is August 2022. Additionally NSS system wide developments are required to enable improved reporting.

Table 1: Total NSS quarterly and cumulative totals for 2021-22 with a comparator with 2020-21

| 2021-22 | | | 2020-21 | |
|-----------|-----------------|------------------|-----------------|------------------|
| | Quarterly Total | Cumulative Total | Quarterly Total | Cumulative Total |
| Q1 | 233 | 233 | 80 | 80 |
| Q2 | 180 | 413 | 77 | 157 |
| Q3 | 153 | 566 | 85 | 242 |
| Q4 | 177 | 743 | 72 | 314 |

Figure 4: Quarterly and cumulative totals for the period 2014 - 2022



NSS continues to commit to the requirements set out in the new NHS MCHP. NSS policy is to acknowledge complaints within 3 working days; resolve less complex complaints within 5 working days and resolve more complex complaints within the 20 working day timescale.

In 2021-22 NSS continued to meet the key performance indicators (KPIs) requirements set out in the NHS MCHP.

Table 2: Handling Complaints – NSS Response times

| | Q1 Apr-Jun | Q2 Jul-Sep | Q3 Oct-Dec | Q4 Jan-Mar | 2021-2022 Annual | 2020-21 Comparison | 2019-2020 Comparison |
|---|---------------|---------------|---------------|---------------|---------------------|-----------------------|-------------------------|
| Average Response Time against Target Response Time of 5 working days (less complex) | 4.3 | 5 | 4.9 | 4.6 | 4.7 | 2.8 | 9.2 |
| Average Response Time against Target Response Time of 20 working days (more complex) | 13.6 | 13.7 | 13.5 | 11.9 | 13.3 | 10.9 | 10.8 |
| % responses within target (20 working days) | 82% | 85% | 89% | 91% | 86% | 92% | 97% |
| No. of responses out with target (20 working days) | 23 | 17 | 9 | 6 | 55 | 27 | 0 |

Notably, the time to respond has increased in the 20-day category, and this may reflect the complexity of the cases that are being dealt with by the COVID-19 response service in an evolving pandemic. NSS continues to receive complaints and feedback from complainants that are in relation to other NHS Boards and primary care providers. This has been proactively managed in relation to the new website (as detailed in previous annual reports).

This section looks in more depth at the areas of reported complaints.

Scottish National Blood Transfusion Service

SNBTS is in contact with over 300,000 donors each year and the numbers of complaints they receive remains low. In 2021-22 there were 126,471 active blood donors in Scotland, who have all given blood within the last year - less than 4% of the eligible population of people aged 17-70.

Table 3: SNBTS donor complaints

| Code / Type of Complaint | Q1 2021- 22 | Q1 2020- 21 | Q2 2021- 22 | Q2 2020- 21 | Q3 2021- 22 | Q3 2020- 21 | Q4 2021- 22 | Q4 2020- 21 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 1 Opportunity to donate | 3 | 11 | 3 | 8 | 8 | 9 | 5 | 5 |
| 2 Donor Selection | 5 | 6 | 7 | 0 | 6 | 4 | 2 | 1 |
| 3 Opening Hours | 0 | 0 | 1 | 0 | 0 | 4 | 0 | 1 |
| 4 Staff Attitude & Behaviour | 7 | 7 | 16 | 7 | 10 | 10 | 14 | 6 |
| 5 Waiting Times | 2 | 0 | 1 | 1 | 0 | 0 | 1 | 0 |
| 6 Donor Communications | 10 | 5 | 7 | 11 | 2 | 2 | 5 | 4 |
| 7 Documents and Records | 2 | 2 | 1 | 2 | 3 | 2 | 0 | 2 |
| 8 Health & Safety | 3 | 2 | 5 | 0 | 5 | 1 | 1 | 1 |
| 9 Bruising | 7 | 2 | 5 | 4 | 2 | 1 | 3 | 1 |
| 10 New Regulatory Change | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 Special Redesign/ change/ Disruption | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 |
| 12 Special Needs (DDA) | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 |
| 13 Vexatious | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| 14 Voluntary Organiser Attitude & Behaviour | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 Facilities (incl. Parking) | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 4 |
| 16 Legal claim | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 17 Appointment Availability | 10 | 4 | 8 | 3 | 10 | 3 | 12 | 6 |
| 18 Donor web portal | 10 | 5 | 10 | 1 | 1 | 3 | 2 | 2 |

Table 3 shows the number of complaints SNBTS has received from blood donors. This increased from 169 in 2020-21 to 223 in 2021-22 representing a 32% increase. There was a marginal increase in complaints attributed to bruising in Q1/Q2, which reduced in Q3/Q4. In relation to staff attitude and behaviours there were 47 complaints for 2021-22. This is an increase of 56.7% from 30 for 2020-21, which represents 0.0003% of active donors in Scotland.

An increase in complaints was also seen around the Donor Web Portal (DWP) and appointment availability. A group will review the feedback on the DWP to ensure improvements are implemented.

Table 4: SNBTS staff attitude and behaviour complaints 2020-21 and 2021-22

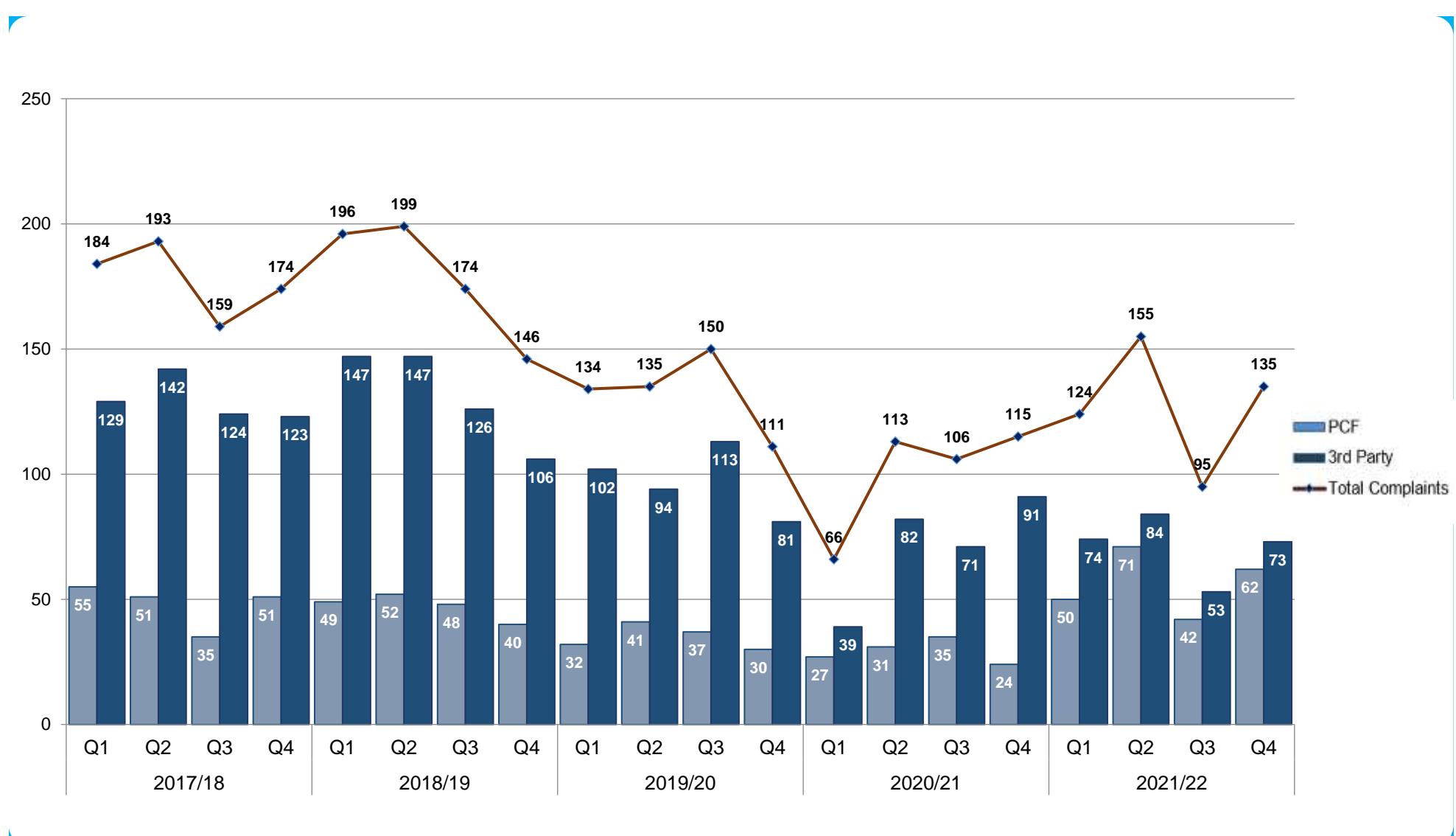
| Type of Complaint | Q1 21-22 | Q1 20-21 | Q2 21-22 | Q2 20-21 | Q3 21-22 | Q3 20-21 | Q4 21-22 | Q4 20-21 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Staff attitude and behaviours | 7 | 7 | 16 | 7 | 10 | 10 | 14 | 6 |
| Voluntary organiser attitude and behaviour | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 7 | 7 | 16 | 7 | 10 | 10 | 14 | 6 |

In response to staff attitude and behaviour complaints and to improve our service delivery, the Donor & Transport Services delivered unconscious bias training and the customer standards training was refreshed.

Procurement, Commissioning and Facilities

Within PCF, the majority of complaints relate to National Procurement. The National distribution centre handled 80,000 picks in the reporting year with 97 pick related complaints received.

Figure 5: National Procurement complaints managed by PCF — NDC Complaints



In Total PCF received 225 complaints relating to their service. The most common type of complaints was for out of date product. This accounted for 118 (52.4% of all complaints). There were various reasons for this happening:

- The Health Boards did not order products at their predicted volumes.
- Human errors with the goods in operators not identifying products with less than agreed expiry dates.
- The warehouse management system does not currently allow supply chain team

to determine out of date products whilst it is sitting in the warehouse. Therefore, manual checks are required to identify out of date product.

- Manual checks were not completed at the normal levels due to operational challenges and out of date stock may not have been caught
- An upgrade to the warehouse management system was postponed due to COVID-19 and the pressures of Christmas.

To improve customer experience, an upgrade of the warehouse management system is planned and live testing is planned for July 2022. One of the benefits of the upgrade, will be to improve management of out-of-date stock as expiry dates will be recorded giving the Supply Chain and Inventory Teams greater visibility & control of stock dates and stock management.

Table 5: National Procurement 3rd Party Complaints

| Type of Complaint | Q1 21/22 | Q1 20/21 | Q2 21/22 | Q2 20/21 | Q3 21/22 | Q3 20/21 | Q4 21/22 | Q4 20/21 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Product Quality | 26 | 20 | 38 | 52 | 15 | 38 | 27 | 38 |
| Service | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| Transport Issues | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 |
| Late/Wrong/No Delivery | 6 | 3 | 14 | 2 | 10 | 3 | 25 | 2 |
| Supply Issues | 3 | 5 | 1 | 0 | 2 | 2 | 0 | 0 |
| Wrong/Confusing/Missing Information | 0 | 1 | 4 | 1 | 2 | 1 | 0 | 1 |
| Price | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |
| I.T/Systems | 0 | 0 | 1 | 0 | 0 | 0 | 4 | 0 |
| Product Unsuitably Packed (H&S Issues) | 2 | 8 | 2 | 14 | 2 | 7 | 0 | 16 |
| Other | 37 | 10 | 21 | 12 | 22 | 22 | 17 | 5 |
| Total | 74 | 47 | 84 | 83 | 53 | 73 | 73 | 62 |

National Procurement (NP) monitors their complaints closely and where an adverse trend is identified, they will work with the supplier, and where appropriate the NHS Board, to develop and agree a recovery, corrective action and improvement plan. As part of any containment, corrective or preventative action process, NP will issue a product alert or recall notice to NHS boards.

Practitioner and Counter Fraud Services (PCFS)

PCFS received 38 complaints in 2021-22. These related to service delivery and complaints received from patients and practitioners. The themes identified are summarised as follows:

- Delay in getting prior approval decision on dental treatment and length of time taken to get the approval.
- Patients making complaints in relation to patient registration.
- Patients making complaints about being removed from GP practices and/or the GP practice they have been assigned to. Difficulty finding a GP.
- Dentists complaining that they were unhappy with their COVID-19 financial support payment.

There was a significant increase when comparing to the previous year 2020/21, which can be explained by the impact of the pandemic including dental services being restarted and striving to get back to some normality. Patients have found it increasingly challenging to access GP practices and this explains the increase in complaints to PCFS.

A large number of the complaints received were regarding issues that were outwith PCFS control (e.g. Scottish Government policy, removal from GP practices, COVID-19 financial support payments).

Central Legal Office (CLO)

CLO receives very low numbers of complaints, with one received in 2021-22 and CLO have processes for dealing with those that relate to specific legal matters through the Scottish Legal Complaints Commission.

Strategy Performance and Service Transformation - National Contact Centre

The National Contact Centre (NCC), formerly named the National Contact Tracing Centre, was established in 2020. We are responsible for the delivery of COVID-19 services including: Contact Tracing, Border Monitoring, The National Vaccination Helpline, The COVID-19 Status Helpline, and the Testing Helpline for schools, Health & social care workers, and prisons. We have supported our partners at Public Health Scotland and The Scottish Government by establishing and managing the National Contact Centre. More than 1,200 staff have been trained to work across NCC. NSS helped train a further 2,000 staff across health boards, local authorities and commercial partners.

In 2021-22, The National Test and Protect programme, including NCC, recorded 1.726 million Index Cases from citizens who tested positive for COVID-19. Of cases with access to digital devices, 100% were contacted digitally within two hours of test result receipt. For those without digital access, 92% were reached via telephone or digital channels 2.442 million contacts of cases were identified; 99% of which were reached digitally within 24 hours.

NCC received 480,000 inbound calls relating to contract tracing and isolation support. 1.154 million travellers were provided with email advice, and the NCC successfully contacted 85% of 82,500 travellers who were randomly sampled for phone calls.

The testing helpline answered 11,250 calls, and in doing so, supported routine testing of health and social care workers, prison staff and schools.

During 2021-2022, we received 3.02 million calls to our vaccination helpline and provided 1.276 million vaccine bookings to citizens. 627,000 calls were answered by the COVID-19 status helpline since the service was launched in May 2021. 78,800 data resolution cases were completed with patients' vaccine event and demographic data corrected.

In more recent developments, we launched a new service area to support patients through the digital on boarding process for the ConnectMe self-management platform. 144 calls have been answered since the service launched in January 2022.

NCC complaints data was not included in the 2020-21 report, so this is a key contributor to the increase in this year's numbers. NCC contributed to 237 complaints this year, this accounted for 31.9% of all complaints received within NSS; and reflects the enormous workload undertaken.

2021- 22 NCC Transactions

480,000 calls to the Contact Tracing Inbound helpline

1,726,000 Index Cases recorded Test and Protect wide including NCC

2,442,000 Contacts of cases recorded Test and Protect wide including NCC

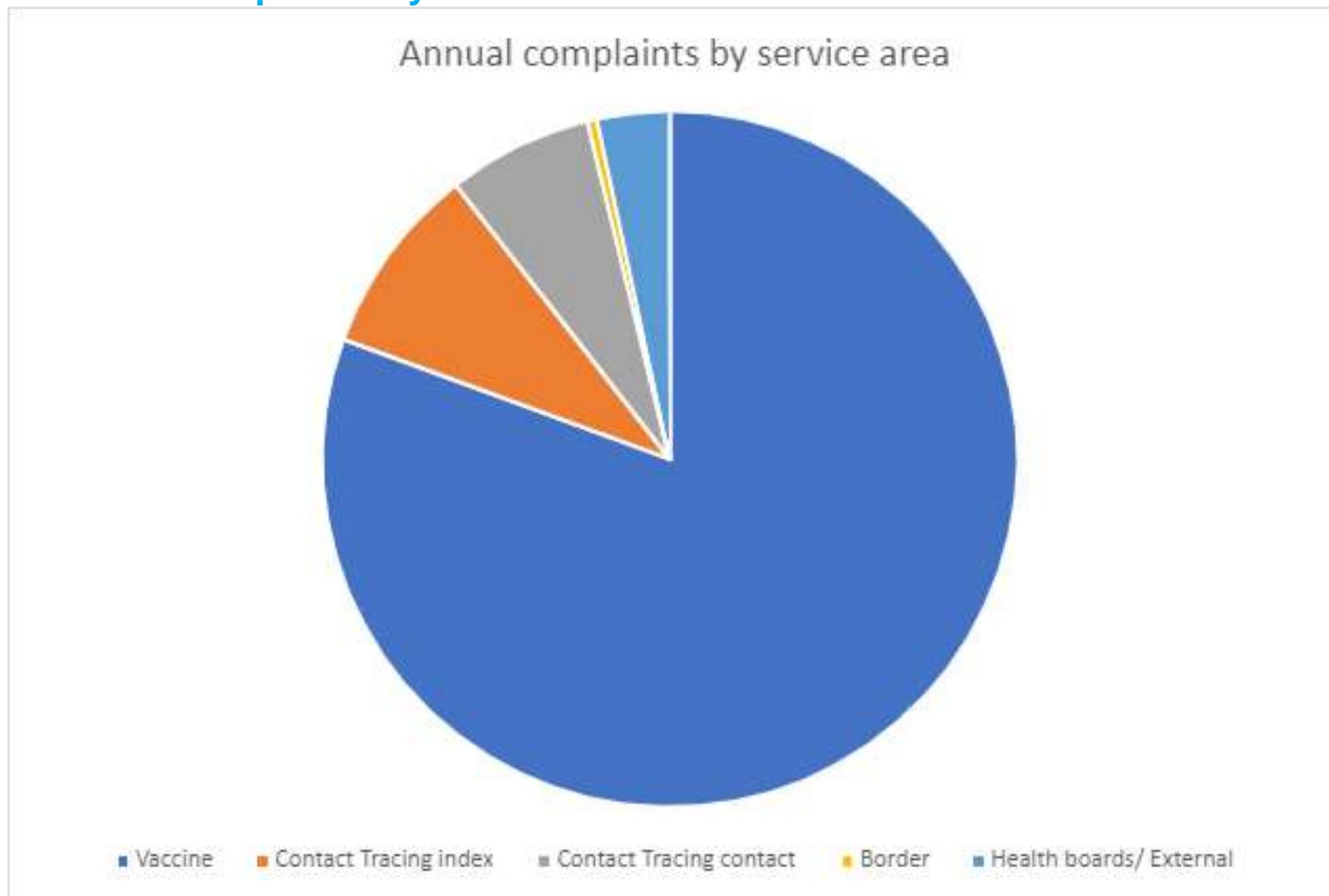
3,020,000 calls to the Vaccination helpline

NCC received a total of 237 complaints across all service areas

- 55 were fully upheld (23%)
- 30 were partially upheld (12%)
- 152 were not upheld (65%)

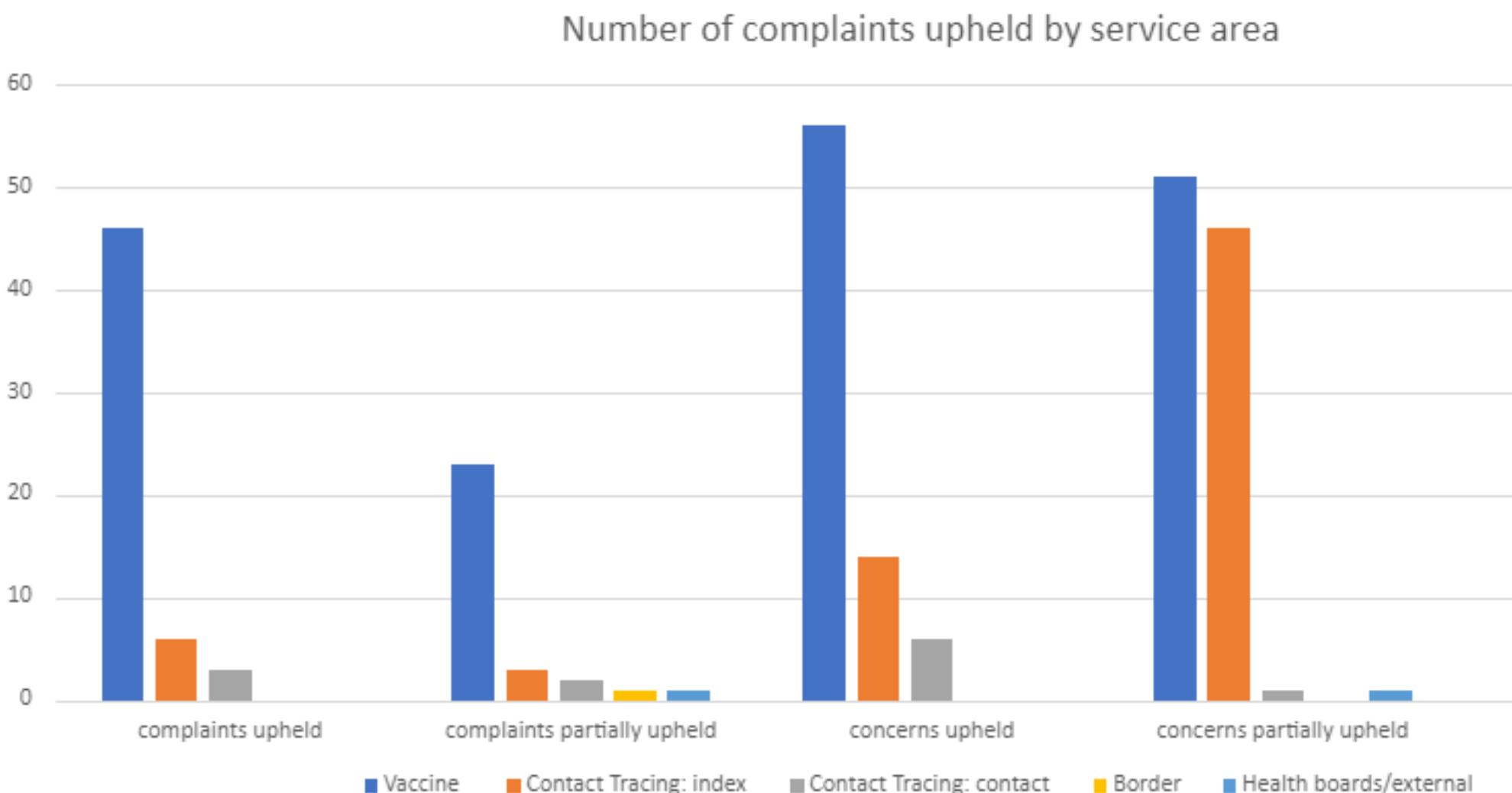
The service area receiving the most complaints was Vaccine, which accounted for 80% of all complaints received.

Figure 6: NCC complaints by service are



Vaccine also accounted for the most complaints upheld or partially upheld.

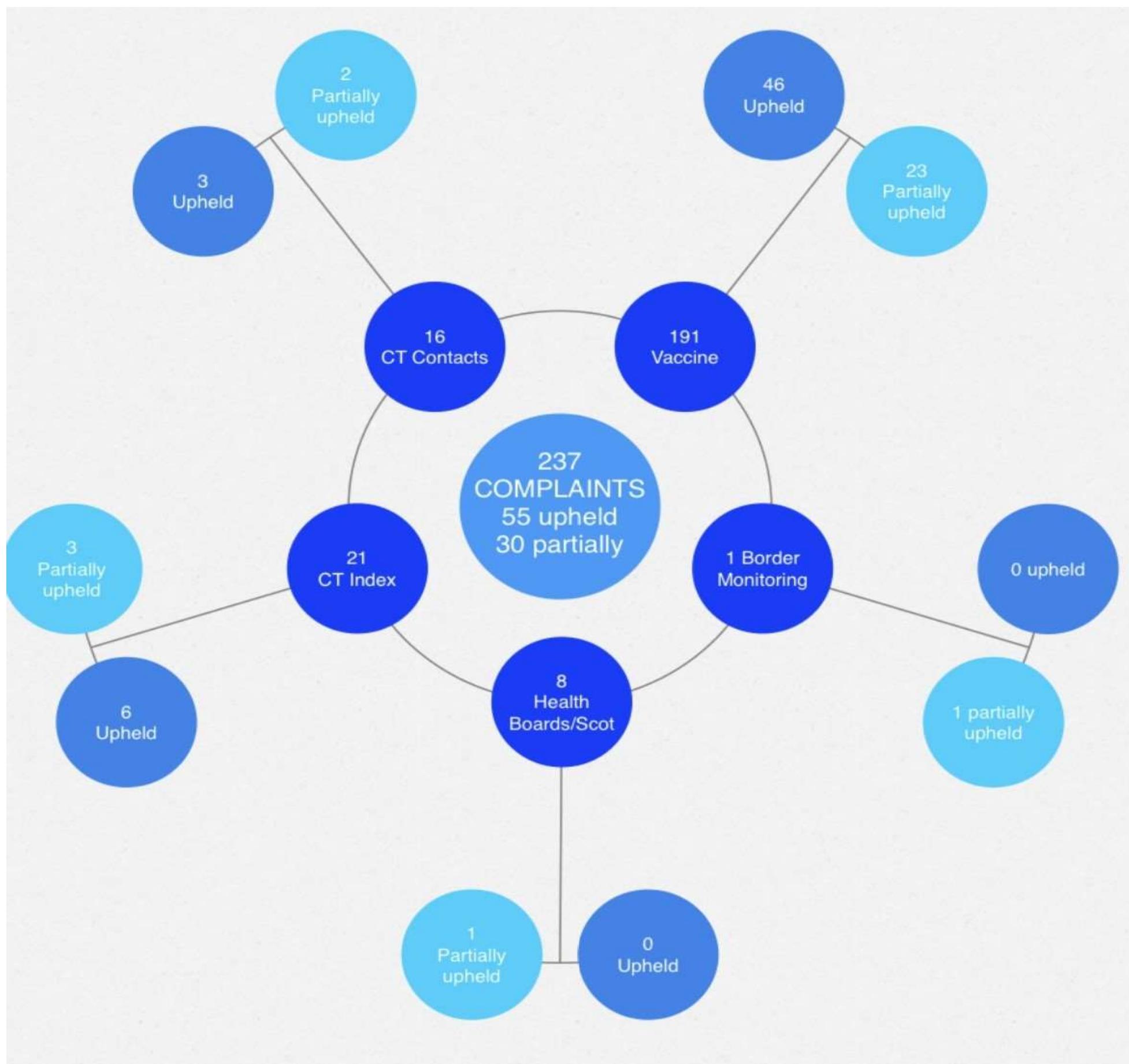
Figure 7: NCC complaints upheld by service area



Of the 237 complaints received:

- 191 were Vaccine related
- 21 were Contact Tracing index cases
- 16 were Contact Tracing contact cases
- 1 was Border Monitoring
- 8 were external agencies, including Health Boards and the Scottish government

Figure 8: NCC complaints upheld and partially upheld complaints



6. The culture including staff training and development

Scottish National Blood Transfusion Service

SNBTS has taken part in the Civility Safe Lives programme delivered by NSS Organisational Development and were provided with support on how to interact with each other better. Staff have participated in unconscious bias training and the customer service training has been refreshed and implemented.

NSS Values Programme

In 2018, we began the relaunch of the NSS Values and are inviting everyone to bring fresh commitment and energy to creating a 21st century NSS culture of collaboration, innovation and compassion. This common set of values, endorsed by Staff Governance, helps us all create a better NSS community, whilst honouring the traditions and good work of our Strategic Business Units (SBUs) and Directorates.

Our values are outlined below:

- Committed to each other
- Customer focus
- Integrity
- Openness
- Respect and care
- Excel and improve

Staff continue to work within the NSS Values programme.

Great Place to Work Plan

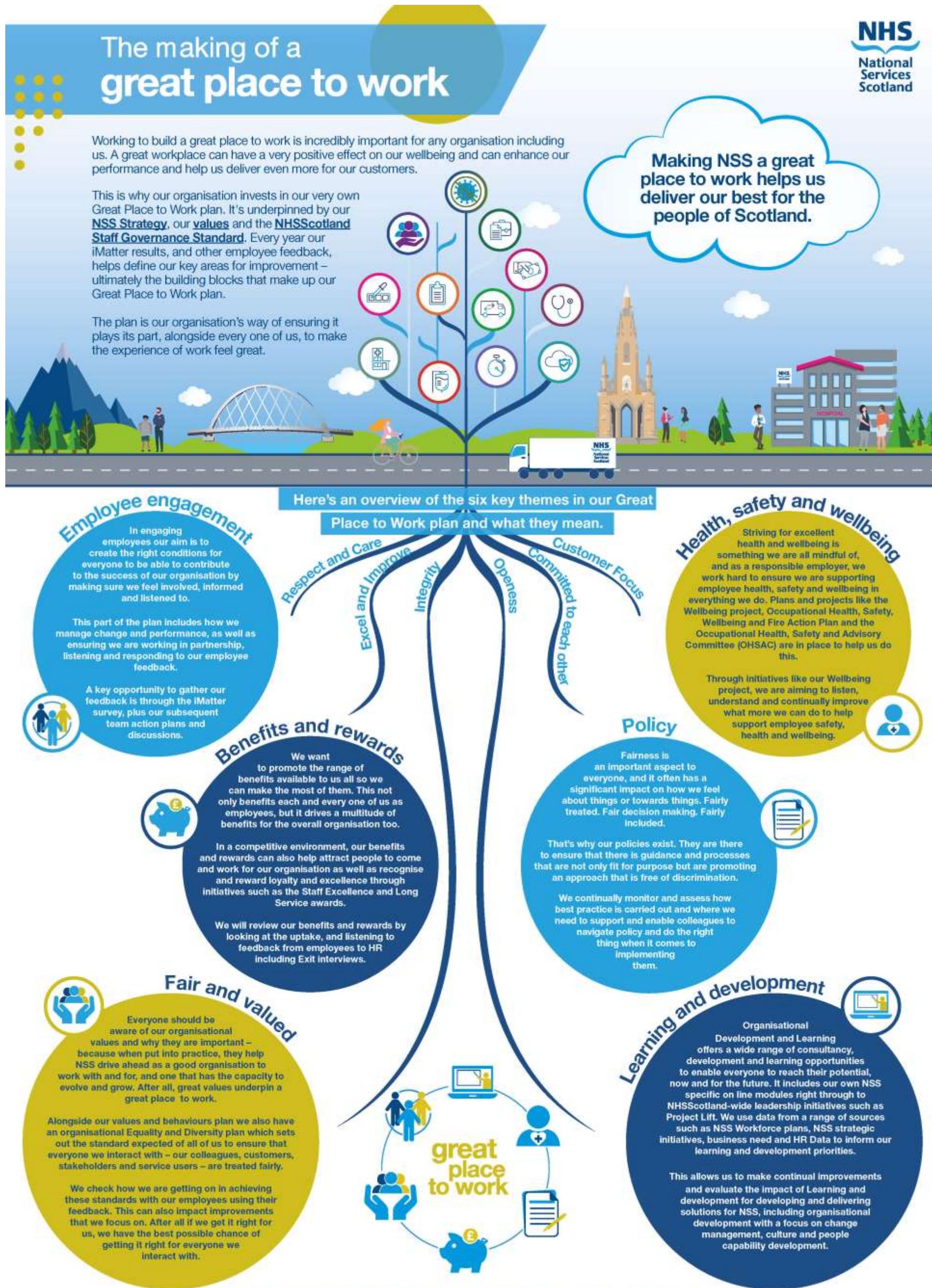
Building a great place to work is incredibly important for any organisation including NSS. A great workplace can have a very positive effect on our wellbeing and can enhance our performance and help us deliver even more for our customers.

This is why NSS invests in our very own Great Place to Work plan. It's underpinned by the [NSS Strategy](#), our values and the [NHSScotland Staff Governance Standard](#). Every year our iMatter results, and other employee feedback, helps define our key areas for improvement – ultimately the building blocks that make up our Great Place to Work plan.

The plan is our organisation's way of ensuring it plays its part, alongside every one of us, to make the experience of work feel great.

Take a look at the infographic below to find out more about the plan's six key themes and find out more in our [Great Place to Work plan](#).

Figure 9: Great place to work plan summary



7. Accountability and Governance

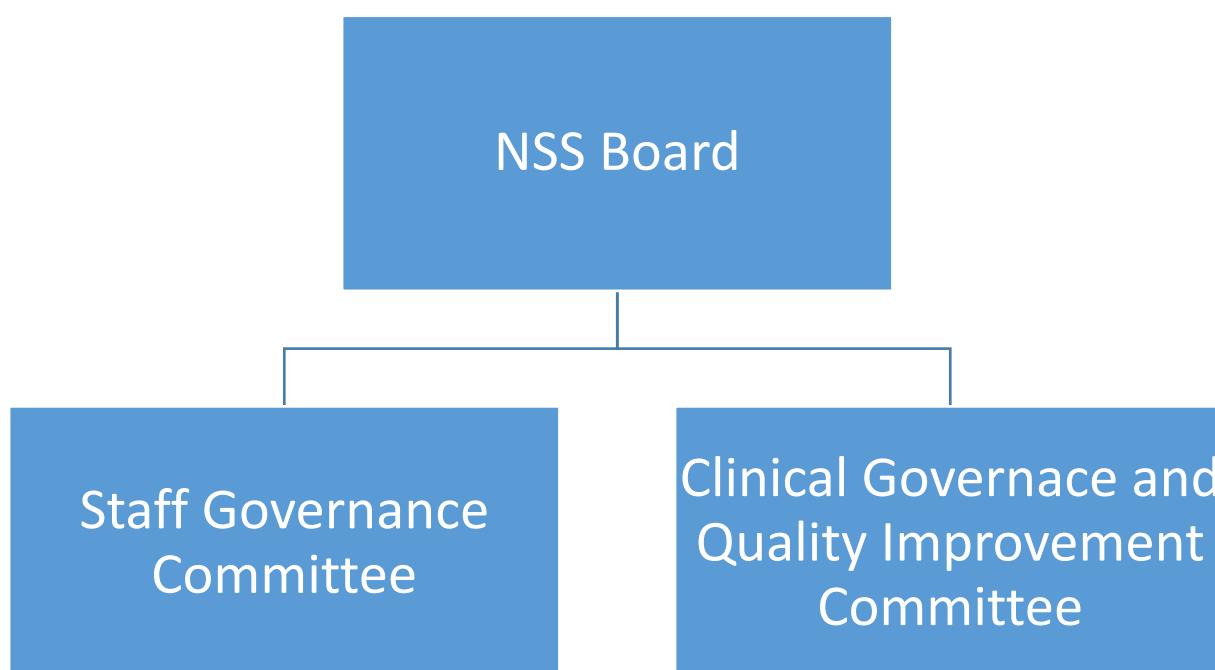
The executive lead for feedback and complaints is the Director of Strategy Performance and Service Transformation, who is supported by the customer insights team. The team aim to ensure visibility of feedback and complaints is at the highest level in the Board in order that performance and risk can be assessed and mitigated.

Complaints relating to clinical services or the professional behaviour/ practice of NSS clinical staff are reviewed by the Clinical Directorate Team and reported by exception to the Clinical Governance and Quality Improvement Committee (CGQIC) where appropriate.

The staff-related complaints are integrated into the people report presented to the Staff Governance Committee. The Executive Management Team receive the performance figures against the NHS model complaints handling procedure key performance indicators.

The Audit and Risk Committee receives this annual report.

Figure 10: Hierarchy of governance arrangements in NSS for feedback and complaints reporting



8. Appendices

Appendix I: Summary of Customer Feedback and Suggestions

| CLO – Customer Feedback and Suggestions | | | |
|---|------------|-----------------------|---|
| Customer Satisfaction | 98% | Positive Feedback | Expertise Timely responses Teams (accessible, approachable and professional) Quality of advice |
| Net Promoter | 80% | Areas for Improvement | Recharge process |
| Customer Effort Score | 98% | Customer Requirement | |

| DaS – Customer Feedback and Suggestions | | | |
|---|------------|-----------------------|--|
| Customer Satisfaction | 55% | Positive Feedback | Staff professional positive and responsive Expectations managed Prompt service |
| Net Promoter | 28% | Areas for Improvement | Service portal difficult to use Capacity Customer focus |
| Customer Effort Score | 43% | Customer Requirement | Ability to track progress of requests To feel valued as a customer |

| Counter Fraud Services – Customer Feedback and Suggestions | | | |
|--|-------------|-----------------------|---|
| Customer Satisfaction | 100% | Positive Feedback | Fraud Awareness on line training Responsive, professional advice Fraud risk awareness |
| Net Promoter | 82% | Areas for Improvement | Dedicated support for FLO role Awareness of cyber risks |
| Customer Effort Score | 100% | Customer Requirement | Cyber security online training Once for Scotland fraud policy |

SNBTS – Customer Feedback and Suggestions

| | | | |
|------------------------------|------------|-----------------------|--|
| Customer Satisfaction | 92% | Positive Feedback | Helpful, approachable, knowledgeable staff Timely service |
| Net Promoter | 47% | Areas for Improvement | Consistency, turnaround times, systems compatibility |
| Customer Effort Score | 88% | Customer Requirement | Manage expectations on turnaround times, investigate systems development |

PgMS– Customer Feedback and Suggestions

| | | | |
|------------------------------|-------------|-----------------------|--|
| Customer Satisfaction | 100% | Positive Feedback | Professional expertise, Proactive, flexible staff |
| Net Promoter | 82% | Areas for Improvement | Staff turnaround Knowledge of wider public health systems |
| Customer Effort Score | 100% | Customer Requirement | Improved staff turnaround |

Appendix ii: Scottish Government performance indicator form which all NHS Boards are required to submit on the 30 September 2022. NSS submission 2021-22

NHS National Services Scotland (NSS)

Annual Report on Feedback and Complaints Performance Indicator Data Collection 2021-22

Performance Indicator Four:

4. Summary of total number of complaints received in the reporting year

| | |
|---|------------|
| 4a. Number of complaints received by the NHS Territorial Board or NHS Special Board Complaints and Feedback Team | 743 |
| 4b. Number of complaints received by NHS Primary Care Service Contractors (<i>Territorial Boards only</i>) | n/a |
| 4c. Total number of complaints received in the NHS Board area | 743 |

NHS Board - sub-groups of complaints received

| | |
|--|-----|
| NHS Board Managed Primary Care services; | |
| 4d. General Practitioner | n/a |
| 4e. Dental | n/a |
| 4f. Ophthalmic | n/a |
| 4g. Pharmacy | n/a |
| Independent Contractors - Primary Care services; | |
| 4h. General Practitioner | n/a |
| 4i. Dental | n/a |
| 4j. Ophthalmic | n/a |
| 4k. Pharmacy | n/a |
| 4l. Total of Primary Care Services complaints | n/a |
| 4m. Total of prisoner complaints received (Boards with prisons in their area only) Note: Do not count complaints which are unable to be concluded due to liberation of prisoner / loss of contact. | n/a |

Performance Indicator Five

5. The total number of complaints closed by NHS Boards in the reporting year (do not include contractor data, withdrawn cases or cases where consent not received).

| Number of complaints closed by the NHS Board | Number | As a % of all NHS Board complaints closed (not contractors) |
|---|---------------|--|
| 5a. Stage One | 350 | 46.2 |
| 5b. Stage two – non escalated | 387 | 53.4 |
| 5c. Stage two - escalated | 5 | 0.4 |
| 5e. Total complaints closed by NHS Board | 742 | 100% |

Performance Indicator Six

6. Complaints upheld, partially upheld and not upheld

Stage one complaints

| | Number | As a % of all complaints closed by NHS Board at stage one |
|---|--------|---|
| 6a. Number of complaints upheld at stage one | 255 | 72.9 |
| 6b. Number of complaints not upheld at stage one | 68 | 19.4 |
| 6c. Number of complaints partially upheld at stage one | 27 | 7.7 |
| 6e. Total stage one complaints outcomes | 350 | 100% |

Stage two complaints

| Non-escalated complaints | Number | As a % of all complaints closed by NHS Boards at stage two |
|---|--------|--|
| 6f. Number of non-escalated complaints upheld at stage two | 202 | 52.2 |
| 6g. Number of non-escalated complaints not upheld at stage two | 107 | 27.6 |
| 6h. Number of non-escalated complaints partially upheld at stage two | 78 | 20.2 |
| 6j. Total stage two, non-escalated complaints outcomes | 387 | 100% |

Stage two escalated complaints

| Escalated complaints | Number | As a % of all escalated complaints closed by NHS Boards at stage two |
|---|---------------|---|
| 6k. Number of escalated complaints upheld at stage two | 2 | 40.0 |
| 6l. Number of escalated complaints not upheld at stage two | 3 | 60.0 |
| 6m. Number of escalated complaints partially upheld at stage two | 0 | 0.0 |
| 6o. Total stage two escalated complaints outcomes | 5 | 100% |

Performance Indicator Eight

8. Complaints closed in full within the timescales

This indicator measures complaints closed within 5 working days at stage one and 20 working days at stage two.

| | Number | As a % of complaints closed by NHS Boards at each stage |
|--|---------------|--|
| 8a. Number of complaints closed at stage one within 5 working days. | 276 | 44.5 |
| 8b. Number of non-escalated complaints closed at stage two within 20 working days | 341 | 55.0 |
| 8c. Number of escalated complaints closed at stage two within 20 working days | 3 | 0.5 |
| 8d. Total number of complaints closed within timescales | 620 | 100% |

Performance Indicator Nine

9. Number of cases where an extension is authorised

This indicator measures the number of complaints not closed within the CHP timescale, where an extension was authorised*.

| | Number | As a % of complaints closed by NHS Boards at each stage |
|--|---------------|--|
| 9a. Number of complaints closed at stage one where extension was authorised | 0 | 0% |
| 9b. Number of complaints closed at stage two where extension was authorised (this includes both escalated and non-escalated complaints) | 1 | 0.4% |
| 9c. Total number of extensions authorised | 1 | |

***Note:** The SPSO confirm that there is no prescriptive approach about who exactly should authorise an extension – only that the organisation takes a proportionate approach to determining an appropriate senior person – and this is something that NHS Boards should develop a process for internally. This indicator aims to manage the risk of cases being extended beyond the CHP timescale without any senior officer approval.

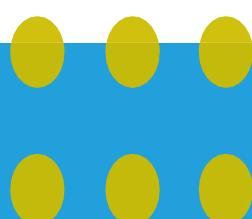


Authors

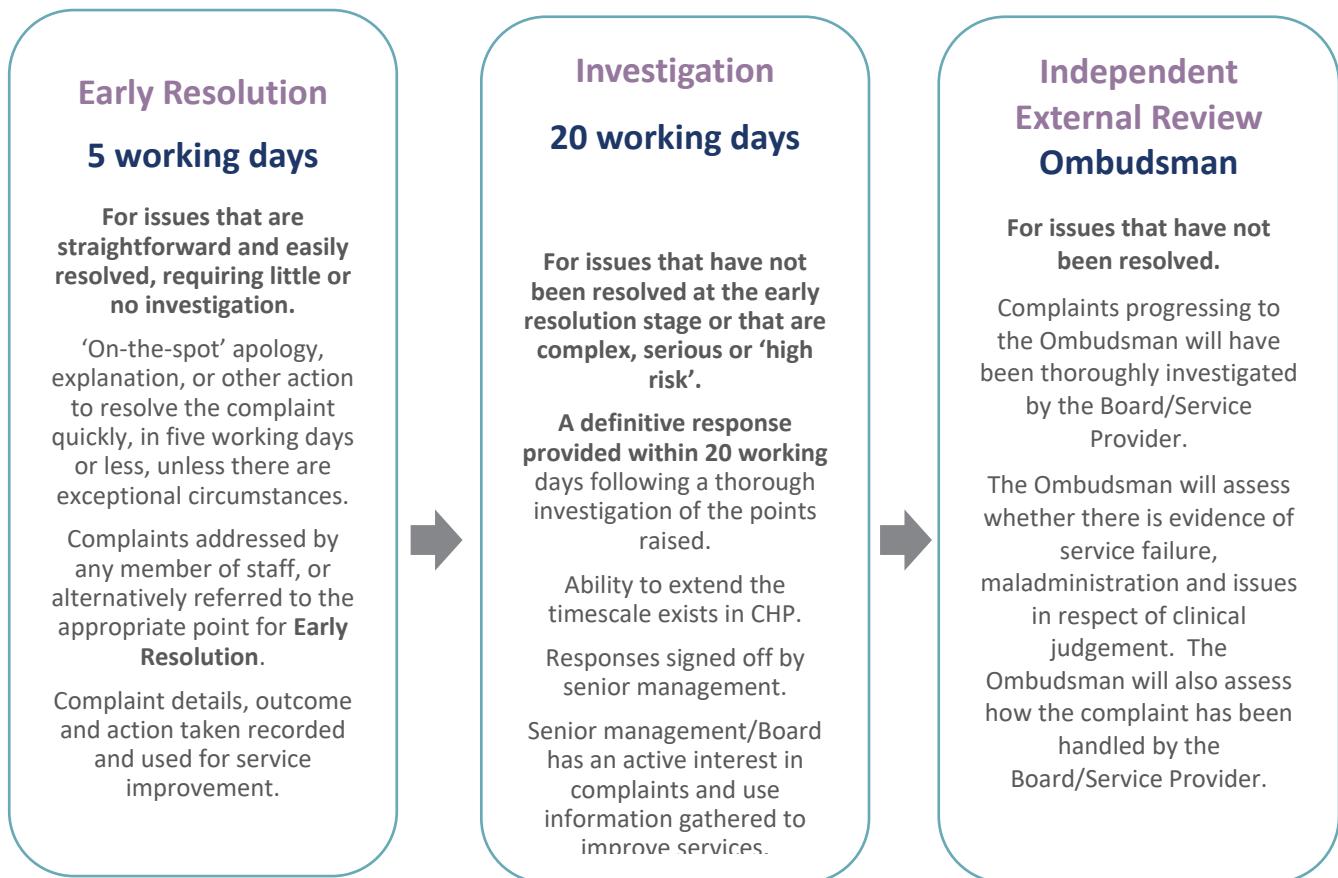
**NSS Customer Experience and
Solutions Team**

NSS.feedback@nhs.scot

For alternative formats please contact NSS.EqualityDiversity@nhs.scot



Appendix ii: The NHS Model Complaints Handling Procedure



Minutes (Approved)

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NHS NATIONAL SERVICES SCOTLAND AUDIT AND RISK COMMITTEE

MINUTES OF MEETING HELD ON THURSDAY 9 JUNE VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

Present:

Julie Burgess – Non-Executive Director and Committee Chair
Gordon Greenhill – Non-Executive Director
Arturo Langa – Non-Executive Director
Alison Rooney – Non-Executive Director
John Deffenbaugh – Non-Executive Director

In Attendance:

Inire Evong – External Auditor, Audit Scotland
Kevin Boyle – External Auditor, Audit Scotland
Laura Howard – Associate Director of Finance
Carolyn Low – Director of Finance
James Lucas – Internal Auditor, KPMG
Mary Morgan – Chief Executive
Jacqui Jones – Director of HR and Workforce
Matthew Neilson – Associate Director of Strategy, Performance, and Communications
Steven Flockhart – Director, Digital and Security
Scott Barnett – Head of Information and Cyber Security
Moira MacKirdy – Service Improvement Manager [Minutes]

Apologies:

Carole Grant – Audit Scotland
Rachel Brown – Audit Scotland
Neil Thomas – Partner, KPMG

1. WELCOME AND INTRODUCTIONS

- 1.1 J Burgess welcomed all to the meeting, which was being held virtually via the TEAMs platform.
- 1.2 Before starting the formal business of the meeting, J Burgess asked Members if they had any interests to declare in the context of the agenda items to be considered but no interests were declared. J Burgess thanked M Morgan and the Board Services team for the timeliness of the papers.



Chair
Chief Executive

Keith Redpath
Mary Morgan

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

2. MINUTES AND MATTERS ARISING [Papers AR/22/41, AR/22/42 and AR/22/43 refer]

2.1 Members considered the draft minutes from the previous meeting on 17 May 2022. They requested the following updates:

- that the 3 findings in point 4.1 be updated to: value for money, learning and development and strategic intent rather than just external provisions;
- at point 4.2 it was clarified that J Jones was responsible for leadership and development strategic intent not general strategic intent;
- an addition to point 4 to emphasise the point that the size of the budget had not moved in relation to the size of the workforce;
- that item 10 should be a written report in future;
- a check that point 12.2 was the version of the minutes which had been corrected by J Burgess;
- There was an action to follow up the ICO actions which was not in matters arising which should be added and reviewed at September meeting.

2.2 Members considered the draft minutes from the previous meeting on 26 May 2022. J Burgess requested that J Lucas follow up on G Greenhill's question regarding whether or not the Chartered Institute of England and Wales applied in Scotland.

Action: L Bailey to make changes to minutes, matters arising and forward programme as noted above.

3. AUDIT AND RISK COMMITTEE ANNUAL REPORT

3.1 J Burgess provided a verbal update. The Audit and Risk Committee Annual Report was being drafted but it was too early to come to the meeting as it depended on other assurances. The final copy would come to Committee with the annual accounts. A draft was available on request. Members noted that it would normally come to this meeting, however it had been delayed due to the audit timetable. It was hoped that a normal cycle would resume next year.

4. INTERNAL AUDIT ANNUAL REPORT [Paper AR/22/45 refers]

4.1 Members noted the outcome of the audit, which was that it provided significant assurance with minor improvement opportunities. J Lucas updated the Committee that it was the end of year internal audit report from 1st April 2021 to 31st March 2022. There was one high risk finding relating to Microsoft 365, which had been followed up in the previous week.

5. EXTERNAL AUDIT PLAN [Paper AR/22/46 refers]

5.1 Members noted the plan for external audit, which was consistent with the draft plan that was presented in February 2022. I Evong confirmed that there were risks identified in relation to ISA240 note 10. There was no income risk due to the fact that NSS was funded by the Scottish Government. Page 13 detailed the reporting arrangements. C Low added that this was a helpful starting point when reviewing audit timetable in line with actions.

6. INTERNAL AUDIT PROGRESS REPORT [Paper AR/22/47 refers]

- 6.1 Members noted the summary of the plan. J Lucas updated that an initial scoping call in relation to the Practitioner and Counter Fraud Services audit on payment streams took place the previous week, and made the recommendation that this audit be postponed until the first fortnight in September 2022 as that would be the best time for it to take place. This would then mean that the report would be available for the December 2022 Audit and Risk Committee, rather than the September 2022 meeting. J Lucas suggested bringing forward another audit in its place, but was unable to confirm which one at this point in time.
- 6.2 Members sought clarification around the COVID-19 report - firstly in relation to what services were continuing, and secondly asking what the number 23-13 related to and when it would take place. Members acknowledged that there was a plethora of scrutiny surrounding COVID-19 response through Audit Scotland reports and at present it was not clear on what subsequent questions should be asked. In terms of continuing services, there were still COVID-19 variants of concern, testing was still taking place for certain groups, and National Procurement was still ordering and stockpiling Personal Protective Equipment (PPE). There was also a vaccination programme for winter and a lot of digital work also to integrate the bespoke COVID-19 system with the regular vaccination programmes. J Lucas also advised that 23-13 was an audit reference number.
- 6.3 Members asked if any changes to the internal audit programme could be reflected in the executive summary pages going forward and J Lucas confirmed that this will be actioned. However, in this instance the papers had already been submitted when the scoping conversation had taken place so this had been the first opportunity to update the Committee.

7. INTERNAL AUDIT: NOTIFICATION OF CHANGE (NoC) AND PROTECTION PAYMENTS [Paper AR/22/48 refers]

- 7.1 Members discussed the paper. J Lucas updated the Committee that the team had reviewed the NoC process as well as protection payments and had found two moderate findings. One was the ability to gain a temporary promotion through a NoC, although there were no examples of this picked up in testing. The second was that Protection Payments were not logged centrally despite the electronic Employee Support System (eESS) having the functionality to record and track centrally.
- 7.2 Members asked if Human Resources (HR) and Finance were taking the opportunity to look at other workforce issues and if there were any financial, reputational or equality and diversity risks that applied. They noted that since Agenda for Change terms and conditions had come into force, there were a number of situations whereby an individual may end up on protection. NSS had many long-serving members of staff who fell into this bracket. Members were also advised that Protection was applied for life and there was little political will from any party to change that.
- 7.3 Members observed that there had been a £57,000 overpayment to one individual and asked if the internal lessons learned exercise had been cross referenced against the internal audit for any links, or if the KPMG team had spoken to the individual in relation to their overpayment relating to Protection. They were advised that the report on the individual should go back to Remuneration Committee since that was where it had been raised. The individual was repaying a residual amount as proposed to the Remuneration Committee of £6,000, and was keen to repay. This audit was not an investigation into that specific circumstance, although the two findings would help prevent that situation happening again.

- 7.4 Members asked if the Committee needed to review Protection Payments. It was confirmed that Grade Pay Protection was reported to the Remuneration Committee as well as the Partnership Forum. NSS had a responsibility to get those people into equivalent posts but could not force them to apply. Members were also pleased to note that HR was working with Finance and Digital and Security on a Joiners, Movers, Leavers group to streamline systems and processes.
- 7.5 Members asked if there was any implication regarding equality and were advised that the Grade Pay Protection was the most vulnerable to that risk. However, there were many mitigations in place as it was mandated through Agenda for Change. It was further highlighted that in the case of the specific individual mentioned previously, there was potentially protection applied on top of protection to ensure that moving up the career ladder resulted in increased salary as there was little incentive for someone at the top of an 8A band to move to the bottom of an 8B band when there was no financial benefit.
- 7.6 Members agreed that there was no requirement for operational information, and that they had assurance from the report. However, it was proposed that an annual report be brought to Committee detailing the size of the financial risk the organisation was carrying in relation to Protection Payments, and any applicable trends, to give Committee assurance that NSS is proactively engaging individuals in the hope of getting them into equivalent roles.

Action: J Jones to return to Committee with report on Protection when available

8. INTERNAL AUDIT: NHS ASSURE [Paper AR/22/49 refers]

- 8.1 J Lucas provided a summary of the report's findings. There were three main points: the governance framework, the processes and controls, and the relationships with stakeholders (including other health boards and the Scottish Government). The report listed four moderate findings, which had arisen largely because of the infancy of the Business Unit. The findings related to the formal Service Level Agreement (SLA), the inconsistent prioritisation, the integral service duplication, risk assessments, and a minor housekeeping point relating to Terms of Reference (ToRs). Members expressed satisfaction with the report and confirmed that, overall, this provided them with assurance.
- 8.2 In relation to recommendation 2.3 of the audit, where it identified opportunities for efficiency, Members felt that the management response was weak. They also felt that recommendation 2.41 (where findings identified a risk and/or the management and mitigation of risks) was also not robustly detailed in the executive summary. Members queried if the paper author had been invited to the meeting, and expressed a desire for all paper authors to be invited to subsequent meetings.
- 8.3 Members sought clarification around the governance regarding the Scottish Government report, and whether it firstly went to the Executive Management Team (EMT) or the Procurement, Commissioning and Facilities (PCF) Senior Management Team (SMT) first. They were advised that this was a standard operational report and that NHS Assure was governed through either the Clinical Governance Committee (CGC) or the Finance, Procurement and Performance Committee (FPPC). NHS Assure contained both the former Health Facilities Scotland, as well as the Business Unit and now included incident reporting, facilities management and sustainability. The Business Unit reported to FPPC but the NHS Assure programme (which related to the building environment and infection prevention and control) reported to CGC.

9. INTERNAL AUDIT: DISCUSSION AROUND LEADERSHIP AND DEVELOPMENT AUDIT (ANY OTHER BUSINESS) [Paper AR/22/24 from previous meeting refers]

- 9.1 J Deffenbaugh provided his thoughts to Committee since he had been unable to attend the previous meeting. He advised that he was not assured by the organisational development side of things. The transformational change agenda which focused on middle leaders had not reached the expected level of maturity and he took only partial assurance from the report. J Deffenbaugh stated that he felt NSS was unable to assess value for money, and that the strategic intent was unclear. He raised a number of points: firstly, that it was only possible to take partial assurance from the audit because a third of staff had not completed their Turas appraisal; secondly, that there was no return on investment calculated in the strategic framework; and thirdly, that the auditors had missed the technical capabilities as leadership and development and training were different things. He asked how impact would be measured, and if a separate report was required, making reference to a recent report done in NHS England.
- 9.2 Members questioned the maturity of the organisational development part, and with some feeling uncomfortable with workforce planning in the long term, specifically how the analysis fed into the strategic intent. Others confirmed they felt there was assurance from the associated action plan that management were taking the report seriously and acting on it, and that the impact of this should be measured. Members also felt that the management response to the action plan needed strengthened and linked to the strategic intent.
- 9.3 J Lucas acknowledged that Members had raised valid points. He advised that the scope of the audit had been agreed prior to commencement and that it had been limited by budget. More could be done to measure impact in future if required. M Morgan added that leadership development was refreshed and piloted at senior level. There was a new recruitment process for posts at Associate Director and above, and that a review of the NSS succession and talent planning would take place in light of this. Members were further reminded that in recent years NSS had provided four Chief Executives who had been promoted through opportunities and exemplary succession programmes, and that leadership development was about culture and not just courses.
- 9.4 Members noted that the scope of the audit had been delivered. The workforce strategy 2019-2024 was due to be refreshed over the coming year. The Personal Development Plans (PDPs) could not be analysed at present due to system constraints, a point which had been raised with the NES Chief Executive. Enhanced Leadership Capability improvements were in progress year on year, with many in the talent pool being given promoted posts during the pandemic response. J Jones specifically expressed that she would not wish an independent review to detract from delivering against the action plans.

Action: J Jones to review management actions again

- 9.5 J Deffenbaugh confirmed that he was comfortable with that. However, he asked that it be noted that the report gave him only partial assurance.

10. NIS CYBER AUDIT [Paper AR/22/50 refers]

- 10.1 M Morgan advised that the audit confirmed a 3% improvement, asked Members for confirmation of the following:
- that this NIS audit provided them with the necessary assurance;
 - whether associated actions should come to the Audit and Risk Committee in the Information Governance reports;
 - If this process satisfied the audit requirements for cyber security.

- 10.2 Members commented on the comprehensive and detailed report. However, they sought clarity on a number of areas:
- whether people and incident management should be coloured as areas of focus on the chart;
 - whether the pie chart related to the areas of focus;
 - The references to the lack of support provided to the NIS lead, and to cyber security training not being mandatory (the latter being out of kilter with other health boards);
 - In the tie in compliance section, there was blue – yellow – green coding, but then later there is amber – red – blue coding which was confusing;
 - the red flag raised relating to the capability of systems given the shift to home working, and what NSS was doing in relation to this;
 - what the materiality was of the 8 recommendations which were year on year and, and if there was a benchmark;
 - why the incident detection was showing as amber, yet the Business Continuity was showing as green.

- 10.3 Members were re-assured that it was acknowledged NSS needed an action plan. The audit had been compiled by Cyber Security Scotland and NSS was one of the higher performers. There was an issue with language throughout the report, where it was subjective rather than objective. For example, the cyber security training was mandatory but on a three-year cycle rather than annual.

Action: S Flockhart to return with reports and action plans to future Committees

Action: M Morgan to follow up on the comment around the “lack of support to NIS lead” and revert to Committee

11. EXTERNAL AUDIT: MANAGEMENT REPORT [Paper AR/22/51 refers]

- 11.1 I Evong spoke to the management letter for year 21-22, which detailed key controls. There were some samples which had been outstanding at the time of writing, but Members were advised that these had now been received. As well as that, the NFI late submission resulted in no noticeable delays and NSS continued to engage positively with NFI.

- 11.2 Members discussed the conclusion and asked if the wording could be changed from “some” to the exact number of findings.

12. EXTERNAL AUDIT: PAYMENT PROTECTION EQUIPMENT RECHARGES [Paper AR/22/52 refers]

- 12.1 Members noted that this was the second year that Audit Scotland had done this work, which was a high-level review to provide assurance around the allocation process for NSS recharges relating to PPE. It was confirmed that, while there was a degree of estimation, management used the best available information in a reasonable way.

13. EXTERNAL AUDIT: SERVICE AUDIT LETTER [Paper AR/22/53 refers]

- 13.1 Members were advised that Audit Scotland had a directive to review Practitioner and Counter Fraud Services assurance and write to other health boards to confirm that they were assured that the relevant standards had been followed satisfactorily in relation to the Service Audits in Payroll, IT and Practitioner Services.

14. PROCUREMENT TIMETABLE FOR INTERNAL AND SERVICE AUDIT [Paper AR/22/54 refers]

- 14.1 Members noted the report and C Low updated the Committee that the current contract had been extended for one year to cover 2022-23. However, NSS was required to tender for subsequent years. If the new term was to start on 1st April 2023, NSS needed to have a draft procurement tender developed by August 2022 to bring to subsequent Audit and Risk Committees for NSS and all partner boards. C Low also asked to what extent Members would like to be included in the tendering process. Members asked if KPMG should be present during the discussion, and were advised that this was a discussion around procurement tender process rather than procurement strategy so therefore it was not confidential. J Burgess confirmed she was willing to participate in the tender process, and several other Members expressed their interest in being involved also.
- 14.2 Members asked if it was possible to separate internal audit from service audit, and also asked if Healthcare Improvement Scotland (HIS) and State Hospital would be involved also. They were advised that there would be two lots to the procurement - the first lot would be service audit, which only applied to NSS, and the second lot would be an internal and service audit joint appointment which would apply to NSS, Scottish Ambulance Service (SAS), National Education Scotland (NES), Public Health Scotland (PHS) and HIS as well. There were economies of scale through a joint audit. Members asked if NSS would be responsible for delivery, in a manner similar to the Fife/Tayside joint service. C Low confirmed that, while this would be a joint procurement, delivery would be up to each Board to manage.

15. ANNUAL ACCOUNTS UPDATE

- 15.1 L Howard provided an update on the Annual Accounts progress. Work was ongoing, and L Howard was working closely with M Neilson's team. The draft set of accounts would come to the next meeting on 25 July 2022, after the audit clearance meeting which was set for earlier that month. The meeting in July would focus on the reviewing the annual accounts, and the invitation had been extended to the whole NSS Board.

16. NSI SERVICE AUDIT [Paper AR/22/55 refers]

- 16.1 L Howard presented the paper on the Service Audit on the National Finance System operated by NHS Ayrshire and Arran. The result was a clean audit with no exceptions. Members confirmed they were sufficiently assured by the paper.

17. REVIEW OF CONSULTANCY SPEND [Paper AR/22/56 refers]

- 17.1 Members were pleased to note that the consultancy spend had reduced in year. This was mainly due to there being COVID-19 spend last year which had now reduced. It was acknowledged that there would always be a level of spend, mainly in relation to legal counsel and management consultants, but this was at a low level by comparison. Members accepted and approved the paper.

18. LOSSES AND SPECIAL PAYMENTS [Paper AR/22/57 refers]

- 18.1 L Howard highlighted that there were five losses and special payments above delegated authority and asked the Committee to authorise them. The payments related to the previously mentioned employee who was on protection, stores, stock, and the decommissioning of the NHS Louisa Jordan.

18.2 Members asked if it was possible to re-use the equipment from the NHS Louisa Jordan, and L Howard confirmed that this had happened as much as possible. Members observed that the value of employee settlements had gone down, although the number of them had increased. Finally, Members asked if the NSS store losses figure was reducing as the stockpile stabilised and L Howard confirmed that this was a priority for the National Procurement team.

18.3 Based on these discussions, Members accepted and approved the losses.

19. LETTER TO SPONSOR FROM AUDIT COMMITTEE [Paper AR/22/58 refers]

19.1 Members were advised that this was a standard letter which highlighted any significant issues or frauds, of which there were none. However, the letter did detail the attempted fraud, which was not material or successful. It also included the internal and service audit opinions.

19.2 Members signed off the letter and J Burgess confirmed that she was happy to send it.

20. FRAUD RISK REGISTER [Paper AR/22/59 refers]

20.1 L Howard asked Members to accept the level of fraud risk. It was acknowledged that there was a continual fraud risk, but there were robust controls in place. Some risks were also sitting at amber. Members noted that this was a work in progress report, which should come back to the next Committee for further scrutiny. They also fed back that some of the mitigations were light on actions.

21. FOR INFORMATION

21.1 Members formally noted the External Audit Appointment letter [paper **AR/22/60** refers] and the Forward Programme [paper **AR/22/61** refers].

22. ANY OTHER BUSINESS

22.1 Members had no further business to raise at this point.

There being no further business the meeting closed at 11:36.

Minutes (Approved)

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NHS NATIONAL SERVICES SCOTLAND AUDIT AND RISK COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 25 JULY 2022 VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

Present:

Julie Burgess – Non-Executive Director and Committee Chair
Gordon Greenhill – Non-Executive Director
Arturo Langa – Non-Executive Director
Alison Rooney – Non-Executive Director

In Attendance:

Rachel Brown – Audit Scotland
Carole Grant – Audit Scotland
Laura Howard – Associate Director of Finance
Carolyn Low – Director of Finance
Mary Morgan – Chief Executive
Lee Neary – Director of Strategy, Performance, and Service Transformation
Keith Redpath – NSS Chair
Lynsey Bailey – Committee Secretary [Minutes]

Apologies:

John Deffenbaugh – Non-Executive Director

1. WELCOME AND INTRODUCTIONS

- 1.1 J Burgess welcomed all to the meeting, which was being held virtually via the TEAMs platform.
- 1.2 Before starting the formal business of the meeting, J Burgess asked Members if they had any interests to declare in the context of the agenda items to be considered but no interests were declared. It was agreed to take the items in reverse order to the agenda as the Audit Scotland annual report provided context for NSS's annual report and accounts.

2. AUDIT REPORT 2021/22 [Paper AR/22/64 refers]

- 2.1 C Grant spoke to the report, which provided NHS NSS and the Auditor General for Scotland with a summary of the findings and conclusions from the 2021/22 external audit of NHS NSS, including the audit of the 2021/22 annual report and accounts. Members' attention was drawn to the unadjusted misstatement and an explanation was provided as to how it had arisen. C Grant also highlighted paragraph 12, which confirmed Audit Scotland's compliance with the Financial Reporting Council's ethical standards, that they had not undertaken any non-audit related services, and that they



Chair
Chief Executive

Keith Redpath
Mary Morgan

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

were not aware of any relationships which could compromise their objectivity and independence. Paragraphs 14 to 17 had been included as it was the final year of the current appointment. They confirmed that Audit Scotland had been re-appointed as NSS's external auditor, and the arrangements for the new team were being finalised. C Grant thanked everyone involved for their support during the audit process.

- 2.2 Finally, Members' attention was drawn to Exhibit 2, which listed the significant findings from the audit of the financial statements. They asked about the number of classification errors, which was a large number but not material, and were reassured that strengthening the process would help in future but it had no impact on the overall asset position. Members were given an overview of the sample size and advised that the classification errors had only formed a small proportion of that sample. Going back to the mis-statement, Members asked about the impact on next year's account and were given a brief overview although noted it was below the materiality threshold. In respect of the monitoring of the process, Members asked about Non-Executive involvement but were advised that this would not be necessary, and, at the year-end, the ledger was correct.
- 2.3 Members sought clarification about the publication of Board and Committee papers and minutes and were reassured that although improvements had been made, more could be done. Members were re-assured that the inclusion of the individual committee minutes within the Board papers was sufficient information in respect of their activities.
- 2.4 Members were pleased to note that the audit had found effective financial controls in place and that the internal control systems were working well. C Grant also referenced paragraph 46, which highlighted NHS NSS's decision to continue to develop a forward financial plan spanning three years (despite only requiring an annual financial plan) to inform its wider strategic objectives as a particular area of good practice. It was acknowledged that NSS's reliance on a high level of non-recurrent funding required review from a sustainability perspective. The report demonstrated NSS's value for money and recognised the progress made on recommendations. Members were advised that it was the intention to revert to the usual timelines for the 2022/23 report (i.e. reporting by 30 June). Progress against the recommendations would also continue to be tracked at each meeting throughout the year.

3. NSS ANNUAL REPORT AND ACCOUNTS [Paper AR/22/63 refers]

- 3.1 L Howard thanked Members for their previous feedback on the draft NSS Annual Report and Accounts being presented and took Members through the updates to each section in turn. Members offered further minor feedback:
- Members were not sure "savings" was the right terminology to use about CFS's fraud prevention work and suggested re-thinking that.
 - It was unclear if all A Langa's feedback had been incorporated and Members asked for that to be checked.
 - Members suggested that the statement about the targets on track and completed needed to be clarified.
 - A minor correction was required in the capitalisation of Procurator Fiscal.
 - Members also asked to check that the link to the Register of Interest led to the correct version and that this would remain available after subsequent updates to the Register were published.

3.2 M Morgan, as the Accountable Officer, confirmed her contentment with the NSS Annual Report and Accounts, subject to the minor amendments which had just been raised. On this basis, Members were also content to endorse and recommend them to the Board for approval. Members felt that this had been a good process, which was improving each year, and thanked L Howard for her work.

4. ANY OTHER BUSINESS

4.1 Members had no further business to raise.

There being no further business, the meeting closed at 10:26.

Minutes (Approved)

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NHS NATIONAL SERVICES SCOTLAND FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE (FPPC)

MINUTES OF MEETING HELD ON TUESDAY 24 MAY 2022 VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

Present:

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

In Attendance:

Carolyn Low, Director of Finance
Lee Neary, Director of Strategy, Performance and Service Transformation
Mary Morgan, Chief Executive
Matthew Neilson, Associate Director Strategy, Performance & Communications
Andrew Mclean, Deputy Director of Finance (Item 7)
Simon Mollart, Head of Strategic Sourcing (Item 9)
Julie Critchley, Director, NHS Assure (Item 14)
Sharon Hay, Committee Services (Minutes)

Apologies:

Gordon Beattie, Director of National Procurement

1. WELCOME AND INTRODUCTIONS

- 1.1 M McDavid welcomed all to the meeting, which was being held virtually via the TEAMs platform.
- 1.2 Before starting the formal business of the meeting, M McDavid asked Members if they had any interests to declare in the context of the agenda items to be considered. No interests were declared.

2. MINUTES AND MATTERS ARISING [Papers FPP/22/19 and FPP/22/20 refer]

- 2.1 Members noted the minutes from 2 February 2022. They queried minute 10.2 stating that concerns around Great Place to Work (GPTW) targets would be discussed at Staff Governance Committee (SGC). M Morgan confirmed the reports had been discussed at SGC but not specifically on GPTW. Overall staff experience was in a good place. Following these discussions, Members approved the minutes in full.



Chair
Chief Executive

Keith Redpath
Mary Morgan

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

- 2.2 Members noted that all actions were either completed, covered by the agenda, or programmed in for a future meeting.

3. FPPC ANNUAL REPORT TO THE BOARD (Verbal)

- 3.1 K Redpath advised members that the report was usually written by the Committee Chair and supported by Board Services. However, due to absences, it was suggested this was dealt with via correspondence. Members agreed for the report to be drafted and circulated before submitting to the Board at the end of July.

Action: Board Services to produce and circulate Annual Report for review.

4. FPPC TERMS OF REFERENCE [paper FPP/22/29 refers]

- 4.1 There were no comments from Members on the draft Terms of Reference (ToRs). Members were reminded that C Low and K Redpath had met to review the ToRs and this paper was a result of that meeting. Following a brief discussion, the ToRs were Paper approved. Pending removal of “The Committee” in Section 1, 5th line.

Action: Board Services to remove “The Committee” wording.

5. REVISED SFIs FOR PRESENTATION TO THE BOARD [paper FCC/22/21 refers]

- 5.1 C Low highlighted two changes since the Report was last reviewed in February. First was the recently updated Code of Conduct. The second was the Tenders, Quotations and Contracting Requirements which had been updated to include recommendations from internal audit on contract and supplier management. Members were asked for their endorsement before asking for formal approval by the Board.

- 5.2 Members queried Section 4.02 “The Chief Executive has the responsibility to designate an officer, Counter Fraud Champion (CFC)” and agreed it felt as though the description was more of an executive role, rather than a non-executive role. C Low agreed to clarify this. Members were also unaware of the Intellectual Property (IP) held by NSS and asked for a deep dive. C Low agreed to bring this back to a future meeting. There was a lot of IP in SNBTS and also a lot of IP in the process which NSS was party to, but not the owner of.

Action: C Low to clarify if CFC role executive or non-executive.

Action: C Low to bring back more detail on IP to a future meeting.

6. REVISED STANDING ORDERS FOR PRESENTATION TO THE BOARD [Paper FPP/22/30 refers]

- 6.1 C Low advised Members this was a light touch review so, in principle, the key reason for presenting was to ensure the Scheme of Delegation (SoD) fully reflected the current situation post-pandemic. There had been a number of changes in leadership within NSS. The ToRs for each of the Committees were usually appended to Standing Orders but were also still being updated at this time. It was anticipated that a full set, endorsed by each Committee, would be included within the suite of documents for approval by the Board in June. C Low reiterated that it was very important the SoD and SFIs were updated when the Board met.

- 6.2 Members asked when the Board Chairs were due to present an updated blueprint to the Scottish Government and, if further modifications were required in June, how to

dovetail the latest version into this. It was acknowledged that this was a difficult issue, but the SoD needed to be updated and documents were drafted and appended to Standing Orders. C Low advised we would need to see what comes from the new model documentation and update as and when required.

- 6.3 Members noted that the organisation was not mentioned in the title page and also requested a high-level structure chart. M Neilson agreed to share the structure chart he was producing for staff supporting the Public Inquiry. Members were advised that there were vacancies and interim measures in place so that the Standing Orders would reflect that going forward for the foreseeable future.

Action: M Neilson to circulate high-level structure chart.

7. FINANCE REPORT [paper FPP/22/22 refers]

- 7.1 A McLean spoke to the paper for the Year End 21/22 Financial Year End

- All statutory financial targets for 2021/22 had been met. NSS delivered a revenue surplus for 21/22 of £0.422m and capital surplus of £0.243m subject to audit and confirmation of month 13 allocations;
- SBUs had concluded the year with a net trading underspend of £1.5m. There were a number of late movements in C-19 expenditure, but these were mainly offset, resulting in a final position very close to the February forecast;
- Test, Protect and Vaccinate and Private Healthcare costs had reduced but there was a corresponding increase in PPE costs due to stock write offs and donations;
- Provision had also been made for exiting the Child Health contract following Cabinet Secretary approval. This utilised the remaining Reserves funding and also a portion of the SBU surplus;
- The 2022/23 allocation letter would be issued at the start of June and discussions were positive. Scottish Government would look at, and address, issues highlighted by Audit Scotland so that there was less reliance on allocation.

- 7.2 Members briefly discussed the terms “slippage” and “obsolete stock”, seeking and receiving clarification. Following this, Members thanked A McLean and approved the report.

8. SFI BREACHES [Verbal]

C Low confirmed to Members that there had been no breaches since the last meeting.

9. NATIONAL PROCUREMENT CONTRACT SCHEDULE [Paper FFP/22/23 refers]

- 9.1 S Mollart spoke to the paper and highlighted the following points:

- Savings in financial year 2021/2022 were £38M which included £16M cost avoidance; £15M of hard savings and £32M savings delivered ahead of expectations;

- Reduced secured savings of £10M had been agreed for 2022/23, reflecting the current economic environment. Direct savings of £9M had been identified as well as rebates;
- Looking at tender extensions rather than new tenders, 178 similar to last year. Members noted that in the current climate suppliers were not prepared to bid forward or undertake tendering therefore more extensions were needed;
- 200 projects were planned for year ahead. Category Managers were being asked for more forward planning because COVID-19 activities could potentially surge again in two or three years.
- It had been invaluable to share the workplan with Health Boards and this enabled working on bigger opportunities and challenges.
- In the current environment, it was difficult to secure savings and National Procurement (NP) was looking at innovative ideas and projects and making use of National Distribution Centre for consigned delivery.
- There had been a recommendation from Audit to look at value for money for single source contracts and the team were looking at that.

9.2 S Mollart also gave an overview of ICT Activity and Clinical Waste. Members were advised of the sad deaths of two members of the Paramedical Strategic Sourcing Team in the last two months, leaving a gap of 25% in that team. There continued to be challenges with recruiting to open positions more generally. NP was operating within a very tough economic environment and continued to monitor supply chain risks associated with that and the war in Ukraine. Members noted that there was also huge volatility of food costs. S Mollart also confirmed NP were not involved with energy suppliers. Members commended the report as excellent, and extremely positive given the challenging environment.

10. PORTFOLIO MANAGEMENT GROUP REPORT [Paper FPP/22/24 refers]

10.1 C Low took Members through the paper which provided an update on programmes managed on behalf of NHS Scotland. C Low updated on the latest position after the Portfolio Management Group meeting on 10 May and advised Members that NSS was in a more positive place. The following points were highlighted:

- On the general Watch List there were 9 programmes - 4 green, 4 amber and 1 red (which was expected to revert to amber or green);
- The South-East Payroll Programme was currently amber. Members noted that TUPE transfer of staff would start no earlier than November 2022 and the consultation was expected to start in June 2022;
- The Digital and Data Watch List had 11 programmes - 6 green, 4 red and 1 amber;
- eRostering Programme was reporting as red. Key business systems were not interfaced and it was necessary to get Boards in better place to accept the workplan. However, it had already been implemented in Forth Valley;
- CHI & Child Health Programme was also reporting as red. CHI and Child Health had agreed to part ways. A new plan was now being progressed.
- GP IT Programme was the third programme reporting red. Cegedim had been passed for assurance but had advised their datacentre supplier in the UK had

gone administration and looking at contingency plan. Currently red however will revert to amber when the solution for the datacentres is confirmed.

- PACS had got to a more positive position but was impacted by a failure in upgrade. This had now been mitigated but roll out of V-21 to the four remaining boards had been delayed until the software fix had been implemented.

10.2 Members asked whether there was a risk generally because of energy costs or was the Cegedim datacentre issue a unique situation. C Low advised she was not aware of any particular risks and suggested it was probably their supplier as NSS had different suppliers and arrangements over the three sites. The Management Team were looking at contracts more widely on behalf of NHS Scotland. Members were very encouraged by positive feedback and asked what had shifted the change in energy to move forward. They were advised that it was likely to be the change around the role of Programme Management Group having additional scrutiny and that Child Health was moving forward. Members also noted there were multiple factors including accountability, having One Scotland and Once for Scotland, individual actions, and the changing environment. The risk of building in legacy debt had been acknowledged, along with the need to do things differently. Members were reminded that this was not a single customer situation as there were 22 or 23 customers involved.

10.3 Members noted the paper and recommendations in full.

11. NSS PERFORMANCE END OF YEAR REPORT [Paper FPP/22/25 refers]

11.1 L Neary took Members through the NSS End of Year Performance for 2021/2022 (FY22) against the commitments in the Remobilisation Plan and Corporate Strategic Objectives and highlighted the following:

- Remobilisation had been exceptional in 2021/22 and NSS met 90% of Scottish Government (SG) objectives and improved performance by 3%;
- 63 measures were monitored, and SG had been updated on a quarterly basis.
- All non-essential services were paused and NSS continued to deliver throughout. In terms of remobilisation only one measure had been suspended;
- Work was being done with SG to develop resilience, which was planned for completion in Quarter 1 of the 2022/23;
- 37 measures were completed, six were amber, and none were red (which was an excellent testament to the work across the organisation). Overall, three had been suspended or closed.
- Green and amber measures would continue to be reported to SG until the new delivery plan was agreed.

11.2 Members expressed concern that the Property and Asset Management Strategy (PAMS) was not covered. C Low advised work was ongoing in this area with partners to produce a collective strategy for December 2022. The property element of PAMS would be approved as part of the process and would be effective from 2023 onwards.

11.3 Moving on to the Corporate Objectives, members noted the following highlights:

- NSS had achieved or exceeded 71% of measures during the review period and was not impacted by COVID-19.
- Nine measures had exceeded target; five had achieved target; two measures were within 10% of target; and five measures were outside 10% of target
- GPTW: Seven incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDORs) had been submitted to Health & Safety Executive. Five from the National Distribution Centre; two from blood donor venues. Root cause analyses had been done in each case and corrective measures were put in place.
- Staff PDP compliance did not meet the 74% target. The EMT were looking at actions which could be taken to drive up numbers.
- NSS received 47 staff behaviour and attitude complaints against a target of 40. Additional training has been provided in the relevant SBU.
- 24 business continuity incidents were reported during 2021/22. 23 of those incidents related to Digital and Security and were resolved and reported by DaS. Future reports would not include DaS incidents.
- In respect of financial Incidents, there had been one attempted fraud in 2021/22. It was identified at an early stage and no money was lost.

11.4 Members commented on the good progress made although still had concerns regarding appraisal and objective setting targets as it was fundamental to good management. Members were pleased to see a much more proactive approach with RIDDORS in the warehouse although still felt it was worrying to see seven RIDDORS along with many complaints in SNBTS. They were reassured that the number of complaints (40) in dealing with over 200,000 donors in a year was very low and iMatter suggested a good experience.**12. RESILIENCE REPORT [Verbal]****12.1 L Neary confirmed there were no new resilience issues to report. However, Members noted that throughout Quarter 1 of 2022/23, SBUs were undertaking reviews of their Business Continuity Plans. M Nielson also advised that SG had a system to test new Business Continuity Plans.****13. REVIEW OF BUSINESS RISKS [Paper FPP/22/27]****13.1 M Nielson went through the report, noting the following.**

- There had been an overall reduction of red risks by one leaving three red business risks; one new red risk (6622), one closed risk (6608 SNBTS Christmas Party) and one new amber risk (6679)
- 6622: Budgetary Pressure - Dependency (DPDP) [red] - The main concern was efficiency of savings as planned.
- 6679: Properties and Estates [amber] - There had been change of requirements to estate due to hybrid working. Individual site visits continued to track progress and this risk had EMT oversight.

- 13.2 Members expressed concerns over 6282 (Devices with Windows 10) and the cost pressure around 6622. M Nielson agreed to obtain a more detailed response from Martin Bell, Director of Practitioner and Counter Fraud Services. Members were advised the budget position assumed digital estate would go and the timing of the digital dispensing was flagged as a risk. This would be reflected on the next round of updates on risk register. There was a significant reduction, and the need now was to manage the underlying risk. Members asked for timelines and were advised that it was dependent on a separate national programme, which NSS sis have influence over and would need to get back on track. Members noted the report in full.

Action: M Nielson to obtain response from M Bell re risk 6622.

14. SUSTAINABILITY STRATEGY [Paper FPP/22/32 refers]

- 14.1 J Critchley summarised the high-level, draft Sustainability Strategy. However, Members noted that with 66 areas of feedback, it would not be approved by SG until June or July 2022. Members were advised that this was an iterative document and were invited to feed back on it. Members felt it was a fantastic document although too wide a strategy for NSS and needed to be slimmed down. J Critchley advised she was happy to have individual conversations on this, but certain items in the strategy were mandated. It was also intended for the document to be inspirational. The strategy would be reviewed properly at the Board Development Day at the beginning of June 2022 before going to the Board formally for approval.

15. SERVICE TRANSFORMATION UPDATE [paper FPP/22/31 refers]

- 15.1 L Neary gave a brief overview around Service Transformation and was happy to follow the discussion offline. L Blackett asked L Neary to pass on her gratitude to Paula Burns for providing clarity.

16. FORWARD PROGRAMME [paper FPP/22/28 refers]

- 16.1 Members noted the content of the Forward Programme and made no additional comments.

17. ANY OTHER BUSINESS

- 17.1 M Nielson advised Members that the initial draft Annual Delivery Plan had been shared with the Board that day and would be discussed at the Development Session scheduled for 9 June 2022. M Neilson brought this to the attention of Members as FPPC would oversee the Plan. The aim was to bring back the final draft at the end of June 2022, Scottish Government would then agree the plan and sign it off, and then it would be brought back to the Board for formal approval.

There being no further business, the meeting closed at 11.31.

Minutes

(Draft)

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NHS NATIONAL SERVICES SCOTLAND FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE (FPPC)

MINUTES OF MEETING HELD ON WEDNESDAY 24 AUGUST 2022 VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

Present:

Gordon Greenhill – Non-Executive Director and Committee Chair
Ian Cant – Non-Executive Director
Mark McDavid – Non-Executive Director
Keith Redpath – NSS Chair

In Attendance:

Gordon Beattie – Director of National Procurement
Martin Bell – Director of PCFS (Items 1-3)
Carolyn Low – Director of Finance
Andy McLean – Deputy Director of Finance
Kris Lindsay – NSS Head of Procurement (Item 8)
Stevie McLaughlin – Head of Governance - PCF (Item 7)
Mary Morgan – Chief Executive
Matthew Neilson – Associate Director of Strategy, Performance and Communication
Kathryn Brady – Finance Business Partner [Observer]
Lynsey Bailey – Committee Secretary (Minutes)

Apologies:

Julie Burgess – Non Executive Director
Lisa Blackett – Non-Executive Director
Lee Neary – Director of Strategy, Performance and Service Transformation

1. WELCOME AND INTRODUCTIONS

- 1.1 G Greenhill welcomed all to the meeting, his first as Chair, which was being held virtually via the TEAMs platform. Apologies were noted as listed above.
- 1.2 Before starting the formal business of the meeting, G Greenhill asked Members if they had any interests to declare in the context of the agenda items to be considered. No interests were declared. G Greenhill also took the opportunity to thank M McDavid for his work during his tenure as Chair of the Committee.



Chair
Chief Executive

Keith Redpath
Mary Morgan

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

2. MINUTES AND MATTERS ARISING [Papers FPP/22/34 and FPP/22/35 refer]

- 2.1 Members noted the minutes from 24 May 2022. G Beattie advised that there was an update required at minute 9.2 - the references to paramedics should actually refer to the Paramedical Strategic Sourcing Team. Following this discussion, Members were content to approve the minutes in full subject to the corrections being made.

Action: Board Services to correct minute 9.2 to refer to the Paramedical Strategic Sourcing Team rather than paramedics.

- 2.2 Members were pleased to note that all actions were either completed or programmed in for a future meeting.

[Secretary's Note: The following item was brought forward on the agenda]

3. MERIDIAN COURT OPTIONS APPRAISAL [Paper FPP/22/41 refers]

- 3.1 M Bell spoke to the paper, which set out the context around the Meridian Court relocation requirements, and clarified that the aim was to agree the options to take forward for the business case. Members were informed that it had been agreed that this paper would also be presented to the NSS Staff Governance Committee due to the potential organisational change involved. Additionally Members were advised that, since the paper had been written, the situation had changed slightly following discussions with Healthcare Improvement Scotland, and that the recommendation was now that all three options taken to business case.

- 3.2 Members noted that this did not change the timetable – M Bell was already starting the staff engagement process with townhall meetings, and the business case would be brought to the next FPPC meeting scheduled for 16 November 2022. Members sought clarification around the timescales for giving notice to the landlord for Meridian Court and M Bell confirmed that there had been input from the Central Legal Office and re-assured Members that NSS was within timescales. The intention was to give notice in September 2022 and then discuss the plan and timescales for vacating the building with the landlord.

- 3.3 Members asked when and where the Board would have the opportunity for its input. They were informed that this was on the agenda for the next formal NSS Board meeting on 23rd September, where the Board would have the opportunity to discuss and formally approve the decision. Members were reminded that they had already seen and approved the strategic outline, which had indicated a move from Meridian Court. However, this was the first time the Board would have the chance to approve any formal decision.

- 3.4 Following these discussions, Members were content to agree the recommended options to be taken forward to the business case.

4. FINANCE REPORT [paper FPP/22/36 refers]

- 4.1 Members considered the paper which updated on performance against NSS's financial plan as at 31st July 2022. Members were pleased to note that, despite significant financial risk, NSS was still on course to meet its statutory targets. Members were given a brief overview of the projections for a slight underspend in some areas and deficits in others, which balanced out to a break-even position overall. Since the paper had been written, National Services Division had confirmed

the detail of their cash-releasing efficiency savings. Negotiations were also ongoing regarding the pay increase for Agenda for Change staff.

- 4.2 The main underlying financial risk was in respect of funding and income as NSS remained reliant on non-recurring funding. This was something which C Low was in discussions with the Scottish Government about, particularly in respect of COVID-19. Members were advised that NSS was looking at every line of the COVID-19 spend to identify and explore all options for keeping it within funding. M Morgan informed Members that she had been asked to give evidence at the parliamentary committee on COVID-19 recovery funding so would be using that as an opportunity to build the case and make it clear to the Scottish Government that they needed to identify the priorities.
- 4.3 There was a capped budget for majority of COVID-19 work, with National Contact Centre costs managed separately. This was all in line with existing policy and there was a COVID-19 cost reduction plan (of which the focus was mainly on territorial Boards) but, for NSS, the biggest challenge was the digital ask around the vaccination programme. For NHSScotland as a whole the biggest challenge was the cost of staffing and bed capacity, which was a significant pressure. There was little more that could be done without changing policy so if that did not change then NSS would have no option but to overspend. NSS would be continuing the approach of providing Scottish Government with options and making it clear that the requests needed to be funded. Members welcomed the update and looked forward to hearing more at the next meeting.

5. STANDING FINANCIAL INSTRUCTION BREACHES [paper FPP/22/37 refers]

- 5.1 Members noted the paper which gave details of a recent breach in relation to a staff member's secondary employment and the actions taken in response. Members asked whether this would be elevated to a criminal offence but were informed that it was felt there was not enough to take it that far, so treating it as an HR case was sufficient at this point. The main concern for NSS was that the issue had been identified, the costs had been recovered, and the individual concerned had been dismissed. It would also be important to highlight the need to declare any additional jobs they had because this may increasingly become a reality for staff as they tackled the current cost of living crisis. Members noted that at the recent Executive Management Team meeting it had been agreed that this was more of an adverse event than a breach, and M Morgan had asked C Low to consider how the management and reporting of financial adverse events could be aligned with the process for other types of adverse events.

6. NATIONAL PROCUREMENT CONTRACT SCHEDULE [Paper FFP/22/38 refers]

- 6.1 G Beattie spoke to the paper which gave an update on procurement performance across National Procurement, NSS Procurement, and NHS Assure/Health Facilities Scotland. It also highlighted the main challenges associated with delivery (namely inflation, supply chain disruption, and recruitment) and the plans for managing these. Members were pleased to note that, even in the currently difficult economic environment, National Procurement were still on track to achieve secured cost savings of at least £10m and cost avoidance savings of around £20m. Members welcomed the work being done and, in particular, looked forward to hearing further updates on the measures introduced to manage the impact of inflation.

7. NATIONAL PROCUREMENT ANNUAL REPORT [paper FPP/22/39 refers]

- 7.1 S McLaughlin briefly spoke to the highlights of the paper, which detail the value delivered during the reporting period through National Procurement's procurement and supply activities within its sector. Members commended a very positive report. They added that, in future, they would like to see resilience and sustainability brought out more in respect of using the Scottish supply chain. G Beattie provided a brief overview of this work and how it would continue to be taken forward. Members confirmed that they were content to approve the report for publication.

8. NSS PROCUREMENT ANNUAL REPORT [paper FPP/22/40 refers]

- 8.1 K Lindsay spoke to the paper, which updated on NSS purchasing activities and publicised the performance and achievements in delivering NSS's procurement strategy. Members noted the highlights and were particularly pleased to see the work in respect of financial sustainability and maximising expenditure. Members sought and received clarity on what was meant by "sharing" with Ministers and what that entailed. Members also asked about publicity around this report and were informed that there was no specific plan for that. However, this could be discussed with the Marcomms (Marketing and Communications) team. Members also observed that, on page 19, the dates for the audit contract tendering needed to be updated to September 2022 and January 2023. Members discussed the publishing timelines for both this and the National Procurement Annual Report and it was agreed that neither should be published until NSS's Annual Report could also be published. Members were content to approve the report, subject to that embargo and correction of the dates mentioned.

Action: K Lindsay to correct the references to timelines for the audit contract tendering to refer to September 2022 and January 2023

9. PORTFOLIO MANAGEMENT GROUP (PMG) REPORT [Paper FPP/22/42 refers]

- 9.1 C Low was pleased to report that the paper presented an improving position in respect of the key national programmes being delivered by NSS. However, two programmes on the digital programmes watchlist were still tracking as "Red". The Community Health Index was one of the two but this was because it was being reset in terms of its ambitions and Atos was working closely with the project team on this. It was anticipated that this would change to "Green" once that work was completed. Picture Archiving and Communication System was the other "Red" programme as the roll-out had been delayed by an outage. This had now been rectified but the programme group asked for the status to remain "Red" while the rollout to the Boards was finalised. However, Members were informed that the rollout was making good progress.
- 9.2 On the general watchlist, Scan for Safety was new to PMG oversight. It was currently reporting "Red" while key implementation actions, which had been agreed between the Senior Responsible Officer and the Director of Digital and Security were being progressed. This would reduce once planned resource was in place and operational. Members also noted that the mPower programme had been formally closed, with a closure event taking place, attended by both K Redpath and M Morgan. Members were pleased to see a programme reaching completion in a positive place and felt

this illustrated the value of the PMG's work. Members commended the report and were content with the proposed escalations.

10. SERVICE EXCELLENCE REPORT [Paper FPP/22/43 refers]

10.1 Members noted that this was the same report which had been presented to the Board due to the rescheduling of the Board from June to July 2022. Members were pleased to note that it was a very positive report and discussed the timelines for reporting and how it should, and would, work in future. In respect of staff behaviours and complaints, Members discussed moving towards reflecting this as a rate per volume of interactions to provide more context and a better indication of the size of any issue. Members also briefly discussed the feedback on this report provided by the Board at their most recent meeting on 29 July 2022 and how that was being addressed.

11. RESILIENCE REPORT [Paper FPP/22/44 refers]

11.1 Members noted the report, which advised that there had been no incidents which had required the Resilience Management Team to meet. The report also included an overview of the four Digital and Security (DaS) incidents during the period April - June 2022. These were all technology-related incidents which had been managed by DaS, an SBAR report had been delivered following each incident with recommendations and actions being taken forward as appropriate. Following a brief discussion, Members were content with report and had nothing further to ask.

12. REVIEW OF BUSINESS RISKS [Paper FPP/22/45 refers]

12.1 Members were taken through an overview of the activity in relation to following highlighted risks and issues:

- Red Risk 6249 - P&CFS Bespoke System (Oracle 12C & Windows 7/XP)
- Red Risk 6282 – Devices with Windows 10 v1709 Build
- Red Risk 6554 – Skilled Resource Data Capture Validation and Pricing Replacement
- Red Risk 6208 – Hosted Desktop Expiry
- Red Risk 6799 – Industrial Action (which was in the process of being removed as a risk as per Board's request)
- Red Risk 6205 – Financial Sustainability in the Medium to Long Term
- Amber Risk 6121 – Unstructured and Unclassified Data
- Corporate Issue 6622 – Budgetary Pressure - Dependency (Digital Prescribing and Dispensing Pathways)
- Corporate Issue 6661 – Supply: Russia Ukraine Conflict

12.2 Members confirmed that, overall, they were satisfied with the assurances provided but would like to see more progress around 6799 as it should be addressed through normal resilience planning. Members queried the need to include complete historical data for each risk and suggested considering this at a future development session.

13. FORWARD PROGRAMME [paper FPP/22/46 refers]

- 13.1 Members noted the content of the Forward Programme and requested the following additions: Meridian Court Business Case, SEER Business Case, and the briefing on Intellectual Property.

Action: Board Services to update the forward programme with the additional items advised.

14. ANY OTHER BUSINESS

- 14.1 M Morgan suggested that a programme of development sessions for this Committee should be considered. Board Services would look to progress this.

Action: Board Services to liaise with G Greenhill and C Low to plan a programme of development sessions for the Committee.

There being no further business, the meeting closed at 1048hrs.

Minutes

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NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON THURSDAY 12 MAY 2022 VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

Present:

John Deffenbaugh – Non-Executive Director and Committee Chair
Ian Cant – Non-Executive Director
Gordon Greenhill – Non-Executive Director
Tam Hiddleston – Trade Union Representative
Arturo Langa – Non-Executive Director
Gerry McAteer – Trade Union Representative
Mark McDavid – Non-Executive Director
Suzanne Milliken – Trade Union Representative
Keith Redpath – NSS Chair

In Attendance:

Jacqui Jones – Director of HR and Workforce Development
Mary Morgan – Chief Executive
Jacqui Reilly – Director of Nursing and Executive Lead for Whistleblowing
Aileen Stewart – Associate Director
Lynsey Bailey – Committee Secretary [Minutes]

Apologies:

Lisa Blackett – Non-Executive Director
Susan Cook – Trade Union Representative

1. WELCOME AND INTRODUCTIONS

- 1.1 J Deffenbaugh welcomed all to the meeting, which was being held virtually via the TEAMs platform, noting the apologies as recorded above.
- 1.2 Before starting the formal business of the meeting, J Deffenbaugh asked Members if they had any interests to declare in the context of the items on the agenda. No interests were declared.

2. MINUTES AND MATTERS ARISING [Papers SG/22/10 and SG/22/11 refer]

- 2.1 Members noted the minutes from 3 February 2022 and, following a brief discussion, approved them in full. Members noted that the majority of actions were either in progress or completed. Members asked whether the appraisals action at minute 5.6 was covered by the People Report presented at this meeting and it was agreed to look at this during that agenda item.



Chair
Chief Executive

Keith Redpath
Mary Morgan

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

3. STAFF GOVERNANCE COMMITTEE ANNUAL REPORT TO THE BOARD [Paper SG/22/12 refers]

3.1 Members considered the draft Annual Report being presented and agreed that it needed to mention the Whistleblowing report. J Jones, J Reilly and L Bailey agreed to pick this up

Action: J Jones, J Reilly and L Bailey to liaise and update the NSS Staff Governance Committee Annual Report to the Board with reference to the Whistleblowing report.

4. STAFF GOVERNANCE COMMITTEE TERMS OF REFERENCE [Paper SG/22/13 refers]

4.1 Members considered the current Terms of Reference and agreed the following;

- As with the Annual report, there was a need to include a mention of the quarterly and annual whistleblowing report;
- J Deffenbaugh confirmed that he would be stepping down as chair of the NSS Staff Governance Committee and Members thanked him for his contribution. It was noted that L Blackett would be taking up the chair role in future;
- Members were content to approve the Terms of Reference pending an update to mention whistleblowing.

Action: Board Services to update the Terms of Reference to mention the Whistleblowing reporting.

5. NSS STAFF GOVERNANCE STANDARD ANNUAL MONITORING RETURN [For Information Paper SG/22/20 also refers]

5.1 A Stewart referred to the paper provided for information, which was the Scottish Government's response to NSS's 2020/21 Staff Governance Standard Annual Monitoring Return. Members were given the background to why this was later than usual in coming, noting that it gave feedback and what should be focussed on for this year. Members were advised that they did not have to respond, and any points raised in the feedback were being picked up in this year's plans. The response put NSS in a good place and Members sought and received clarification about the scoring.

5.2 Members were underwhelmed in terms of the response from Scottish Government about what NSS had to do. The letters from Scottish Government had been later than usual in coming out and it seemed there had been a bit of leeway to allow for that, but Members felt the letter did not quite capture the successes or reflect the effort put in to providing evidence. However, it did paint a positive picture of NSS as an organisation and Members wished to record their sincere thanks to those in HR who had worked on this. Members also felt this could be seen as a bit of external validation in support of the view that NSS was a high performing organisation with high quality staff who enjoyed working for NSS and did an outstanding job.

6. HEALTH AND CARE STAFFING [Paper SG/22/19 refers]

6.1 J Reilly spoke to the paper, which laid out the principles and escalation process as a means to support all NSS staff in the implementation and application of the Health and Care (Staffing) (Scotland) Bill 2019. The following key points were discussed;

- Members were given an overview of the background to the Bill and development of the paper. This was good groundwork but Members asked about the impact on

clinical staff that did not have direct patient contact. They also asked for an overview of how it would be implemented, what this would entail and the financial impact.

- Members noted the development and validation of bespoke tools (as national tools had not been appropriate) and were reassured that the financial impact was not expected to be significant.
- In relation to governance, Members sought clarity on how this was being reported through Committees (either this Committee or the Clinical Governance and Quality Improvement Committee). They noted the escalation tool directed to this Committee but, at an operational level, the escalation was to the Executive Lead.
- Members confirmed they were comfortable with the assurance provided, given that the arrangements were in place.

7. PARTNERSHIP FORUM UPDATE

7.1 Members were provided an update on the NSS Partnership Forum, the following key points were highlighted;

- The Partnership Forum continued to be a positive space with an agenda focussed on the regular items which were similar to those on this agenda;
- The Future Ready programme was in a good space and would transition to a “business as usual” position in the coming months. It was positive that staff were embracing working from home, but the organisation was also mindful of how to support those seeking to be in the office. Working arrangements would be kept under review to ensure they were still appropriate for both the individual and the organisation;
- Partnership working continued to be a good place and the Partnership Forum was functioning well in facilitating the necessary discussions, with any disagreements being managed constructively.

7.2 In line with the Board and Committees, the Partnership Forum was adopting a 90-minute planned format and Members also noted that there would be a Senior Leadership Forum planned for August 2022 which will involve the Partnership Forum members. Members felt it was a good idea keeping meetings down to 90 minutes in order to give breathing space between meetings and focus the discussions. It also highlighted the potential need for a protocol to ensure people took appropriate breaks between meetings, especially if they were working from home.

8. PEOPLE REPORT [Paper SG/22/14 refers]

8.1 Members noted the paper, which covered all key issues around compliance with the Staff Governance Standard and best employment practice. Members reflected on how realistic or useful it was to compare recent years' sickness absence rates given the pandemic response. They acknowledged there would be a difference given that COVID-19 absence would eventually be included in regular sickness absence, thereby causing a “blip” that NSS would need to consider how to manage. There were also areas where non-COVID sickness absence had remained high, although this was being monitored and managed.

8.2 Moving on to appraisals and Personal Development Plans (PDPs), Members queried the level of improvement over the last five years. Following a brief overview of the background to the issues, Members were advised that the level of completed

appraisals and PDPs were up by 16% and 19% respectively. NSS had large numbers of staff in some areas who had not been able to access the system due to a high level of turnover. The room for improvement was acknowledged but Members agreed it was also important to ensure the appraisals and PDPs were meaningful.

- 8.3 There was also a need to think about how reporting was done as there were some professions who recorded their appraisals through a different system although these staff were still included in TURAS. In terms of the discussions with SBUs, these were really positive and reflected that the achievement was greater than it might appear. There was also consistent messaging that mandatory and statutory training was still important, even when busy or working from home. Members were advised that steps were taken to extrapolate what sickness absence would look like when COVID-19 was included.
- 8.4 Members were also given an overview of the work being done in respect of PDPs and highlighting issues with the reliability of data coming from TURAS. They were updated on work being done by HR to develop reports for managers which would be meaningful and enable them to identify who was non-compliant and have the appropriate conversations. Members re-iterated the point about comparisons and what was realistic to compare. NSS was in a really positive position at year-end and Members wished to add a note of caution – to avoid taking an immediate and reflexive approach when sickness absence rates increased due to COVID-19 transitioning to regular sickness absence. It was acknowledged that taking the time to fully understand the situation would be key.
- 8.5 Members asked about the approach to incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDORs) as the numbers still seemed to be high but not featuring as prominently. They were advised that the NSS Occupational Health and Safety Advisory Committee were meeting every six weeks and had a presentation and discussion on specific RIDDOR action plans. PCF had done a lot of work to put superb action plans in place and were delivering well against them. SNBTS was using that as basis for their plan and were in the process of developing that. Members were pleased to note that a “no blame” culture was being fostered and a “lessons learned” approach was being taken to the management of incidents.
- 8.6 Going back to the question about RIDDORs, Members advised that the incident/accident rate (which included the reporting of near misses) painted a better picture and NSS was encouraging near miss reporting to learn lessons. Members felt it would be helpful to include this in the report and J Jones agreed to include this analysis in future. Applying Statistical Process Control to RIDDORs had proved complicated so more consideration would need be given as to how this could be covered. Members were advised that there had never been more focus on RIDDORs from an OHSAC perspective. Gordon Beattie, Director of National Procurement was setting a good standard, benchmarking against key sites to see what lessons could be learned and also reviewing the equipment to introduce any additional safety measures which might be available. However, some of the RIDDORs reported were down to circumstances which could not have been engineered out. NSS did well in the reporting and challenging space and took all reasonable steps as far as possible. Sometimes staff were simply unlucky but occasionally poor behaviours arose from pressures, and this was something NSS was addressing.
- 8.7 Members asked about the plan for the winter vaccination programme and were advised that the move to community vaccination for flu along with COVID-19 would continue as it had been more successful at getting staff vaccinated (more convenient locations

etc.). The main issue with that approach was that NSS could not, as yet, track uptake directly and would be reliant on self-declaration. However, there was work being done to see if system reporting could be possible. There were plans for a campaign to encourage staff and NSS had looked at running a clinic in the warehouses, but evidence showed the uptake would be low so this would be unlikely to take place. Guidance from the Joint Committee on Vaccination and Immunisation was also changing, and this would be part of the campaign.

- 8.8 Members acknowledged that many of these discussions were common themes and would remain common themes. They also recognised the progress made in some areas, particularly sickness absence. Appraisals were still an area of concern though and Members were keen that local solutions were reflected better within the reports.

9. STAFF RISKS [Paper SG/22/15 refers]

- 9.1 Members noted the content of the paper, which advised that there had been no new staff risks raised. Members were given a brief overview of the review process and noted that this would continue to be monitored. On the basis of the update provided, Members agreed they felt sufficiently assured regarding the management of staff risks.

10. GREAT PLACE TO WORK PLAN YEAR-END REPORT [Paper SG/22/16 refers]

- 10.1 Members briefly discussed the content of the paper, which updated on the progress against the priority areas for improvement contained in NSS Great Place to Work Plan 2021/2022. Members acknowledged that NSS had always had a strong plan but that it had made significant improvements. Staff were engaged with the plan, and it set NSS on a solid footing. The Partnership Forum were enthused by it, and it would always be driven by the needs of staff. Members wished to record their thanks to those who had worked on this. The report gave the end of year position and Members recognised NSS had performed well. There were some areas in which NSS had not achieved as it had intended due to other priorities, and these would be carried forward.

11. ANNUAL WHISTLEBLOWING REPORT [Paper SG/22/17 refers]

- 11.1 J Reilly spoke to the paper which covered the highlights of the Whistleblowing activity over the 2021/22 period. Members were pleased to note the successful implementation of the standards, aided by the group working on it and the communications strategy in place around it. The increase in concerns which had been seen was a result of increased awareness but only four of the seven whistleblowing concerns raised needed to be taken forward for investigation. Lots of issues were also being addressed through the “business as usual”, informal route and NSS was encouraging managers to learn the lessons and communicate that.
- 11.2 Members noted that the compliance with Whistleblowing Training was good. The outcome of the investigation by the Independent National Whistleblowing Officer (INWO) investigation was still awaited but it was anticipated to be received within the next few weeks. Members were also advised that, in respect of responsibility for national contracts and ensuring the contractors meet their requirements, an annual returns process had been put in place. Members noted the main corporate risk which remained around the gap and perceived conflict of interest while the Whistleblowing Ambassador/lead Confidential Contact role was being recruited/recruitment. However, they were satisfied with the mitigating actions in place.
- 11.3 Members viewed the fact that none of the concerns were raised anonymously as a positive indication of how safe staff felt in NSS. They wished to record their

congratulations to the teams involved and commended the work done on this - the quarterly report set a high standard and the annual report showed NSS to be an open organisation which was willing to learn. A Langa had some feedback on some minor issues with the report which he would share with J Reilly. Members discussed including a statement that the Non-Executive Whistleblowing Champion supported the content of the report. They noted the idea was to keep a degree of separation, but they could add a statement about support for the outcome without making that explicit. (e.g. adding that it had been scrutinised and approved by the NSS Staff Governance Committee). On this basis, Members were content to endorse the report for publication on the NSS website and for submission to INWO.

Action: J Reilly to make minor updates to the Whistleblowing Annual Report per A Langa feedback and add a statement about scrutiny and approval by NSS Staff Governance Committee.

12. FORWARD PROGRAMME [Paper SG/22/18 refers]

- 12.1 Members noted the current draft of the Forward Programme and were reminded to contact Board Services at any time if they had any updates to it.

13. ANY OTHER BUSINESS

- 13.1 Members had no other business to raise at this point.

There being no further business, the meeting closed at 1106hrs.

NSS BOARD**B/22/31**

| 18.2.22 DEVELOPMENT SESSION | | | | |
|----------------------------------|---|----------|---------------|---|
| | Paper (with Number allocated - receipt confirmed if in Bold) | Due Date | Received Date | Approved by Outcome (Approved, Actioned for Info) |
| Standing Items | BDS/22/01 Agenda | 2.3.22 | 2.3.22 | |
| | Presentations received: Creative Testing SNBTS Strategic Objectives FY 23 | | | Verbal Verbal |
| Strategic and Key Items | | | | Discussed at development session |
| Additional Requests | | | | |
| Items Deferred | | | | |
| Performance (items for Scrutiny) | | | | |
| Additional Requests | | | | |
| Items Deferred | | | | |
| Board Papers | | | | |
| For Info | | | | |

10.3.22 FORMAL

| Paper (with Number allocated - receipt confirmed if in Bold) | Exec Lead | Author | Due Date | Received Date | Approved by Outcome (Approved, Actioned for Info) |
|--|-------------------------|----------------------|----------|---------------------|---|
| Agenda B/22/01 | Keith Redpath | Board Services | 2.3.22 | 2.3.22 | |
| Minutes B/22/02 | Keith Redpath | Board Services | 2.3.22 | 2.3.22 | |
| Action List B/22/03 | Keith Redpath | Board Services | 2.3.23 | 2.3.22 | |
| Chair's Update | Keith Redpath | Keith Redpath | | | Verbal |
| Chief Executive's Report | Mary Morgan | Mary Morgan | | | Verbal |
| RAM Outcomes | | | | | Discussed at development session |
| Financial Sustainability Deep Dive [B/22/ | Carolyn Low | | 2.3.22 | | From EMT 17.1.22 |
| Risk 6 month update | Lee Neary | Angela Wilson-Coutts | | | Subsumed into Intergrated Performance Report |
| COVID Status Application ICO Update [B/22/04] | Carolyn Low | Eilidh McLaughlin | 2.3.22 | Not received | Not received |
| Public Inquiries Report [B/22/07] | Norma Shippin | Norma Shippin | 2.3.22 | 2.3.22 | |
| One Performance Report [B/22/05] | Lee Neary | Angela Wilson-Coutts | 2.3.22 | 4.3.22 | |
| Finance Planning [B/22/06] | Carolyn Low | Finance | 2.3.22 | 4.3.22 | Subsumed into Intergrated Performance Report |
| Performance Report - RMPQ3 Update - see B/22/05 | Lee Neary | Matthew Neilson | | | Subsumed into Intergrated Performance Report |
| People Report see B/22/05 | Jacqui Jones | HR | | | Subsumed into Intergrated Performance Report |
| Public Inquiries [B/22/07] | Lee Neary/Norma Shippin | | 2.3.22 | 2.3.22 | |
| Governance Committee Minutes (Draft and Approved) B/22/09 | Board Services | | 2.3.22 | 2.3.22 | |
| Forward Programme [B/22/08] | Board Services | | 2.3.22 | 2.3.22 | |

13.04.22 Development Session**Paper (with Number allocated - receipt confirmed if in Bold)**

Programme

Development session for Board members only organised by KR with outside facilitator

Exec Lead Author Due Date Received Date Approved Outcome (Approved, Actioned for Info)

Keith Redpath

NEW MODEL CODE OF CONDUCT TO BE APPROVED - add to SO's debate

28.6.22 Formal - CANCELLED

Paper (with Number allocated - receipt confirmed if in **Bold**) Exec Lead Author Due Date Receive Approval Outcome (Appr)

29.7.22 Formal

29.7.22 Formal

| Paper (with Number allocated - receipt confirmed if in Bold) | Exec Lead | Author | Due Date | Received Date | Outcome (Approved, Actioned for Info) |
|--|---------------|--------------------|----------|----------------|---------------------------------------|
| Agenda B/22/11a | Keith Redpath | Board Services | 22.7.22 | 22.7.22 | Approved |
| Minutes B/22/12 | Keith Redpath | Board Services | 22.7.22 | 22.7.22 | Approved |
| Action List B/22/13 | Keith Redpath | Board Services | | | Noted |
| Chair's Update | Keith Redpath | Keith Redpath | | | Verbal |
| Chief Executive's Report | Mary Morgan | Mary Morgan | | | |
| NSS Standing Orders [B/22/17] | Keith Redpath | | 22.7.22 | 22.7.22 | Approved |
| NSS Register of Interests [B/22/20] | Keith Redpath | Board Services | 22.7.22 | 22.7.22 | Approved |
| NSS Sustainability Strategy [B/22/14] | Carolyn Low | Julie Critchley | 22.7.22 | 21.7.22 | Approved |
| NSS Committees' Annual Reports to the Board [B/12/15] | Keith Redpath | Multiple | 22.7.22 | 22.7.22 | Approved |
| NSS Annual Report and Accounts (In Private) [IP/22/02] | Carolyn Low | Laura Howard | 22.7.22 | 25.7.22 | |
| NSS Standing Finance Instructions [B/22/16] | Carolyn Low | Laura Howard | 22.7.22 | 22.7.22 | Approved |
| Annual Whistleblowing Report [B/22/21] | Jacqui Reilly | Lynn Morrow | 22.7.22 | 22.7.22 | Noted |
| Integrated Performance Report [B/22/18] | Lee Neary | Caroline McDermott | 22.7.22 | 22.7.22 | Noted |
| Finance Report see B/22/18 | Carolyn Low | Finance | | | |
| Performance Report | Lee Neary | Matthew Neilson | | | |
| People Report see B/22/18 | Jacqui Jones | HR | | | |
| Risk Report (6 months) [B/22/19] | Lee Neary | Matthew Neilson | 22.7.22 | 22.7.22 | Noted |
| NSS Committees' Approved and Draft Minutes [B/22/22] | Keith Redpath | Board Services | 22.7.22 | 21.7.22 | Noted |
| Board Forward Programme [B/22/23] | Keith Redpath | Board Services | 22.7.22 | 22.7.22 | Noted |
| NSS Public Inquiries [B/22/24] | Lee Neary | ? | 22.7.22 | 22.7.22 | Noted |

9.9.22 Development Session

| Paper (with Number allocated - receipt confirmed if in Bold) | Exec Lead | Author | Due Date Received Date | Outcome (Approved, Actioned for Info) |
|---|------------------|-------------------------|-------------------------------|--|
| Programme Integrated Performance Reporting | Keith Redpath | Kim Kingan Lee Neary | Matthew Neilson | |

23.9.22 Formal

| Paper (with Number allocated - receipt confirmed if in Bold) | Exec Lead | Author | Due Date Received | Outcome (Approved, Actioned for Info) |
|---|------------------|------------------------------------|--------------------------|--|
| Agenda B/22/25 | Keith Redpath | Board Services | 15.9.22 | 15.9.22 |
| Minutes B/22/26 | Keith Redpath | Board Services | 15.9.22 | 15.9.22 |
| Action List B/22/27 | Keith Redpath | Board Services | 15.9.22 | 15.9.22 |
| Chair's Update | Keith Redpath | Keith Redpath | | Verbal |
| Chief Executive's Report | Mary Morgan | Mary Morgan | | Verbal |
| | | | | |
| Risk 6-month update | Lee Neary | Caroline McDermott | | Discussed at development session—update to future meeting. Subsumed into Integrated Performance Report |
| NSS Feedback and Complaints Annual Report [B/22/] | Lee Neary | Louise MacLennan | 15.9.22 | |
| NSS Workforce plan [B/22/] | Jacqui Jones | | 15.9.22 | |
| | Martin Bell | | | |
| Meridian Court Options Appraisal [B/22/] | | | | Removed from agenda 14.9.22 Martin Bell/Mary Morgan |
| | | | | |
| Integrated Performance Report [B/22/] ?? | Lee Neary | Matthew Neilson/Caroline McDermott | | Not available for this quarter due to updates discussed at development session 9.9.22 |
| Finance report [B/22/] | Carolyn Low | | 15.9.22 | |
| | | | | |
| Shotts Waste Property - In Private?? | | | | |
| | | | | |
| Governance Committee Minutes (Draft and Approved) [B/22/30] | Board Services | | 15.9.22 | 15.9.22 |
| Forward Programme [B/22/31] | Board Services | | 15.9.22 | 15.9.22 |

25/26.10.22 Development Session with EMT

Paper (with Number allocated - receipt confirmed if i) **Exec Lead** **Author** **Due Date Received Date** **Outcome (Approved, Actioned for Info)**



Formal 9.12.22**Paper (with Number allocated - receipt confirmed if in Bold)** **Exec Lead** **Author** **Due Date Received** **Outcome (Approved, Actioned for Info)**

Agenda B/22/
Minutes B/22/
Action List B/22/
Chair's Update
Chief Executive's Report

Keith Redpath Board Services
Keith Redpath Board Services
Keith Redpath Board Services
Keith Redpath Keith Redpath
Mary Morgan Mary Morgan

Verbal
Verbal

Integrated Performance Report [B/22/
Finance Report see [B/22/
Performance Report see [B/22/
People Report see [B/22/]

Lee Neary Matthew Neilson/Caroline McDermott

Subsumed into Intergrated Performance Report
Subsumed into Intergrated Performance Report
Subsumed into Intergrated Performance Report

Governance Committee Minutes (Draft and Approved) B/22/
Forward Programme [B/22/]

Board Services
Board Services

| Formal 9.3.23 | Paper (with Number allocated - receipt confirmed if in Bold) | Exec Lead | Author | Due Date | Received Date | Outcome (Approved, Actioned for Info) |
|---|---|------------------------------------|----------------|-----------------|----------------------|--|
| Agenda B/22/ | | Keith Redpath | Board Services | | | |
| Minutes B/22/ | | Keith Redpath | Board Services | | | |
| Action List B/22/ | | Keith Redpath | Board Services | | | |
| Chair's Update | | Keith Redpath | Keith Redpath | | | Verbal |
| Chief Executive's Report | | Mary Morgan | Mary Morgan | | | Verbal |
| | | | | | | |
| Integrated Performance Report [B/22/] | Lee Neary | Matthew Neilson/Caroline McDermott | | | | |
| Finance Report see [B/22/] | | | | | | Subsumed into Intergrated Performance Report |
| Performance Report see [B/22/] | | | | | | Subsumed into Intergrated Performance Report |
| People Report see [B/22/] | | | | | | Subsumed into Intergrated Performance Report |
| | | | | | | |
| Governance Committee Minutes (Draft and Approved) B/22/ | | Board Services | | | | |
| Forward Programme [B/22/] | | Board Services | | | | |

| | |
|---|--|
| Meeting: | NSS Board |
| Meeting date: | Friday 25th September 2022 |
| Title: | Financial Performance: August 2022 |
| Paper Number: | B/22/32 |
| Responsible Executive/Non-Executive: | Carolyn Low, Director of Finance |
| Report Author: | Carolyn Low, Director of Finance |

1. Purpose

This paper is presented for scrutiny and provides Board with an update on financial performance against plan at the end of month 5 (31st August 2022).

2. Recommendation

It is recommended that the Board note the reported financial position at the end of August 2022 and endorse the actions underway to respond to the increasingly difficult financial outlook.

3. Discussion

NSS remains on track to deliver all statutory financial targets for 2022/23 but must do so within an increasingly challenging outlook for NHS Scotland as a whole.

A break-even position is forecast in our revenue budget, predicated on the assumption that:

- 1) SBU trading deficits reported at month 5, within SNBTS (£0.3m) and DaS (£0.4m) will be brought back in line or offset by the use of corporate provisions.
- 2) Outstanding funding allocations, totalling £460m are received as planned; and
- 3) Any expenditure on PPE and Vaccination support in excess of our funding allocation which is policy driven and out-with our control, will be funded in full by SG.

The level of underlying financial risk and uncertainty is significant and clarification of funding levels for the remainder of the year is now urgently required to ensure we have sufficient time to make the necessary prioritisation decisions required that will enable us to deliver a balanced budget by 31 March.

We have received feedback on the review of the Quarter 1 Financial position from Scottish Government. The letter received from Richard McCallum is included at Appendix 1.

The letter contains two specific actions on NSS (in common with all other NHS boards):

- ***Delivery of at least the position set out in the Boards March 2022-23 financial plan, inclusive of the cost impact of Covid, as a very minimum. Following Quarter 1 reviews with the Director of Finance, we request that where delivery of this position was indicated as not being possible in your Quarter 1 returns, that an action plan to set a path to this position by 31 March 2023 is prepared and returned to Scottish Government by 30 September. This plan should include an assessment of the risks associated with the implementation of the actions set out in the plan.***

NSS highlighted the gap in our Covid funding relating to PPE and Vaccinations in our return. We are engaged with SG colleagues to understand the extent to which we will be required to manage this sum down within our overall resources, particularly given it is primarily driven by policy decisions out-with our control.

- ***Where delivery of financial balance is not possible without support from Scottish Government, all Boards in this position will require to develop a financial recovery plan to set a path to return to financial balance and within a period not greater than three years. These financial recovery plans will form a key part of your Annual Delivery Plan submission for 2023-24. Boards should note that any financial support made available in 2022-23 would result in an adjustment to future year funding.***

This marks the reintroduction of financial performance in the Board Escalation Framework. This criteria had been suspended since the start of the pandemic in March 2020.

The letter also introduces the Sustainability and Value Collaborative and requires all boards to establish local governance arrangements to reflect the workstreams included in the Collaborative.

There is also an expectation that local actions have been identified around financial improvement, and in particular, that rigorous vacancy controls will be in place. Non-frontline recruitment should be in exceptional circumstances only.

Our continued focus on our strategic objective of Financial Sustainability, and the actions identified therein are key. Further grip and control measures will be introduced – focusing on non-pay spend and the prioritisation of projects and programmes. Stop / Go assessments will be made on all programmes which will require additional recurring expenditure within boards.

4. Impact Analysis

4.1 Quality/ Patient Care

There is no impact on quality of care or service in this report.

4.2 Equality and Diversity, including health inequalities

An impact assessment is not required.

5. Risk Assessment/Management

The pay deal for FY22/23 remains unsettled – with the potential that NSS must fund part of any increase. SG will fund any increase up to a 5% ceiling. Each additional % increment will have a resulting pressure in the order of £1.08m.

Non-Pay inflation is at record levels. Although this pressure has not materially manifested in the financial position a longer term, recurring impact is anticipated. Our plans assume underlying inflation at 2%. Each additional % increment will have a resulting pressure of £0.8m.

NSS awaits the confirmation of a significant level of SG allocations (non Core and C-19) with the achievement of statutory financial targets predicated on receiving these allocations. Although we have been advised to plan for a similar level of funding to that of FY21/22, there is a real concern that certain allocations will be reduced / removed in practice.

Given this uncertainty, NSS is unable fund its prioritised developments from SBUs and all aspects of expenditure will be subject to additional levels of scrutiny and challenge.

6. Financial Implications

All statutory financial targets for 2022/23 are on course to be met

| NSS Targets | YTD Outturn £000 | Forecast Outturn £000 | RAG |
|------------------------|-----------------------------|----------------------------------|------------|
| Revenue Outturn | 3,104 | 0 | G |
| NSS CRES Savings Total | 1.834 | 7.318 | G |
| NSD CRES Savings Total | 3,716 | 10.440 | G |
| Capital Outturn | 0.532 | 0 | G |

7. Workforce Implications

Vacancy controls are in place to ensure that only essential frontline posts are recruited to at this time.

8. Route to Meeting

The financial position at an SBU level is agreed between SBU directors and Finance business controllers, then a consolidated position produced for EMT. Actions agreed will be managed collectively by EMT.

The M5 financial position will be discussed with EMT at its meeting on 20th September 2022.

9. List of Appendices and/or Background Papers

The following appendices are included with this report:

- Appendix 1: NSS Financial Performance August 2022
- Appendix 2: NSS Financial Performance August 2022

NSS Financial Performance

August 2022

NHS National Services Scotland Board

Financial Performance – August 2022

Executive Summary



Key Messages

The underlying financial risk for NSS continues to intensify within a challenging financial position for NHS Scotland overall.

SG has asked all boards to develop robust savings plans locally with an expectation that **rigorous vacancy controls are applied with immediate effect**.

Given the macro-economic position and resultant financial challenges there is an increasing emphasis on our **key strategic objective: Financial Sustainability**. We must maximise value within existing budgets and baseline funding, and consider ways in which we can enable cost reduction through the delivery of our core services.

Performance Summary

At the end of month 5, **NSS continues to forecast full achievement of all statutory financial targets despite significant and increasing underlying financial risk.**

The reported revenue surplus of £3.1m is driven by the net SBU trading position – where **NSD is underspent by £2.8m** mainly due to lower than planned high cost, low volume risk share activity. Any under spend will be returned to Boards hence the reported break-even forecast. SNBTS is overspent by £0.3m (due to unmet savings targets) and DaS is reported a YTD pressure of £0.4m (which is driven by incomplete recharging information). These pressures are being managed within our overall resources.

In terms of C-19 funding (excluding TP&V), SG has advised it will allocate funding capped at £108m. Boards are asked to manage costs within their capped limit. **The forecast cost is currently £10m in excess of funding allocated.** This is presented as break-even on the basis that (1) work is on-going to reduce costs within our control and (2) any policy driven costs in respect of PPE and Vaccination will be met in full by SG..

The year to date **capital underspend (£0.5m)** relates to a series of projects (such as Coddington; CHI; Gartnavel) where actual expenditure is slightly lower than phased budgets.

| NSS Targets | Year to Date £m | Forecast Outturn £m | RA G |
|------------------------|-----------------|---------------------|------|
| Revenue Outturn | 3,104 | 0 | G |
| NSS CRES Savings Total | 1.834 | 7.318 | G |
| NSD CRES Savings Total | 3,716 | 10.440 | G |
| Capital Outturn | 0.532 | 0 | G |

Risks and Issues

The pay deal for FY22/23 remains unsettled – with the potential that NSS must fund part of any increase. SG will fund any increase up to a 5% ceiling. Each additional % increment will have a resulting pressure in the order of £1.08m.

Non-Pay inflation is also at record levels. Although this pressure has not materially manifested in the financial position so far, a longer term, recurring impact is anticipated. Our plans assume underlying inflation at 2%. Each additional % increment will have a resulting pressure of £0.8m.

NSS awaits the confirmation of a **significant level of SG allocations** (non Core and C-19) with the achievement of statutory financial targets predicated on receiving these allocations. Although we have been advised to plan for a similar level of funding to that of FY21/22, there is a real concern that certain allocations will be reduced / removed in practice.

The ability for NSS to control and reduce the majority of its C-19 cost is linked to SG policy decisions. Work to reduce our expenditure to within the agreed funding envelope is underway.

NHS National Services Scotland Board

Financial Performance – August 2022

SBU Operational Performance

Main Movements by SBU

SBUs are reporting a total operating under spend of **£3.104m**

Clinical – year to date position is £169k underspent due to slippage in SG funded programmes, in particular vacancies in Scottish Cancer Network though posts are beginning to be filled. FY assumed as breakeven non pay will need to be tightly managed and any unutilised budget for SG funded programmes will need to be repurposed within the programme or handed back if it's not planned to be utilised.

CLO – month 5 position is an overspend of £105k. CLO had budgeted to be in surplus, YTD overspend is driven by vacancies in fee earning roles. However CLO will manage any future expenditure in line with forecast income levels. Some slippage is likely on the case management system. Overall the full year forecast is breakeven.

DaS – currently reporting a deficit of £408K YTD, recharge information was either not provided or only partially provided for a number of teams within DaS to the end of August, resulting in a variance of £930m. Which has been offset by under spends within National Services, after an ongoing review of year end accruals. Any surpluses will need to be managed with SG - Digital Health & Care

Finance – YTD £27k overspend – due to Blackline and mitigated by pay underspends due to vacancies. Currently assumed as breakeven however is dependent on non pay being tightly managed and adherence to the agreed workforce plan.

HR – YTD £101k underspend - predominantly driven by an underspend of £63k on pay due to vacancies whilst one service moves to a new model. Forecast currently assumes as breakeven however non pay will need to be tightly managed.

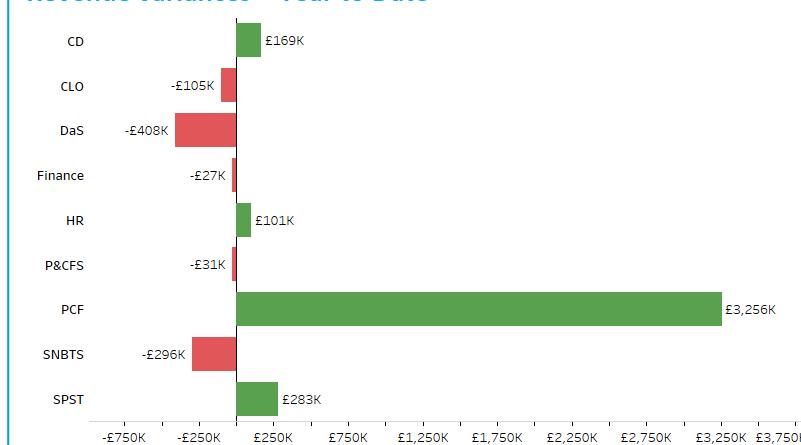
P&CFS – month 5 position is showing a small overspend of £31k. This overspend is due to costs within the Digital Enablement Programme which currently has a YTD cost of 70k, this has been offset by income received late for work provided in 21/22. At this stage of the financial year P&CFS are reporting a breakeven year end position, this will be monitored closely throughout the financial year, and any change will be reported

PCF – Reporting a Month 5 YTD is £3.2m surplus which is being driven in the main by NSD Underspend £2.8m (£400k+ under spent on salaries and Non-Pay costs, Specialist Services £700k underspend & Riskshare underspend £1.7m) and ARHAI £222k YTD underspend, mainly driven by in year recruitment challenges.. The full year forecast is a small surplus £151k which is mostly in ARHAI £151k, HFS £255k offset by overspend FM (£310k)

SNBTS - YTD position deficit of (£296)k of which (£814k) is due to CRES shortfall but offset by Pay savings £697k. The full year forecast is breakeven

SPST - (including T&V) M4 YTD position shows an underspend of £283k, driven by an increase in income recovered by PGMS during months 4 and 5 along with vacancies in SPC and CX offset by expenditure in the FMS Programme not currently funded and a pressure in the Events team. SPST is projecting an underspend of £135k . T&P current spend is £55m with a YTD break even position.

Revenue variances – Year to Date



NHS National Services Scotland Board

Financial Performance – August 2022

Revenue Analysis

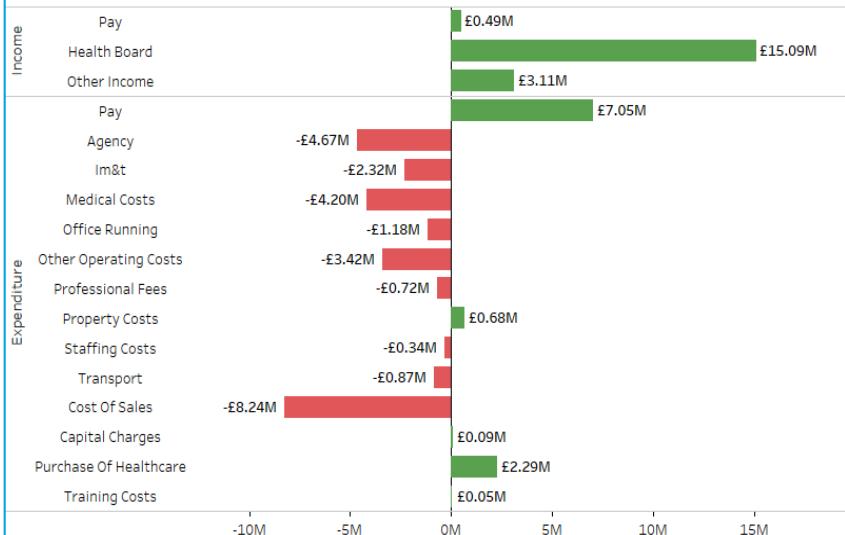
Health Board Income

The variance across Health Board Income includes a number of favourable positions - most of which are offset by corresponding expenditure overspends as below. Some of the key variances are plasma income; maintenance pass through; oxygen concentrator income; Logistics Income; and also DaS Project Income (PACs, eRostering, Azure Hosting)

Other Income - Higher income in year from the new medicines pricing agreement for Vertex and maintenance pass through costs £2.4m.

Total Pay – the overall payroll underspend of £2.4m includes £7m through payroll with a number of vacancies, with £4.7m spend on agency in filling some of these gaps. The pay position includes £1.5m which has been accrued in relation to the planned pay increase of 2% (which is now likely to settle much higher)

Revenue variance analysis – Year to Date



Medical costs £4m relate to maintenance pass through costs offset against income above.

Other Operating Costs The majority of the adverse position relates to recharge variances which are offset by a corresponding favourable income variance as above.

Cost of Sales relates to plasma products higher costs and increased oxygen concentrator costs, both of which are recharged in full to Boards with no impact to NSS bottom line for FY22/23

NHS National Services Scotland Board

Financial Performance – August 2022

COVID-19



Summary

- C-19 costs are expected to significantly reduce in 22/23 with the cessation of certain services and significantly reduced SG funding (c65%) compared to original plans
- The table shows year to date expenditure and a 22/23 forecast position. The only areas agreed to date are PPE and warehousing. For PPE a reduction in volumes has reduced the required funding – and there is a national work stream looking to reduce costs further.
- TP&V will be funded once service levels are agreed and costed
- NSS is continuing to review the “Other” costs which were detailed in the opening budget and are currently being incurred.
- We are currently forecasting costs £10m in excess of budget – with various work streams looking at how costs can be controlled and reduced in-line with policy.**

| | 22/23 SG Funding | 22/23 YTD | 22/23 Forecast | Funding v Forecast |
|---|------------------------|---------------|-------------------|--------------------------|
| | £000 | £000 | £000 | £000 |
| Covid-19 Expenditure | | | | |
| <u>Test & Protect</u> | | | | |
| Pay costs | | | 1,669 | 2,526 |
| Non-pay costs | | | | |
| Contact tracing | | 45 | 45 | |
| Testing | | 1,116 | 3,747 | |
| Local lab testing | | 9,937 | 63,764 | |
| Genomic sequencing | | 2,157 | 8,096 | |
| Digital costs (NSS only) | | 1,195 | 1,715 | |
| Test & Protect Envelope | 79,893 | 16,118 | 79,893 | 0 |
| <u>Covid-19</u> | | | | |
| Additional PPE | | 19,554 | 54,065 | |
| Covid-19 Vaccination | | 16,496 | 36,739 | |
| Flu Vaccination | | 11,218 | 13,624 | |
| Additional Equipment and Maintenance | | 3,490 | 7,930 | |
| Other (Clinical Waste, Private Hcare, Oxygen, SNBTS Blood Collection) | | 1,803 | 2,986 | |
| Additional Bed Capacity/Change in Usage | | 1,140 | 2,094 | |
| Scale up of Public Health Measures | | 167 | 400 | |
| Loss of Income | | 70 | 160 | |
| Additional Staff Costs (Permanent) | | 34 | 97 | |
| Additional Staff Costs (Temporary, overtime, buyout, exit payments) | | 43 | 95 | |
| Covid-19 Envelope | 108,057 | 54,015 | 118,189 | (10,132) |
| Grand Total | 187,950 | 70,133 | 198,082 | (10,132) |

Test, Protect and Vaccinate Update

Expenditure to the end of August 2022 for Test, Protect and Vaccinate is **£44m with a forecast break-even position**.

The start of the new financial year has brought much change in this area as SG transition to an endemic model and there are still operational delivery questions that remain unanswered. **A budget for 22/23 has therefore not been finalised with SG**. Questions largely pertain to NCC staffing levels and the position SG wishes to accommodate on the risk / service continuum.

- National contact tracing came to a close at end of April with NCC staff moving to support Flu and Covid Vaccine programmes.
- Although general public symptomatic and asymptomatic testing has ceased, targeted testing pathways including health and social care are set to continue, requiring continuing NSS supply chain and logistics support.
- PHS are in the latter stages of designing a surveillance model and a Variant and Mutations (VAM) action plan. Both will require NSS activity in areas such as National Procurement support and NCC readiness.
- A pause to Social Care and Hospital PCR Testing has been agreed but expected to start up again over winter

Test & Protect funding allocations will be issued following review and analysis of Q1 FPR submission to SG (sent 29th July).

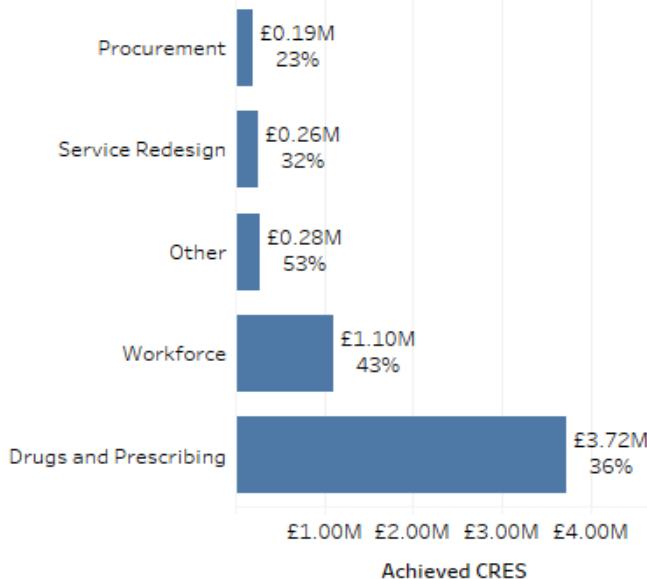
NHS National Services Scotland Board

Financial Performance – August 2022

Delivery of Cash Releasing Efficiency Savings



CRES Savings - Value and % of target savings identified



The NSD annual savings target is £10.45m – achieved YTD £3.7m and forecasting full target is achieved.

The SBU CRES target is £7.3m – including £4.8m planned savings and £2.6m savings to be identified which Business Controllers are working with SBU to evidence.

Despite this, **it should be noted that 5% SBU baseline funding is removed from budgets and retained centrally (to fund cost pressures and priority developments) at the start of the year.** A level of non-recurring savings is required to achieve the overall recurring target.

A particular risk has been identified within SNBTS in terms of the delivery of the recurring CRES target, including the adverse impact of unmet balances carried forward from previous years. This is driving the current and forecast deficit reported by SNBTS. Further work is on-going between Finance and SNBTS to mitigate this risk – both in-year and longer term.

NHS National Services Scotland Board

Financial Performance – August 2022

Services delivered on behalf of NHS Scotland



FY22/23 Outturn

- NSS manages services on behalf of NHS Scotland with a **full year budget of £823m**.
- eHealth SLA, PACS, ATOS, Scotcap, SIBBS, MESH, CHI and ATOS are all delivering within plan or small underspends.
- GPIT has an underspend of £178k, but expected to breakeven at year end.
- There are overspends in O365 £239k & eRostering £87k, both expect full year breakeven.
- NDC is showing a YTD deficit position of £65k with a forecast break even position for the year.
- Due to agency relationship which impacts accounting treatment, Rebates have been transferred to the balance sheet and no longer impact the revenue outturn position.

Services delivered on behalf of Scotland - YTD Position

| Hosted Fund | Expenditure | Variance |
|--------------------|--------------|------------|
| ATOS | £14,231,749 | £116,736 |
| CHI | £1,453,639 | -£76 |
| eHealth | £8,352,393 | £0 |
| eHealth & ATOS | £43,001,628 | £30,938 |
| eRostering | £1,378,537 | -£87,290 |
| GP IT | £592,322 | £177,763 |
| MESH | £99,473 | £0 |
| NDC | £97,508,703 | -£65,419 |
| NSD | £121,091,508 | £2,859,516 |
| O365 | £15,715,153 | -£238,805 |
| PAC's | £1,277,835 | £62,610 |
| Scotcap/Cytospunge | £1,208,868 | £0 |
| SIBBS | £5,706,626 | £1,283 |
| Grand Total | £311,618,434 | £2,857,256 |

NSD

NSD has a YTD under spend of £2.8m, £400k+ under spent on salaries and Non-Pay costs, at the end of P5, also Specialist Service spend is also under by around £700k. It is still too early to fully understand the position with regards to Risk-share and spend to budget has been assumed (at this point) for the majority of the scheme. However, there is a £1.7m under spend against the Risk-share budget at P5. This is a reflection of the fact that no babies have been born with SMA1, and that therefore there has been no spend on Onasmogene (to date). Comparison of spend to budget and full year forecasts for Risk-share will be firmed up when half year spend data has been received and analysed.

NSD are forecasting a balanced budget for the year. It is likely that there will be a funding handback to HBs, in the next few months. The magnitude of this handback is currently unknown. The request for SG funding for Riskshare will also be reduced in the latter part of the year, to ensure that a balanced budget is achieved.. **Discussion continues with Boards and SG Finance via Corporate Finance Network each month so that all parties are sighted on forecasts, assumptions and scenarios – so that this is factored into respective financial plans.**

NHS National Services Scotland Board

Financial Performance – August 2022

Scottish Government Funding Allocation Tracker

Outstanding

On the July allocation letter from SG, in addition to the Baseline Allocation and transfers to Baseline previously received, £2,339k has been received, but a large number of non-recurring allocations (C-19 and non C-19) are still outstanding

Business Controllers are working with SBUs to understand levels of risk – considering national programmes and the specific impact to NSS. Current projected risk is shown on the table below. The red risks now only SNBTS £246k relating to Covid Staff, but there remains uncertainty over most allocations, with NSS being asked to work with a reduced C-19 funding envelope

Most allocations are in the AMBER category on the basis that we have been advised to plan for allocations to a similar level to that of FY21/22 – but arguably more should be RED.

NSS still awaits £1.5m NBC savings return into baseline – this will be allocated to NSS upon confirmation and quantification of full £15m delivery

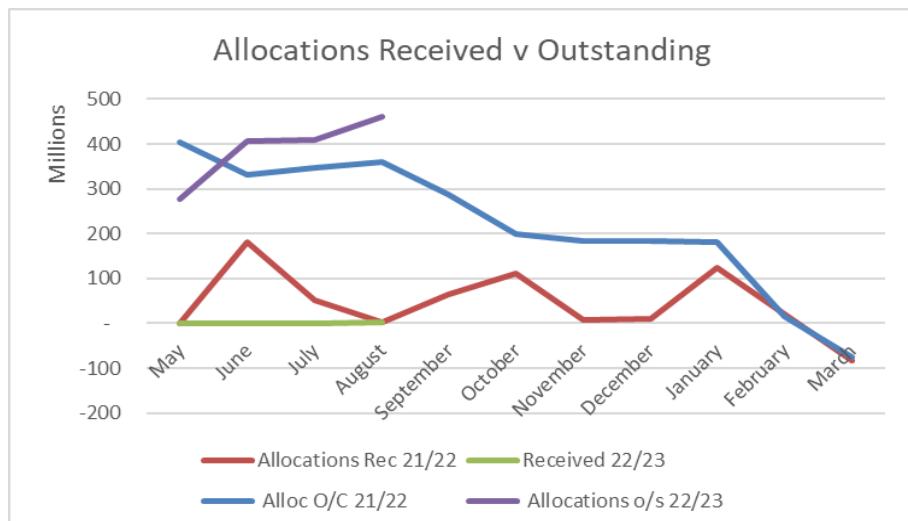
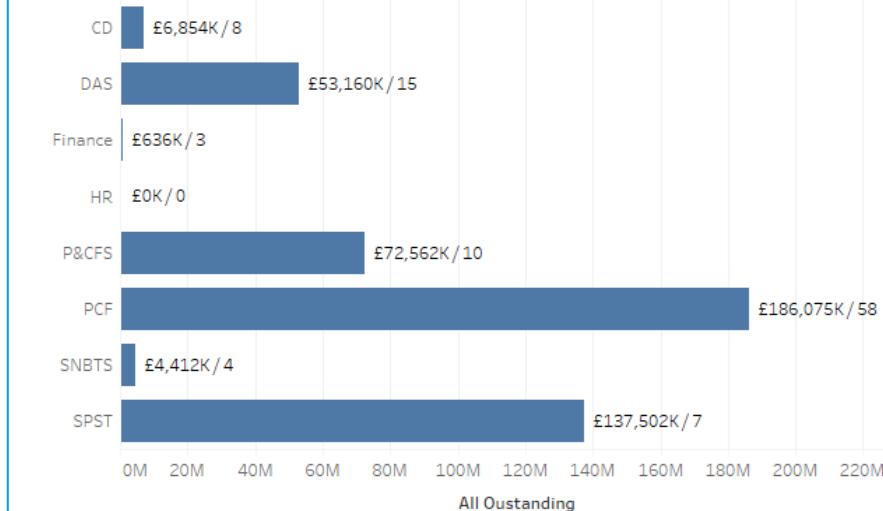
Review of Recurring allocations to baseline

During FY21/22, Finance drafted a paper on transfer of recurring allocations to baseline, in response to Audit Scotland's recommendation on NSS' reliance on non recurring funding.

It is likely that the significant and increasing macro-economic pressures, as highlighted in the Resource Spending Review, will adversely impact on SG's appetite and ability to increase NSS' baseline funding in the immediate and short term

| SBU | Green | Amber | Red | Total |
|----------|----------------|----------------|------------|----------------|
| SNBTS | 2,029 | 2,138 | 246 | 4,412 |
| PCF | 75,183 | 110,474 | | 185,656 |
| Reserves | 283 | | | 283 |
| DaS | 4,103 | 49,057 | | 53,160 |
| P&CFS | 70,305 | 2,257 | | 72,562 |
| SPST | 2,343 | 134,059 | | 136,402 |
| Clinical | 3,581 | 3,272 | | 6,854 |
| Finance | 209 | 427 | | 636 |
| | 158,035 | 301,684 | 246 | 459,965 |

SG Allocations - Outstanding - Total Amount / No. of Allocations



NHS National Services Scotland Board

Financial Performance – August 2022

Capital Programme Delivery

FY22/23 Outturn

Budget comprising NSS formula allocation of £2.927m of which £2.531m has been allocated to recurring requirements/projects £1.610m and slippage from 21/22 of £0.920m. Possible overspends identified in 2 projects of £186k, **leaving funding of £0.210m available.**

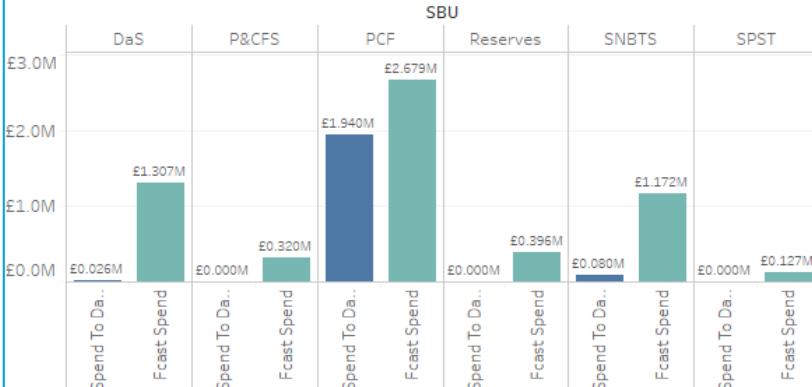
Additional SG funding for equipment of £418k has been confirmed for SNBTS via the National Infrastructure Board (NIB).

SG additional capital of £3.3m is still to be confirmed and includes slippage on warehousing fitout of £1.1m.

Capital plans are being assessed to manage the resulting capital charge pressure, by re-profiling capital plans with any remaining pressures to be funded from reserves.

Capital Developments – If funding is confirmed from NIB as above, this will allow release of the remaining NSS funding to cover capital developments.

Capital Expenditure - YTD Spend versus Revised Budget



| NSS CAPITAL DEVELOPMENT FUNDING | | Budget | FY | Movement |
|-----------------------------------|--|---------------|---------------|------------|
| Opening position | Opening AOP | 2,927 | 2,927 | 0 |
| | Opening position total | 2,927 | 2,927 | 0 |
| Critical projects approved | nDCVP | -155 | -320 | 165 |
| | SNBTS Equipment Rolling Replacement | -450 | -450 | 0 |
| | SNBTS Fleet Modernisation | -105 | -105 | 0 |
| | Breast Screen Unit | -630 | -630 | 0 |
| | DaS Network Replacement | -175 | -175 | 0 |
| | FM CAFEM System | -87 | -109 | 22 |
| | Gartnaval Water Replacement | -514 | -514 | 0 |
| | Curtain Wall Air System Upgrade | -70 | -70 | 0 |
| | Racking & MHE Charging Alterations | -144 | -144 | 0 |
| | eProgesa Semester Patch | -200 | -200 | 0 |
| | Committed | -2,531 | -2,717 | 186 |
| Available for Developments | | 396 | 210 | 186 |
| Projects to be confirmed | eDRM Donor Relationship Management Tool | -170 | -170 | 170 |
| | Development of three discreet equipment/eProge | -60 | -60 | 60 |
| | Order comms bi-directional interface to eTraceline | -30 | -30 | 30 |
| | Hybrid Working - Building changes | -324 | -324 | 324 |
| Capital Funding Remaining | | 396 | -374 | 356 |

| SG CAPITAL DEVELOPMENT FUNDING | | Budget | FY | Movement |
|--------------------------------|--|--------------|--------------|--------------|
| Confirmed | NIB - SNBTS Equipment | 0 | 417 | -417 |
| | CHI | 3,189 | 2,047 | 1,142 |
| | Radiology | 127 | 127 | 0 |
| | Breast Screen Unit - additional | 135 | 135 | 0 |
| | Covid - Warehousing | 1,077 | 1,077 | 0 |
| | LIMS Software - Vat recovery | -915 | -915 | 0 |
| | Blood Group Analysers x2 | 1,000 | 0 | 1,000 |
| | NSD Capital Funding - to Health Boards | 800 | 800 | 0 |
| | Total SG Funding | 5,412 | 3,687 | 1,725 |

| Action | RAG | Comments |
|--|--------|--|
| Reduce reliance on non-recurring funding | Red | Despite the challenging financial outlook, SG Finance remains keen to explore opportunities to convert non-recurring additional allocation funding into baseline. However, it is clear that in the immediate and short term this will not be progressed by SG Finance with the focus being on achieving financial balance across NHS Scotland in FY22/23 |
| 10 Year Capital Investment Plan | Green | Finance Business Partner(Assets & Infrastructure) is assessing the current asset register in terms of future reinvestment requirements, working with SBUs to develop a robust forward plan which will be finalised as part of the forthcoming RAM process. |
| Business Intelligence and Analysis – Financial and Non-Financial Information | Yellow | <p>Work continues to harness the power and value of NSS Data Sets in-line with NSS' agreed Data Strategy – but this continues to be difficult with more time being invested in finding and collating data, rather than analysis and interpretation.</p> <ul style="list-style-type: none"> Cost & Commercial Steering Group – operational delivery group established (Finance & Procurement) Integrated Performance Report – this report is in its infancy and is constrained currently by the way certain data and indicators are unlinked. |
| Activity Based Costing | Yellow | <p>“Synergy” software has been procured via CACI Finance Project Team established, currently undertaking training, developing an implementation plan.</p> <p>Strong SBU interest from SNBTS; DaS; SPST (PgMS) to date – with initial work looking at (1) available ‘local’ activity information and (2) existing cost centre structures and hierarchies to ensure they reflect the services being delivered.</p> |

Financial Sustainability Action Plan Update (2)

| Action | RAG | Comments |
|--|-----|--|
| Increased “Grip & Control” <ul style="list-style-type: none"> • Systems & Processes • Roles & Responsibilities | | <p>This is a very wide action – some progress has been made and continues:</p> <ul style="list-style-type: none"> • Revision of Standing Financial Instructions • SBU Finance Charters for FY22/23 • Corporate Joiners, Movers, Leavers (CJML) • Budget Holder Hub – to be launched imminently • Workforce governance oversight: <ul style="list-style-type: none"> • Vacancy Review Panel introduced. • Requirement for organisational change to be at least cost neutral reinforced <p>Given the Financial Challenges, this agenda needs to increase and intensify in the immediate term</p> |
| Business Finance PMO | | An initial plan and approach to track financial sustainability actions against plan and savings has been prepared – but implementation progress has been delayed due to staff turnover in the Head of Business Finance role. Collaboration with PgMS developing Benefits Framework underway. |
| SBU Service Transformation | | <p>Business Finance Team are in place and available to support Service Transformation across SBUs.</p> <p>Work underway in DaS, SNBTS and NSD in particular to develop and improve Financial Management arrangements under the Financial Sustainability agenda – with both Finance and SBUs recognising the changes needed to support improved practice and ensuring roles and responsibilities as outlined in the Finance Charter are delivered in practice.</p> <p>Financial Sustainability was a focus at the NSS Senior Leadership Forum on 23rd August – to ensure SBUs are implementing and embedding actions at a local level, and are supported effectively by Finance.</p> |



NSS
Finance

The logo consists of a circular emblem. Inside the circle, the letters "NSS" are written in a large, bold, blue sans-serif font. Below "NSS", the word "Finance" is written in a larger, bold, green sans-serif font. The circle itself is composed of three concentric arcs. The innermost arc is light blue, the middle arc is medium blue, and the outermost arc is lime green.



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Mary Morgan
Chief Executive
NHS National Services Scotland
By email

cc. Carolyn Low, Director of Finance and Business Services

12 September 2022

Dear Mary

NHS National Services Scotland Quarter 1 Financial Position

Following conclusion of our detailed quarterly financial review of the NHS Scotland position, I am writing to confirm expectations of NHS National Services Scotland in 2022-23 and beyond. The scale of financial risk across the Health & Social Care Portfolio is greater than in any previous year and a number of Boards are reporting a deteriorating financial position since the start of the financial year. This, coupled with continued operational pressure ahead of winter and ongoing negotiations on a pay settlement for Agenda for Change staff, means that significant action is required to deliver financial balance in year.

It is clear from our review that delivering financial balance across the system will be very challenging and that some Boards may require financial support in year to deliver balance. Any financial support will be provided on the same basis as pre-pandemic - in that it will need to be accompanied by a recovery plan and will be repayable in full by the Board. Having been paused over the last two years, financial considerations will also need to form part of future decisions relating to the NHS Board Performance Escalation Framework.

From our engagement with NHS National Services Scotland, it is clear that there are a number of key financial risks particularly in relation to funding anticipated in-year and on-going Covid-19 expenditure. We will continue to work closely with the Board to monitor these risks and understand the action required to mitigate any adverse financial consequences. I expect that NHS National Services Scotland are working to the following financial outcomes in this financial year;

- Delivery of at least the position set out in the Boards March 2022-23 financial plan, inclusive of the cost impact of Covid, as a **very minimum**. Following Quarter 1 reviews with the Director of Finance, we request that where delivery of this position was indicated as not being possible in your Quarter 1 returns, that an action plan to set a path to this position by 31 March 2023 is prepared and returned to Scottish Government by 30 September. This plan should include an assessment of the risks associated with the implementation of the actions set out in the plan.



- Where delivery of financial balance is not possible without support from Scottish Government, all Boards in this position will require to develop a financial recovery plan to set a path to return to financial balance and within a period not greater than three years. These financial recovery plans will form a key part of your Annual Delivery Plan submission for 2023-24. Boards should note that any financial support made available in 2022-23 would result in an adjustment to future year funding.

We acknowledge the challenges that Boards will be experiencing at this time and in requesting the above actions our performance and finance teams will be available to jointly advise and assist you and to ensure early and pro-active engagement.

In support of developing your local Board plans, I would highlight the following:

Sustainability and Value Collaborative

We shall shortly be standing up the Collaborative and further details will be shared with you. This will require all Boards to establish local governance arrangements to reflect the four key workstreams that will be included in the Collaborative.

- Being environmentally and socially sustainable (*NHS Scotland Climate Change and Sustainability Strategy*)
- Delivering better value care (*Value Based Health and Care*)
- Making effective use of resources (*Financial Improvement*)
- Optimising capacity and managing demand within available resources (*Operational Delivery*)

In the meantime we would expect that Boards will be engaged and supporting the implementation of the following:

Financial Improvement – implementation of the local actions that have been identified by the working group established to review a national approach to reducing agency nursing spend. We shall shortly be establishing a number of other supporting workstreams which will focus on medical locums, medicines and prescribing and corporate services. These workstreams will not replace the requirement for each Board to identify and implement their own local savings plans, and it is expected, for example, that Boards will be applying rigorous vacancy controls, with a pause on non-frontline services unless there are exceptional circumstances.

I would again like to take this opportunity to thank you and your team for your support as part of the Quarter 1 review and to confirm we remain committed to working with you in developing your local Board plans. Recognising the challenges set out, I wanted to ensure Chief Executives had sight of this letter in advance of the Chief Executives meeting on 13 and 14 September, when these matters will be discussed further.

Yours sincerely



Richard McCallum, Director of Health Finance and Governance

