# NSS Board Meeting

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**26 June 2020, 09:00 to 12:30**
**TEAMs Platform**

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## Agenda B/20/40

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**1.** **Apologies for Absence**

Rachel Browne, Audit Scotland

**2.** **In Attendance**

Deryck Mitchelson, Director D&S
Jacqui Jones, Director of HR and Workforce Development
Mary Morgan, Director SPST
Matthew Neilson, Assoc. Dir Corporate Affairs and Communications
Karen Nicholls (Minutes)

**3.** **Observers**

Stephanie Knight, Scottish Government
Inire Evong, Audit Scotland

**4.** **Welcome and Introductions**
<div align="right">5 minutes<br>Keith Redpath</div>

**5.** **Minutes of meeting held on 26 May 2020 and Matters Arising [B/20/41 and B/20/42]**
<div align="right">5 minutes<br>Keith Redpath</div>

| | | |
|---|---|---|
| 📄 | B2041 Minutes 26.5.20_Draft.pdf | (7 pages) |
| 📄 | B2042 Action List.pdf | (1 pages) |

**6.** **Chair's Update - Verbal**
<div align="right">15 minutes<br>Keith Redpath</div>

**7.** **Chief Executive's Update - Verbal**
<div align="right">20 minutes<br>Colin Sinclair</div>

**8.** **NSS Standing Orders - DRAFT [B/20/49]**
<div align="right">20 minutes<br>Keith Redpath</div>

| | | |
|---|---|---|
| 📄 | B2049 Standing Orders DRAFT.pdf | (36 pages) |

**9.** **Finance report [B/20/43]**
<div align="right">10 minutes<br>Carolyn Low</div>

| | | |
|---|---|---|
| 📄 | B2043 NHS Board Update - Financial Position 20-21.pdf | (12 pages) |

**10.** **People Report [B/20/44]**
<div align="right">10 minutes<br>Jacqui Jones</div>

| | | |
|---|---|---|
| 📄 | B2044 People Report.pdf | (15 pages) |

**11.** **Digital & Security Report [B/20/46]**
<div align="right">10 minutes<br>Deryck Mitchelson</div>

| | | |
|---|---|---|
| 📄 | B2046 DaS Board June 2020 Final.pdf | (3 pages) |

*For Information*

**12.** **Register of Interests [B/20/47]**

## 13. NSS Governance Committees Approved Minutes [B/20/48 and B/20/50]

NSS Audit & Risk Committee meeting 4.12.19 approved minutes
NSS Audit & Risk Committee meeting 28.5.20 approved minutes

# Minutes (Approved)

**NHS NATIONAL SERVICES SCOTLAND BOARD**

**MINUTES OF MEETING HELD ON 26 MAY 2020 via TEAMs DIGITAL PLATFORM AT 0930 HRS**

| | |
|---|---|
| **Present:** | Keith Redpath, NSS Chair |
| | Julie Burgess, Non-Executive Director |
| | Carolyn Low, Director of Finance |
| | Mark McDavid, Non-Executive Director |
| | Lorna Ramsay, Medical Director |
| | Alison Rooney, Non-Executive Director |
| | Colin Sinclair, Chief Executive |
| | Ian Cant, Employee Director |
| | Kate Dunlop, Non-Executive Director |
| | John Deffenbaugh, Non-Executive Director |
| **In Attendance:** | Jacqui Jones, Director of HR and Workforce Development |
| | Deryck Mitchelson, Director, Digital & Security |
| | Mary Morgan, Director, Strategy, Performance and Service Transformation |
| | Matthew Neilson, Associate Director Strategy, Performance and Communications |
| | Karen Nicholls, Committee Services Manager [Minutes] |
| **Apologies:** | Jacqueline Reilly, Nurse Director |
| **Observer:** | Rachel Browne, Audit Scotland |
| | Stephanie Knight, Scottish Government |

**ACTION**

## 1. INTRODUCTION

1.1 Mr Redpath welcomed all to the meeting which was being held virtually via the TEAMs platform.

1.2 Before starting the formal business of the meeting, Mr Redpath asked the Board Members if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.

## 2. DECISION TO TAKE AGENDA ITEM IN PRIVATE

2.1 Members agreed that two additional agenda items be taken in private as they met the requirements of Section 2 of the NSS Standing Orders as follows;

*"The Board is still in the process of developing proposals or its position on certain matters, and needs time for private deliberation."*

## 3. MINUTES OF MEETING HELD ON 26 MARCH 2020 AND MATTERS ARISING [papers B/20/34 and B/20/35 refer]

3.1 Members noted the minutes and approved them in full.

3.2 It was noted that most of the action items were either complete, items on the current agenda or had a longer lead time.

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EDINBURGH EH12 9EB

Chair          Keith Redpath
Chief Executive   Colin Sinclair

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## 4.    CHAIR'S REPORT [Verbal Update]

4.1    Mr Redpath took Members through his update and highlighted the following areas;

- Regular attendance at the NSS Resilience Management Team twice weekly meetings would now stop as the team moved to more operational matters. Mr Redpath would now only attend at the request of Mr Sinclair;

- Clear message from the Cabinet Secretary that NHS Scotland was still working under the emergency legislation implemented to deal with COVID-19;

- Last two Chair's meetings had focused on Track, Test, Isolate and Support programme of work;

- Government Road Map sets out the stages, headlines and milestones for the Health & Social Care system;

- In terms of governance standards, NSS had approved emergency changes at the meeting held in March and provided regular updates to Scottish Government (SG) as required. Members noted that to enable proper governance of NSS Final Accounts the NSS Audit & Risk Committee would be reconvened for two meetings during May and June;

- After discussions with Mr Sinclair it was Mr Redpath's intention to bring back the governance paper to the formal Board meeting for update. Unless there was a second wave of COVID-19 the NSS governance committees would start to resume from August. There was a recognition that the meetings would still need to be conducted via TEAMs unless government rules on social distancing were changed;

- During the last month Mr Malcolm Wright, NHS Scotland Chief Executive Officer, had had to retire due to ill-health and Mr Redpath would like to place on record thanks for his support of NSS over the years and a letter to reflect this would be sent on behalf of the Board. **Action: Mr Redpath to draft letter to Mr Wright.**                    **K Redpath**

## 5.    CHIEF EXECUTIVE'S UPDATE

5.1    Mr Sinclair took Members through his verbal update and highlighted the following areas;

- The last month had been generally positive and the organisation continued to perform both COVID-19 response areas and also BAU in key areas such as payments to practitioners, legal advice etc. There were multiple examples of staff going above and beyond their duties, and whilst it generally felt a little calmer, many areas were still under immense pressure;

- Work was underway to focus on the new definition of 'normal' and this would be discussed further under the recovery planning. This would also reflect lessons learned during the pandemic and NSS strategic direction;

- NSS as a whole had embraced a new digital approach to business, and whilst there would still be a need for face to face discussions for some things, this virtual approach should remain providing much more flexibility.

- Programmes such as e-Prescribing were moving much more quickly and this momentum should be sustained for this and other programmes of National work that NSS was involved in;

- NSS had finished the 2019-20 year well, despite COVID-19, meeting operational targets, and whilst the final financial position was not yet confirmed, this was also on target for break-even.

5.2    Mr Sinclair then outlined the focus for the next few months as follows;

COVID-19 Response – lots of work still on-going but areas such as Personal Protective Equipment (PPE) were now a lot calmer with robust supply chains in place, although some lines were still being watched very closely. NSS still supporting Social Care and working with SG around future resilience and supporting Scottish manufacturers/industry.

Recovery Planning – This was underway in the organisation and NHS Scotland more generally. Note: This would be discussed in more detail during the 'in confidence' session of the meeting.

Re-introduction of normal Governance – EMT would be moving back to normal reporting to support NSS recovery plans, including performance reviews and finalising objectives for the Senior Team to include COVID-19 issues. An additional meeting during July would take place if required.

Staff Engagement – This had been key throughout the crisis with targeted written communications, staff updates. Mr Sinclair and Mr Cant had held a joint live TEAMs meeting for all staff, which had included personal stories from three staff on their work during the pandemic, and an ask for staff to start looking to the future. This had proved very popular and would be a good tool for future engagement.

Support for Boards and SG - Work continued to support Boards and SG with many NSS staff involved across a myriad of areas including PPE, Testing, programme management etc. The Communications team had done excellent work and the profile of NSS had risen from -4 to +20 which was extremely positive, along with a 95% increase in media profile. This had mainly been due to a more proactive approach to the media and NSS would now look at how this could be built on for the future.

PPE – still a major focus, but in terms of procurement activity there had also been increased activity on items such as ventilators, including the consumables that these required, and other ICU equipment. The increased capacity sourced during the crisis would be retained for resilience purposes and to prepare for any second wave of the virus.

Testing/Tracing – Focus on supporting Public Health Scotland;

SNBTS - Blood continued to be a focus and demand was starting to grow again as part of the recovery/mobilisation process for NHSScotland;

5.3     Members then discussed provision of PPE in more detail and noted that some manufacturing lines were being set-up in Scotland, and supply chains in general were now much more robust. The distribution hubs that had been set up to supply to the Social Care sector appeared to be working well. Members noted that whilst NHSScotland was still paying a premium to secure items, this was in line with, and compared against, existing market rates. Smaller wholesalers were not able to achieve these rates due to economies of scale available to NSS. Dr Ramsay added that a clinical assessment panel had been set up to deal with any prioritisation issues should they arise, this would focus on five areas;
1. Optimising use and allocation;
2. Substitutions, including piloting any new products to ensure suitability;
3. Re-distribution;
4. Prioritisation of allocations;
5. Re-purposing (this would be a last resort).

5.4     Members asked for clarification on the future of the Louisa Jordan hospital. Mrs Jones advised that there were discussions on-going around possibilities including use as a training centre for new doctors, elective procedures etc.

5.5     Members welcomed the speed at which some digital programmes were progressing, especially e-Prescribing and noted that this required a Once for Scotland approach to ensure join up of systems.  Ms Burgess added that for lines such as ventilators it may be pertinent for these to be discussed at the NSS Clinical Governance and Quality Improvement Committee.  **Action: Mrs Nicholls to add**   K Nicholls **to forward programme and discuss with new Committee Chair.**

5.6     Members thanked Mr Sinclair for his informative update and noted it in full.  It was noted that item 6.1 of the agenda had been moved to the 'in confidence' section of the meeting.

6.      **NSS RECOVERY PLAN [presentation]**

6.1     Ms Low took Members through a presentation outlining the NSS Recovery plan. Mr Matthew Neilson, Associate Director: Strategy, Performance and Communications and his team were working closely with Ms Low around workplace plans.

6.2     Members noted the following;

- The SG route-map would drive how NSS would respond and plan;

- Any planning must reflect the need for the Health Service to address both recovery and outbreak response over the coming months;

- NSS planning must take into account the full Health & Social Care Plan as the NHS entered phase 1 and restarted elective treatment and other services;

- Message that remote working would remain the default position until the latter phases and may continue in the longer term as a preferred way of working.  The impact of this on workforce and sustainability was a major feature across all future plans;

- Existing pre-COVID planning and strategy to be revisited and the Executive Management Team (EMT) would be working on an 18-month plan and budget to enable any refocus (including review of Resource Allocation Meeting Plans (RAM), Annual Operating Plan);

- Workplace changes – Mr Neilson was leading on this work which was focusing on:
    o   Physical office environment changes as per guidance received, with the acknowledgement that this was constantly changing;
    o   Focus on enabling staff to work safely, wherever they are;
    o   Working closely in Partnership with trade union colleagues with governance provided via OHSAC route;
    o   Workplace infrastructure updates will place a massive ask on an already stretched facilities management team;
    o   Acknowledgement that for many home will continue to be their workspace so it would be essential to provide guidance to line managers on carrying out the necessary risk assessments and action plans;

- Support for those staff in leadership roles within NSS may need to be reviewed to support the new ways of working and plans were already being drawn up for the EMT.

- There will be considerable financial challenges and it was imperative that NSS was able to articular the value that it brings.

6.3     Members thanked Ms Low for her update and noted the timelines included.  As an aside Members asked for a training plan around use of the new digital solutions and

Mrs Nicholls was asked to draft outwith the meeting.  **Action:  Mrs Nicholls to   provide training plan for all Non-Executives on digital workplace solutions.** K Nicholls

6.4     Members discussed how best to build on the current NSS profile and influence with SG and other colleagues as we move forward into recovery and renewal phases. The idea of a whole system approach, backed up by the lessons learned during the pandemic would be a starting position, and this was fully supported by Members.

## 7.    PERFORMANCE UPDATE [paper B/20/37 refers]

7.1     Ms Morgan took Members through the performance update and highlighted the following;

- NSS had achieved at 92% overall performance rating and this was the best result in recent years;
- Of those areas that had not achieved targets 4 out of 5 related to Public Health and Intelligence.  It was not possible for NSS to update these items due to PHI moving across to Public Health Scotland.

7.2     Members thanked Ms Morgan for the update and noted it in full.

## 8.    PEOPLE UPDATE [paper B/20/38 refers]

8.1     Mrs Jones took Members through the shortened report and after a short discussion it was agreed that for the next meeting the full People report would be reinstated.  Members noted the following highlights;

- Sickness absence figures had shown and improvement and NSS currently had 1 member of staff with COVID-19, along with a small number who were still self-isolating;
- NSS was putting in an automated system for staff to request testing, but there would be very strict allocation criteria and would be limited to critical/key staff categories;
- HR Shared service for PHS was working on recruitment activities - for PHS staff and the contact tracer roles;
- Recruitment:  5,000 people had been processed by NSS Occupational Health team along with staff for the Louisa Jordan Hospital;
- Focused areas of work on wellbeing of staff during the COVID-19 outbreak including spotlight sessions, webinars, blogs.  Members were encouraged by this and asked that their thanks be passed on to the teams involved;
- The Organisational Development and Learning & Development Teams work was now ramping back up and focusing on leadership and management for a changed 'normal';
- Work ongoing to support staff with children to enable them to work productively and this was covered by a number of policies already available.

8.2     Members thanked Mrs Jones for her report and noted it in full.

## 9.    DIGITAL AND SECURITY UPDATE [paper B/20/39 refers]

9.1     Mr Mitchelson took Members through his update and highlighted the following;

- Focus on the Test, track, Isolate Support (TTIS) programme with a taskforce now set up to bring this all together from a digital point.  Prioritisation current on tracing but this will be dependent on testing data being available;

- NSS developing the case management system for all Boards and currently holding design workshops around this;

- Digital aspect of contact centres telephony and other channels for tracers to contact citizens;

- Extended use of corporate data warehouse and using this to build dashboards for PHS – in June this will expand as a data marketplace with access to those institutions with appropriate clearance;

- NSS leading on data analytics within the Digital Silver Command structure set up by SG;

- Providing clinical assurance and governance led by Mr Brendan O'Brien and the Information Governance team are looking at a single IG policy instance across all Boards rather than separate local versions;

- Network and VPN bandwidth had been upgraded to support remote workers;

- There was a national gateway review on CHI and Child Health programme and this appeared to be progressing;

- Offic365 mail migration was about to commence;

- GP-IT was showing as a red risk due to issues with EMIS slipping substantially again to later 2021-22. Mr Redpath asked for further details and the consequences of the delay for the next meeting. Dr Ramsay agreed that further work on the risks and implications was now required and look at the Once for Scotland approach. **Action: Mr Mitchelson and Dr Ramsay to provide further update to next meeting**.

**D Mitchelson**

9.2     Ms Dunlop asked for further information on the artificial intelligence work-stream currently being developed, and whether this was true predictive modelling. Mr Mitchelson responded that NSS would be providing all the digital technology for contact tracing, including the data lake and analytics and had added in the predictive analytics to this. It was essential that real time data was being used on test results, locations, gender etc and this was what would be used for predictions. Ms Dunlop expressed some concern that the data set of a small country like Scotland may not provide enough information for real modelling. Mr Mitchelson advised that NSS would be looking at up to 30,000 tests per day, taking links from Public Health England and the Turing Institute and would be looking at their modelling. Members reflected that as there were many definitions of modelling, it would be useful if Mr Mitchelson could provide a more detailed description of its use within NSS for the next update. **Action: Mr Mitchelson to provide description of what modelling means in the context of his reporting to next meeting.**

**D Mitchelson**

9.3     Members thanked Mr Mitchelson for his report and noted it in full.

## 10.     FINANCE UPDATE [presentation]

10.1    Ms Low took Members through her presentation and Members noted the following;

- Good progress being made on the NSS Annual Accounts and the majority of SBUs had recovered and delivered very much to plan;

- Context around NSS position taking into account the focus on COVID-19 activities;

- NSS currently sitting with a £110k surplus which would be returned to SG;

- NSS had also returned funding where programmes had slipped due to COVID-19 activity and these should be returned by SG once the programmes were back up and running. These included funding for the Centre of Excellence **for** Reducing Infections and Risk in the Healthcare Built Environment, and

commissioned work on NSS estate which had been delayed due to the pandemic.  It was noted that there was some risk that these may not be returned this was a small risk and was being proactively managed.  Ms Low was in regular discussions around funding and would provide any updates as they arose;

Members noted that the figures did not contain any impact from TTIS and this would be visible in future reporting.

10.2    Members noted that there were general Scottish economic risks at the current time.  Specific to NSS were the following risks in the risk register;

RISK6004 – this related to advance payments for PPE stock.  These had been required to secure stock that was in limited supply.  Members were reassured that there was an appropriate level of governance and scrutiny relating to this risk.

RISK6005 – this related to scope and scale of NSS response to COVID-19.  Members were reassured that appropriate governance and approvals were in place, but the funding had not yet been received.  In some cases, this was at a Scottish Government level in terms of their funding.

10.3    After further discussion Mr Sinclair asked to meet with Ms Low to review spend on PPE in detail.  **Action:  Mr Sinclair and Ms Low to review PPE spend.**  Mrs Morgan added that the figures around testing should also be reviewed as these would be significant.    **C Sinclair/ C Low**

10.4    Members thanked Ms Low for her informative update.

## 11.    AOB

11.1    There was no other pertinent business raised.

## 12.    NSS BOARD IN CONFIDENCE SESSION

12.1    Members held a short in confidence session of the Board to review papers CICB/20/01 and CICB/20/02.

12.2    Both papers were discussed in full and Board Members noted the recommendations and the need to fully reflect mobilisation and recovery planning.  Members were supportive of the measures identified and the recommendations therein.

The next formal meeting of the NSS Board will take place on 26th May 2020 via TEAMs. Meeting closed at 1215

# NSS FORMAL BOARD
# ACTION LIST 2020-21

CLOSED    **B/20/42**

| Ref Item | Action | Responsible | Deadline | Status |
|---|---|---|---|---|
| **FROM 26 MAY 2020** | | | | |
| 2020-05-26 Item: 4.1 | **Chair's Update** K Redpath to draft letter to Mr Malcolm Wright to record NSS thanks on his support over the years. | K Redpath | Outwith meeting | Complete. |
| 2020-05-26 Item: 5.5 | **CEO's Update** K Nicholls to add PPE/ventilators and associated consumables stock to the forward programme for the NSS Clinical Governance and Quality Improvement Committee and discuss with Committee Chair. | K Nicholls | Outwith meeting | Complete added to CGQIC forward programme. |
| 2020-05-26 Item: | **NSS Recovery Plan** K Nicholls to draft a training plan on digital workplace solutions for all Non-Executives. | K Nicholls | Outwith meeting | In progress – waiting on delivery of new tablets for all NEDs. Items currently in Gyle Square, sourcing way to get them to the relevant people. 8.6.20 |
| 2020-05-26 Item: 9 | Digital and Security Update | | | |
| 2020-05-26 Item: 9.1 | D Mitchelson and L Ramsay to provide further update on the implications of a further delay in the GP-IT system. | D Mitchelson/ L Ramsay | 26.6.20 | |
| 2020-05-26 Item: 9.2 | D Mitchelson to provide a description of what 'modelling' means in the context of his future reports. | D Mitchelson | 26.6.20 | |
| 2020-05-26 Item: 10.3 | **Finance Update** C Low and C Sinclair to review PPE spend in more detail for future reporting. | C Low/ C Sinclair | Future meeting. | |
| **FROM 26 MARCH 2020 – NO OUTSTANDING ITEMS** | | | | |
| Items outstanding from previous year. | | | | |
| 2020-01-30: Item 7.4 | M Morgan to discuss NSS position and offering around the climate emergency and update the slide for the next Board Development session. | M Morgan | | On-hold due to COVID-19 outbreak. |
| 2019-11-01 Item: 9.2 | Risk Review M Neilson to liaise with M Walker re Risk Management including review of residual risk status, and Board Assurance Framework. | M Neilson | 30.1.20 | On-hold due to COVID-19 outbreak. |
| 2019-11-01 Item: 10.3 | E McLaughlin/K Nicholls and K Redpath to work to implement recommendations and improvements to Board processes | K Redpath/ E McLaughlin/ K Nicholls | On-going | In progress. KN 9.6.20 |

**B/20/43**

**NSS Board Meeting – 26ᵗʰ June 2020**

# Update on 20/21 Financial Position

## Purpose

The purpose of this report is to update the Board on the 2020/21 Financial Position including the impact of Covid-19.

## Recommendation

The Board are asked to note this report, specifically:

- The Financial Position for NSS at M2, including the impact of Covid-19 and increased level of risk;
- Covid-19 Funding Allocations for 20-21 will be based on the actual and forecast position reported next month;
- The 20/21 Budget will be updated from the opening AOP position through the on-going Recovery Planning work.

## Timing

This report reflects the year-to-date and forecast position as at 31ˢᵗ May 2020.

## Background

Budgets for 20/21 have been loaded as per the Annual Operating Plan.

This paper provides reports on financial performance to date, highlighting the additional financial risk arising from Covid-19.

## Procurement and Legal

Not applicable.

## Engagement

The financial information reported has been produced following engagement with EMT and other appropriate senior managers,

## Equality and Diversity

Not applicable.


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# NSS Financial Performance

**26th June 2020**

# NHS National Services Scotland - Board Financial Performance – May 2020
## Executive Summary

## Performance Summary

At this early stage in the Financial Year, NSS is forecasting that it will achieve all of its statutory financial targets for 2020/21. However this is subject to a detailed review of the impact of Covid-19 across the business including full recovery planning and an early RAM process.

The Revenue under spend of £1.7m reflects significantly reduced activity within NSD commissioned services, although forecasts assume a breakeven position as funding would be returned to Boards.

## Key Messages

The achievement of statutory financial targets will be very challenging in 2020/21 with Covid-19 significantly impacting on the AOP baseline position.

There is increased risk on planned funding and income as SG considers its Programme for Government commitments. There is also significant levels of additional expenditure that have been incurred supporting the response to Covid-19.

A key focus for NSS is the forthcoming RAM cycle where there is a need for each SBU to consider future plans and service delivery in light of Covid-19, with a focus on reducing costs to offset pressures within NSS and across the wider system.

SG plans to allocate Covid-19 funding based on the Q1 position so it is imperative that financial projections are as robust as possible.

| NSS Targets | Year to Date £000 | Forecast Outturn £000 | RAG |
|---|---|---|---|
| Revenue Outturn | 1,716 | 0 | G |
| NSS CRES Savings Total | 416 | 5,977 | A |
| NSD CRES Savings Total | 1,657 | 12,207 | G |
| Capital Outturn | 0 | 3,059 | G |

## Risks and Issues

- NSS has only received its baseline allocation from SG to date with significant levels of funding (as per the AOP position) still outstanding.

- The level of anticipated allocation is significantly greater in 20/21 due to the Covid-19 support services that NSS has delivered across NHS Scotland and beyond. (Additional £466.6m expected)

- Whilst the risk is low that NSS will not receive full funding for all Covid-19 support services delivered, it remains a risk until funding is allocated (SG has only secured c£780m additional funding to date against collective LMPs totaling c£1.6bn)

- It should also be noted that NSS has paid certain PPE suppliers in advance of goods being received in order to secure orders – all such instances have been approved by the DoF.

## Recommendations and Actions

The NSS Board is asked to:

- Note the Financial Position for NSS at M2, including the impact of Covid-19 and increased level of risk;

- Note that Covid-19 Funding Allocations for 20-21 will be based on the actual and forecast position reported next month;

- Note that the 20/21 Budget will be updated from the opening AOP position through the on-going Recovery Planning work.

# NHS National Services Scotland - Board Financial Performance – May 2020 COVID-19

## Year to date

- The majority of the actual YTD spend £149.8m, relates to Covid-19 support services which NSS is providing on behalf of NHS Scotland

- As part of the M2 position, it is assumed that such support services will be fully funded by SG

- However, there are some local, direct NSS costs (such as overtime; loss of income) which are impacting on the bottom line. As part of the Recovery Planning process, NSS needs to consider how it can offset such cost pressures which are unlikely to be met by SG

## Forecast Outturn

- As per the last LMP submission (22nd June), NSS was forecasting additional costs of **£486.2m** in 2020/21 relation to Covid-19. This is mainly revenue **£433.5m** but does also include some capital **£52.7m**

- The main element of this cost is PPE (£240.1m) and Louisa Jordan (£58.8m) – it should be noted that equipping costs (c£12m) are currently accounted for as revenue but they may be capitalised – this is subject to on-going discussion with SG colleagues

- Similar to the YTD position, the forecast assumes that national support services will be fully funded. Whilst this has still to be confirmed, NSS has ensured that appropriate financial governance is in place with all Covid-19 spend before commitment.

## COVID-19
### Revenue Expenditure - Year To Date

| | £m |
|---|---|
| NDC Pandemic Stock (PPE etc) | 69.4 |
| PCF - Equipment, Consumable and Testing Costs | 44.8 |
| NHS Louisa Jordan Build & Running Costs | 17.2 |
| Private Healthcare | 6.8 |
| Test Kits & Equipment | 8.6 |
| DaS | 1.6 |
| Contact Tracing | 1.3 |
| SNBTS | 0.1 |
| | **149.8** |

## COVID-19
### 20/21 Forecast

| | £m |
|---|---|
| NDC Pandemic Stock (PPE etc) | 240.1 |
| PCF - Equipment, Consumable and Testing Costs | 66.9 |
| NHS Louisa Jordan Build & Running Costs | 58.8 |
| Private Healthcare | 20.3 |
| Test Kits & Equipment | 74.9 |
| Other | 10.5 |
| DaS | 6.8 |
| Contact Tracing | 6.1 |
| SNBTS | 1.8 |
| | **486.2** |

# NHS National Services Scotland – Board
## Financial Performance – May 2020
## SBU Operational Performance

**NHS National Services Scotland**

## Year to date

At 31 May, SBUs reported an operating surplus of £1.7m.

- PCF– £1.5m Reduced expenditure across NSD services £1.7m.  Recovery expected over remaining months, and any under spend returned to Boards

- CLO – Reduced income as a result of Covid-19 £233K.  Property, Litigation, Contracts and Employment teams all impacted.

- SPST – Reduced income in PGMS £299k due to significant staff being diverted onto Covid-19 work. Uncertainty over funding for this element.

- P&CFS– Reduced Income £88k from closure of SHS impacted, however vacancies more than offset resulting in favourable variance of £209k

- SNBTS – Reduced expenditure on medical costs due to Covid-19 with overall favourable variance £158k

### Revenue variances – Year to Date

| | |
|---|---|
| CD | £5K |
| CLO | -£147K |
| DaS | -£33K |
| Finance | £45K |
| HR | £66K |
| P&CFS | £209K |
| PCF | £1,497K |
| SNBTS | £158K |
| SPST | -£337K |

## Forecast Outturn

Detailed forecasts will be worked up by Finance business controllers during the next month in conjunction with SBU colleagues to understand fully the impact of Covid on base budgets. This will also give a full understanding of the financial ask from the recovery planning work and 18 month RAM.

Known pressure areas are listed below, with an indication of  potential value.

Pay            (£0.6m)    Additional staffing including agency

Overtime     (£0.6m)  Apr & May additional cost £190k

Income        (£2.1m)   CLO £1m, SPST £0.4m, SHSC £0.5m, PCF £0.2m

PCF            (£1m)  Building work slippage (to be offset against 19/20 Covid funding)

PCF            (£0.1m) Workplace reconfiguration costs

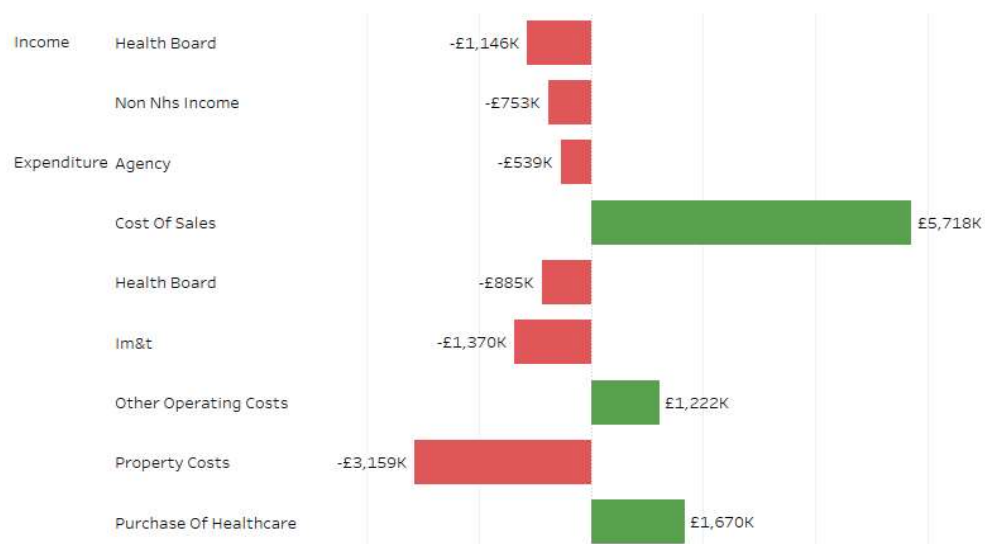Potential pressure of circa **£4.4m is subject to more detailed review**

## Year to date

- The significant variances across Income; NDC Sales £5m; Medical Costs mainly relate to 'pass through' costs (including PASAG rebates within PCF) and the impact of reductions in income due to Covid in SPST, IT, CLO, P&CFS and PCF

- Pay is overspent overall by £287k. Additional overtime and excess costs of £190k for the first 2 months plus £1.6m agency spend which is offset by vacancies within funded establishments.

- Cost of Sales relates to product supplied through the NDC. This has reduced significantly due to cancellation of elective surgery over the last few months. (note this excludes PPE)

- IM&T costs are lower due to delays in PAC's Tech refresh rollout as a result of COVID-19. Corresponding reduction in income.

- Property Costs – the adverse variance relates to Clinical Waste Contingency costs within PCF. This is a 'pass through' cost with no impact to NSS' bottom line as it is funded by Health Board income, which has a corresponding positive variance.

- Purchase of Healthcare reflects reduced expenditure via NSD services

### Revenue variances – Year to Date



| Income | Health Board | -£1,146K |
| | Non Nhs Income | -£753K |
| Expenditure | Agency | -£539K |
| | Cost Of Sales | £5,718K |
| | Health Board | -£885K |
| | Im&t | -£1,370K |
| | Other Operating Costs | £1,222K |
| | Property Costs | -£3,159K |
| | Purchase Of Healthcare | £1,670K |

## Forecast Outturn

Detailed forecasts will be presented at Q1.

# NHS National Services Scotland – Board
# Financial Performance – May 2020
# Managing Reserves and Financial Risks

## Update

- The opening AOP position included **£8m** for 20/21 developments in support of SBU requests totalling £9.2m. This development funding has been put on hold until the financial outcome of the recovery planning exercise is understood fully.

- SBU's have however identified 2 critical projects which by their nature need a decision on funding earlier than this.

- Opportunities will exist once SBU's review planned developments through slippage and re-prioritisation of planned developments.

## Risks

- Slippage from 19-20 to 20-21. Capital and revenue returned to SG as part of 19/20 **£2.5m.** No confirmation this will be reinstated

- General allocation risk – significant amount anticipated **£150m**

- Covid allocation risk – lower risk but significant value **£366m**

- Movement on National Board Collaboration Savings **£0.3m**

| SBU Revenue Development Bids (ON HOLD) | £m |
|---|---|
| P&CFS (excluding non-prioritised bids totalling £0.6m) | 1.3 |
| DaS | 2.8 |
| PCF (includes £1.5m bids potentially (part) funded by SG tbc) | 2.6 |
| SNBTS | 0.8 |
| HR | 0.2 |
| CLO | 0 |
| Finance | 0.2 |
| SPST | 0.6 |
| Clinical | 0.7 |
| **Total Requests** | **9.2** |

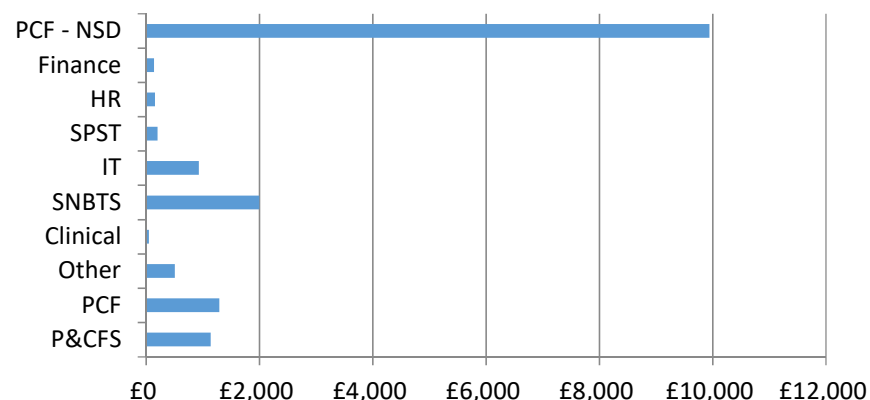| Urgent Development Requests for approval | £m | |
|---|---|---|
| Online Donor Heath Questionnaire | 0.162 | Revenue |
| Online Donor Heath Questionnaire | 0.119 | Capital |
| Medical Transfusion Data collection | 0.027 | Revenue |
| IG Compliance | tbc | Revenue |
| Recruitment to Support Public Enquiry | tbc | Revenue |
| | **0.308** | |

# NHS National Services Scotland – Board
# Financial Performance – May 2020
## Delivery of Cash Releasing Efficiency Savings

## CRES Savings targets by SBU

| | |
|---|---|
| PCF - NSD | £9,948 |
| SNBTS | £2,001 |
| PCF | £1,296 |
| P&CFS | £1,144 |
| IT | £930 |
| SPST | £205 |
| HR | £157 |
| Finance | £141 |
| Clinical | £52 |
| Other | £511 |
| | £16,385 |

## CRES Savings Target by SBU



## Savings by Category

| | |
|---|---|
| Drugs and Prescribing | £9,948 |
| Other | £677 |
| Workforce | £2,770 |
| Procurement | £738 |
| Service Redesign | £1,481 |
| Infrastructure | £771 |
| | £16,385 |

NSD had originally expected to exceed savings target, but this is under review

SBU forecasts for CRES will be reviewed and presented for Q1. The target is currently shown as Amber as SBU's have been unable to demonstrate achievement to plan for period 2.

## NHS National Services Scotland – Board
## Financial Performance – May 2020
## Services delivered on behalf of NHS Scotland



### Year to date

- NSS manages services on behalf of NHS Scotland with a YTD budget of £158m. Overall an underspend of £1.4m is reported due to NSD £1.7m and Logistics overspend £0.3m.
- Scotcap, eHealth SLA, PACS, SIBS, NSD, Rebates, GPIT, Office 365, CHI and eDris are all delivering within plan.

### Services delivered on behalf of Scotland - YTD Position



NDC
Spend: 82,122,431
Variance: -324,239

ATOS

Rebates
Spend:

eHealth

O365

NSD
Spend: 43,097,002
Variance: 1,715,935

### NSD

- The NSD budget is currently £1.7m under spent at the end of May.

- Whilst cancer services are still delivering care (albeit at a lower rate than before) it is clear that some very high cost procedures have been significantly reduced. In total, activity for Solid Organ Transplantation, Stem Cell Transplantation, Cochlear Implantation & Deep Brain Stimulation is around 25% of what would have been anticipated.

- NSD is still however reporting a break-even forecast for 2020/21 on the basis that Health Boards are planning to 'ramp up' activity as part of their remobilisation planning where there will be significant additional start up costs incurred.

- The underlying assumptions around the NSD financial projection will be updated in-line with emerging Health Board plans so that any deviation from the annual budget is reported timeously and formally to SG via the NSS LMP

# NHS National Services Scotland – Board
# Financial Performance – May 2020
## Scottish Government Funding Allocation Tracker

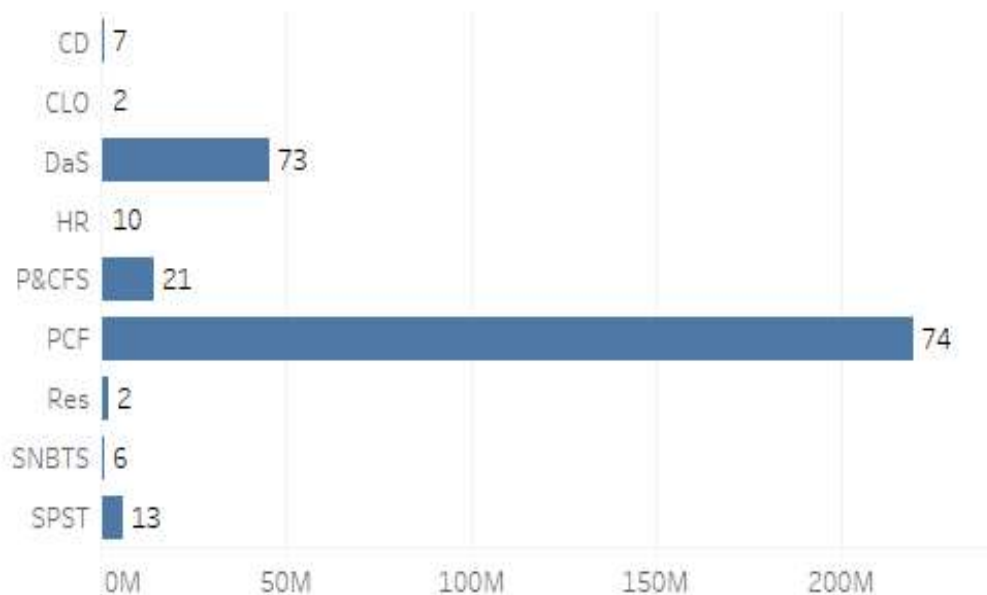**NHS** National Services Scotland

## Received

Baseline funding of £336m has been received to date

## Outstanding

A significant amount of funding remains outstanding, mostly in relation to Covid-19.

Business Controllers working with SBUs to understand levels of risk across all outstanding allocations

### SG Allocations - Amounts and No. of Allocations Outstanding

# NHS National Services Scotland – Board
# Financial Performance – May 2020
## Capital Programme Delivery

| Core Funding | £m |
|---|---|
| NSS Formula Allocation | 3.4 |
| Transfer to Public Health Scotland | -0.4 |
| **Total Capital Resource Limit (CRL)** | **3** |
| | |
| **Recurring Commitments:** | |
| Equipment replacement: SNBTS | -0.3 |
| Fleet replacement: SNBTS | -0.3 |
| Breast Screening | -0.6 |
| **Total recurring** | **-1.2** |
| Programmes underway - see below* | -1.65 |
| **Total Commitments** | **-2.85** |
| **Funding Available** | **0.15** |
| **Shortfall - Funded from Revenue or Capital Receipts** | **6.5** |

| Investment Requirements | £m |
|---|---|
| **SBU Development Bids** | |
| Practitioner & Counter Fraud Services | 0.3 |
| Digital & Security | 0.6 |
| Procurement Commissioning and Facilities | 0.4 |
| SNBTS | 1.2 |
| **Sub-Total Development Bids** | **2.5** |
| | |
| **Property Backlog Maintenance (Capital)** | |
| High Risk | 0.6 |
| Medium Risk | 2.5 |
| Low Risk | 1 |
| **Sub-Total Property Backlog Maintenance** | **4.1** |
| | |
| **Total Investment Requirements** | **6.6** |

| * Programmes underway 20/21 | |
|---|---|
| DCVP | 1.00 |
| WMS | 0.30 |
| Flow Cytometer | 0.35 |
| | **1.65** |
| Building programme - Capital slippage from 19/20 (funding to be returned from SG) | 0.59 |

The vast majority of the capital allocation has already been committed on recurring programmes and previously approved bids. The shortfall of £6.5m against the capital requirements will be reviewed as part of the recovery planning work, and would be funded from Revenue or potential capital

**NSS Board**
**Friday, 26 June 2020**

**People Report – May 2020**

| B/20/44 |
| --- |

**Purpose**

The purpose of this paper is to provide the Board with a range of workforce data and information to allow discussion and agreement on issues of concern.

**Recommendation**

The NSS Board are asked to note the information contained in the cover paper and the key points contained in the attached slides.

**Timing**

The report provides a position as at 31 May 2020.

**Summary**

Overall NSS remains in a positive position on the range of workforce issues reported to the Board. Any areas requiring improvement continue to be addressed through the Executive Management Team, individual SBU Directors and the NSS Partnership Forum. This includes performance on statutory training where the compliance figure is lower than expected, however, SBUs are urgently addressing this. The compliance figures for mandatory training have improved since the last report to the Board. All staff are currently being encouraged to complete the appraisal process by the end of June, following previous pausing of this requirement due to COVID-19 pandemic, plus review objectives and PDP for the year ahead.

**Sickness Absence and COVID-19 Special Leave**

NSS Sickness absence has significantly reduced to the lowest ever reported rate, at 2.69%. Short Term absence has reduced from 1.29% in April to 0.9% in May. Long Term absence has seen a significant reduction from March, which was reported at 2.73% to 1.79% in May. Based on the past three years of absence data, the year-end sickness absence rate is expected to be 3.97%.

There are six Coronavirus/Self-isolating employees, of which two employees are within PCF SBU and four employees within SNBTS SBU. Employees who are self-isolating due to Underlying Health Conditions make up the biggest proportion (78%) of all employees currently on a COVID-19 related Special Leave absence. There is expected to be an increased number of employees with Underlying Health Conditions returning back to work at the end of June.

One employee from SNBTS SBU has been entered under a new Coronavirus related absence – Test and Protect, where they have been advised to isolate by the Test and Protect Service. There are currently five employees who are deemed as Critical Workers who are self-isolating due to showing symptoms or have a household member showing symptoms. A total of 38 tests have been requested of which, 18 are for other household members as well as employees, and only 22 have been deemed eligible for testing.

**There continues to be a focus on workforce support measures relating directly to the COVID-19 pandemic, including:**

- **Virtual Recruitment** – provision of advice and guidance on Virtual Recruitment to support managers to successfully attract, select and on-board new starts into NSS utilising a mix of best

practice and virtual tools. An accelerated COVID-19 recruitment process has been provided for returners and new starts into NSS for COVID specific roles.

- **National Contact Tracing Centre** – HR are supporting the set up and implementation of the new National Contact Tracing Centre as part of the Test and Protect programme led by Public Health Scotland. This includes fast track establishment of the recruitment, onboarding and induction programmes for the Contact Tracers and Team Leaders. A digital event to welcome the first Contact Tracers to NSS took place on 17 June and a Leadership onboarding event took place on 18 June. A rolling programme of events will run over the next few months to ensure the core workforce are fully established in post.

- **SPF Partnership Working Statement** – A short life working group of the NSS Partnership Forum provided guidance and advice on the implementation of the recent SPF Partnership Working Statement including the protocols for organisational change and case management. Whilst a number of cases are on hold, in line with the statement, others have already been undertaken virtually with the overall feedback being positive. Availability of panel members has been easier to manage, allowing cases to conclude within a much shorter timescale. The recent support from Counter Fraud Services staff, who were available to assist the process, has been extremely beneficial and, again, has contributed to a reduction in timescale of some cases.

- **Coaching for Wellbeing** – five NSS coaches have been supporting the new National NHS Scotland Coaching programme, aimed at all staff across Health and Social Care. Management information will be available in due course around staff who have accessed the service and the impact of the programme on wellbeing.

- **Learning and Development** – a range of webinars have been delivered to staff over the last month aimed at supporting the ability to manage remotely, managing resilience. The team are also focussing on solutions for a re-induction pathway in the overall induction programme for staff, how the office will look and wellbeing for those returning to work or continuing to work from home.

- **NSS Mobilisation Plan** – HR continue to support a range of activities to support the NSS recovery plans. Currently the focus has been on workplace with the development of a Working at Home Guidance Package and Self-assessment; development of a Back into a NSS Building Guidance Package; Working at Home Toolkit covering stress and mental health, resilience, top tips, display screen equipment etc. along with guidance for managers. In respect to the People, Culture and Communications work-stream, the focus has been on the people aspects of mobilising staff back into the workplace, including consideration of terms and conditions, policy implications and new ways of working.

- **STAC Letters and SG Circulars relating to COVID-19** – HR has worked in partnership through Short Life Working Groups to develop guidance and FAQs to support the interpretation and application of STAC letters and SG Circulars which have introduced temporary changes to terms and conditions and employment practice during COVID-19. A wide range of guidance and FAQs have been produced, circulated and uploaded onto the coronavirus hub on HR Connect.

- **Once for Scotland Policies** – the Once for Scotland Programme of work which was looking at the remaining PIN policies is now on hold due to COVID-19. At this time, there is no confirmed date as to when this will be resumed.

- **iMatter** – this continues to be suspended due to COVID-19. However, work has commenced on reviewing different methods of engagement with employees on a continued basis. Discussions are also taking place at the Scottish Government on a Pulse survey of staff.

**Jacqui Jones**
**Director of HR and Workforce Development**
**17 June 2020**

# NSS People Report

May 2020

# Summary

**COVID-19**

There are currently 6 employees who are self-isolating due to showing symptoms or someone within their household is symptomatic.  A number of employees are self-isolating due to underlying health conditions from SNBTS, PCF and P&CFS, with many expected to return to work by the end of June.

There have been a total of 38 requests to be tested for COVID-19 with 22 being eligible for testing.

**Absence**

Since employees have been advised to work from home, where possible, by the Government and by the organisation, sickness absence has been lower than expected. Many SBUs are showing significantly lower rates over April and May.  A number of Long Term absences have not been extended, with Anxiety/Stress/Depression reducing by nearly 50%.

Managers within SBUs are monitoring employees to ensure that they are not working when unwell, as they continue to work in the home environment.

**Statutory Training**

Both 2 Year and 3 Year Compliance rates are above 90%. The Statutory Compliance rate is currently low, at 67.03%, however, this is a new course on LearnPro so this will be expected to increase in the coming months.

**Recruitment**

There has been a significant increase in applicants in April and May due to the Contact Tracing roles.

Recruitment to two key posts within DaS SBU is due to commence shortly; The Head of Information and Cyber Security and Head of Data Services, which are both business critical in continuing the response to COVID-19 and moving towards a new normal.

# COVID-19 Special Leave

| Coronavirus | COVID-19 Positive | Household Related -Self Isolation | Underlying Health Condition | SP/32 Coronavirus/ Self-isolating |
|---|---|---|---|---|
| Current 3 | Current 2 | Current 0 | Current 39 | Current 6 |
| Total 22 | Total 3 | Total 128 | Total 92 | Total 222 |


Total Absent Employees

2 employees within PCF and 4 from SNBTS SBUs are currently self-isolating due to showing symptoms

The number of employees self-isolating due to Underlying Health Conditions has been decreasing, with a further 12 expected to return by the end of the month
- SNBTS – 19 employees
- P&CFS – 11 employees
- PCF – 9 employees

1 employee currently tested Positive within PCF SBU

22 critical workers have been eligible to be tested
-20 employees from SNBTS
-1 employee from PCF
-1 employee from Clinical


New Absences


Absences Ending

# Statistical Process Control



Sickness Absence SPC

The NSS sickness absence has seen a significant reduction in sickness absence in April and further reductions in May, with YTD below the Lower Control Limit (LCL).

**DaS, P&CFS, PCF, SNBTS, SPST SBUs** are all below the LCL.

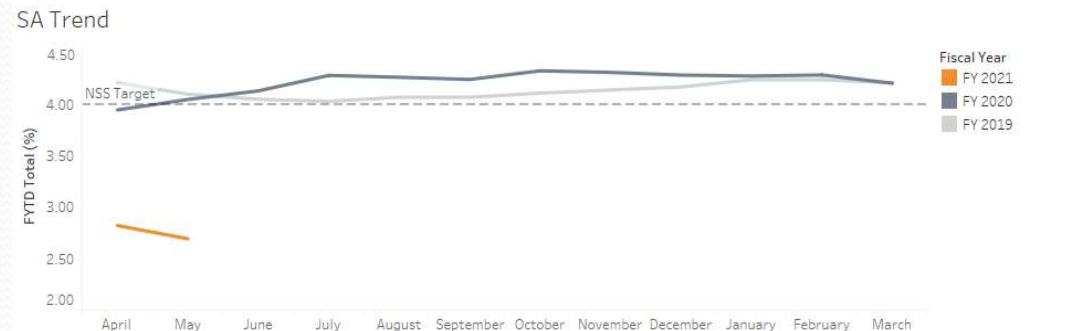**Finance** and **HR SBUs** remain above the LCL but are noticeably lower.

**CLO** and  **Clinical SBUs** sickness absence show minimal changes.


Sickness absence has remained lower since employees began working from home.

# Sickness Absence

NSS Sickness Absence rate has remained lower than expected for the second month, at 2.69% in May.

LT absences has reduced from 2.73% in March to 1.79% in May.



**Highlights**

Month to month reduction of new absences has decreased from March (241 absences) to May (94 absences).

**Anxiety/Depression/Stress –** number of hours lost has reduced by 43% from March (5,870 hours) to May (3,326) and the number of hours is 35% lower than the same time last year (5,147 hours May 2019).
**Gastro-Intestinal Problems** – a common top 3 reason for absence has dropped due to the number of hours lost reducing by over 100 hours since March. The number of hours is over 50% less than the same period last year.
**Cold/flu/influenza –** hours for a common top 3 absence reason has reduced by over 500 from this period last year, with the YTD cost for 2021 FY being £24,000 lower compared to 2020 FY.

PCF have reported lower sickness absences compared to the last 2 years, with reductions occurring within the warehouses and BDD.

Managers are monitoring this situation to make sure staff are not working when unwell, because they are in their home environment.

# Case Management

There are 103 employees on an Active Trigger in May, of which 18 (17.5%) are currently being supported by HR.
One employee has hit both Day and Episode Triggers.

The number of new triggers has decreased, which is expected with the reduction in sickness absence.

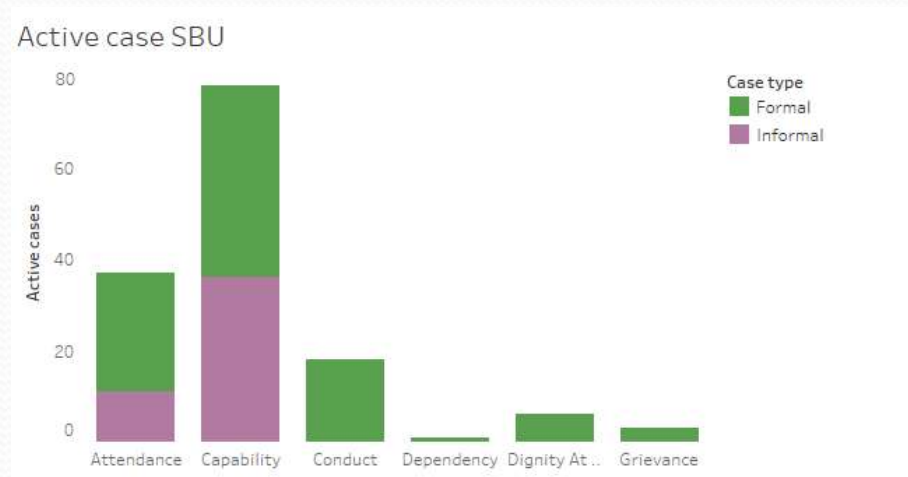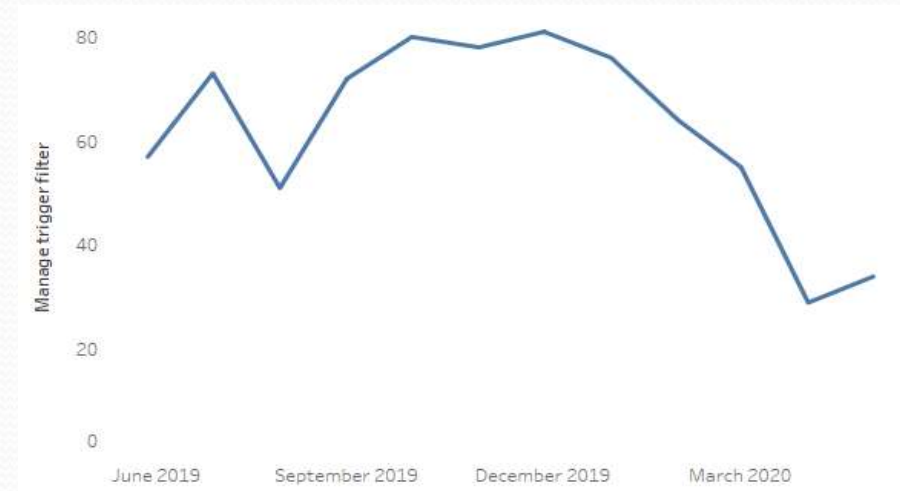**Breakdown of Active Cases**

Attendance = 37 active cases (+2)
Capability = 78 active cases (-3)
Conduct = 18 active cases (-)
Dependency = 1 active case (-)
Dignity at Work = 6 active cases (+2)
Grievances = 3 active cases (-)

# Turnover

Turnover

NSS turnover rate is at 1.08% YTD and
forecasted to end the FY at 6.69%.

New Starts – 14 employees

Number of new starts reduced by 12

Leavers – 11 employees

SNBTS – 7
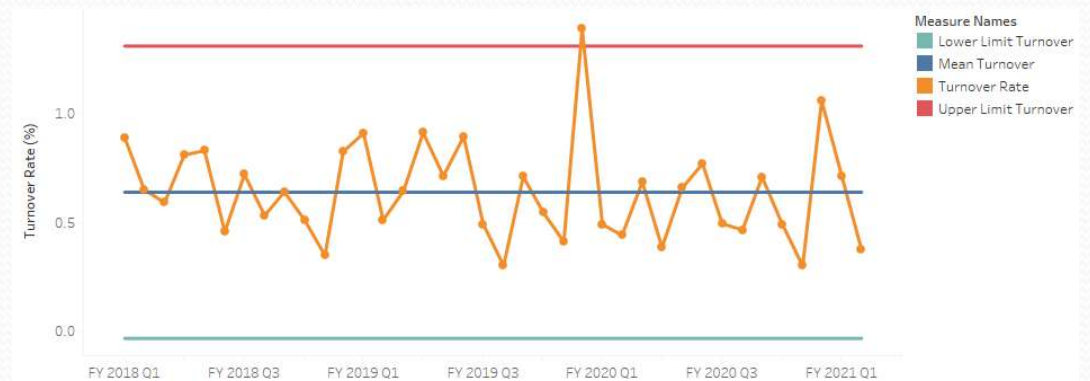P&CFS – 3
SPST – 1

Leaving reason
Retirement – 5
New Employment NHS Scotland – 4
Other – 1
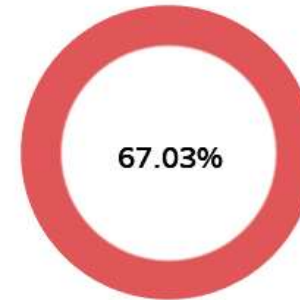VE Retirement + Acturial Redun - 1

# Mandatory/Statutory Training

| 2 Year Compliance | 3 Year Compliance | Statutory Compliance |
|---|---|---|
| 94.85% | 92.92% | 67.03% |

There has been a drop in statutory training due to the introduction of a new NSS Fire Safety course from 83.34% to 67.03%.

All employees are expected to complete the new Fire Safety module and line managers are communicating this to their employees.

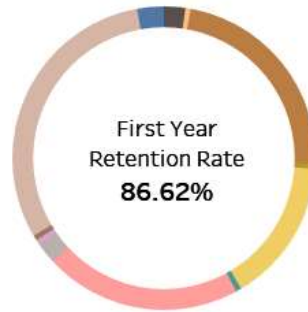Completion rate varies across NSS with no SBU compliant in this module.

# Turas Appraisal



| Appraisal Compliance | PDP Compliance | Objective Compliance | Post Outlines Missing | No of. A4C Employee No Login |
|---|---|---|---|---|
| 51% | 61% | 59% | 70 | 258 |

Appraisal, PDP and Objective Compliance have all decreased slightly across NSS in May.

Appraisal Compliance from 52-51%, PDP Compliance from 64-61% and Objective Compliance – 63-59% from April to May. This is due to the COVID-19 pandemic. Line managers are being asked to complete appraisals by the end of June 2020.
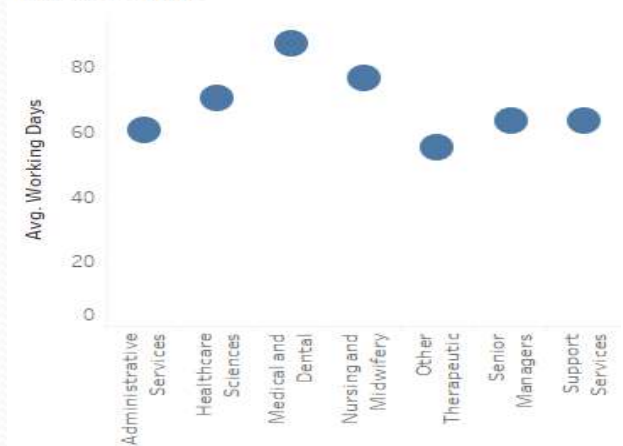
# Recruitment



Application Completion Rate
**46.54%**

Offer Acceptance Rate
**80.00%**

First Year Retention Rate
**86.62%**



Time to Hire

There have been 43 posts that have being advertised within the 2020/2021 FY. Currently 17 live posts.

There have been 1,395 vacancies being advertised (97.06% Fixed Term Contract)
- 1,350 are Contact Tracer/Team Leader roles within P&CFS
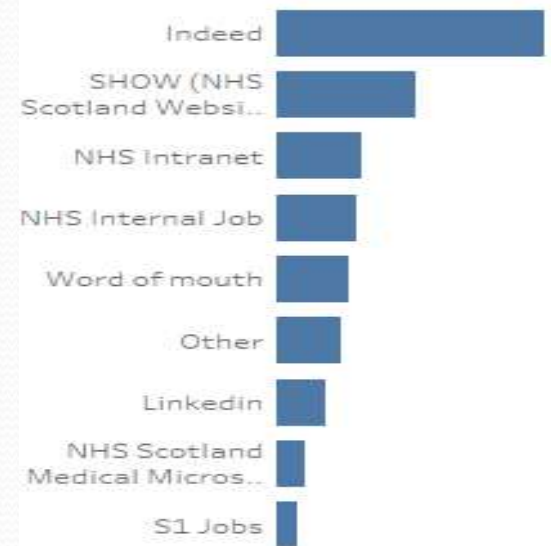- Contact Tracer roles being moved to SPST

Significant number of applications being created and submitted from 207 in April to 1,444 in May – due to Contact Tracing roles.

Application Completion Rate has reduced due to 67.9% of incomplete applications are from Contact Tracer roles.



Applied through Adverts

Indeed
SHOW (NHS Scotland Websi...
NHS Intranet
NHS Internal Job
Word of mouth
Other
Linkedin
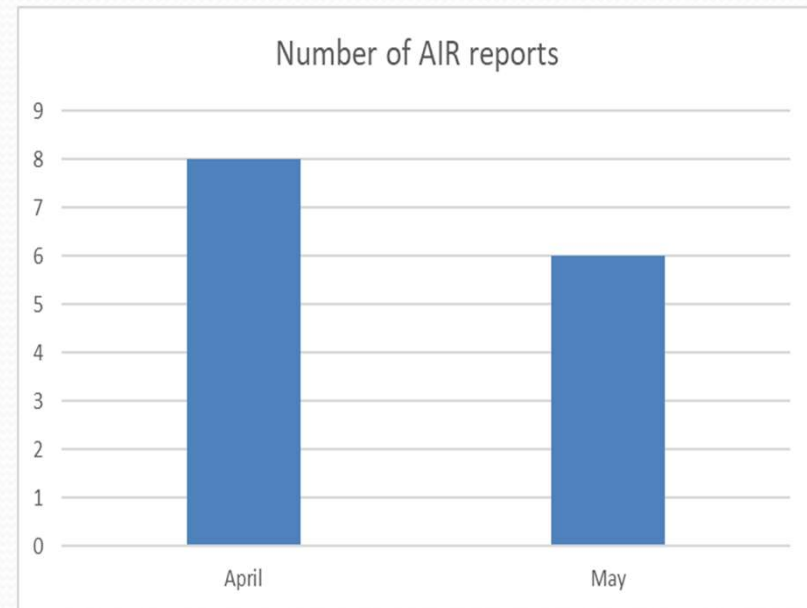NHS Scotland Medical Micros...
S1 Jobs

# Occupational Health & Safety

**Health & Safety Update:**

No RIDDORs reported.

Health and safety activity has continued on a business as usual basis during the period of the pandemic to ensure that compliance and safety and well being of staff has remained central during the time of change for staff. In addition support was provided to NHS Louisa Jordan and this continues.

Support is also being provided to the Recovery plans in relation to the at home and returning to buildings workforce.



Number of AIR reports

| Row Labels | Count of AIR No | Sum of No of Days Absence |
|---|---|---|
| Violence/Aggression (verbal abuse) | 4 | 0 |
| Other | 4 | 0 |
| Struck by a moving/flying/falling object | 2 | 0 |
| Exposure to/contact with a biological agent | 2 | 0 |
| Lifting/handing/carrying an object | 1 | 14 |
| Struck by a moving vehicle | 1 | 0 |
| Slip, trip, fall on the same level | 1 | 0 |
| **Grand Total** | **15** | **14** |

# Occupational Health & Safety

**Occupational Health Update:**

From the end of March all Occupational Health services suspended their normal services to support the risk assessment required in each Board which had an impact on the services provided by NSS. NSS Occupational Health services provided management assistance by responding to over 1,500 calls during April and May from staff and managers.

In addition, a test facility was developed that allowed staff from national boards access to testing country wide through both Board and UK testing sites. This site is now also being used to undertake contact tracing for health care staff from National Boards until the national service is available.

Support was also provided to NES to health clear over 6,000 students and returners, using a team of recruited OH nurses. This work will continue until September 2020.

**Occupational Health Referrals:**

NSS occupational health service moved to a remote service and picked up all the appointments that could not be undertaken by the territorial boards for NSS, SAS, NES, HIS and PHS. This allowed staff and managers to continue to receive OH support and was in addition to the risk assessment work and the OH clearance for Louisa Jordan. OH also supported the Clinical Governance Committee at Louisa Jordan.

# Occupational Health & Safety

**Wellbeing Update:**

With so many staff working from home for the first time and the risk assessment requirements for staff with underlying health conditions, the main focus of work has been to ensure as far as possible that staff are provided with access to services that support both home working and also those that have been at work in buildings.

Arrangements have been put in place to ensure that staff who have specialised equipment have been able to have this equipment at home. We have also increased the access that is available to counselling and support services and physiotherapy services were moved to a digital service.

**B/20/46**

**NSS Board Meeting – June 2020**

# Digital and Security June update for Board/ EMT

## Purpose

This paper provides the monthly update from Digital and Security for Board and EMT information. The purpose of the paper is to provide an update primarily in relation to the current focus on COVID-19 activities and progress across the National programmes and key security updates.

## Recommendation

The Board is asked to note the activities outlined in this report and to recognise the significant contribution DaS is making to the COVID-19 response & recovery whilst continuing National and regional programme delivery, all aspects of digital security services and support;

- Continuing to enable and support NSS and wider Health Board staff to continue to work remotely and collaboratively
- Designing, delivering and supporting of a suite of digital tools including integrated case management, border patrol and COVID test results enabling critical test and protect activities in the COVID-19 recovery across Scotland
- Provision of a suite of use cases, model and dashboards enabling local and national data driven decision making and providing a scalable Intelligent Public Health platform capability for the future
- Continued deployment of Secure digital services and hosting facilities
- Deployment of Clinical Informatics and Information Governance expertise capabilities
- Scoping work around COVID vaccinations

DaS continue to underpin and enable critical response and recovery to COVID issues and are working with a broad range of NHS partners, SG and suppliers to ensure rapid response and deployment of suitable Digital and Security solutions and Services. Profile and engagement continues to be extremely positive.

## Timing

The board are asked to note the contents of this pack which was updated on 22nd June 2020.

## Background

DaS are continuing delivery against Digital and Security Strategy on 3 fronts:
1. National Programmes
2. 3 Year Information Security Programme
3. Organisation Change and Modernisation Programme

## Procurement and Legal

Procurement and Legal have been included in this update where appropriate.

## Engagement

Programmes are in all in flight and have ongoing engagement across NSS as appropriate.

## Equality & Diversity

All programmes have equality and diversity considered and assessed.

**Name of the Author: D Mitchelson**
**Designation Tel:**
**Email: deryck.mitchelson@nhs.net**

# NSS Digital UPDATE: 22 June 2020

## Deryck Mitchelson – Director Digital and Security

### *COVID National Response*
**NSS Digital and Security** has been the lead delivery organisation across all national digital response activities; test results, contact tracing, information security and governance, enterprise architecture, clinical informatics, contact tracing and management information/ dashboards. There has been a high level of confidence in our capability to deliver at pace resulting in a continued ask from Scottish Governance for DaS to own the end-to-end delivery pipeline. At its peak we have had over a 100 DaS staff concurrently working on deliver COVID response activities for Scottish Government in addition to supporting our national programmes and BAU.

### Contact Tracing
Mid-May DaS Director persuaded PHS Chief Executive not to follow the same path as the other 4 nations in securing a contact tracing system implemented by a major 3$^{rd}$ party supplier, such as Accenture or Cap Gemini. Whilst the other home nations agreed to proceed with a Microsoft dynamics 365 solution our thinking was to deliver a lasting legacy using existing NHS technologies and capabilities and to build contact tracing using ServiceNow and a full suite of analytics using our data lake and BI platform. Scottish Government fully agreed this approach. We were challenged to implement a system for training purposes on 15$^{th}$ June and to be production ready on 22$^{nd}$ June.
Our digital solutions for contact tracing with integrated telephony have gone live at 8.00 am 22$^{nd}$ June. Delivery was independently assured by KPMG, on the behalf of Scottish government, who commended DaS for the quality of implementation team and delivery.
In addition, a support service has been mobilised around contact tracing providing provision of physical/virtual desktops, bring your own device and a 7 day a week service desk.
This has been an amazing team effort which has showcased the best of DaS capabilities.

### BI Analytics and Dashboards
The BI team have developed 4 "live" dashboards providing drill down capability across NHSS & UKG test results, contact tracing (Simple Tracing Tool) and care homes (UK Care Home Portal and lighthouse lab). MI requirements have been agreed for national contact tracing service and the first suite of dashboards will be delivered from Tuesday 23$^{rd}$ June.
The dashboards have been rolled out across territorial health boards and SG stakeholders.
The BI team have reached out into territorial boards to better understand what local data sets boards are using and to consider how these can be consumed into the data warehouse providing more granular local intelligence.
A meeting was held with SG on Monday 22$^{nd}$ June and they were in agreement with our strategy of consuming more clinical and operational data into a national data warehouse to provide quicker and better MI for policy end decision making.

### Border Patrol Data
DaS have been asked to manage the process around receiving and reporting of border patrol data that will be used to support the 14-day international flight quarantine. We expect to receive the first flight data feed on Tuesday 23$^{rd}$ June. We are planning to pull this data into ServiceNow and the BI data warehouse.

## Information Security & Governance (IS&G)
The IS&G pillar is continuing to provide BAU service and managing our year 2 Information Security programme. Following the NIS D assessment, IS&G have started to map out the controls where improvements were highlighted for controls where we didn't fully meet the requirement. This will be managed through the Information Security Programme reporting up into the audit and risk committee.
We are working on the re-certification of our Cyber Essentials compliance which is due for renewal in July. The team have completed the first pass of this work and we are confident that on the back of the NIS D we are in a strong position.
Since the last board the team have managed 2 low impact information security incidents. Mitigations have been implemented to resolve the issues.

DaS are continuing to push on the national roll out of Microsoft Defender ATP (anti malware protection). The number of laptops/desktops being protected nationally is now over 50K. As we are continuing to work with National Cyber Security Centre (NCSC) to increase our ATP threat hunting capabilities. We have shared the output of our operating model proposal for a Cyber Security Operations Centre (CSOC) with Scottish Governance and have now opened dialogue around a national service.

Colin Howarth, are Head of Information Security leaves NSS at the end of June. We expect to advertise for Colin's backfill on Tuesday 23rd June.

### Digital Innovation

The NSS data lake and integration hub is being expanded to provide data marketplace functionality. This innovation provide functionality for sharing data catalogues and data and allowing our data to be more easily consumed in a safe and efficient manner. This will be first data marketplace to be launched in the NHS.

In response to the national contact tracing service mobilisation we have developed a virtual NSS desktop capability in MS Azure. This provides us with an immediate capability to provide staff with a streamed desktop function to access our corporate systems and to offer BYOD services to staff.

### Clinical Informatics

Paul Campbell has been released from his NHS Louisa Jordan work meaning the Clinical Informatics team are now back to full capacity of 4 FTE. Thanks need to be given to the team and in particular to Dr Brendan O'Brien who has been owning the clinical assessment and assurance for COVID data and systems in addition to their substantial BAU workload.

Brendan has been asked by SG to perform the role of SRO for their SNOWMED CT programme (global standards for health data and terms).

### Office365 Rollout

NSS are continuing to realise the benefits of O365 teams being rolled out. Nearly all meetings are being conducted through MS Teams and the improving collaboration features are proving popular for information sharing.

The NSS mail migration is scheduled for to start mid-July with the expectation to be complete early August. Considerable preparation work has been completed to tidy up mailboxes and folder structures to enable the migration. It is worth noting that the migration will be more difficult given our distributed workforce, with no floor walking support being available. In response we are increasing this capacity of our servicedesk team.

### *National Programmes:*

Work on the national programmes is progressing well with the exception of GPIT where we have a supplier delivery issue.

Details are provided in the attached highlight reports.

CHI  CH PMG COG       O365 Highlight
Update 26052020_v1.(Report - May 2020.pp

## 2020/21 REGISTER - AS AT 19.6.20

| | Changes during year | | | Changes since last report to Board | | | B/20/47 | |
|---|---|---|---|---|---|---|---|---|

| Board Member | Gifts & Hospitality | Remuneration | Related Undertakings | Contracts | House, Land & Buildings | Shares & Securities | Non Financial Interests | Election Expenses |
|---|---|---|---|---|---|---|---|---|
| Julie Burgess | Nil | ~~Advisory Board Member (Health) of Interim Partners~~<br><br>Director, Wale King Associates | Advisory Board Member (Health) of Interim Partners, part of the New Street Group.<br><br>Trustee, St Peter's and St James' Hospice in Mid Sussex | ~~Wale King Associates – NHS Elect (England)~~ | Nil | Nil | School Governor for Oathall Community College, Haywards Heath, West Sussex.<br><br>Trustee, St Peter's and St James' Hospice in Mid Sussex.<br><br>Grants Committee Member, Hospice UK | Nil |
| Ian Cant | Nil | Nil | Nil | Nil | Nil | Nil | Chair Unison Scottish Health Care Branch (wef 26/03/15) | Nil |
| John Deffenbaugh | Nil | ~~Director, Frontline Consultants Ltd~~<br>Director, Glasgow Repertory Company | ~~Director, Frontline Consultants Lt~~ | Nil<br>Nil | Nil<br>Nil | Nil<br>Nil | Nil | Nil<br>Nil |
| Kate Dunlop | Nil | Chair, Alan Dunlop Architects<br><br>~~Non-Executive Director, Education Scotland~~<br>~~Non-Executive Director, Accountant in Bankruptcy~~ | Nil | Nil | Nil | Nil | Nil | Nil |
| Carolyn Low | Nil | Nil | Nil | Nil | Nil | Nil | Company Secretary, Breeze Media Ltd (Unpaid) | Nil |
| Mark McDavid | | Non-Executive Chair, Heck! Food Ltd ~~Thirsk Food Logistics Ltd (Trading as HECK)~~ | Nil | Nil | Nil | Nil | Chair, Trinity Park Foundation | |
| Lorna Ramsay | Nil | Nil | Nil | Nil | Nil | Nil | Member, Faculty of Medical Leadership and Management (FMLM)<br><br>Member, Faculty of Public Health UK<br><br>Member, Scottish Association of Medical Directors (SAMD)<br><br>Member, British Medical Association (BMA)<br><br>Member, Medical and Dental Defence Union of Scotland (MDDUS) | Nil |
| Alison Rooney | Nil | ~~Chief Executive - Royal College of Surgeons, Edinburgh~~ | Nil | Nil | Nil | Nil | Chartered Marketer, Chartered Institute of Marketing | Nil |
| Colin Sinclair | Nil | Nil | Nil | Nil | Nil | Nil | Chair, National Infertility Group<br><br>~~Member, Data Management Board, Scottish Government~~<br><br>Member (representing NHSS CEOs) of Strategic Leaders Group for the Scottish Leaders Forum.<br><br>Member, Digital Health and Care Strategy Group<br><br>Member Scottish Medicines Consortium<br><br>Member, Infrastructure Delivery Group<br><br>Member, Talent Management Board<br><br>Member, Student Mental Health and Wellbing Group | Nil<br><br>Nil<br><br>Nil<br><br>Nil |
| Keith Redpath (1.8.19) | Nil | Care Inspectorate - Member<br>~~Scottish Social Services Council - Member  Until 31.8.19~~<br>Management Consultant<br>Musician - self employed | Nil | Nil | Nil | Nil | Nil | Nil |

# Minutes

**NHS**
**National**
**Services**
**Scotland**

**B/20/48**

## NHS NATIONAL SERVICES SCOTLAND (NSS)

## MINUTES OF THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON WEDNESDAY, 4 DECEMBER 2019 IN ROOM 6.5, MERIDIAN COURT, GLASGOW COMMENCING AT 0930 HRS

| | |
|---|---|
| **Present:** | Mr Mark McDavid, Non-Executive Director (Chair) |
| | Mr John Deffenbaugh, Non-Executive Director |
| | Mrs Kate Dunlop, Non-Executive Director |
| | Mr Keith Redpath, NSS Chair |
| | Mrs Alison Rooney, Non-Executive Director |
| **In Attendance:** | Mr Lee Dobbing, Service Auditor, KMPG |
| | Ms Inire Evong, External Auditor, Audit Scotland |
| | Mrs Carolyn Low, Director of Finance |
| | Mrs Eilidh McLaughlin, Associate Director, Corporate Affairs and Compliance |
| | Mr Jim Miller, Director of Procurement, Commissioning and Facilities [Items 1- 7] |
| | Mr Deryck Mitchelson, Director Digital & Security [Item 14 – via telephone] |
| | Mr Andy North, Service Auditor, KPMG |
| | Mr Andy Shaw, Internal Auditor, KPMG |
| | Mr Colin Sinclair, NSS Chief Executive |
| | Mr Mark Taylor, External Auditor, Audit Scotland [Items 1- 5] |
| | Mrs Marion Walker, Risk Manager Lead [Items 12 & 13] |
| | Ms Fiona Watson, NHS Overview Team, Audit Scotland [Items 1- 5] |
| | Mrs Lynsey Bailey, Committee Secretary [Minutes] |
| **Apologies** | Ms Rachel Brown, External Auditor, Audit Scotland |

**ACTION**

## 1.    WELCOME AND APOLOGIES

1.1    Mr McDavid welcomed all to the meeting and noted the apologies and those in attendance.  Before starting the formal business of the meeting, Mr McDavid asked the Committee Members if they had any interests to declare in the context of the Agenda items to be considered.  No interests were declared.

## 2.    MINUTES OF THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON 12 SEPTEMBER 2019 [paper ARC/19/71 refers]

2.1    The minutes of the previous NSS Audit and Risk Committee (ARC) meeting, held on 12 September 2019, were accepted as a true and accurate record. Picking up on the Digital Strategy update at minute 8.1, Members were looking for more assurance although recognised that it had been a more general update on progress and Mr Mitchelson would also need a more specific steer as to the assurance being looked for.  Members agreed that minutes 4.5 & 4.6, regarding the Programme Management Services Sustainability Risk, felt as though they were missing an action but were reassured that it had also been another status update and that a business case would be coming to the Board in February 2020.  Finally, Members briefly discussed the patching policy risk and were assured that there would be a follow up update circulated in due course.

**disability confident COMMITTED**

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

Chair:            Mr Keith Redpath
Chief Executive:   Mr Colin Sinclair

Page 1 of 6

**3.      MATTERS ARISING** [**paper ARC/19/72 refers**]

3.1     Members noted that the majority of actions were completed, covered by the current agenda or scheduled for a future meeting.   Members discussed the KPMG review of compliance and clarification around the requirements.  Mrs Low, Mr Lucas and Mr Taylor agreed to discuss this outwith the meeting.

**4.      DRAFT AUDIT PLAN 2020/21 [paper ARC/19/78 refers]**

4.1     Mr Taylor spoke to the paper, which summarised the planned scope and timing of NSS's 2019/20 external audit, and also provided clarification on the fee range. Members were assured the listed audit risks were those that that might impact on Audit Scotland's opinion on the accounts and were not necessarily NSS organisational risks.  In respect of the wider dimension risk regarding NSS's ambitious digital strategy, Members discussed the expectations around this and were reassured it was being picked up within an external audit.

**5.      NHS OVERVIEW  [paper ARC/19/79 refers]**

5.1     Ms Watson spoke to the paper, which summarised Audit Scotland's findings on the overall performance of the NHS in Scotland, which stated that there was "intense pressure on staff and a service model that will remain financially unsustainable without a much greater focus on health and social care integration".  Members acknowledged that acute hospitals were working so hard to meet targets and demand, that there was little capacity for other strategic work.  Members discussed the potential opportunities for leverage that NSS could take (e.g. though National Boards collaboration), how NSS could drive that forward and achieve an environment which allowed NSS to take the calculated risks.  Members acknowledged the challenges in achieving this (e.g. striking a balance between enabling local decisions and sharing best practice, or finding an approach that encouraged universal buy-in).  Members also felt that, within the NSS case study included with the report, it could be clearer that NSS was brought in after the issue occurred.  Members were given an overview of the next steps for the overview report.  Members felt the report needed to make some more specific recommendations.  In the following discussion, Members acknowledged the need to for clarity around accountability, objectives, and outcomes in respect of the Integrated Joint Boards. It was also felt NSS's best option was to be credible and promote its services as offers of assistance rather than taking a more directive approach.

**6.      NSS INTERNAL AUDIT UPDATE [paper ARC/19/73 refers]**

6.1     Members noted the report, which provided an overview of progress against the current internal audit plan.  Mr Lucas advised that the audits on SNBTS IT Projects, Complaints Handling Process, Clinical Waste Management Contingency, and Financial controls were on track to come to the next meeting, as per the indicated timelines.

**7.      ENVIRONMENTAL MANAGEMENT [paper ARC/19/74 refers]**

7.1     The audit had found that the necessary governance was in place although some areas for improvement had been identified.  Mr Miller confirmed that these gaps were relatively low risk and that NSS provided very good external assistance. However, there was a need for more internal resource.  NSS's Sustainability Manager had taken this audit as an opportunity to flag up the need for that assistance.  Members could be assured that there were no compliance issues regarding waste and that, with respect to fleet, a new tracking system was being piloted in SNBTS which was expected to roll out to other areas of NSS in due course.

7.2     Members discussed the statement about travel policy within NSS and were assured that no area of travel was currently unregulated.  They noted work was being done to consolidate the existing guidance into a single policy and the timescale noted for this was to allow for full consultation/engagement to take place and avoid any unintended consequences as far as possible.  Members expressed concerns that this did not correspond with what had been reported at the recent NSS Finance, Procurement and Performance Committee (FPPC) but were advised that the FPPC report had been from a delivery perspective but this audit was focussed on the governance arrangements.  Members were also assured that, in the absence of a "Once for Scotland" NHS travel policy, the NSS policy would be built around those principles.  Finally, with regard to risks from the legal risk register being reflected in NSS's corporate risk register, Members advised they did not feel assured by the auditors' observations and accompanying management response.  The ensuing discussion clarified that this was more about reflecting the changes in legislation and Members were subsequently assured NSS would be able to demonstrate awareness should that become necessary before there was an opportunity to update the corporate risk register.

8.      **FREEDOM OF INFORMATION REVIEW  [paper ARC/19/75 refers]**

8.1     Members noted the contents of the report and were pleased that there had been no findings raised.  They wished to record their thanks to the team for the work they had done.  Members discussed the increasing volume of requests, how this was expected to grow, and ensuring what was in place was scalable in response to that – a specific finding had not been raised around that as it was actively being addressed.  Members were also assured that non-NSS communication channels were not being used by staff and that this was something being emphasised by the Freedom of Information team.  There was recognition that around half of the volume of requests were directed at Public Health and Intelligence, which would be diverted to Public Health Scotland from April 2020, although this would require more of a readjustment of resource rather than freeing up any capacity.

9.      **DRAFT INTERNAL AUDIT PLAN 2020/21 [paper ARC/19/76 refers]**

9.1     Mr Lucas invited feedback on the draft plan.  Members discussed the risk universe and were keen for more benchmarking information – particularly in respect of best value and to what extent NSS was focussing on the right areas.  Members sought and received clarification around the planned number of days and audit items up to 2023 and asked for the explanation to be included in the narrative of the plan.  They noted that there would be a potential refresh of emerging areas as most of those currently listed would fall into business change.  Members also felt there needed to be more clarity on how objectives flowed from Scottish Government through to NSS's Strategic Business Units, and how the impact could/would be measured.  For the updated and final draft of the plan, Members asked for consideration to be given as to whether there were any reviews that needed to be prioritised, and whether the activities were really driven by the organisational risks and linked to the kind of organisation NSS wanted to be.  Members also discussed the process for agreeing the items that were included in the plan and the need to consider how this could be better reflected.  Members were particularly interested to understand in what circumstances internal audit would be the most appropriate assurance route as opposed to other, alternative routes.  Mr Lucas agreed to reflect on this feedback for the final draft of the plan, due to be presented to the next ARC on 31 March 2020 for recommendation to the Board. **Action: KPMG to update the draft plan for the next ARC meeting on 31 March 2020 in line with the feedback   KPMG received.**

**10.      SERVICE AUDIT [paper ARC/19/77 refers]**

10.1    Members noted the paper which summarised the status of the service audit process.  The key points highlighted were that progress was slightly behind schedule and the scope of some areas had been broadened, which had now been reflected.  Members were provided with an overview of the rationale behind the proposed changes and assured that the first reports would be ready in May 2020.  Members also discussed the timelines for management response and delays and received clarification of the Service Audit role.  Following a query around the difference between the originally intended scope and what was now being proposed, Members were assured that the enhancements looked for had been achieved, NSS's customers' needs and expectations would still be met, and that the additional work now out of scope was being covered another way.

**11.      NSS INTERNAL AUDIT ACTIONS REPORT [paper ARC/19/80 refers]**

11.1    Members briefly discussed and approved the action closures, and the requested extensions, noting the background of the extension requests.

**12.      RISK MANAGEMENT UPDATE [paper ARC/19/81 refers]**

12.1    Mrs Walker took Members through the paper and noted the following key highlights:

- Two new Red risks had been raised between 31 August and 31 October 2019, taking the total to six open Red risks;
- The number of Amber Reputational risks, had decreased by one to 17 in total and no new Amber Reputational risks had been raised between 31 August and 31 October 2019;
- The Committee could be assured that the Corporate risks were being appropriately monitored and managed in line with IRMA.

Members were content with the updates and assurances provided.

**13.      RISK APPETITE [paper ARC/19/82 refers]**

13.1    Members were provided with a brief overview of the proposed approach to review and agree the risk appetite.   The main highlights noted were:

- Reputational risk appetite would remain unchanged at "medium" with Green and Amber risks being within appetite;
- As patient safety was paramount, NSS's Clinical risk appetite would remain unchanged as a "low" appetite;
- Further consideration would be given to NSS's appetite to Business risk to ensure that it reflected NSS's appetite to risk within the Business impact category.  At present this risk appetite was "High";
- Further consideration should also be given to whether the current "medium" appetite to Staff risk remained appropriate;
- The NSS Information Governance Committee (IGC) would be asked to give further consideration to whether the "low" appetite to Information Governance risk remained appropriate;
- Engagement would take place with Mr Sinclair around the level of risk acceptable within each category.  This, along with feedback received from the IGC as appropriate, would inform an updated "Risk Appetite Statement";
- The updated statement, together with details of appetite to risk within each category (including associated explanation of the rating), would be circulated to the Committee between meetings for comment and support to allow it to be presented for approval at the NSS Board meeting scheduled for 26 March 2020.

Members confirmed they were content with this approach and had no concerns to raise at this point.

## 14.   NIS DIRECTIVE COMPLIANCE [paper ARC/19/83 refers]

14.1   Mr Mitchelson summarised the progress which had been made so far, providing an overview of those controls which were strongly compliant and highlighting the work on those controls that were less compliant.  Members were assured that NSS was on track to meeting its objective of being fully NIS compliant (i.e. mostly compliant with mitigation plan for any gaps) by end of January 2020, and NSS's position compared favourably to that of other NHS Boards.   Members were provided with an overview of the expectations from the practice audit being undertaken.  Members were also assured that the mention of HR screening was a reference to gathering the documentation for evidence (which had only recently been requested) rather than arising from any specific concerns that it was not being done. Members went on to discuss privileged access management, noting how this was currently managed within NSS and the scope for continuous improvement.

## 15.   NSS FEEDBACK, COMMENTS, COMPLAINTS AND CONCERNS QUARTERLY REPORT [paper ARC/19/84 refers]

15.1   Members briefly discussed and noted the following highlights:
- NSS was continuing to handle feedback and complaints in accordance with the NHS Model Complaints Handling Procedure (MCHP)
- There had been a 10% reduction in the number of complaints received in Q2 compared to Q1, which could be attributed to the opportunity to donate processes being embedded.
- The trend for staff related complaints remained at low levels with the rollout out of MCHP Training, Values and Customer Service Training to all staff having an impact.
- No complaints had been investigated by the Scottish Public Services Ombudsman in Q2.
- There had been no Information Governance related complaints reported in Q2.

Members confirmed that they were content and assured by the report.

## 16.   REVIEW OF THE NSS AUDIT AND RISK COMMITTEE'S TERMS OF REFERENCE [paper ARC/19/85 refers]

16.1   Members were advised that, while awaiting the publication of the standard Terms of Reference template being developed by Scottish Government, the existing format would continue to be used.  Mrs Bailey asked for any comments on the current Terms of Reference to be fed back in time to produce an updated version for the next meeting in March 2020.

## 17.   COMMITTEE HIGHLIGHTS FOR THE NSS BOARD [paper ARC/19/86 refers]

17.1   Mrs McLaughlin and Mrs Bailey agreed to draft this report for Mr McDavid to review and approve for submission to the next formal NSS Board meeting in January 2020. **Action: Draft Committee Highlights Report to be written and sent to Mr McDavid for approval to submit to the January 2020 NSS Board Meeting**          **Mrs McLaughlin/ Mrs Bailey**

## 18.   ANY OTHER BUSINESS

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

## 19.     DATE OF NEXT MEETING

19.1    Members noted the next meeting was scheduled for Tuesday, 31 March 2020 at 09:30 in Boardrooms 1 and 2, Gyle Square, Edinburgh.

There being no further business the meeting finished at 1305 hrs

**B/20/49**

**NSS Board Meeting – 26 June 2020**

# Draft NSS Standing Orders – in response to recommendations of the Corporate Governance Blueprint Review

## Purpose

The purpose of this paper is to provide Members with updated NSS Standing Orders in line with the recommendations from the review of Good Corporate Governance that was carried out as part of the response to a review of NHS Highland.   Whilst this process has not yet finished, the move to a set of *'Model Standing Orders'* has been agreed.

## Recommendation

Board Members are asked to review and comment on the paper provided to enable a final version to be approved. However, it should be noted that due to the temporary changes to governance due to the COVID-19 pandemic, the Terms of Reference included in this document have not yet been approved by the relevant Committees.  The Committees as part of their normal business will review these further and provide any updates as required.

Board Members are also asked to consider the dissolution of the NSS Information Governance Committee to better align with reporting requirements.  After a review of the work of this Committee is became clear that most of the reporting requirements were a duplicate of information/or could be incorporated into, reporting going to other governance committees.   In order to streamline the reporting requirements please find below recommendations of more appropriate routes for reporting as follows;

> Move to Audit & Risk remit as encompassed in the SIRO (Senior Information Risk Officer) role:
>
> 1. Consider and scrutinise NSS's compliance with relevant legislation, duties under Common Law and performance against national standards with regards to information governance. This duty covers the following components of information governance:  Data Protection; Information and Cyber Security; Freedom of Information and Records Management.
>
> Move to Clinical Governance and Quality Improvement Committee remit:
>
> 2. Caldicott Guardianship and Confidentiality.

If approved, these changes will be made to the relevant Terms of Reference by the Committees indicated.  For information a copy of the existing Terms of Reference for the NSS Information Governance Committee are attached.

## Timing

Members are asked to provide comments and updates on this document in order for it to be submitted for final approval.  *Note:  Please refer to previous section in relation to final Terms of Reference for Committees.*

**Background**

Corporate Governance is the system by which organisations are directed and controlled. In the public sector, the Government's role in governance is to appoint the Board and to satisfy themselves that an appropriate governance structure and audit regime is in place. As a result of a review carried out by NHS Highland in 2018, all NHS Boards carried out a self-assessment on their governance structures and provide an action plan for improvement to government by 31 March 2019.

As part of this process is was agreed that all NHS Scotland Boards would move to a standard model for Standing Orders. This document provides a draft version for Members comment.

**Procurement and Legal**

Due to the different legislation that NSS is subject to, should there be any areas of ambiguity resulting from adopting standard NHS Scotland Model Standing Orders appropriate legal support would be sought.

**Engagement**

As part of the review process for the Good Corporate Governance Blueprint work there was a programme of engagement that took place during 2019. This included NSS taking part in a Scottish Government Board Survey and self-assessment process. The outcomes from both these actions were discussed at a Board Development Session, including Members of the Executive Management Team, which took place at the end of 2019. Work is still on-going across all NHS Scotland Boards in relation to the model Terms of Reference for Board Committees.

**Equality & Diversity**

No equality and diversity issues have been identified at this point, but a full equality impact assessment will be carried out once the final document is ready, if required.


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**F – INFORMATION GOVERNANCE COMMITTEE – CONSTITUTION AND TERMS OF REFERENCE**

1.    Constitution

The Information Governance Committee (IGC) is established as a committee of the NSS Board, to which the IGC is to submit an annual report and any other such matter as the IGC sees fit to draw to the Board's attention.

2.    Membership and Attendees

2.1    Membership

Membership shall comprise the following:

- The Board Chair

- At least three further Non-Executive Directors of NSS nominated by the NSS Chair, one of whom shall act as Chair, confirmed by the NSS Board.

- Up to two further members co-opted by the IGC.  These additional members shall not be members of the NSS Board, but they may be NSS employees.

2.2    Attendees

Attendees are as follows:

- The Chief Executive, the Medical Director (who is also the Caldicott Guardian for NSS) and the Director of Strategy and Governance (who is also the Executive Lead for Information Governance and the Senior Information Risk Owner).

- The IGC may require other NSS staff to attend meetings in pursuance of their normal duties.  These staff would normally, although not exclusively, be involved as leads in information governance activities across NSS or individual Strategic/Support Business Units (SBUs).

3.    Frequency of Meetings

The Committee shall meet as required but not less than three times a year.

4.    Minutes of Meetings

Minutes of the proceedings of the IGC shall be drawn up by or on behalf of the Board Secretary, NSS, and submitted for approval to the next meeting of the Committee and thereafter submitted by its Chair to the first ordinary meeting of the Board.  In the interim, a report on the proceedings or unapproved minutes will be submitted to the Board for information. The IGC is to report activities and progress annually to the NSS Board as described in paragraph 1 of these terms of reference.  The IGC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.

5.    Terms of Reference

The IGC shall discharge the following functions:

(a)    The IGC is to consider and scrutinise NSS's compliance with relevant legislation, duties under Common Law and performance against national standards with regards to information governance.  This duty covers the following components of information governance:  Caldicott Guardianship and Confidentiality; Data Protection; Information and Cyber Security; Freedom of Information and Records Management.

(b)    The IGC is to review at each meeting reports on performance relating to information governance matters across NSS and satisfy itself that appropriate progress is being made to improve the quality of information governance across NSS, including the monitoring and auditing of Information Assets.

(c)    The IGC is to satisfy itself that each NSS SBU has processes in place to monitor and report information governance incidents, adverse events, risks and complaints.

(d)    The IGC is to review at each meeting identified information governance risks, issues and complaints, and satisfy itself that appropriate action has been taken, lessons learnt and improvements implemented.

(e)    The IGC is to review annually the risk appetite of NSS in relation to information governance.

(f)    The IGC is to draft annually an information governance report for inclusion in NSS's Annual Report.


6.    Other Activities

Where relevant, the IGC may consult with other bodies with an interest in

Information governance in NSS.

# STANDING ORDERS

**(NHS National Services Scotland (NSS) is the common name for the Common Services Agency (CSA) for the Scottish Health Service)**

**June 2020**

**(Final v 1.0)**

**STANDING ORDERS FOR THE PROCEEDINGS
AND BUSINESS OF NHS NATIONAL SERVICES SCOTLAND NHS BOARD**

## 1   General

These Standing Orders for regulation and the conduct and proceedings of the Common Services Agency (more commonly known as NSS) Board in line with its own membership and procedure regulations (1991 No.564 (S.49)) https://www.legislation.gov.uk/uksi/1991/564/made .  However, NSS has agreed to take into account the legislation below (1.1) where appropriate to better align with the Health Boards that it serves.

1.1   Terms of The Health Boards (Membership and Procedure) (Scotland) Regulations 2001 (2001 No. 302), as amended up to and including The Health Boards (Membership and Procedure) (Scotland) Amendment Regulations 2016 (2016 No. 3).

The NHS Scotland Blueprint for Good Governance (issued through DL 2019) 02) has informed these Standing Orders.   The Blueprint describes the functions of the Board as:
- Setting the direction, clarifying priorities and defining expectations.
- Holding the executive to account and seeking assurance that the organisation is being effectively managed.
- Managing risks to the quality, delivery and sustainability of services.
- Engaging with stakeholders.
- Influencing the Board's and the organisation's culture.

Further information on the role of the Board, Board members, the Chair, Vice-Chair, and the Chief Executive is available on the NHS Scotland Board Development website (https://learn.nes.nhs.scot/17367/board-development )

1.2   The Scottish Ministers shall appoint the members of the Board.  The Scottish Ministers shall also attend to any issues relating to the resignation and removal, suspension and disqualification of members in line with the above regulations. Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances.

1.3   Any statutory provision, regulation or direction by Scottish Ministers, shall have precedence if they are in conflict with these Standing Orders.

1.4   Any one or more of these Standing Orders may be varied or revoked at a meeting of the Board by a majority of members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly states the extent of

the proposed repeal, addition or amendment.   The Board will annually review its Standing Orders.

1.5     Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances.  The Scottish Ministers may by determination suspend a member from taking part in the business (including meetings) of the Board.  Paragraph 5.4 sets out when the person presiding at a Board meeting may suspend a Board member for the remainder of a specific Board meeting.     The Standards Commission for Scotland can apply sanctions if a Board member is found to have breached the Board Members' Code of Conduct, and those include suspension and disqualification.     The regulations (see paragraphs 1 and 1.1) also set out grounds for why a person may be disqualified from being a member of the Board.

Board Members – Ethical Conduct

1.6     Members have a personal responsibility to comply with the Code of Conduct for Members of the NSS Board.  The Commissioner for Public Standards can investigate complaints about members who are alleged to have breached their Code of Conduct.  The Board will have appointed a Corporate Affairs and Compliance Manager[1].  This individual is responsible for carrying out the duties of that role, however he or she may delegate the carrying out of associated tasks to other members of staff.  The Board's appointed Corporate Affairs and Compliance Manager shall ensure that the Board's Register of Interests is maintained.  When a member needs to update or amend his or her entry in the Register, he or she must notify the Board's appointed Corporate Affairs and Compliance Manager of the need to change the entry within one month after the date the matter required to be registered.

1.7     The Board's appointed Corporate Affairs and Compliance Manager shall ensure the Register is available for public inspection at the principal offices of the Board at all reasonable times and will be included on the Board's website.

1.8     Members must always consider the relevance of any interests they may have to any business presented to the Board or one of its committees.  Members must observe paragraphs 5.6 - 5.10 of these Standing Orders, and have regard to Section 5 of the Code of Conduct (Declaration of Interests).

1.9     In case of doubt as to whether any interest or matter should be declared, in the interests of transparency, members are advised to make a declaration.

1.10    Members shall make a declaration of any gifts or hospitality received in their capacity as a Board member. Such declarations shall be made to the Board's appointed Corporate Affairs and Compliance Manager who shall make them available for public inspection at all reasonable times at the principal offices of the

Board and on the Board's website. The Register of Interests includes a section on gifts and hospitality. The Register may include the information on any such declarations, or cross-refer to where the information is published.

1.11 The Board's Committee Services Manager shall provide a copy of these Standing Orders to all members of the Board on appointment. A copy shall also be held on the Board's website.

1 This role has been identified as having the same remit as that of a Standards Officer.

## 2 Chair

2.1 The Scottish Ministers shall appoint the Chair of the Board.

## 3 Vice-Chair

3.1 The Chair shall nominate a candidate or candidates for vice-chair to the Cabinet Secretary. The candidate(s) must be a non-executive member of the Board. A member who is an employee of a Board is disqualified from being Vice-Chair. The Cabinet Secretary will in turn determine who to appoint based on evidence of effective performance and evidence that the member has the skills, knowledge and experience needed for the position. Following the decision, the Board shall appoint the member as Vice-Chair. Any person so appointed shall, so long as he or she remains a member of the Board, continue in office for such a period as the Board may decide.

3.2 The Vice-Chair may at any time resign from that office by giving notice in writing to the Chair. The process to appoint a replacement Vice-Chair is the process described at paragraph 3.1.

3.3 Where the Chair has died, ceased to hold office, or is unable for a sustained period of time to perform his or her duties due to illness, absence from Scotland or for any other reason, then the Board's Committee Services manager should refer this to the Scottish Government. The Cabinet Secretary will confirm which member may assume the role of interim chair in the period until the appointment of a new chair, or the return of the appointed chair. Where the Chair is absent for a short period due to leave (for whatever reason). the Vice-Chair shall assume the role of the Chair in the conduct of the business of the Board. In either of these circumstances references to the Chair shall, so long as there is no Chair able to perform the duties, be taken to include references to either the interim chair or the Vice-Chair. If the Vice-Chair has been appointed as the Interim Chair, then the process described at paragraph 3.1 will apply to replace the Vice-Chair.

## 4 Calling and Notice of Board Meetings

4.1 The Chair may call a meeting of the Board at any time and shall call a meeting when required to do so by the Board. The Board shall meet not less than once in every three months in any given year and will annually approve a forward schedule of meeting dates.

4.2 The Chair will determine the final agenda for all Board meetings. The agenda may include an item for any other business, however this can only be for business which the Board is being informed of for awareness, rather than being asked to make a decision. No business shall be transacted at any meeting of the Board other than that specified in the notice of the meeting except on grounds of urgency.

4.3 Any member may propose an item of business to be included in the agenda of a future Board meeting by submitting a request to the Chair. If the Chair elects to agree to the request, then the Chair may decide whether the item is to be considered at the Board meeting which immediately follows the receipt of the request, or a future Board meeting. The Chair will inform the member which meeting the item will be discussed. If any member has a specific legal duty or responsibility to discharge which requires that member to present a report to the Board, then that report will be included in the agenda.

4.4 In the event that the Chair decides not to include the item of business on the agenda of a Board meeting, then the Chair will inform the member in writing as to the reasons why.

4.5 A Board meeting may be called if one third of the whole number of members signs a requisition for that purpose. The requisition must specify the business proposed to be transacted. The Chair is required to call a meeting within 7 days of receiving the requisition. If the Chair does not do so, or simply refuses to call a meeting, those members who presented the requisition may call a meeting by signing an instruction to approve the notice calling the meeting provided that no business shall be transacted at the meeting other than that specified in the requisition.

4.6 Before each meeting of the Board, a notice of the meeting (in the form of an agenda), specifying the time, place and business proposed to be transacted at it and approved by the Chair, or by a member authorised by the Chair to approve on that person's behalf, shall be circulated to every member so as to be available to them at least three clear days before the meeting. The notice shall be distributed along with any papers for the meeting that are available at that point.

4.7 With regard to calculating clear days for the purpose of notice under 4.6 and 4.9, the period of notice excludes the day the notice is sent out and the day of the meeting itself. Additionally, only working days (Monday to Friday) are to be used

when calculating clear days; weekend days and public holidays should be excluded.

Example: If a Board is meeting on a Wednesday, the notice and papers for the meeting should be distributed to members no later than the preceding Thursday. The three clear days would be Friday, Monday and Tuesday. If the Monday was a public holiday, then the notice and papers should be distributed no later than the preceding Wednesday.

4.8    Lack of service of the notice on any member shall not affect the validity of a meeting.

4.9    Board meetings shall be held in public. A public notice of the time and place of the meeting shall be provided at least three clear days before the meeting is held. The notice and the meeting papers shall also be placed on the Board's website. The meeting papers will include the minutes of committee meetings which the relevant committee has approved. The exception is that the meeting papers will not include the minutes of the Remuneration Committee. The Board may determine its own approach for committees to inform it of business which has been discussed in committee meetings for which the final minutes are not yet available. For items of business which the Board will consider in private session (see paragraph 5.22), only the Board members will normally receive the meeting papers for those items, unless the person presiding agrees that others may receive them.

## 5    Conduct of Meetings

Authority of the Person Presiding at a Board Meeting

5.1    The Chair shall preside at every meeting of the Board. The Vice-Chair shall preside if the Chair is absent. If both the Chair and Vice Chair are absent, the members present at the meeting shall choose a Board member who is not an employee of a Board to preside.

5.2    The duty of the person presiding at a meeting of the Board or one of its committees is to ensure that the Standing Orders or the committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.

5.3    The person presiding may direct that the meeting can be conducted in any way that allows members to participate, regardless of where they are physically located, e.g. video-conferencing, teleconferencing. For the avoidance of doubt, those members using such facilities will be regarded as present at the meeting.

5.4    In the event that any member who disregards the authority of the person presiding, obstructs the meeting, or conducts himself/herself inappropriately the person presiding may suspend the member for the remainder of the meeting.  If a person so suspended refuses to leave when required by the person presiding to do so, the person presiding will adjourn the meeting in line with paragraph 5.12.  For paragraphs 5.5 to 5.20, reference to 'Chair' means the person who is presiding the meeting, as determined by paragraph 5.1.

Quorum

5.5    The Board will be deemed to meet only when there are present, and entitled to vote, a quorum of at least one third of the whole number of members, including at least two members who are not employees of a Board. The quorum for committees will be set out in their terms of reference, however it can never be less than two Board members.

5.6    In determining whether or not a quorum is present the Chair must consider the effect of any declared interests.

5.7    If a member, or an associate of the member, has any pecuniary or other interest, direct or indirect, in any contract, proposed contract or other matter under consideration by the Board or a committee, the member should declare that interest at the start of the meeting.  This applies whether or not that interest is already recorded in the Board Members' Register of Interests.  Following such a declaration, the member shall be excluded from the Board or committee meeting when the item is under consideration, and should not be counted as participating in that meeting for quorum or voting purposes.

5.8    Paragraph 5.7 will not apply where a member's, or an associate of their's, interest in any company, body or person is so remote or insignificant that it cannot reasonably be regarded as likely to affect any influence in the consideration or discussion of any question with respect to that contract or matter.  In March 2015, the Standards Commission granted a dispensation to NHS Board members who are also voting members of integration joint boards.  The effect is that those members do not need to declare as an interest that they are a member of an integration joint board when taking part in discussions of general health & social care issues.   However, members still have to declare other interests as required by Section 5 of the Board Members' Code of Conduct.

5.9    If a question arises at a Board meeting as to the right of a member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting be referred to the Chair.  The Chair's ruling in relation to any member other than the Chair is to be final and conclusive.  If a question arises with regard to the participation of the Chair in the meeting (or part of the meeting) for voting or quorum purposes, the question is to

be decided by the members at that meeting. For this latter purpose, the Chair is not to be counted for quorum or voting purposes.

5.10 Paragraphs 5.6-5.9 shall equally apply to members of any Board committees, whether or not they are also members of the Board, e.g. stakeholder representatives.

5.11 When a quorum is not present, the only actions that can be taken are to either adjourn to another time or abandon the meeting altogether and call another one. The quorum should be monitored throughout the conduct of the meeting in the event that a member leaves during a meeting, with no intention of returning. The Chair may set a time limit to permit the quorum to be achieved before electing to adjourn, abandon or bring a meeting that has started to a close.

Adjournment

5.12 If it is necessary or expedient to do so for any reason (including disorderly conduct or other misbehaviour at a meeting), a meeting may be adjourned to another day, time and place. A meeting of the Board, or of a committee of the Board, may be adjourned by the Chair until such day, time and place as the Chair may specify.

Business of the Meeting

*The Agenda*

5.13 If a member wishes to add an item of business which is not in the notice of the meeting, he or she must make a request to the Chair ideally in advance of the day of the meeting and certainly before the start of the meeting. The Chair will determine whether the matter is urgent and accordingly whether it may be discussed at the meeting.

5.14 The Chair may change the running order of items for discussion on the agenda at the meeting. Please also refer to paragraph 4.2.

*Decision-Making*

5.15 The Chair may invite the lead for any item to introduce the item before inviting contributions from members. Members should indicate to the Chair if they wish to contribute, and the Chair will invite all who do so to contribute in turn. Members are expected to question and challenge proposals constructively and carefully to reach and articulate a considered view on the suitability of proposals.

5.16 The Chair will consider the discussion, and whether or not a consensus has been reached. Where the Chair concludes that consensus has been reached, then

the Chair will normally end the discussion of an item by inviting agreement to the outcomes from the discussion and the resulting decisions of the Board.

5.17    As part of the process of stating the resulting decisions of the Board, the Chair may propose an adaptation of what may have been recommended to the Board in the accompanying report, to reflect the outcome of the discussion.

5.18    The Board may reach consensus on an item of business without taking a formal vote, and this will be normally what happens where consensus has been reached.

5.19    Where the Chair concludes that there is not a consensus on the Board's position on the item and/ or what it wishes to do, then the Chair will put the decision to a vote.    If at least two Board members ask for a decision to be put to a vote, then the Chair will do so.    Before putting any decision to vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.

5.20    Where a vote is taken, the decision shall be determined by a majority of votes of the members present and voting on the question.  In the case of an equality of votes, the Chair shall have a second or casting vote.  The Chair may determine the method for taking the vote, which may be by a show of hands, or by ballot, or any other method the Chair determines.

5.21    While the meeting is in public the Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting.

*Board Meeting in Private Session*

5.22    The Board may agree to meet in private in order to consider certain items of business.  The Board may decide to meet in private on the following grounds:

- The Board is still in the process of developing proposals or its position on certain matters, and needs time for private deliberation.

- The business relates to the commercial interests of any person and confidentiality is required, e.g. when there is an ongoing tendering process or contract negotiation.

-  The business necessarily involves reference to personal information, and requires to be discussed in private in order to uphold the Data Protection Principles.

- The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.

5.23    The minutes of the meeting will reflect when the Board has resolved to meet in private.

Minutes

5.24    The names of members present at a meeting of the Board, or of a committee of the Board, shall be recorded in the minute of the meeting.   The names of other persons in attendance shall also be recorded.

5.25    The Board's Committee Services Manager (or his/her authorised nominee) shall prepare the minutes of meetings of the Board and its committees.  The Board or the committee shall review the draft minutes at the following meeting.    The person presiding at that meeting shall sign the approved minute.


**6      Matters Reserved for the Board**

Introduction

6.1     The Scottish Government retains the authority to approve certain items of business.  There are other items of the business which can only be approved at an NHS Board meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.

6.2     This section summarises the matters reserved to the Board:

   a) Standing Orders
   b) The establishment and terms of reference of all its committees, and appointment of committee members
   c) Organisational Values
   d) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
   e) The Annual Operational Plan for submission to the Scottish Government for its approval.      (Note: The Board should consider the draft for submission in private session.  Once the Scottish Government has approved the Annual Operational Plan, the Board should receive it at a public Board meeting.)
   f) Corporate objectives or corporate plans which have been created to implement its agreed strategies.
   g) Risk Management Policy.
   h) Financial plan for the forthcoming year, and the opening revenue and capital budgets.
   i) Standing Financial Instructions and a Scheme of Delegation.
   j) Annual accounts and report. (Note:  This must be considered when the Board meets in private session.  In order to respect Parliamentary Privilege, the Board

cannot publish the annual accounts or any information drawn from it before the accounts are laid before the Scottish Parliament. Similarly, the Board cannot publish the report of the external auditors of their annual accounts in this period.)

k) Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the <u>Scottish Capital Investment Manual</u>.

l) The Board shall approve the content, format, and frequency of performance reporting to the Board.

m) The appointment of the Board's chief internal auditor. (Note: This applies either when the proposed chief internal auditor will be an employee of the Board, or when the chief internal auditor is engaged through a contract with an external provider. The audit committee should advise the Board on the appointment, and the Board may delegate to the audit committee oversight of the process which leads to a recommendation for appointment.)

n) Arrangements for the approval of all policies.
o) The system for responding to any civil actions raised against the Board.
p) The system for responding to any occasion where the Board is being investigated and / or prosecuted for a criminal or regulatory offence.

6.3 The Board itself may resolve that other items of business be presented to it for approval.

## 7 Delegation of Authority by the Board

7.1 Except for the Matters Reserved for the Board, the Board may delegate authority to act on its behalf to committees, individual Board members, or other Board employees. In practice this is achieved primarily through the Board's approval of the Standing Financial Instructions <u>(NSS SFI's)</u> and the Scheme of Delegation.

7.2 The Board may delegate responsibility for certain matters to the Chair for action. In such circumstances, the Chair should inform the Board of any decision or action subsequently taken on these matters.

7.3 The Board and its officers must comply with the <u>NHS Scotland Property Transactions Handbook</u>, and this is cross-referenced in the Scheme of Delegation.

7.4 The Board may, from time to time, request reports on any matter or may decide to reserve any particular decision for itself. The Board may withdraw any previous act of delegation to allow this.

## 8 Execution of Documents

8.1 Where a document requires to be authenticated under legislation or rule of law relating to the authentication of documents under the Law of Scotland, or where a

document is otherwise required to be authenticated on behalf of the Board, it shall be signed by an executive member of the Board or any person duly authorised to sign under the Scheme of Delegation in accordance with the Requirements of Writing (Scotland) Act 1995. Before authenticating any document the person authenticating the document shall satisfy themselves that all necessary approvals in terms of the Board's procedures have been satisfied. A document executed by the Board in accordance with this paragraph shall be self-proving for the purposes of the Requirements of Writing (Scotland) Act 1995.

8.2     Scottish Ministers shall direct which officers of the Board can sign on their behalf in relation to the acquisition, management and disposal of land.

8.3     Any authorisation to sign documents granted to an officer of the Board shall terminate upon that person ceasing (for whatever reason) from being an employee of the Board, without further intimation or action by the Board.

## 9      Committees

9.1     Subject to any direction issued by Scottish Ministers, the Board shall appoint such committees (and sub-committees) as it thinks fit.    NHS Scotland Board Development website will identify the committees which the Board must establish.

As of April 2020 the NSS Board has established the following Committees:

NSS Audit & Risk Committee
NSS Finance, Procurement & Performance Committee
NSS Clinical Governance & Quality Improvement Committee
NSS Remuneration & Succession Planning Committee
NSS Staff Governance Committee

9.2     The Board shall appoint the chairs of all committees.  The Board shall approve the terms of reference and membership of the committees.  The Board shall review these as and when required, and shall review the terms within 2 years of their approval if there has not been a review.

9.3     The Board shall appoint committee members to fill any vacancy in the membership as and when required.  If a committee is required by regulation to be constituted with a particular membership, then the regulation must be followed

9.4     Provided there is no Scottish Government instruction to the contrary, any non-executive Board member may replace a Committee member who is also a non-executive Board member, if such a replacement is necessary to achieve the quorum of the committee.

9.5     The Board's Standing Orders relating to the calling and notice of Board meetings, conduct of meetings, and conduct of Board members shall also be applied to

committee meetings where the committee's membership consist of or include all the Board members. Where the committee's members includes some of the Board's members, the committee's meetings shall not be held in public and the associated committee papers shall not be placed on the Board's website, unless the Board specifically elects otherwise. Generally Board members who are not members of a committee may attend a committee meeting and have access to the meeting papers. However, if the committee elects to consider certain items as restricted business, then the meeting papers for those items will normally only be provided to members of that committee. The person presiding the committee meeting may agree to share the meeting papers for restricted business papers with others.

9.6     The Board shall approve a calendar of meeting dates for its committees. The committee chair may call a meeting any time, and shall call a meeting when requested to do so by the Board.

9.7     The Board may authorise committees to co-opt members for a period up to one year, subject to the approval of both the Board and the Accountable Officer. A committee may decide this is necessary to enhance the knowledge, skills and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of National Services Scotland NHS Board and is not to be counted when determining the committee's quorum.

**SCHEME OF DELEGATION**

*This appendix should be read in conjunction with the Standing Financial Instructions*

| Areas of Responsibility | Approved Officer/s | Approved Alternate Officers |
|---|---|---|
| Risk Management | Director Strategy Performance and Service Transformation | Head of Planning |
| Statutory and Regulatory Compliance | Director Strategy Performance and Service Transformation | Associate Director Strategy, Peformance & Communications |
| Business Continuity and Emergency Planning | Director Strategy Performance and Service Transformation | Head of Planning |
| Information Management | Director Strategy Performance and Service Transformation | Associate Director Strategy, Peformance & Communications |
| Data Protection Scheme | Director Strategy Performance and Service Transformation | Associate Director Strategy, Peformance & Communications |
| Public Participation, Engagement and Complaints | Director Strategy Performance and Service Transformation | Associate Director Strategy, Peformance & Communications |
| Standing Financial Instructions | Director of Finance | Associate Director of Finance (Financial Planning & Analysis) |
| Internal Audit and Service Audit | Director Strategy Performance and Service Transformation | Associate Director Strategy, Peformance & Communications |
| External Audit | Director of Finance | Associate Director of Finance (Financial Planning & Analysis) |
| Fraud | Director of Finance | Associate Director of Finance (Financial Services) |
| Fire Safety | Director of Procurement, Commissioning and Facilities | Associate Director, Facilities Management |
| Health and Safety | Director of HR & Workforce Development | Head of Healthy Working Lives |
| Legal | Director of Central Legal Office | Head of Contracts Department at Central Legal Office |

| | | |
|---|---|---|
| Information Governance | Director Strategy Performance and Service Transformation | Associate Director Strategy, Peformance & Communications |
| Equality and Diversity | Director Strategy Performance and Service Transformation | Associate Director Strategy, Peformance & Communications |
| Research Governance | Medical Director | Director of Healthcare Sciences |
| Caldicott Guardian | Medical Director | NSS Deputy Caldicott Guardian |
| Clinical Governance | Director of Nursing | Medical Director |
| HAI and Decontamination | Director of Nursing | Lead Consultant, HAI, AMR, Infection Prevention and Control and Decontamination Health Protection Scotland |
| Professional Regulatory Compliance | Medical Director | Director of Nursing |
| Scottish Infected Blood Support Scheme | Director of Practitioner and Counter Fraud Services | Associate Director Contractor Finance |
| Practitioner Payments | Director of Practitioner and Counter Fraud Services | Associate Director Contractor Finance |
| CHORIS Scheme | Director of Practitioner and Counter Fraud Services | Associate Director Contractor Finance |
| eDRIS | Director of Public Health and Intelligence | Associate Director Consultancy Knowledge and Research Services |
| ATOS (non eHealth) Services | Director of Information Technology | Associate Director Contract and Vendor Services Management Team |
| eHealth Services | Director of Information Technology | Associate Director Contract and Vendor Services Management Team |
| Plasma | Director of Procurement, Commissioning and Facilities | Strategic Sourcing Director |
| Logistics Services | Director of Procurement, Commissioning and Facilities | Logistics Director |
| Logistics Service Charge | Director of Procurement, Commissioning | Logistics Director |

| | | |
|---|---|---|
| | and Facilities | |
| National Screening Directorate | Director, National Services Division | Director of Procurement, Commissioning and Facilities |
| Rebates | Director of Procurement, Commissioning and Facilities | Strategic Sourcing Director |
| Oxygen Services | Director of Procurement, Commissioning and Facilities | Director of Facilities |
| Children's Dental Hygiene Scheme (Child Smile) | Director of Procurement, Commissioning and Facilities | Strategic Sourcing Director |
| Uniforms Support Business | Director of Procurement, Commissioning and Facilities | Strategic Sourcing Director |
| IHI/IHO | Director of Procurement, Commissioning and Facilities | Strategic Sourcing Director |
| Flu Vaccinations | Director of Procurement, Commissioning and Facilities | Strategic Sourcing Director |

# TERMS OF REFERENCE FOR NSS BOARD COMMITTEES

**(As at June 2020)**

*NOTE: The suggested ARC Terms of Reference below were recommended as part of the Corporate Governance Blueprint programme but have not been discussed with NSS ARC Members at this point in time, nor finalised by the overseeing governance group of combined Boards.*

**NSS Audit & Risk Committee**

**1.    Introduction and Remit**

The [Scottish Public Finance Manual](#), the [Scottish Government Audit and Assurance Committee Handbook (3 April 2018)](#), and the NHS Scotland model Standing Orders have informed these terms of reference.

The remit of the Committee is to provide independent advice and support the Chief Executive (as the Board's Accountable Officer) and the Board in formulating and meeting their assurance needs.

Given its independent advisory role, the committee has no executive authority, and is not charged to make or  endorse any decisions.  The committee may draw attention to strengths and weaknesses in internal control and make suggestions for how such weaknesses might be dealt with.

**2.    Arrangement for Conduct of Business**

The Audit Committee will operate as a committee of the Board as described in the Board's Standing Orders.

**3.    Meetings & Membership**

**Number of Meetings and Quorum**
The committee will have at least four meetings in a year.   The chair of the committee may convene additional meetings as he or she may deem necessary.
The committee will be regarded to meet when it has been organised in line with the terms of the Board's Standing Orders, and its quorum of three members are present.

**Membership**
The committee's membership shall consist of at least three independent non-executive members of the Board.  The Board must ensure that at least one member has recent and relevant financial experience.  The Board will appoint one of these members to be the chair of the committee.

A non-executive Board member who is also an employee of a NHS Board will not be regarded as independent.   The Chair of the Board and any employee of the Board may not be a member of the committee.

**3.      Meetings & Membership**

The Board may appoint independent external members if there is an insufficient number of non-executive Board members to form the committee.

The Board will appoint committee members for a period of no more than three years, but may re-appoint a member if the Board is satisfied the member is independent.

**Attendees**

The committee will normally invite the Chief Executive, Director of Finance, Chief Internal Auditor, and a representative of the external auditor to attend its meetings.   The committee may also invite other officers to attend meetings to support the consideration and discussion of particular items of business.

**Private Meetings**
The committee may meet without any non-members present.   The committee may also meet in private with the internal auditors and external auditors.

**4.      Key Duties of the Committee**

The committee will generally discharge its remit by:

- ✓ Helping the Chief Executive and the Board identify and formulate their assurance needs with regard to risk management, governance and internal control.

- ✓ Reviewing and constructively challenging the assurances that have been provided, as to whether their scope meets the needs of the Chief Executive and the Board.

- ✓ Reviewing the reliability and integrity of those assurances, i.e. considering whether they are they are founded on reliable evidence, and that the conclusions are reasonable in the context of that evidence.

- ✓ Drawing attention to weaknesses in systems of risk management, governance, and internal control, and making suggestions as to how those weaknesses can be addressed.

- ✓ Commissioning further assurance work for areas that are not being subjected to sufficient review.

- ✓ Seeking assurance that management are remedying previously identified areas of weakness.

The committee will specifically advise the Board and Chief Executive on:

- the strategic processes for risk, control and governance and the governance statement, and how they support the achievement of the Board's strategies and objectives;

- the accounting policies, the accounts, and the Board's annual report.  This includes

**4.      Key Duties of the Committee**

> the process for review of the accounts before they are submitted for audit, levels of error identified, and management's letter of representation to the external auditors;

- the planned activity and results of both internal and external audit;

- the performance of the internal audit function;

- the adequacy of management response to issues identified by audit activity, including external audit's management letter or report;

- the effectiveness of the internal control environment;

- assurances relating to the corporate governance requirements for the Board;

- the appointment of the Chief Internal Auditor;

- the purchase of non-audit services from contractors who provide audit services;

- the Board's policies, procedures and processes where they relate to risk management, governance and internal control.   Examples are the Board's Standing Orders, Standing Financial Instructions, Scheme of Delegation, risk management policy, ethical conduct, prevention of bribery and corruption, anti-fraud, and Whistleblowing; and

- the skills required for committee effectiveness, to inform the selection of members of the committee.

The committee will develop a work plan to discharge its remit and duties, which will determine the information that it requires at meetings and consequently the agenda for those meetings.   The committee will normally require at every meeting:
- ✓ A report on the risk register which summarises any changes;
- ✓ Progress reports from the internal and external auditors, including details of any work they have performed and the key issues that have emerged,

The committee will also annually review its performance and its terms of reference, and reflect the outcome from this in its annual report to the Board.   The content of the annual report will reflect the requirements set out in paragraphs 5.5 and 5.6 of the Scottish Government Audit and Assurance Committee Handbook (3 April 2018).

**5.      Authority**

The committee may:
- Investigate any activity which is within its terms of reference, and in doing so, is authorised to seek any information it requires from any Board member or employee. All members and employees are directed to co-operate with any request made by the Committee;

- obtain specialist ad-hoc advice at the expense of the organisation, subject to the

**5.** **Authority**
budgets agreed by the Board and the Chief Executive;  and

- co-opt additional members for a period not exceeding one year to provide specialist skills, knowledge and experience.

**6.** **Reporting Arrangements**

The committee chair will provide a report to the Board and the Chief Executive after each meeting of the committee.

This report summarises the business taken by the committee, explaining if necessary why that business was regarded as important.    The report will also offer the views and advice from the committee on issues that it considers the Chief Executive and the Board should take action on.   The Chief Internal Auditor and the external auditor should receive a copy of the report.

The Board will receive the minutes of the committee meetings only when the committee has reviewed and approved them, and the chair has signed the approved minutes. The above report will ensure that the Board is informed in a timely manner of any relevant issues.

The committee will provide an annual report to the Board which is timed to support the preparation of the Governance Statement.

**7.** **Supplementary Information for Boards and Committee Members**

The Scottish Government Audit and Assurance Committee Handbook (3 April 2018) includes further advice on audit committees as follows:
Annex A: The role of the Chair: Good Practice
Annex B: Committee support: good practice
Annex C: Model Letter of Appointment
Annex D: Model Terms of Reference
Annex E: Example Annual Core Work Programme
Annex F: Key Lines of Enquiry

Annex G: Competency Framework
Annex H: Self-Assessment Checklist
The NHS Scotland Board Development website also has a wealth of material on NHS Scotland which is relevant to governance, risk management, and internal control.
https://learn.nes.nhs.scot/17367/board-development

**NHS**
**National**
**Services**
**Scotland**

**FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE – CONSTITUTION AND TERMS OF REFERENCE**

1.  **Introduction and Remit**

    The Finance, Procurement and Performance Committee is established as a committee of the NSS Board to look at appropriate and specific matters on behalf of the Board and to report back the Committee's conclusions and recommendations to the Board.

2.  **Arrangements for Conducting Business**

    The purpose of the Committee is to keep under review the financial position of NSS and procurement activity to ensure that suitable arrangements are in place to secure economy, efficiency and effectiveness in the use of all resources, and that the arrangements are working effectively.

    In performing its functions, the Committee is expected to operate at a strategic governance level.

3.  **Meetings and Membership**

    - The Committee shall comprise four non-executive directors. All other non-executive directors are invited to attend if they so wish.
    - One of the Committee members shall act as the Chair.
    - In addition, the NSS Chief Executive, NSS Director of Finance and Business Services and Director of Strategy and Governance may be in attendance.

    *Number of Meetings and Quorum*

    - The Committee shall be quorate if at least two members are present.
    - Meetings shall be held at such intervals as the Committee may determine in order to conduct its business.
    - It is anticipated that the Committee will generally meet four times per year.

    *Minutes of Meetings*

    - Minutes of proceedings of the Committee shall be drawn up by or on behalf of the Committee Services Manager, NSS, and submitted for approval to the next meeting of the Committee and thereafter submitted by its Chair to the first ordinary meeting of the Board for noting. In the interim, a report of the proceedings or unapproved minutes will be submitted to the Board for information.

4. **Transact / approve on behalf of the Board**

- Approve the draft NSS Annual Operating Plan for submission to the Scottish Government.
- Approve the annual revisions to the NSS Standing Financial Instructions.
- Approve any procurement contracts which the NSS Standing Financial Instructions require to be approved by the Board.
- Update the Committee's terms of reference annually.
- At the request of the Board or the Chair and under delegated authority, to approve any procurements which require the authority of the Board or the Chair of the Board under NSS Standing Financial Instructions.

*Recommend to the Board*

- At the request of the Board or the Chair, at Outline Business Case and / or Full Business Case stage, to review the financial aspects and make recommendations for any Business Cases which need to be submitted to the Scottish Government for approval.
- To review and recommend the annual 3-year or 5-year (as required) Operational Delivery Plan (ODP) and Financial Plans, prepared consistent with statutory financial responsibilities, focusing on:

  - Service deliverables
  - the balance between financial stretch and achievability
  - the implications of current-year events on the plan
  - the integration of financial, workforce and performance planning
  - reviewing such information as is prepared on the cost of each major service undertaken
  - capital programme and funding

- An Annual Report of its activities and effectiveness.

*Review and challenge*

- To review quarterly any occurrences where the Standing Financial Instructions have not been followed, including those relating to:
  - Choice, requisitioning and ordering of goods and services and payments thereof; and
  - Tendering arrangements for the appointment of management consultants.
- Regularly review the forward service and financial plans, and both the current and planned management actions, of NSS. These reviews are to be based on actual performance, key issues experienced and any major new risks and opportunities identified.
- NSS delivery against AOP targets.
- NSS Property & Estates strategy and action plan
- NSS Sustainable Development Action Plan.
- The delivery of Best Value and Efficiency programmes, utilising where appropriate measures from the performance management system.

- The content of financial reporting and information presented to the Board.
- The Business risks contained in the NSS corporate risk register and associated management actions as set out in the Integrated Risk Management Approach.

*Best value*

The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards as set out against the Scottish Government's 'Best Value in Public Services – Guidance For Accountable Officers' framework.

**STAFF GOVERNANCE COMMITTEE – CONSTITUTION AND TERMS OF REFERENCE**

1.   **Introduction and Remit**

The National Services Scotland (NSS) Staff Governance Committee (SGC) is established in accordance with the guidance given in the Staff Governance Standard 4th Edition published by the Scottish Government in June 2012.

The SGC is established as a committee of the NSS Board to which the SGC is to submit an annual report to give the Board assurance around the detail of staff governance arrangements and monitoring process and to assure the Board that the SGC's aims are being met.

2.   **Meetings and Membership**

The Staff Governance Committee shall comprise:

- at least four Non-Executive Directors, of which one must be the Employee Director, and one of whom shall be the Chair of the Committee; and
- at least three Trade Union Representatives.

While the Committee will endeavour to have a balance in representation, at least two Non-Executive Directors plus one Trade Union Representative must be present at meetings of the Committee. The Chief Executive and Director of Human Resources and Workforce Development may be in attendance at meetings of the Staff Governance Committee as required.

*Frequency of Meetings*

The Committee shall meet as required but not less than four times a year.

*Minutes of Meetings*

Minutes of the proceedings of the Staff Governance Committee shall be drawn up by or on behalf of the Board Secretary, NSS, and submitted for approval to the next meeting of the Committee and thereafter submitted by its Chair to the first ordinary meeting of the Board for noting. In the interim, a report on the proceedings or unapproved minutes will be submitted to the Board for information.

3.   **Key Duties**

The Staff Governance Committee shall support and maintain a culture within NSS where the delivery of the highest possible standard of staff management is understood to be the responsibility of every employee and is built upon partnership working and collaboration.

The specific responsibilities of the Committee are to:

a) Ensure an effective system of Governance and oversight for the management, safety and welfare of the workforce including a strategic workforce planning strategy.

b) Oversee the development of frameworks which ensure delivery of the Staff Governance Standard.

c) Review evidence of attainment and maintenance of the Staff Governance Standard through the Great Place to Work Plan (Staff Governance Action Plan). Where there is evidence of short falls the Staff Governance Committee will ensure that causes are identified and remedial action recommended.

d) Oversee the development and monitoring of all Organisational policy related to workforce ensuring compliance with National Workforce Policies.

e) Consider any policy amendment, funding or resource submission to achieve the Staff Governance Standard, providing support as required to drive forward.

f) Establish detailed and timely staff governance data reporting standards, ensuring that information is provided to support both NSS operating activities and national monitoring.

g) Provide staff governance information for the Statement of Internal Control.

h) Review quarterly staff risks contained in the NSS Corporate Risk Register and set out in the Integrated Risk Management Approach, identifying and reporting on specific areas of concern.

i) Review quarterly the NSS complaints report in the context of staff risk.

j) Oversee the NSS values programme, ensuring that the values are embedded within NSS structures and processes.

**REMUNERATION AND SUCCESSION PLANNING COMMITTEE TERMS OF REFERENCE**

1.

Introduction and Remit

Each NHSScotland Board, through its Standing Orders, is required to establish a Remuneration Committee, whose main function is to ensure the application and implementation of fair and equitable pay systems on behalf of the Board, as determined by Ministers and the Scottish Government and described in MEL(1993)114 and subsequent amendments.  The Committee is also, through the Staff Governance Committee, required to provide assurance that systems and procedures are in plane to manage the issues set out in MEL(1993)114 so that the overarching staff governance responsibilities can be discharged.

The Remuneration and Succession Planning Committee is established as a committee of the NSS Board. The Committee is to submit an annual report to the NSS Board and the NSS Staff Governance Committee to give assurance around the detail of the remuneration and succession planning arrangements and monitoring process and that the Committee's aims are being met.

2. **Meetings and Membership**

*Membership*
The Committee shall comprise the Chair of the NSS Board and at least three Non-Executive Members of the NSS Board, of which one must be the Employee Director, and one of whom shall act as Chair.

*Attendees*

Attendees are as follows:-

- the Chief Executive
- the Director of Human Resources and Workforce Development

The Committee may require others to attend specific meetings.

*Frequency of Meetings*

The Committee shall meet as required but not less than three times a year.

*Minutes of Meetings*

Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary, NSS, and submitted by its Chair for approval to the next meeting of the Committee.  A report on the proceedings of the Committee shall be drawn up by or on behalf of the Committee Services Manager and submitted for information to the first

ordinary meeting of the Staff Governance Committee held after the meeting of the Committee and to the NSS Board.

**Key Duties**

a)  Conduct a regular review of the NSS Board's policy for the remuneration and performance management of members of the Executive and Senior Management Cohorts in the light of any guidance issued by the Scottish Government Health and Social Care Directorates and the National Performance Management Committee remaining in force.

A direction order or specific Scottish Government Health and Social Care Directorates instruction will be required for any payments which fall outwith the terms of the guidance.

b)  Agree all the terms and conditions of employment of members of the Executive Cohort, including job description, basic pay, performance pay and bonuses (individual and team) and benefits (including pension, removal arrangements & cars), with reference to Scottish Government Health and Social Care Directorates guidance, Ministerial directions and protocols.

c)  Agree objectives for members of the Executive Cohort in the light of any guidance issued by the Scottish Government Health and Social Care Directorates and the National Performance Management Committee remaining in force and ensure that their performance and potential is rigorously assessed throughout the year against these objectives; objectives may, by agreement with the individual being assessed, be revised in the course of the year to reflect changes in circumstances.

d)  Ensure that effective arrangements are in place for carrying out b) and c) above in respect of members of the Senior Management Cohort.

e)  The Chair of the Committee on behalf of the NSS Remuneration and Succession Planning Committee, will agree appointments, terminations and early retirement settlements in line with the Protocol below.

f)  The Committee must submit the remuneration arrangements for members of the Executive and Senior Management Cohorts to the External Auditor for scrutiny, in accordance with normal audit requirements.

g)  To review and approve annually the Discretionary Points awarded by the NSS Committee on Consultants' Discretionary Points, for reporting to the NSS Board and to provide confirmation of the process followed in the allocation of the points.

h)  The Committee will give full consideration to succession planning, taking into account the challenges and opportunities facing the organisation and the skills and expertise required.

## REMUNERATION AND SUCCESSION PLANNING COMMITTEE RESPONSIBILITIES
PROTOCOL FOR MANAGING APPOINTMENT, PERFORMANCE AND
TERMINATION OF STAFF

- The Chair of the Committee will approve all new or additional jobs created on a range with a salary maximum over £75,000.  In addition, they will agree all appointments where the lower half of the range, with a salary maximum over £75,000, will not secure the preferred candidate.

  When making appointments, consideration should be given to any agreed position between the National Boards' on recruitment.

- A report on decisions will be submitted to the next meeting of the Committee.  The Committee will also receive monthly reports on new posts with salaries up to £75,000.

- Director of Human Resources and Workforce Development to submit a yearly report analysing trends for all salaries equivalent to the minimum salary of the Executive Cohort grades.

- Chair of the NSS Board to undertake the performance appraisal of Chief Executive.

- Chair of the NSS Board to review the Chief Executive's performance assessment of other members of the Executive Cohort.

- Committee to satisfy itself that the performance management process and its application is transparent, rigorous, evidence-based and fully documented  in respect of the Chief Executive and other members of the Executive Cohort prior to individuals being informed of the performance appraisal ratings.

**CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE - CONSTITUTION AND TERMS OF REFERENCE**

1.  **<u>Introduction and Remit</u>**

    The National Services Scotland (NSS) Clinical Governance and Quality Improvement Committee (CGQIC) is established in accordance with the guidance given in MEL (1998) 75, reinforced by MEL (2000) 29.

    The CGQIC is established as a committee of the NSS Board, to which the CGQIC is to submit an annual report and any other such matter as the CGQIC sees fit to draw to the Board's attention.

2.  **<u>Meetings and Membership</u>**

    *Membership*

    Membership shall comprise the following:

    - The Board Chair
    - At least three further Non-Executive Directors of NSS nominated by the NSS Chair and confirmed by the NSS Board.
    - The Chair shall be the NSS Chair or a Non-Executive Director of NSS nominated for the role by the NSS Chair, and confirmed by the NSS Board.
    - Up to two further members co-opted by the CGC. These additional members shall not be members of the NSS Board, but they may be NSS employees.

    *Attendees*

    Attendees are as follows:

    - Executive Lead for Clinical Governance, Medical Director, Director of Nursing, Director of Screening and Head of the Clinical Directorate (which may or may not be the Medical Director). The Chief Executive may also be in attendance.
    - The clinical leads from within the Clinical Directorate, as well as the Directors and Medical Directors of Strategic Business Units should attend meetings, as required by the CGC.
    - The CGQIC may require other NSS staff to attend meetings in pursuance of their normal duties. These staff would normally, although not exclusively, be involved as leads in clinical governance activities across NSS or individual Strategic Business Units.

    *Frequency of Meetings*

    The CGQIC shall meet as required but not less than three times a year.

*Minutes of Meetings*

Minutes of the proceedings of the CGQIC shall be drawn up by or on behalf of the Board Secretary, NSS, and submitted for approval to the next meeting of the Committee and thereafter submitted by its Chair to the first ordinary meeting of the Board.  In the interim, a report on the proceedings or unapproved minutes will be submitted to the Board for information. The CGQIC is to report activities and progress annually to the NSS Board as described in these terms of reference. The CGQIC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.

**Key Duties**

The CGC shall discharge the following functions:

a)    Review and challenge NSS performance in delivering health outcomes and related quality improvement activities.

b)    Review and challenge reports on clinical adverse events, risks and complaints, including their identification, causes, management, lessons learnt and service improvement implemented.  In addition review of Duty of Candour incidents.

c)    Review regular reports on blood and tissue safety to satisfy itself that appropriate action is being taken to provide an adequate and safe supply.

d)    Review compliance with clinical regulatory requirements.

e)    Review major NSS programmes in support of clinical and public health services.

f)    Review and monitor work relating to Dental Governance and Screening Governance.

g)    Gather and monitor information on any upcoming or potential developments within the health service and public health, including statistic trend analysis, and assure itself that NSS is appropriately positioned to support these.

h)    Review and challenge reports on progress against the NSS Equality Outcomes and the NSS Participation Standard.

i)    Draft annually a clinical governance report for inclusion in NSS's Annual Report.

j)    Review annual reports on:

- Infection Prevention and Control

- Research, Development and Innovation

- Clinical Professional Appraisal and Revalidation

- Feedback, Comments, Concerns and Complaints

*Other Activities*

- Where relevant, the CGC may consult with other bodies with an interest in clinical governance in NSS.

# Minutes

| B/20/50 |
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**NHS National Services Scotland**

**NHS NATIONAL SERVICES SCOTLAND (NSS)**

**MINUTES OF THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON THURSDAY, 28 MAY 2020 COMMENCING AT 0930 HRS**

| Present: | Ms Julie Burgess, Non-Executive Committee (Chair)<br>Mrs Kate Dunlop, Non-Executive Director<br>Mrs Alison Rooney, Non-Executive Director |
|---|---|
| In Attendance: | Mr Lee Dobbing, Service Auditor, KPMG<br>Mr James Lucas, Internal Auditor, KPMG<br>Ms Rachel Brown, External Auditor, Audit Scotland<br>Ms Inire Evong, External Auditor, Audit Scotland<br>Mrs Carolyn Low, Director of Finance<br>Mr Deryck Mitchelson, Director Digital & Security<br>Mr Andy North, Service Auditor, KPMG<br>Mr Colin Sinclair, NSS Chief Executive |
| Apologies | Mr John Deffenbaugh, Non-Executive Director |

**ACTION**

### 1. WELCOME AND APOLOGIES

1.1 Ms Burgess, as the new Committee Chair, welcomed all to the meeting and noted the apologies and those in attendance. Before starting the formal business of the meeting, Ms Burgess asked the Committee Members if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.

### 2. MINUTES OF THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON 14 DECEMBER 2019 [paper ARC/20/10 refers]

2.1 The minutes of the previous NSS Audit and Risk Committee (ARC) meeting, held on 4 December 2019, were accepted as a true and accurate record.

### 3. MATTERS ARISING [paper ARC/20/11 refers]

3.1 Members noted that the majority of actions were completed, covered by the current agenda or scheduled for a future meeting. Members noted that the agenda had been truncated in accordance with the changes to Governance that had been agreed at the NSS Board meeting held on 26 March 2020. This had been put in place as part of the response to COVID-19 pandemic.

3.2 Ms Rooney asked whether NSS had seen an upsurge in Freedom of Information requests since the last meeting. Mr Sinclair advised that there had been an increase in late February/early March but would need to check whether this has been sustained. Members asked for a short paper to be prepared for the next full meeting. **Action: C Sinclair to liaise with Matthew Neilson for next meeting.** — **C Sinclair**

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

Chair:            Mr Keith Redpath
Chief Executive:    Mr Colin Sinclair

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**4.    NSS INTERNAL AUDIT STATUS UPDATE [paper ARC/20/13 refers]**

4.1    Mr Lucas took Members through the paper and highlighted the following;

The paper summarised completed audits to date and provided a status update on work in progress;

- Members noted that the P&CFS Governance and Complaints Handling Process Audits had now concluded and reports would be available for the next meeting.

- Two audits are still in progress -
  - Financial Controls Review- this year's focus was to be on stock management. Given the significant pressures on the PCF warehouse staff in responding to COVID-19 the review will now consider stock management arrangements in SNBTS. The SNBTS Financial Controls (Stock) audit was almost complete.

- Three audits in the plan for 19/20 have been carried forward into the Audit Plan for 20/21:
  - Programme Management (CHI, Child Health and GP IT Reprovisioning
  - Public Health Intelligence/Public Health Scotland
  - Clinical Waste Management Contingency – Financial Assurance

- Proposed changes to 20/21 plan have been made following discussions with CEO and Director of Finance to reflect the impact of COVID-19 and resultant reprioritisation of services.
  - Annual review of financial controls is brought forward and will focus on governance changes introduced as part of COVID-19 response.
  - Audit of Organisational Change process is now planned for Q4 – reflecting a pause on significant organisational change activity
  - A lessons learned review of the changes in governance introduced a part of COVID19 response will be carried out in Quarter 3
  - A further review of impact on Workforce, with a focus on wellbeing of staff is being developed.

4.2    Mr Lucas added that KPMG would be as flexible as possible to accommodate any further reviews NSS considered useful and recognised the increased pressure on the organisation during the pandemic conditions. Mr Lucas highlighted that other clients are also looking at the impact of IT Infrastructure changes and cyber security protocols.  Mr Bell advised that both P&CFS and D&S colleagues were working to produce guidance and additional training relating to information governance whilst working from home  Mr Mitchelson added that whilst he welcomed the suggestion of an additional IT review, he believed this would not be necessary as there were already significant controls in place around cyber security and working from home, and this was also reflected in the recent Network and Information Systems Directive Audit that had taken place.

4.3     Ms Rooney welcomed the updated plan and asked whether the additional reviews identified would be included in the original 211 days of audit or would be carried out during the contingency provision.  Mr Lucas advised that these would be an addition.

4.4     Ms Burgess thanked Mr Lucas for his report and asked that in light of the changes that had been made/proposed it would be sensible for Mr Lucas to present the updated plan to the next meeting.  **Action:  J Lucas to provided   J Lucas updated internal audit plan to next meeting.**

**5.      HIGH LEVELS FINDINGS [paper ARC/20/18 refers]**

5.1     Mr Lucas took Members through the High Level Findings Report and highlighted the following;

- Members were asked to note that at the current time there was no protocol to allow KPMG to downgrade findings once they had been published, and it should be noted that, had this been possible, the IT findings would not have been so high.  Some findings were still open, but after discussions with Mr Mitchelson the intention was to revisit the findings, with the expectation that these would also be closed in the next few months.  Significant progress had been made and Members should take comfort from this.

- The findings of the PgMS report had evolved considerably since the audit had taken place and it was also noted that this had been carried out during a period where PGMS were already working at improvements to governance.   The findings were therefore high at the time but recommendations had now been implemented;

5.2     Members thanked Mr Lucas for his update and had no further questions.

**6.      SERVICE AUDIT REPORT AND OPINION [paper ARC/20/14 refers]**

6.1     Mr North took introduced the three Service Audit reports, noting that this was KPMG's first cycle of reporting as Service Auditor and that there had been differences in the approach taken this year to those in previous years.

6.2     Mr North highlighted the change in the scope of the IT service audit, which for the first time considers the controls carried out by both NSS and ATOS in delivering national IT services to Boards.  It was hoped that the detail and rigour in reporting provided achieved the overall objective set by the board in changing Service Auditors after a number of years.  Members were also asked to note that the IT report underpinned both the P&CFS and payroll reports and that the reports should be considered together on that basis.  Mr North explained the format of the report to the committee and explained that in all three reports there were exceptions to the control objectives stated which resulted in a qualified opinion. This had arisen due to difficulty in obtaining evidence of the operation of the controls as defined in a structured and systematic manner. It was stressed that these exceptions did not indicate the absence of controls or fundamental control issues.

6.3     Members discussed the findings of each report in full and expressed concern at the qualified opinions and sought clarification of the context in which they were made as this was not immediately obvious from the reports.  Mr Sinclair and Mr Redpath asked whether there had been a change in International Auditing Standard for this type of audit, and whether this would explain the significant difference between previous reports which were unqualified, and the audit opinion this year. Mr North advised that there had been no changes to the IAS 3402. He further clarified that under IAS 3402 there were three possible outcomes achieved:

- An Unqualified opinion where there had been no material exceptions to the controls as defined.

- Qualified opinions reflect findings which are considered material to the operation of the controls as defined.

- An adverse opinion would occur where controls were absent or failed.

Members asked that this therefore be clarified in the reporting as it was not made clear in the documents received as to what 'qualified' actually meant in this context.

6.4     Members asked for clarification on what the issues had been around obtaining evidence and Mr North responded that in the main these had been around evidence only being available on screen during any transaction and this had not been witnessed during the audit.  Ms Low asked whether, in order to provide reassurance for NSS customers, there were any areas of real concern that NSS should focus on.  Ms Low highlighted the following:

- For previous auditors where there had been any issues with obtaining evidence there would have been the opportunity for NSS colleagues to work with them to provide the assurance required.  This did not appear to happen this year;

- The systems being reviewed are legacy products, designed 20 years ago to do things in a particular way which may not, now, provide the evidence in the way that the auditors may have expected it to be available.

Members reflected that this should be taken into account when scoping out future service audits.  Mr Redpath added that in his experience the term 'material' issues would be used, he therefore sought assurance that the qualifications were not significantly material as to cause undue concern.  After further discussion it became apparent that there were no material issues, the qualification was based on being unable, due to legacy systems, obtain specific evidence.

6.5     Ms Browne added that when the reports were circulated to Boards and reviewed by Audit Scotland, those studying them would be aware of the levels of qualification and their materiality.  In this case as the level was 'qualified' not 'adverse' Boards may welcome comment on levels of risk, to assist them when making decisions on any additional audits they may wish to make for their own Boards.  They would of course make their own decisions, but the terminology would be understood.

6.6     All agreed that for future testing, especially for P&CFS, it would be essential to ensure the scoping exercise reflected the type of controls, especially around the legacy systems, that should provide the necessary evidence that controls were fully adhered to.  Mr North, Mr Bell and Mr Pinkerton to work together for future reporting.  **Action:  Mr Bell/Mr Pinkerton and Mr North to liaise re future evidence based testing.**     **M Bell/A North/ A Pinkerton**

6.7     Members went on to discuss the payroll findings. Mr North advised that out of 5 objectives only one of those had been reported as qualified.  This related to customer enquiries and what had been identified was a lack of evidence to demonstrate prioritisation. Ms Howard advised that this was already being addressed as part of the Transforming Finance programme and the introduction of ServiceNow platform which provides the detail required to provide this evidence. This will be rolled out to all NSS customers in 20/21.

6.8     The discussions and actions were summarised as:

- Further narrative and context to be included in reporting;
- Scope of evidence to be reviewed for future audits;
- Improvements in availability of evidence for future audits;
- Inclusion of materiality and risk of findings;
- NSS to produce an action plan around service descriptions.

Ms Low and Mr Bell to take bring an action plan around future audits to a future meeting of the Committee.  **Action:  Ms Low and Mr Bell to provide action plan to future meeting.**          **C Low/M Bell**

## 7.     EXTERNAL AUDIT MANAGEMENT REPORT [paper ARC/20/19 refers]

7.1     Ms Browne took Members through her report which summarised the interim work on key controls in the financial systems.  Members noted the caveat that this had all taken place pre-COVID and that this was being taken into account now that the testing was being done.  Confirmation of final timings would be provided shortly.

7.2     Members noted the content of the paper and thanked Ms Browne for her update.

## 8.     PROGRESS ON ANNUAL ACCOUNTS

8.1     Ms Howard provided Members with a short verbal update on progress on NSS Annual Accounts.  It was noted that due to the NHS Scotland response to the COVID-19 pandemic, Scottish Government had approved an extension of up to three months to the final accounts process.  NSS had continued to work as quickly as possible, and the accounts had been shared with the auditors three weeks later than normal.  This was due to the fact that the NSS accounts could not be finalised until evidence from both Scottish Government and other Boards had been supplied.  Testing was now underway and hopefully there would be no further delays.  However, it was recognised that Audit Scotland work had also been affected by the pandemic.

8.2     Ms Browne thanked Members for their support and understanding of the additional pressures and potential delays and were being as flexible and pragmatic as possible to support Boards.  There was an acknowledgement by Audit Scotland that many NSS staff had been central to the COVID-19 response and some of the aspects of the audit process had been postponed until the next financial year to support this.  It was noted that these were all non-financial pieces.

8.3     Ms Browne was unable to provide a set date for when the process would be complete and NSS colleagues were providing information to Audit Scotland as fast as possible, which was very much appreciated.  As soon as a firm date was available Ms Browne would be in contact to enable NSS to set up the appropriate Audit & Risk Committee and Board meetings to allow final signature.  **Action:  R Browne Audit Scotland to forward final dates to NSS once available.**

8.4     Members thanked Ms Howard and Ms Browne for their updates.

**9.      PROGRESS ON ANNUAL REPORT AND ACCOUNTS PARTS B – NOTE 1 ACCOUNTING POLICIES [paper ARC/20/16 refers] AND LOSSES AND SPECIAL PAYMENTS [paper ARC/20/17 refers]**

9.1      Members noted the content of both papers and were content to approve/adopt as requested.

**10.     ANY OTHER BUSINESS**

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

**11.     DATE OF NEXT MEETING**

11.1     Members noted the next meeting was scheduled for Wednesday, 17 June 2020 at 09:30 on TEAMs.  It was agreed that this would take the form of two separate sessions: 1. Normal Committee Business 2. Development Session focused on Annual Accounts.

There being no further business the meeting finished at 1145 hrs