






NSS Board Meeting

28 June 2019, 09:30 to 16:00
Board Rooms 1&2, Gyle Square, Edinburgh

Agenda - B/19/46

- 1. Apologies for Absence**
Alison Rooney, Non-Executive Director
- 2. In Attendance**
Mary Morgan, Director Strategy, Performance & Service Transformation
Deryck Mitchelson, Director Digital & Security

Karen Nicholls, Minutes
- 3. Observers**
Stuart Aitken, Scottish Government
Rachel Browne, Audit Scotland
- 4. INTRODUCTION** 20 minutes
- 4.1. Chair's Introduction and Report [B/19/47 and B/19/47b]** Elizabeth Ireland
 -  B1947 Chairs update June 19.pdf (2 pages)
 -  B1947b Trinity Park Foundation Annual Accounts to 31.3.19_Signed.pdf (6 pages)
- 4.2. Chief Executive's Update [B/19/48]** Colin Sinclair
 -  B1948 CE Board Update.pdf (5 pages)
- 4.2.1. Clinical Waste**
- 5. NSS Audit and Risk Committee Annual Report [B/19/49]** 10 minutes
Mark McDavid
 -  B1949 ARC Annual Report 2018-2019.pdf (11 pages)
- 6. NSS Directors' Report and Accounts 2018-2019 [Members' Only Paper B/19/50]** 25 minutes
Carolyn Low

 B1950 NSS BOARD Annual Report and Accounts 1819 (84 pages)
Front Cover.pdf

7. Minutes of the NSS Board Meeting held on 5 April 2019 and Matters Arising [B/19/51 and B/19/52] 5 minutes

 B1952 Action List.pdf (2 pages)

 B1951 05.04.19 Board Draft Minutes.pdf (7 pages)

8. NSS Staff Governance Committee Annual Report [B/19/55] 10 minutes

John Deffenbaugh

 B1955 SGC 2018-19 Annual Report to the Board.pdf (10 pages)


9. NSS Clinical Governance Committee Annual Report [B/19/56] 10 minutes

Julie Burgess

 B1956 Clinical Governance Committee Report to the Board 2018-2019.pdf (3 pages)


10. NSS Finance, Procurement and Performance Committee Annual Report [B/19/57] 10 minutes

Kate Dunlop

 B1957 FPPC Annual Report 2018-2019.pdf (6 pages)

11. NSS Information Governance Committee Annual Report [B/19/58] 10 minutes

Alison Rooney

 B1958 IGC Annual Report 2018-19.pdf (3 pages)

12. NSS Remuneration and Succession Planning Committee Annual Report [B/19/59] to follow 10 minutes










John Deffenbaugh







13. End of Year Performance and Finance Reports 2018-2019 [B/19/60 and B/19/61] 15 minutes


Mary Morgan/Carolyn Low

 B1961 NSS Board Finance Paper 1819 Front Cover.pdf (17 pages)


14. eHealth Lessons Learned 15 minutes
Presentation

			Carolyn Low
15.	Finance Report: Period 1 April to 31 May 2019 [B/19/62]		10 minutes
			Carolyn Low
	 B1962 NSS BOARD finance Paper May 19.pdf	(4 pages)	
16.	The Sturrock Report - 2019 [B/19/84 and B/19/84b]		30 minutes
	The NSS response to the Sturrock Report will be available after the NSS Partnership Forum meeting to be held on Tuesday 25th June 2019. This will be circulated to Members once available.		Elizabeth Ireland
	 B1984 2019-05-10 Sturrock Report_SG May 2019.pdf	(195 pages)	
	 B1984 3 Message from Colin Sinclair.pdf	(2 pages)	
	 B1984b Sturrock Report and Action Plan.pdf	(10 pages)	
17.	LUNCH		45 minutes
18.	End of Year Report on Feedback, Comments, Concerns and Complaints [B/19/66]		10 minutes
			Mary Morgan
	 B1966 Feedback and Complaints Annual Report 2018-19 (2).pdf	(20 pages)	
19.	NSS Workforce End of Year Report [B/19/63]		15 minutes
			Jacqui Jones
	 B1963 Workforce End of Year Report 2018-19 v2.pdf	(9 pages)	
20.	Workforce Strategy [B/19/64]		15 minutes
			Jacqui Jones
	 B1964 Workforce Strategy.pdf	(24 pages)	
21.	People Report as at 31 May 2019 [B/19/65]		10 minutes
			Jacqui Jones
	 B1965 People Report May 2019 v1.pdf	(5 pages)	
22.	NSS Digital update [B/19/87]		20 minutes
			Deryck Mitchelson
	 B1987 Digital and Security Board Update June 2019.pdf	(9 pages)	

- 22.1. Office 365 - implementation plan for NSS Board Members [B/19/86]**
- Deryck Mitchelson
-  B1986 Office 365 Implementation June 2019.pdf (5 pages)
- 22.2. NSS Information Governance Committee feedback on NSS Cyber Security and CHI & Child Health Transformation Programme**
- Deryck Mitchelson
- 23. Update on Strategy Performance Framework [B/19/67]**
- 10 minutes
Mary Morgan
-  B1967 NSS Strategy Performance Framework.pdf (21 pages)
- 24. NSS Biannual Risk Management Update [B/19/85]**
- 10 minutes
Mary Morgan
-  B1985 Board Risk Management Update.pdf (15 pages)
- 25. Highlights from NSS Audit and Risk Committee [B/19/68]**
- 26. Highlights from NSS Board Committees [B/19/69]**
- 15 minutes
Committee Chairs
-  B1969 Committee Highlights Report.pdf (3 pages)
- 27. Update on Register of Interests [B/19/70]**
- 5 minutes
Mary Morgan
-  B1970 Register of Interests as at 21.6.19.pdf (1 pages)
- 28. Non-Executive Directors Statutory Fire Training**
- 15 minutes
Lynn Morrow/Fire Wardens
- 29. Items for Information**
- 10 minutes
- 30. NSS Audit and Risk Committee**
- 30.1. Meeting held on 5 December 2018 - Approved Minutes [B/19/71]**
-  B1971 2018-12-05 ARC Approved Minutes.pdf (5 pages)
- 30.2. Meeting held on 29 March 2019 - Approved Minutes [B/19/72]**

 B1972 2019-03-29 ARC Approved Minutes.pdf (7 pages)

30.3. Meeting held on 23 May 2019 - Approved Minutes [B/19/73]


 B1973 2019-05-23 ARC Approved Minutes.pdf (4 pages)

31. NSS Finance, Procurement and Performance Committee

31.1. Meeting held on 14 February 2019 - Approved Minutes [see Item B/19/74]


 B1974 2019-02-14 FPPC Approved Minutes.pdf (6 pages)

31.2. Meeting held on 13 May 2019 - Draft Minutes [B/19/75]

 B1975 2019-05-13 FPPC Draft Minutes.pdf (4 pages)

32. NSS Clinical Governance Committee

32.1. Meeting held on 5 December 2018 - Approved Minutes [B/19/76]


 B1976 2018-12-05 CGC Approved Minutes.pdf (6 pages)

32.2. Meeting held on 21 March 2019 - Draft Minutes [B/19/77]

 B1977 2019-03-21 CGC Draft Minutes.pdf (6 pages)

33. NSS Information Governance Committee

33.1. Meeting held on 20 February 2019 - Approved Minutes [B/19/78]

 B1978 2019-02-20 IGC Minutes_Aproved.pdf (5 pages)

33.2. Meeting held on 14 May 2019 - Draft Minutes [B/19/79]

 B1979 2019-05-14 IGC Draft Minutes.pdf (7 pages)

34. NSS Staff Governance Committee

34.1. Meeting held on 15 February 2019 - Approved Minutes [B/19/80]

 B1980 2019-02-15 SGC Approved Minutes.pdf (6 pages)

34.2. Meeting held on 10 May 2019 - Draft Minutes [B/19/81]



B1981 2019-05-10 SGC Draft Minutes.pdf

(9 pages)

35. NSS Remuneration and Succession Planning

35.1. Meeting held on 19 February 2019 - Draft Minutes [B/19/82]

36. NSS Governance Structures B/19/54 (Current as at 28.6.19) for information



B1954 NSS Governance Structure_DRAFT.pdf

(24 pages)

37. NSS Policies - none to review this session

38. Any Other Business

Minutes (Approved)

NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF FORMAL BOARD MEETING HELD ON FRIDAY, 5 APRIL 2019
IN BOARDROOMS 1&2, GYLE SQUARE, EDINBURGH, COMMENCING AT 1015 HRS

Present: Elizabeth Ireland, NSS Chair
Julie Burgess, Non-Executive Director
Ian Cant, Employee Director
John Deffenbaugh, Non-Executive Director
Carolyn Low, Director of Finance and Business Services
Mark McDavid, Non-Executive Director
Alison Rooney, Non-Executive Director
Colin Sinclair, Chief Executive
Lorna Ramsay, Medical Director

In Attendance: Jacqui Reilly, Nurse Director
Aileen Stewart, Interim Associate Director of HR [Depute for Jacqui Jones]
Karen Nicholls, Acting Board Secretary [Minutes]
Mary Morgan, Director, SPST
Deryck Mitchelson, Director, IT
Phil Couser, Director PHI
James Miller, Director PCF
Norma Shippin, Director CLO
Matthew Neilson, Associate Director, Strategy, Performance and Communications [Item 4]
Caroline McDermott, Head of Planning [Item 4]

Apologies: Kate Dunlop, Non-Executive Director
Jacqui Jones, Director of HR and Workforce Development

Observer: Stuart Aitken, Directorate for Health Finance, Scottish Government
Inire Evong, Audit Scotland
Sue Donaldson, NSS Strategy, Performance and Service Transformation

ACTION

1. INTRODUCTION

- 1.1 Professor Ireland welcomed members, attendees and observers to the meeting and apologised for the slight delay to the start of the meeting due to a Commercial in Confidence session. Members also noted the apologies above. Before starting the formal business of the meeting, Professor Ireland asked the Board Members if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.
- 1.2 Professor Ireland thanked Mrs K Dunlop and Mrs K Nicholls for the work they had done on the recent Board Development Session in her absence.



Headquarters

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

Chair Professor Elizabeth Ireland
Chief Executive Colin Sinclair

2. CHAIR'S REPORT [papers B/19/24 and B/19/24a refer]

- 2.1 Professor Ireland took Members through her report and added that Dr L Ramsay now also sat on the NHS Chair's group focusing on Innovation and Reform.
- 2.2 Members noted and approved the content of the additional report on the Corporate Governance Blueprint produced by Mrs Nicholls. Professor Ireland asked Mrs Nicholls to share the report and action plan with Scottish Government on behalf of the Board. **Action: Mrs Nicholls to submit Blueprint report and action plan to Scottish Government.** K Nicholls
- 2.3 Professor Ireland informed Members that the interviews for the new Stakeholder Non-Executive had taken place earlier in the week and a recommendation on an appointable candidate had been shared with Scottish Government for Ministerial approval. *NOTE: During the meeting confirmation that Mr John Burns, CEO NHS Ayrshire and Arran had been approved and would commence his tenure with NSS early May 2019.* Members noted that the recruitment process for a new Chair had now begun and it was anticipated that a candidate would be approved to start by 1st August 2019. If there was a delay Mrs K Dunlop, current NSS Vice Chair, had been asked to act as interim Chair.
- 2.4 Mr Deffenbaugh then provided a verbal update on the Chair's and Chief Executives meeting which he had attended on behalf of the Chair. It was noted that there had been discussions on the following topics:
- Integration of Health & Social care
 - Further work was required around relationships between Boards and Scottish Government
 - Need more in-depth discussions looking at transformation, rather than just transactional programmes of work.

Mr Sinclair added that there was a recognition that Scottish Government, NHS Chairs and Chief Executives would need to work much more closely to truly push forward transformation and cross organisational projects. This was especially important for the 8 National Boards and the shared services agenda.

3. CHIEF EXECUTIVE'S UPDATE [papers B/19/25 and B/19/31 refer]

- 3.1 Mr Sinclair took Members through his update paper and it was noted that following a meeting with the Chair of the Chief Officers Group NSS had been asked to present on integration to the August meeting. Mr Sinclair was very encouraged by this as it started to build relationships for NSS across the Health & Social Care Partnerships.
- 3.2 Mr Sinclair advised that the number of RIDDORs for NSS was now down to 4 from the 5 in his report. He continued that the Executive Management Team would also be refocusing on sickness absence as there had been a slight rise in the year-end figures.
- 3.3 Members noted that there had been movement on the National Board's savings requirement which had now been reviewed and allocated fairly. Mr Sinclair added that whilst this would still be difficult, it was now proportioned correctly.

- 3.4 Members noted the good work done by Mrs Low and her team around e-Health and a paper on lessons learned would be provided to the NSS Finance, Performance and Procurement Committee (FPPC).
- 3.5 It was noted that there may be an ask on NSS to set-up an oversight team focusing on Screening, although this may not sit within NSS in the longer term. Professor Ireland advised that this, along with other items had been discussed in detail at the Commercial in Confidence meeting that had taken place prior to the public section of the meeting. Following this there would be a request to carry out lessons learned on Office 365 and Clinical Waste via the Information Governance (IGC) and FPPC for future reporting. Whilst the NSS Clinical Governance Committee would be focusing on emergent thinking relating to the current issues at the Queen Elizabeth Hospital in Glasgow and the role of NSS via Health Protection Scotland and Health Facilities Scotland. Members passed on their thanks to all the teams involved in these issues.
- 3.6 Mr Cant queried whether it would be possible to share the Chief Executives reports with all staff. Members requested Mr Cant and Mrs Nicholls to review possible channels of how this could be done. **Action: Mr Cant/ Mrs Nicholls to update for next meeting.** I Cant/
K Nicholls
- 3.7 Members noted the update on the role of NSS around Brexit and asked that they be kept up to date on an on-going basis around the planning and implications from this volatile situation. Mr Sinclair added that NSS had committed significant funding around Brexit and it was anticipated that this would be funded by Scottish Government. It was also noted that this was an increasing workload on a limited number of staff which was being monitored by the senior team. A full communications plan had been put in place at a UK level and NSS would be ready to implement resilience plans as soon as required. Professor Ireland thanked Mr Sinclair for this update and the Members were reassured by the planning that had been put in place. Mrs Rooney asked for further details relating to prescriptions and the scale of the risk. Mr Sinclair agreed to circulate information around supply routes going through Europe as well as items manufactured there to give a view of the potential risks. **Action: C Sinclair circulate supply route details outwith meeting.** C Sinclair
Mr McDavid asked about the additional risks associated with a hard Brexit and whether there was a case for carrying out a rehearsal. Mr Sinclair agreed to raise this matter with the team. **Action: C Sinclair to work with JM around practicalities of running a resilience rehearsal on implications of a Hard Brexit.** C Sinclair/
J Miller
- 3.8 Mr Cant asked that his thanks be noted to Mrs Low and the payroll team about the repayment of the settled status fees after the Government agreed to settle these fees.
- 3.9 Mrs Morgan provided an update on the progress around the new Public Health Board. She advised that due to a number of delays in the legislative process the project team had requested a change to the investiture date to coincide with the new Financial year, a change from 1st December 2019 to 1st April 2020. A response to this had not yet been received, but Members and staff would be updated once it had. Mr Sinclair added that the staff involved would be reassured that this was just a slight delay and everything else was still on track. **Action: M Morgan to provide update outwith meeting.** M Morgan
Mr Deffenbaugh asked for additional reassurance from the teams to ensure that nothing was allowed to 'slip through the crack' in terms of business as usual during this uncertain period. Mrs Morgan responded that NSS was still including all related work-streams in the 2-5 year planning

process, and until the work was actually handed over this would continue. Members were reassured that this was taking place. Members noted that the delay would incur extra costs, and the figures included in the report only accounted for PgMs support for the programme. NSS were aware of the risks associated with this, but it was felt that NSS had a duty to be involved. Mr Sinclair advised that plans were in place to deal with any shortfall and at the present time he was content with the level of risk. Mr Mitchelson assured the Members that due diligence was taking place around the IT requirements relating to the project and during the Discovery stage. Professor Ireland asked that this remain a substantive item for future meetings. **Action: Board Secretary to add to standing items on forward programme.**

Board Secretary

- 3.10 Members discussed the shared services approach to the new Board and the mindset of NSS around this. All agreed that it was imperative that NSS be seen as a true shared service provider as a core function. Professor Ireland asked that thought be given to providing a full picture of the NSS offering around Shared Services for a future development session. Mrs Morgan had already started to review the NSS shared services offering readiness with KPMG, not only to provide, but to assist those outwith to accept the offering. **Action: Board Secretary to work with M Morgan/C Low/J Jones for a future development session.**

**Board Secretary/
J Jones/C Low/**

4. NSS STRATEGIC DELIVERY PLANS [papers B/19/45 and B/19/30 refer]

- 4.1 Mr Neilson took Members through the presentation and associated documents. Professor Ireland reminded all that the documents had already been reviewed by the Board and Sub-Committees and the final version was now being presented for approval. It was noted that details of the changes since the last meeting were included in the cover paper.
- 4.2 After a short discussion Members agreed to reflect on how they could monitor progress against the strategy going forward. Mr Cant also asked whether a booklet style version, similar to those produced in the past, could be developed as part of the staff engagement piece and commended Mr Neilson and the team for their work on the strategy.
- 4.3 Members asked that the Board development session scheduled for May look at different ways of measuring achievement and progress around the strategy. **Action: Board Secretary add to forward programme.**
- 4.4 With these comments and discussions the Board was pleased to approve the strategy in full.
- 4.5 Ms McDermott then talked Members through the changes made to the Operational Delivery Plan (ODP) since the last meeting and reminded them that the paper was now with the Board for approval. She added that feedback had already been received from Scottish Government Sponsors and these had been reflected in the document presented. It was also noted that the document had been discussed at both the NSS Partnership Forum and FPPC.
- 4.6 Mrs Low advised that a 5 year financial plan on capital budgets and 3 years on revenue were now included and there was additional narrative supporting these. She pointed out that whilst there was a balanced position for the revenue funding, it would become increasingly difficult to maintain this on a recurring basis. It was therefore imperative that NSS have a sustainable plan going forwards looking at an effective workforce that would support

Board Secretary

service transformation to accomplish this. Members noted that for the workforce figures there was detail just for year 1 and additional work was on-going around workforce planning to support the plans, and the changes required would then be reflected in the finance plan going forward. Members noted that the plan was put to the Board for final approval.

- 4.7 Members asked for clarity around the workforce figures for the next year, as they would have expected to see changes with the investiture of the new Public Health Board and the move across of NSS staff. Mrs Low responded that this was at the request of Government at this stage, to include all existing staff in the plan and it would be rebased after the formal move date. After further discussion Mr Deffenbaugh asked that the Digital piece be included in the planning process. Mr Sinclair responded that it did underpin the planning but was more than happy to make it more visible if required.
Action: Mr Sinclair to update document to include IT/Digital transformation. C Sinclair

- 4.8 With these comments Members were content to approve the proposals.

5. MINUTES OF THE MEETING HELD ON 1 FEBRUARY 2019 AND MATTERS ARISING [papers B/19/26 and B/19/27 refer]

- 5.1 Members noted the draft minutes and were content to approve them in full.
5.2 The items on the action list were either in progress, scheduled for a future meeting, closed or covered within the agenda and papers for this meeting.

6. PRESENTATIONS [Cyber Security and CHI and Child Health Index]

- 6.1 At this point Professor Ireland advised that due to time issues it would be necessary to move both these items to a future agenda.

7. FINANCE REPORT [paper B/19/28 refers]

- 7.1 Mrs Low took Members through the paper and advised that NSS was on track to meet its targets. Members noted the following:

- For funds that had been returned to Scottish Government as not spent within the predicted timeline – it was anticipated that these would be returned to NSS once the projects started.
- Change of treatment of VAT on legal fees – HMRC have ruled that some aspects of VAT were no longer recoverable. A watch would be kept on how this could potentially impact Central Legal Office, particularly around the Blood Inquiry. Mrs Shippin clarified that this related to counsel fees, which were already pass on to Boards so would not have a significant affect on CLO fees.

- 7.2 After a short further discussion Members noted the content of the report and thanked Mrs Low for her update.

8. PEOPLE REPORT [paper B/19/29 refers]

- 8.1 Ms Stewart took Members through the report and drew their attention to the summary which provided an update on the key elements. She continued that the overall position for the workforce in NSS was a positive one, with a myriad of evidence available to support this. Members noted that there had been a big focus on sickness absence, and this would be continuing as the

NSS year end figure would show a small rise beyond the 4% target. However, Ms Stewart added that this increase of cases on sickness absence and a subsequent rise in management cases was a positive thing. The NSS Capability Policy should be viewed as a supportive tool mainly used to support employees back to work after a long term sickness absence, rather than employee capability. The majority of these cases relating to stress and mental health were often triggered by external issues, not work related ones, and it was therefore important to bring together the policy and a focus on employee well-being. It was noted that the recent Senior Management Forum had focused on case management and had been well received by attendees.

8.2 Members discussed the paper and reflected that this was a good approach but felt that more momentum was required, especially around line managers getting up to speed on case management. Ms Stewart replied that work was on-going in this area, and that Mr Deffenbaugh had been in discussion with Mrs Jacqui Jones, Director of HR and Workforce Development on how information was presented on this, and all aspects of HR through the NSS Staff Governance Committee (SGC). Members noted that changes to presenting reports on the HR dashboard would require significant rework and could therefore take a number of months to complete. However, having the narrative around the figures would be the most important aspect of these changes.

8.3 Mr Cant added that the Board should not lose sight of the fact that at some point everyone was ill, but having over 95% of NSS staff were well and at work, and this should provide good evidence that this was well managed.

8.4 Members then discussed the NSS turnover figures and asked whether the targets were appropriate, and lined up with future ambitions and strategies for the organisation. It was noted that this would be monitored by the SGC and reported to the Board should any concerns arise.

9. **UPDATE ON REGISTER OF INTERESTS [paper B/19/35 refers]**

9.1 Members provided the following updates to the register of interest and asked that the Board Secretary make the necessary changes.

- Professor Ireland – no longer a member of the CMO Taskforce for Sexual Crime.
- Mr Deffenbaugh – new position as Director, Glasgow Repertory Company and no longer Director, Frontline Consultants Limited.

Action: Board Secretary to update register.

Board Secretary

10. **HIGHLIGHTS FROM BOARD SUB-COMMITTEES [paper B/19/36 refers]**

10.1 Members noted the content of the paper in full and verbal updates provided. The following additional details were noted:

NSS Clinical Governance Committee:

1. PACS risk was now closed.
2. Emergence of Dental Governance work being done.

NSS Audit and Risk Committee:

1. KPMG IT Talent Management Report had been received and shown

some concerns around staff support and development. Mr Mitchelson advised that work had already started on the issues highlighted within the report, prior to it being received.

2. Committee had asked the NSS Information Governance Committee (IGC) to look at any potential issues with ATOS.

3. Question around why a contract renewal had gone to the A&R Committee and not FPPC. It was noted that this had occurred due to timing of committees. Mr McDavid asked for reassurance around due diligence on this particular contract (taken as part of a Commercial in Confidence Audit and Risk meeting) and he would liaise with Mr Sinclair outwith the meeting.

**C Sinclair/
M McDavid**

Action: C Sinclair and M McDavid to discuss outwith meeting.

10.2 Members added that a review of procedure and governance for carrying out Committee work outwith meetings would be useful. **Action: Board Secretary to add to development session programme for next meeting.**

Board Secretary

11. MINUTES FROM OTHER NSS SUB-COMMITTEES [papers B/19/38, B/19/39, B/19/40, B/19/41 refer]

11.1 Members noted the draft and approved minutes from the Board sub-committees that had been circulated for information.

12. NSS POLICIES [papers B/19/43 and B/19/44 refer]

12.1 Members noted the NSS Freedom of Information, Environmental Information Request Policy, and NSS Information Governance Policy which had been circulated for information.

13. AOB

13.1 There was no other competent business discussed.

There being no further business, the meeting finished at 1320 hrs.

Chair's Update

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

NSS:

Strategy; The NSS strategy was launched and has been supported by materials developed by our staff. The stand at the NHS Scotland Event created much interest and discussion. I would like to thank all those involved and to the Board for their input and recent development session on how the Board oversees, and holds the executive to account for the delivery of the strategy. This is on the agenda for today. I have spent more time practicing as a GP over the last few weeks and the role of Primary Care – within clusters – supported by effective advice, procurement and Digital capability will be essential in delivering sustainable care services for people in Scotland. NSS are critical to much of this.

The Scottish Government are in the process of engaging across Scotland to re-create a vision for Health and Social Care beyond 2020. I would encourage my successor and the board to engage in these discussions – through the NHS Chairs groups and with the new DGHSC – Malcolm Wright (permanent appointment announced last week)

Governance: The NSS action plan for the delivery of key areas within the Blue Print for Good Governance was submitted to Scottish Government by the end of April. As yet – there has been no feedback. I would suggest this is an agenda item for the September board meeting.

- Non- Executive Recruitment: Unfortunately our new stakeholder Non-Executive Director has withdrawn following discussions with Scottish Government. I have also had discussions with the DGHSC around this as well as with Linsey Craig from Public Appointments. The options are; a) to go out to re-advertise within the same cohort again; b) to co-opt c) to review our skills matrix against our strategy and re-advertise once the new chair is in post. My recommendation is for the latter.
- Membership of Board Committees: I would recommend that this is reviewed early in the term of a new chair and with best practice in mind a view to rotate chairs of some committees to enable robust succession planning.
- Standing Orders and Standing Financial Instructions: SG are developing recommendations for these and through the Audit and Risk Committee it has been agreed that we will not be changing our current orders until we hear from SG. NSS has also started a programme of review for all governance committees and groups, the first draft of which can be found in the items for information.
- I am meeting Colin Brown on 26.6.19 who has been appointed as Head of Governance (Digital) NHS Education for Scotland.
- Appraisal, Induction and Training – all are being reviewed by a committee of NHS Chairs and SG. Our Board secretary will keep Non- execs updated.

Culture: The publication of the Sturrock report in May 2019 is of great importance. This year I have worked with Carnegie UK as part of their Kindness Innovation Network and the Sturrock report highlights the importance of the relational rubicon within organisations as well as the rational one as outlined by Julie Unwin in this publication (<https://www.carnegieuktrust.org.uk/publications/kindness-emotions-and-human-relationships-the-blind-spot-in-public-policy>)

The Cabinet Secretary has asked all boards to review the Sturrock report and feedback actions identified to her by the end of June. Our Director of HR, Jacqui Jones has led this work – in partnership and our Employee Director, Ian Cant will lead this conversation later in the meeting. I have also been in conversation with the interim Chair of NHS Highland to offer support and also to reflect on my time as a salaried GP in NHS Highland (2009-2016)

Performance: On the agenda today are the outputs relating to our performance in 2019/20. This has been another exceptional year for all in NSS who deliver time and time again. This year we have also picked up additional services relating to Clinical Waste and Brexit (amongst others) that have enabled services to continue in real time and in preparedness for Brexit. Thank you.

NHS Chairs meeting 20.5.19

The meeting with the Cabinet Secretary focussed on performance: Sturrock and Realistic Medicine. There is another meeting on 25.6.19 and I will give a verbal update

I have also attended the National Programme board meeting in May 2019 - and will give an update relating to papers that have just been shared for the meeting on 27.6.19. These include papers on Digital and Public Health Scotland.

Professor Jim McGoldrick has been appointed as shadow Chair of the new Public Health Scotland.

Finally – this is my last Board update. It has been the most amazing privilege to have worked with so many people who are experts in their field – recognised nationally and internationally. The services that NSS provide may be less well known by many delivering care – but are essential and are delivered time and time again.

However we cannot deliver without people – and there are so many to thank!

I would look to the future board and leadership to continue to recognise people – their needs, ideas and delivery – to say thank you and to create listening time and spaces to hear ideas and stresses early so that everyone in NSS feels valued and is part of a team that is essential to ensuring the health and wellbeing of the people of Scotland

Professor Elizabeth Ireland

Professor Elizabeth Ireland
NSS Chair
29.2.19

TRINITY PARK FOUNDATION

Report and Accounts

31 March 2019

Trinity Park Foundation

Room 027, Gyle Square, 1 South Gyle Crescent, Edinburgh, EH12 9EB

Scottish Charity Number; SC004807

Trinity Park Foundation

REPORT OF THE TRUSTEES for the year ended 31 March 2019

ADMINISTRATIVE ARRANGEMENTS

The Foundation was established by Deed of Trust by Donald Francis Macquaker and James Turner Donald, dated 2 and 12 June 1989 and registered in the Books of Council and Session on 21 June 1989 as later amended.

The number of Trustees shall not be fewer than 3 nor more than 5, of whom at least two shall be employees of the Board of the Common Services Agency for the Scottish Health Service (CSA), now commonly known as NHS National Services Scotland (NSS). This resolution of the Trustees was effected by the terms of the sixth Supplementary Trust Deed recorded in the Books of Council and Session on 28 October 2008.

The Trustees acting on behalf of the Foundation on 1 April 2018 were Ms Laura Howard, Mrs Eilidh McLaughlin, Mrs Karen Nicholls all employees of the CSA and Mr Mark McDavid who was Chairman of the Trustees.

The Trustees met formally once during the year and informally/virtually on frequent occasions.

There is no longer an upper age limit in respect of Trustees holding office.

Administrative Services continue to be provided by the Common Services Agency, Gyle Square, 1 South Gyle Crescent, Edinburgh, EH12 9EB

Mrs Jill Ryan CA a member of staff of the CSA, who is unconnected with the operation of the Foundation, has examined the accounts.

The Foundation was established for the purposes of securing improvement in the physical and mental health of the people of Scotland and associated research, the care of the sick and injured, and the prevention, diagnosis and treatment of illness throughout Scotland. The Foundation has been recognised by the Inland Revenue as a charity for the purposes of Section 505 of the Income and Corporation Taxes Act 1988, its Scottish Charity Number is SC004807 and it is regulated under the Charities and Trustee Investment (Scotland) Act 2005.

REVIEW OF FINANCIAL POSITION AND ACTIVITIES DURING THE YEAR

In 2018/19 the Foundation received £350.00 (2017/18 £250.00) donations and expended £Nil (2017/18 £5,261) in qualifying payments. This year the Auditor received no remuneration. After interest received, the fund balance increased by £350.00.

TRUSTEE REMUNERATION AND EXPENSES

No payment of remuneration or expenses was made to a Trustee or someone connected to a Trustee, and there were no transactions between the Foundation and a Trustee or connected person.

By order of the Trustees



Trustee KAREN NICHOLLS

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE TRINITY PARK FOUNDATION

I report on the accounts of the charity for the year ended 31 March 2019 which are set out on pages 4 to 6.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND EXAMINER

The charity's trustees are responsible for the preparation of the accounts in accordance with the terms of the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. The charity trustees consider that the audit requirement of Regulation 10(1) (d) of the Accounts Regulations does not apply. It is my responsibility to examine the accounts as required under section 44(1) (c) of the Act and to state whether particular matters have come to my attention.

BASIS OF INDEPENDENT EXAMINER'S STATEMENT

My examination is carried out in accordance with Regulation 11 of the Charities Accounts (Scotland) Regulations 2006. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeks explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

INDEPENDENT EXAMINER'S STATEMENT

In the course of my examination, no matter has come to my attention

1. which gives me reasonable cause to believe that in any material respect the requirements:
 - to keep accounting records in accordance with Section 44(1) (a) of the 2005 Act and Regulation 4 of the 2006 Accounts Regulations, and
 - to prepare accounts which accord with the accounting records and comply with Regulation 9 of the 2006 Accounts Regulations

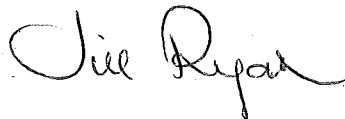
have not been met, or

2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Jill Ryan CA

Edinburgh

Date:



24th JUNE 2019

Trinity Park Foundation

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2019

	<i>Total Restricted Funds 2019 £</i>	<i>Total Restricted Funds 2018 £</i>
INCOME AND EXPENDITURE		
INCOMING RESOURCES		
Donations	350	250
Bank and other interest	-	-
TOTAL INCOMING RESOURCES	<u>350</u>	<u>250</u>
RESOURCES EXPENDED		
Audit fees	-	-
Qualifying Payments	-	5,261
Administration expenses	-	-
TOTAL RESOURCES EXPENDED	<u>0</u>	<u>5,261</u>
NET INCREASE / (DECREASE) IN FUNDS	350	(5,011)
Funds balance brought forward at 1 April 2018	<u>2,392</u>	<u>7,403</u>
Funds balance carried forward at 31 March 2019	<u><u>2,742</u></u>	<u><u>2,392</u></u>

Trinity Park Foundation

BALANCE SHEET

as at 31 March 2019

	<i>Note</i>	<i>2019</i>	<i>2018</i>
		£	£
CURRENT ASSETS			
Debtors		-	-
Cash at bank		2,742	2,392
LESS: CURRENT LIABILITIES			
Creditors		-	-
NET ASSETS		<u>2,742</u>	<u>2,392</u>
RESTRICTED FUNDS		<u>2,742</u>	<u>2,392</u>

These accounts were approved by the Trustees on

and signed on their behalf Karen Nicholls, Trustee (at the request of the Chairman)



p.p. Karen Nicholls for and on behalf of
Mr Mark McDavid, Chairman

Names of Trustees holding office on the date the accounts were approved were; -
Mark McDavid, Chair
Eilidh McLaughlin,
Laura Howard
Karen Nicholls

The accounting policies set out on page 6 form part of these accounts.

Trinity Park Foundation

NOTES TO THE ACCOUNTS

as at 31 March 2019

1. ACCOUNTING POLICIES***Accounting convention***

The accounts are prepared under the historical cost convention.

Donations

In 2018/19 the Foundation received £350 (2017/18 £250) donations.

Interest

Interest is recorded net of bank charges where applicable.

B/19/48

NSS Formal Board Meeting – Friday, 28th June 2019

Chief Executive's Update

1 Context

The last 3 months have continued to be extremely busy with a combination of looking back and concluding 18/19 while continuing to work on the broad agenda for the current year. The last financial year was again very successful with strong delivery across our service delivery, financial performance, ODP delivery and key workforce issues. A number of major items are rolling over from last year including ongoing management of waste and Brexit which will recommence next month. The infection control issues in NHSS earlier this year have resulted in additional asks of NSS to develop new services and change our role in others. The particular focus is on improving infection control and increasing compliance with the built environment.

Our Strategy is now agreed and being implemented across the range of Enable, Underpin and Assist and the performance measurement approach will be discussed at the meeting today. Overall our Strategy presents a very solid platform to build on and engagement with stakeholders, customers and staff will be key in moving it forward.

Work continues in supporting the development of Public Health Scotland and I know the input of colleagues in the EMT, the Programme Team and from PHI staff generally has been valued by colleagues in SG. It has been challenging to get decisions on the shared service requirements from NSS but the offer that we have provided which potentially provides £1m of revenue benefit to Public Health Scotland is enabling the discussions. A separate paper is provided for discussion at this Board. The appointment of Jim McGoldrick, a previous NSS Non-Executive, as Interim Chair, will assist Public Health Scotland to make key decisions and gain momentum. The vesting date has now been delayed until 1st April 2020 but there is still much to do including the effective transfer of staff.

The Sturrock Report into bullying and harassment in NHS Highland has recently been published and clearly presents lessons for all of NHSScotland. We are working in partnership to develop an action plan built off the back of the report recommendations which will be presented to the Board and needs to be provided to Scottish Government. It was however encouraging to see that many of the actions that Highland are proposing to take, NSS already have in place. At the same time, we also received through the Cabinet Secretary's office, an anonymous complaint concerning bullying and harassment within the organisation. Given the serious nature of the complaint, I issued a brief both reminding colleagues of the routes that are available to raise concerns and offering to the author of the letter the opportunity to discuss their concerns with either myself or the HR Director confidentially. The implications of this type of letter will be considered as part of the Sturrock response.

Engagement continues with National Boards both through Chief Executives and joint meetings with Chairs. Funding for joint projects has been reduced significantly and the delivery of the £15m annual savings is still proving challenging.

Delivery of our 3 major digital programmes remains a priority. The challenges around Office365 are being addressed and are predominantly funding. CHI and Child Health is progressing but routes are being explored to minimise cost and explore cloud options. Our overall role as NSS in the delivery of the digital strategy still needs clarification and I am engaged with colleagues in Scottish Government and other Boards to address this.

2 Response to Health and Social Care Delivery Plan

NHSS Approach

The focus from SG on regional and national collaboration is less prominent with Mental Health, Waiting Times and Integration continuing to have priority. We are engaged in the first two through NSD and PHI mainly but are receiving increasing requests for Programme Management support which we are responding to positively. PgMS is delivering well and demand is growing generally. We continue to engage with IJBs and LA bodies to understand where NSS can support integration. I am attending IJB Chief Officer's event in August to outline our capabilities and discuss opportunities.

Tightening resources drive increasing need for join up between infrastructure planning, national planning and national specialist services. NSS has a prominent role in all of these areas through NSD, HFS, PHI and PgMS. There is a role for NSS in co-ordinating activity and supporting enhanced decision making.

Financial sustainability remains a key challenge with an underlying deficit for next year still to be addressed and at least 4 Boards seeking brokerage.

Public Health

Vesting date for PHS is now 1st April 2020 and Jim McGoldrick has been appointed Interim Chair. The Chief Executive post has been advertised and option remains to appoint an interim to help immediate decision making. Jacqui Jones and her team have done an excellent job in supporting the establishment of HFS senior structures and supporting recruitment processes. PHS needs staff in key posts to allow important decisions to be made across a range of areas. Without this, delays will continue and senior staff from both Health Scotland and PHI will be in a difficult position to set direction as they are directly impacted by the choices that need to be made.

Our shared service offering for PHS across the 5 key areas HR, Finance, Facilities, IT and procurement has been provided and will be discussed with PHS EMT over the next couple of weeks. Given the ability of NSS to absorb much of this work at relatively low marginal cost we have offered to take risk on Health Scotland staff transferring into NSS and release circa £1m for PHS to invest. This does present some risk to NSS but given our scale we are much better positioned to do this and mitigate impact. On this basis I expect a partnership approach between the two organisations. Again this will be covered in more detail at the Board meeting.

Around 45 staff from HPS will now remain in NSS due to the commission we have received from SG about the establishment of an Infection Control centre of expertise. Details of this will be covered in separate agenda items.

National Board Collaboration

The National Board Collaboration plan has still not been published although much of the work has started. Overall funding for these initiatives has been reduced for 19/20 and a revised funding plan has been agreed. Collaborative work on external facing activities such as digital, primary care and transformation is gaining some pace although there is work still to do and ensuring the appropriate governance structures for the specific programmes is important. Our approach to joint savings is still frustratingly slow but I have made it clear NSS will not be in a position to contribute more and any gaps will have to be funded from other Boards or through genuine joint working. NSS are producing a proposal on procurement to help increase pace of change. Joint meetings continue with CEs and Chairs and while approach is positive, delivery is slow.

3 Performance Summary

Finance/Operations/People

We are clearly at the very early stages of the financial year but at the end of May we are forecasting to break even with a £300k surplus year to date. There are a number of funding issues to be addressed with SG including carry over from 18/19 but believe these should be resolved. There is a funding challenge in P&CFS with the new pharmacy payments system (DCVP). The exact nature of this is being understood at the moment.

Sickness absence is just above our 4% target but there is continuing action across all Business Units. We have had one RIDDOR incident to date which was in PCF. It is too early in the year to provide an accurate forecast in terms of ODP delivery but there are no immediate concerns.

I have presented at a broad range of staff events including my roadshow at Canderside, Scotblood and the Nursing Engagement Event. Overall I have found these very positive discussions and staff have been very interested and engaged.

CHI/GPIT and Office 365

The O365 programme is now in an improved position with a number of the licensing issues resolved in short term and enhanced governance now in place with CE of Tayside as Chair and me as deputy. Arrangements have been made with Microsoft for this year's licensing which is in line with forecast and a lower number of security licences have been purchased to match this year's implementation. Funding arrangements between Boards and SG still have to be finalised but this was always required.

Work is underway to agree final licence numbers by Board which are likely to be closer to original estimates than first thought. EMS security licences will be needed in the same quantity as O365. NP are assisting the implementation team in negotiation with Microsoft around a range of issues for years 3 to 5 including ongoing Windows 7 support, hardware support, and security licences. Key implementation issues include move from current email provider Accenture (NHS Mail 2) to Microsoft and transfer of all data in existing systems to O365.

CHI and CH implementation continues although against a back drop of tighter eHealth and digital funding. Using a cloud option will reduce cost but this has led to a lack of clarity between NSS and NDS in terms of delivery. This reflects a broader need for clarity of roles and responsibilities on broader Health and Social Care digital strategy and I am working with colleagues in Boards and SG to resolve.

Our own Strategy for the Digital Business Unit is now concluded as presented to the Board recently. Deryck is in the process of implementing both the structures and governance to focus on its implementation. Key elements include our role in Cyber Security and negotiation of a potential Atos Contract extension and increasing use of the public cloud to support service delivery.

Executive Management Team

Craig Spalding has now started as Director of SNBTS which means that after a couple of years of change the EMT now has a full complement of permanent members. I have a strong team in place and this is evidenced by results over the last couple of years and gives a solid platform to implement the Board's Strategy going forward. The team have had a significant workload over the last year with major projects, PHS and a wide range of contingency issues as well as BAU service delivery. The results the Board will formally approve at this month's meeting reflect an excellent performance from them and all colleagues across NSS.

NSS Chair

I would like to formally express my thanks to Elizabeth for her support and guidance over the last (almost) 3 years. She has been continually encouraging and provided thoughtful advice and views, critically ensuring we always remember the patient in our deliberations.

4 Key Issues

Current key operational issues are as follows:

Response to NHS Highland Sturrock Report - complaint, complaints process, time etc

The recent Sturrock report focused on allegations of bullying and harassment in NHS Highland. All Boards have been asked to produce their own action plans on the back of the report which are to be submitted to SG by the end of June. Our plan is being prepared in partnership and will be discussed at the Partnership Forum 25th June before coming to the Board. Key issues in the report included leadership, visibility, culture, staff engagement and partnership working. Highland has shared their own response and it was encouraging to see how many of the actions we have in place already.

At the same time an anonymous letter was received through the Cabinet Secretary's office. It alleged bullying and also about the slow and difficult process we have for raising and dealing with issues. Our response is included in today's papers with focus on review of process which can be slow once an issue has been raised. The letter also suggested the only route for complaint was through the line manager which is not the case. It was an opportunity to remind all staff of the multiple routes available to raise concerns and also offer the member of staff to speak directly and confidentially about issues raised to either Jacqui or myself. To date no contact has been made. Discussions were already underway about a process to record and manage anonymous complaints with trade union colleagues and this has now been agreed.

Overall I believe we have a very positive, open and transparent relationship with staff which is supported by iMatter results but Highland and the letter indicate the need never to be complacent. In an organisation as complex and broad ranging as NSS it is always possible inappropriate behaviour may be taking place.

HPS/HFS Future Role – Following the infection control issues NSS have been commissioned by SG to develop a proposal for an infection control service/centre of expertise which will support improved performance across Scotland. There will be a close link to HFS and its role in reducing/minimising infection control in the built environment. In addition, we have been asked to look at the role of HFS generally in increasing compliance across facilities generally. The project has been asked to complete in a couple of months and will be led by our Nurse Director. She will be supported by Gordon James who has already been working with Jim Miller and papers have been submitted to SG on the role of HFS and compliance. Separate papers are part of the pack for today. This ask also means approximately 45 staff from HPS will not now transfer to PHS. They currently work on Health Acquired Infection and Anti-Microbial Resistance.

Brexit – Following the extension to the Brexit deadline until 31st October, the contingency arrangements in place were stood down as the immediate requirement has been removed. Given the current position and the need to plan once again on the basis that a no deal situation could happen, all previous contingency arrangements are going to be recommenced from early July. The infrastructure that was put in place is still relevant but additional work will be required particularly around medicines planning. The current political situation does suggest a no deal Brexit is a potential option and I will ensure the Board is kept informed.

Screening Review – The overall screening review recommended the establishment of an executive oversight team to coordinate all screening activity. The implication from SG at the end of the financial year was that NSS would be asked to establish this service. It was indicated in correspondence but no direct commission was provided. We are currently awaiting confirmation that NSS will be asked to take on this work and are pushing SG to understand if this is still the case.

Clinical Waste – Contingency plans for the collection of clinical waste continue to work effectively with no disruption to clinical services. Clinical waste is categorised in two main ways, orange which is relatively low risk and comprises some 90% of the total and yellow which is both more hazardous and sensitive. Our orange waste is currently being processed through facilities in Dunbar, Shetland, and recently established provision by WH Malcolm in Glasgow. Yellow waste continues to be transferred to plants in England with support from Tradebe, our new contracted supplier. Overall, this is working effectively but, with the nature of contingency, is at increased cost. Carolyn Low has commissioned a review by KPMG of the establishment of the contingency arrangements and the subsequent costs incurred. I have no reason to believe that this was not done in a very effective manner given the circumstances at the time but feel it is important that this review clarifies the approach and the decisions that were made. Our new contractor Tradebe is due to commence operations in early August and implementation is going to plan – the only significant challenge is them obtaining planning permission for their site in Bellshill to allow them to have their own processing facilities for early December as planned. This is going through the planning process at the moment and has had a high political and media profile. We are also working on extending Department for Transport authorisations due to expire at the end of June which will need extended given the continued contingency.

5 Next Steps

- Implementing Strategy following April Board
- Manage implementation and operational and financial implications of Office 365.
- Continue to implement key Digital Programmes and governance around the Health and Social Care Digital Strategy
- Development of proposition for infection control service and increased facilities compliance work through HFS
- Develop Shared Services proposition for Public Health Scotland
- Continue to manage NHSScotland waste management requirements
- Brexit preparation
- Implement appropriate recommendations from NHS Highland Sturrock Report

COLIN SINCLAIR
June 2019

B/19/49

NSS Formal Board Meeting – Friday 28 June 2019

Audit & Risk Committee Annual Report 2018/18

Purpose

The NSS Audit and Risk Committee Annual Report provides a summary of matters considered by the Committee and to give assurance to the NSS Board that the Committee has fulfilled its remit.

Recommendation

The Board is asked to approve the report that was discussed and approved by the meeting of the Audit & Risk Committee on 14 June 2019.

Timing

There are no timing issues in relation to this report.

Background

This is an annual report to the Board to provide assurance that it is fulfilling its remit under the NSS Standing Orders. You will find the conclusion, which summarises the Committee's assurances, in Section 11 (which starts on page 9 of 10).

Mark McDavid
NSS Audit & Risk Committee Chair
Mark.mc david@nhs.net

Audit & Risk Committee Annual Report to Board Members 2018/19

Owner: Strategy, Performance and Service Transformation
Contact: 0131 314 1213
Document Date: 21 June 2019
Draft/Final: Final
Document name: ARC Annual Report To The Board 2018-19 (Final)

1. Table of Contents

2. Context

3. Audit and Risk Committee Meetings

4. Minutes of and Actions from Meetings

5. Appointment of Auditors

6. Reports Reviewed

6.1. Internal Audit

6.2. Service Audits

7. External Audit – Audit Scotland

8. Process Management

9. Risk Management

10. Fraud Prevention

11. Conclusion

2. Context

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

3. Audit and Risk Committee Meetings

The Audit and Risk Committee membership and representation as at 31 March 2019 is as follows.

Members:

Mr Mark McDavid (Chair)	Non Executive Director
Ms Julie Burgess	Non Executive Director (until 31 July 2018)
Ms Jane Davidson	Non Executive Director
Mr John Deffenbaugh	Non Executive Director (from 1 August 2018)
Ms Kate Dunlop	Non Executive Director
Ms Alison Rooney	Non Executive Director

In attendance:

Mr Colin Sinclair	Chief Executive
Professor Elizabeth Ireland	NSS Chair
Mrs Carolyn Low	Director of Finance and Business Services

Auditor representation:

KPMG	Internal Audit
Scott-Moncrieff	Service Audit
Audit Scotland	External Audit

The Committee met in May, June, September, December 2018, and March 2019. Members reviewed the annual audit plans, reports from auditors and management's progress in completing audit actions raised. Progress with fraud cases and counter fraud initiatives were also reviewed.

In camera sessions were held during the year by the Committee with KPMG, Scott-Moncrieff and Audit Scotland.

4. Minutes of and Actions from Meetings

Minutes of Committee meetings have been approved by the Committee and presented to the NSS Board. The Board also receives a highlights report on the key issues discussed by the Committee. Any relevant issues or matters arising from the other NSS Committees are brought to the attention of the Audit and Risk Committee to ensure that relevant points are noted and actions taken where appropriate.

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

5. Appointment of Auditors

The Auditors of NSS during the year were as follows:

Audit Service	Auditor	Duration
Internal Audit	KPMG	2015/16 – 2018/19
Service Audit: Payroll Services	Scott Moncrieff	2015/16 – 2018/19
Service Audit: Practitioner Services	Scott-Moncrieff	2015/16 – 2018/19
Service Audit: National IT Contract	Scott-Moncrieff	2015/16 – 2018/19
External Audit	Audit Scotland	2016/17 – 2020/21

During 2018/19, a procurement exercise for the provision of both internal and service audit was undertaken in collaboration with the Scottish Ambulance Service and NHS Education for Scotland. The providers from 1 April 2019 will be KPMG for both the Internal and Service Audit services. As per the existing contract, there will be no change to the External Audit provider (as detailed above).

6. Reports Reviewed

6.1 Internal Audit

The Committee approved the Internal Audit Plan for 2018/19 on 5 December 2018. During the year, the Committee was provided with updates on the progress made against the Internal Audit Plan, the key findings identified and progress made by management with implementation of audit recommendations to address them.

A summary of the Internal Audit reports reviewed by the Committee during the year is provided in Table 1 overleaf. In total, seven audits were completed in the year and 41 findings were raised. Of the 41 findings requiring management action, 4 were categorised as 'high', 23 as 'medium' and 14 as 'low' in terms of risk.

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

Actions have been agreed to address all recommendations during the 2018/19 audit cycle. As at 31 March 2019, 72% of all actions due for completion have been fully addressed on time. 15 actions from the 2018/19 audit will be completed during 2019/20.

Progress with completion of all actions due in 2018/19 was monitored and reviewed jointly by the Director of Strategy and Governance and Associate Director of Corporate Affairs and Compliance. This was reported on to the Committee on a quarterly basis.

Table 1 – Overview of Audit Reports in 2018/19

Review	Report classification	Number of findings				Total
		Critical	High	Medium	Low	
Financial Controls	Significant Assurance with Improvements			2	2	4
New Public Health Body	Significant Assurance with minor improvements			4	2	6
PgMS Review	Significant Assurance with minor improvements		1	2	2	5
Workforce Planning	Partial Assurance with improvements required		1	3		4
Information Security Management System	Partial Assurance			5	8	13
IT People and Talent Management	Partial Assurance		2	5		7
Rebates Assurance	Significant Assurance with Minor Improvements			2		2
TOTAL			4	23	14	41

Table 2 – Report Classifications






Report classifications	Number of Reports with this classification
Significant Assurance with Minor Improvements	3
Significant Assurance with Improvements	1
Partial Assurance	2
Partial Assurance with Improvements Required	1

Table 3 – Internal Audit Actions

Risk Level	To be completed during 19/20 but audit report presented in 18/19	Implementation date(s)	Report Title
High	4	30/06/2019 31/08/2019 31/10/2019 30/12/2019	IT People Management Workforce Planning PgMS Review IT People Management
Medium	9	31/05/2019 30/06/2019 31/07/2019 31/08/2019 30/09/2019 31/10/2019 31/10/2019	IT People Management IT People Management x 2 PgMS Review Workforce Planning Financial Controls PgMS Review Workforce Planning x 2
Low	2	30/09/2019 31/10/2019	Financial Controls PgMS Review

N.B.: - Following discussion at the 23 May 2019 meeting, it is expected that deadlines associated with the IT People Management Audit will, by necessity, require to be extended. Any formal requests for these extensions will be considered in due course.

Table 4 – Trends in Findings Raised

Finding rating	Trend between current and prior year	Number of findings			
		2018/19	2017/18	2016/17	2015/16
Critical		-	-	-	-
High		4	3	-	3
Medium		23	17	19	22
Low		14	21	24	22
Total		41	41	43	47

Internal Audit Annual Report 2018/19

The Internal Audit Annual Report for 2018/19 from KPMG summarises the work carried out in the year. This was approved by the Committee in June 2019. In this report, the Head of Internal Audit reports that the overall opinion for the period 1 April 2018 to 31 March 2019 is:

- Significant with minor improvements assurance can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control;
 - Overall their review found that the Assurance framework in place is founded on a systematic risk management process and does provide appropriate assurance to the Board.
 - The Assurance Framework does reflect the organisation's key objectives and risks and is reviewed on an annual basis by the Audit and Risk Committee

6.2 Service Audits

The Service Audit reports for 2018/19 were reviewed and approved by the Committee on 23 May 2019. The service areas audited were:

- National IT Services Contract
- Payroll Services
- Practitioner Services

The Service Auditors have provided unqualified opinions for all of the above Service Audits and the reports were circulated to customer NHS Boards by 31 May 2019.

In summary:

- For the National IT Services Contract, a total of 111 control areas were tested and 12 exceptions were reported which were considered to be moderate or limited risk. In the previous year, 108 control areas were tested and 14 exceptions were reported. No critical or significant control exceptions were noted. All actions required to address the exceptions in the prior year have been completed.
- Practitioner Services has continued to maintain a low level of exceptions. Out of 129 control areas tested, nine exceptions were reported. In the prior year, 130 controls were tested and nine exceptions reported. The exceptions noted this year were considered to be medium or low risk. No critical or high risk exceptions were noted.
- For the Payroll Services audit out of 15 control areas tested four exceptions have been found and these are deemed to be low risk. In the prior year, 15 controls were tested and three exceptions were reported.

The results of the testing undertaken has provided positive assurance over the controls in place and clearly identified areas of control weakness to be addressed by management. Actions have already been taken to address a number of the exceptions noted.

Service Audits will continue in 2019/20 for the service areas noted above.

7. External Audit – Audit Scotland

The Committee receives all reports from the External Auditors (Audit Scotland). These include an annual assessment of the adequacy of the internal audit, the external audit annual audit plan, internal controls report and the annual audit report. The annual audit report includes a report to those charged with governance on matters arising from the audit of the annual financial statements, as well as comment on financial sustainability, governance and best value. The External Auditors also review the work of the service auditor of Practitioner Services and make a report on their review to the external auditors of relevant health boards. The Committee also receives a copy of this report for information. Audit Scotland have been appointed as our external auditors for the period 2016/17 to 2021/22.

Where appropriate, issues raised by the External Auditor as part of the Annual Accounts process are included in the Governance Statement in the Annual Accounts. For the year to 31 March 2019, no issues were noted.

Early drafts of the Annual Accounts – ‘Part A - Reports and certificates’ and ‘Part B - Accounting Policies’ were reviewed by the Committee at its meeting on 23 May 2019.

The Director of Finance attended the clearance meeting for the Annual Accounts with the External Auditors on 5 June 2019. The final Annual Report and Accounts were presented to the Committee on 14 June 2019 for approval and presented to the Board for adoption on 28 June 2019. Once signed, the Annual Report and Accounts will be submitted to the Scottish Government Health & Social Care Directorate (SGHSC) by 30 June 2019 and will then be laid before Parliament.

8. Process Management

The Committee reviewed its effectiveness during the year. This was done through completing the draft Self Assessment Checklist from the revised Audit and Assurance Committee Handbook, published by the Scottish Government Internal Audit Directorate (SGIAD). Overall, the Committee was well positioned, with only a few minor areas for improvement. Suggestions were made to address these which would be taken forward.

9. Risk

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

Risk Assessment

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

- The risk management approach sets out the importance of risk management to the delivery of our objectives, our risk appetite statement, the responsibilities of staff across

NSS, the supporting organisational arrangements for the identification, assessment and reporting of risks and the steps to be taken to develop and implement mitigating actions.

- SBUs identify and assess risks through their planning and performance processes, reviews of significant changes in NSS service or the environment in which it operates in, following a resilience incident, adverse event or near miss, data protection impact assessments, information security risk assessments, testing controls in place around NSS day to day activities, horizon scanning future events, stakeholder engagement, programme and project risk assessments, and through the internal controls assurance checklists. Monthly risk reviews are undertaken by SBUs.
- The Executive Management Team reviews the risk profile for the organisation, across all categories of risk and challenges key organisational risks and issues monthly. They also consider corporate and strategic risks at their Development Sessions throughout the year.
- Risks are assessed for the likelihood of an event occurring and the impact of the event. They are categorised under four headings: Business, Staff Clinical and Reputational. Management Groups review these risks by category for their areas of responsibility and challenge the actions being taken to address them. Information Governance risks across all of the categories were also reviewed by the Information Governance Group.
- The NSS Committees: Finance Procurement and Performance, Staff Governance, Clinical Governance, Information Governance, and Audit and Risk meet at least three times during the year and reviewed and challenged Business, Staff, Clinical, Information and Reputational risks respectively across NSS. This provides a comprehensive review of risks by risk category across the organisation. The Committees also review respective strategic risks at least three times each year.
- The Audit and Risk Committee receives quarterly reports on risk management across NSS, detailing the improvements being made to our processes and procedures and key risks for the organisation. This provides the Committee with the assurance that risk management is operating effectively and that there is integration between organisational risks and audit activity. The Committee also reviews the NSS risk appetite statement on an annual basis.
- Risks associated with information that we hold and are responsible for are subject to regular review and independent audit as part of our overall governance and risk management arrangements. The NSS Information Governance Committee has met three times and provides a focus for the five Information Governance disciplines: Caldicott & Confidentiality, Data Protection, Information and Cyber Security, Records Management and Freedom of Information. The Committee reports directly to the NSS Board.
- The Board receives risk update reports every six months. The reports include details of risk management improvements; the risk profile for the organisation and the key risks being addressed. This gives the Board the opportunity to review and challenge risk management processes and the key risks we face. The Board reviews and approves NSS's appetite to risk annually. NSS has a flexible approach to its risk appetite in pursuit of its four principal objectives: Customers at the Heart of Everything We Do, Increase our Service impact, Improving the Way We Do Things and Be a Great Place to Work. Where risks to new and on-going activities are identified, NSS will always attempt to mitigate the likelihood or impact of the risk to a level judged to be acceptable in the prevailing conditions. This is in line with the NSS Integrated Risk Management Approach (IRMA).

Risk management

The NSS approach towards risk management is one of continuous improvement in order to develop an effective and consistent risk management culture across the organisation.

Throughout 2018-19 risk management was improved through assessments and a development including the annual review of the IRMA to ensure it continues to be effective and meets the needs of our staff, management groups and governance structure.

- The IRMA was reviewed and is aligned to the ISO310009 (2018) international standard on Risk Management. NSS use checklists to assess the internal controls we have in place around our key day to day activities allowing us to identify where external assurance is provided, for the services we provide.
- NSS uses checklists to assess the internal controls we have in place around our key day to day activities. This allows us to identify where external assurance is provided around the services we provide.
- NSS Risk Champions meet quarterly to share risk management best practice and support continuous improvement to our risk management process and procedures. This has improved the implementation of our risk management approach across the organisation. All staff are required to complete the Risk and Resilience e-Learning as mandatory training.

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

10. Fraud Prevention

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

11. Conclusion

Audit

The Committee is satisfied that the Internal Audit and Service Audits carried out for 2018/19 have provided strong assessments of the effectiveness of the internal controls in place around our systems and processes in the areas tested.

The control environment has continued to improve around the services we deliver to customer NHS Boards. The number of audit findings was low for another year and NSS management and staff have been actively addressing the issues raised. There has been a clear focus on resolving issues to ensure continuous improvement in service delivery and effective customer engagement.

The Committee received progress reports from Internal, External and Service Auditors during the year which reported on the actions taken to address audit issues raised. In relation to the high risk issues, we are satisfied that effective and timely action has been taken by management.

Risk management

This risk management and controls assurance frameworks in place support the positive assurance provided in the Governance Statement in the annual accounts. The frameworks have also informed our Internal Audit Plans by allowing us to identify areas where controls could be improved. The NSS Risk process was also benchmarked against other public sector organisations and NSS were shown to be above average for six of the seven strands measured.

Risk management processes and procedures have been reviewed throughout the year by NSS management and improvements have been made where necessary. The improvements made have continued to enhance the links between service delivery, risk management and controls assurance.

On the basis of the programme of audit and assurance activity approved by the Committee for 2018/19, the matters reported by our auditors and risk management activity, we would therefore agree with the points made by the Chief Executive in relation to the effectiveness of internal controls in the Governance Statement as set out in the Annual Report and Accounts.

The Audit and Risk Committee members conclude that they have given due consideration to the effectiveness of the system of internal control in NSS, have carried out their role and discharged their responsibilities on behalf of the Board in respect of the Committee's remit as described in the Standing Orders.

Mr Mark McDavid
Chair of the Audit and Risk Committee
June 2019

NSS FORMAL BOARD ACTION LIST 2019-20



CLOSED

B/19/52

Ref Item	Action	Responsible	Deadline	Status
FROM 5 APRIL 2019				
2019-04-05 Item: 2.2	Chair's Report K Nicholls to submit approved Blueprint for Corporate Governance on behalf of the Board.	K Nicholls	30.4.19	Submitted. Item Closed.
2019-04-05 Item: 3	<u>Chief Executive's Report</u>			
2019-04-05 Item:3.6	I Cant to work with Board Secretary to review channels for sharing CEO's update with all staff.	I Cant/Board Secretary	Outwith meeting cycle	
2019-04-05 Item: 3.7	C Sinclair to circulate report on supply routes across the EU and preparations for hard EU Exit.	C Sinclair		
2019-04-05 Item: 3.7	C Sinclair and J Miller to look at possibilities for a hard EU Exit rehearsal and report back to next meeting.	C Sinclair/ J Miller		
2019-04-05 Item: 3.9	M Morgan to provide update on PHS outwith meeting if required.	M Morgan	Outwith meeting cycle	Agenda item for 28.6.19
2019-04-05 Item: 3.9	Board secretary to add to forward programme as a standing item.	Board Secretary	Immediately	Complete. Item closed.
2019-04-05 Item: 3.10	Board Secretary to work with M Morgan/C Low and J Jones around a development session on NSS readiness for shared services.	Board Secretary/ M Morgan/ C Low/J Jones	Outwith meeting cycle.	
2019-04-05 Item: 4	<u>NSS Strategic Delivery Plans</u>			
2019-04-05 Item: 4.3	Board Secretary to add 'ways to measure and monitor progress on strategy' to May development session.	Board Secretary		Complete. Item closed.
2019-04-05 Item: 4.7	C Sinclair to ensure visibility of digital/IT transformation into all planning.	C Sinclair		
2019-04-05 Item:9.1	Update on Register of Interests Board secretary to update Rol with recent changes.	Board Secretary	Immediately	Complete.
2019-04-05 Item: 10	<u>Highlights from Board Sub-Committees</u>			
2019-04-05 Item: 10.1	C Sinclair to work with M McDavid to discuss due diligence and contract schedules outwith meeting.	C Sinclair/ M McDavid	Outwith meeting	

14/06/2019

Ref Item	Action	Responsible	Deadline	Status
2019-04-05 Item: 10.2	Board Secretary to add a section to the next development session on 'how the board works' outwith a formal meeting.	Board Secretary		Complete. Item discussed at May Board development session.

MASTER

B/19/53

NSS Board Meeting – 28th June 2019

Update on the Public Health Reform Programme

Purpose

To summarise progress in relation to the creation of Public Health Scotland (PHS) and the Corporate Shared Services proposal from NSS.

Recommendation

The Board is asked to note the update and the direction of travel outlined.

Timing

The vesting date for PHS will be the 1st April 2020.

The Corporate Shared Services proposal will be discussed at the PHS Shadow EMT on 26th June 2019 and a verbal outcome report provided to the NSS Board on 27th June 2019. Final solutions for the Corporate Shared Services provision to PHS are expected to be presented to the NSS Board for approval at its meeting on 6th September 2019.

Background

Progress continues to be made to work through all of the necessary steps to establish PHS, transfer staff and to allow the organisation to deliver effective services from day one.

Procurement and Legal

The Public Health Reform Programme Board approved the NSS proposal for PHS to receive all of its legal and counter fraud services from CLO and CFS.

NSS has submitted a formal proposal to the shadow PHS EMT for the following corporate services: IT, finance, HR, procurement and operations (facilities) management.

Engagement

There is a full and ongoing programme of staff engagement ranging from events to email updates. The formal TUPE consultation is expected to commence in July.

Equality & Diversity

No specific issues identified.

Name of the Author Mary Morgan

Designation Director: Strategy, Performance and Service Transformation

Tel: 0131 314 5512

Email: mary.morgan@nhs.net

Date	As at 19.06.19	RAG status:	Rationale:
SRO	Mary Morgan, Director: Strategy, Performance and Service Transformation	Amber	Period of flux as governance arrangements change. Uncertainty around staff consultation scope and timeline and corporate services process.

Finance	<ul style="list-style-type: none"> NSS will receive £475,000 funding for this financial year for work being undertaken to enable the creation of Public Health Scotland. This includes project support costs and backfill for trade union involvement. Work has been completed to detail both the current cost of providing shared service support to PHI and the cost to provide shared services to PHS.
Public Health Reform Programme	<ul style="list-style-type: none"> Legislative consultation: Public consultation on the creation of PHS has been opened and will close on 8th July. NSS will respond formally. Target Operating Model: version 2.0 has been approved by the Public Health Reform programme board. Appointment of Chair and Chief Executive: Professor Jim McGoldrick has been appointed as Shadow Chair and NSS has provided “incubator” accommodation and executive administrative support for Professor McGoldrick and senior team at the Gyle. The chief executive post has been advertised with a closing date of 12th July; interviews in August; appointment in September and an anticipated start date of January 2020. In the meantime a shadow EMT is being established based on the directorate structures proposed in the TOM, including leaders from Scottish Government, Health Scotland and PHI, NSS. NSS is additionally represented through the Director of Strategy, Performance and Transformation being a Senior Partner Member. Corporate Services: NSS offer to deliver HR, IT, finance, procurement and facilities management shared services basis to be reviewed by the new shadow EMT.
Implications for NSS	<ul style="list-style-type: none"> Corporate Services: A comprehensive shared services offer was submitted on time and was built around customer research undertaken by the service transformation team with staff from PHI and Health Scotland. HR Steering Group: The NSS Director of HR, as chair of the HR Steering Group for the Public Health Reform team has led on the development of the staff TUPE consultation. This is now making good progress following clarification that staff in Health Protection Scotland who work on Healthcare Associated Infection are out of scope for transfer to PHS. It is hoped to start the 45 day consultation in early July. Finance: Detailed due diligence reports being prepared. Programme Delivery: NSS has established a Transition Delivery Group that will drive NSS transition activities. Opportunities to streamline resource allocation within the Programme team (including the PHR team) are being considered, for example with IT & Digital now project managed as a single entity.
Risks/ Issues	Risks are managed through the programme and include uncertainty around

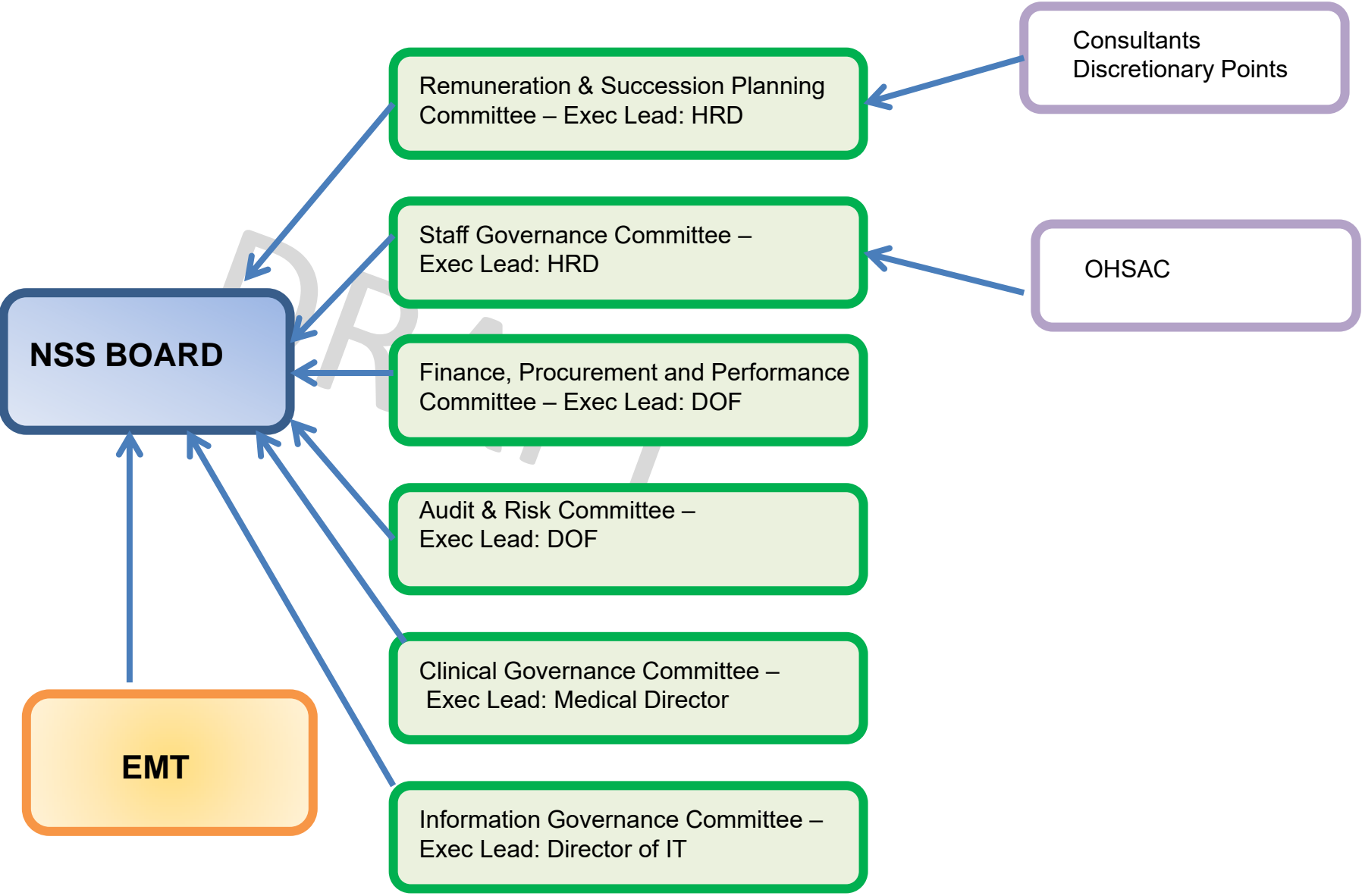
	financial budget, staff consultation timeline and corporate services process.
Next steps :	<ul style="list-style-type: none"> • Awaiting clarification on timelines, corporate services process and decision and accommodation requirements • Review of IG arrangements by Medical Director • Process to deliver shared services offer

B/19/54

NSS GOVERNANCE STRUCTURES

DRAFT AS AT 21.6.19

NSS Board & Sub-Committees



THE NSS BOARD – Support Structure

Supported by: Board Secretary (afc 6) (if required cover provided by Committee Secretary (afc 5))

Meets: 8 times per year, 3 of which are development sessions

Members: Non-Executives: Chair, NHS Chair (stakeholder representative), Employee Director and 5 lay members. Executives: Chief Executive, Medical Director, Director of Finance.

Purpose: Decisions reserved for the Board include:-

- i. the approval of strategy, business plans and budgets;
- ii. the approval of Standing Orders - which will include a scheme of delegation (see Appendix I);
- iii. the approval of Standing Financial Instructions;
- iv. the establishment, terms of reference and reporting arrangements for all Committees
- v. acting on behalf of the Board;
- vi. the approval of personnel policies including arrangements for the
- vii. appointment/removal and remuneration of key staff;
- viii. the approval of financial and performance reporting arrangements;
- ix. the approval of audit arrangements;
- x. the approval of the annual report and accounts;
- xi. the approval of capital expenditure schemes and disposals beyond the delegated
- xii. limits of the NSS Chief Executive;
- xiii. any other matter on which the Board deem it competent to express a view.

NSS AUDIT & RISK COMMITTEE – Support Structure

Supported by: Committee Secretary (afc 5) (if required cover provided by Board Secretary (afc 6))

Meets: At least 4 times per year.

Members: Non-Executives: at least 3 Non-Executives (all Non-Execs may attend if they wish). In attendance: NSS Chair, Chief Executive, Director of Finance, Director Strategy, Performance and Service Transformation, Associate Director Corporate Affairs & Compliance, Internal Auditor, External Auditor, Service Auditor.

Purpose: The Audit & Risk Committee is established as a committee of the NSS Board. The purpose of the Committee is to assist the NSS Board in delivering its responsibilities by providing assurance that an appropriate system of internal control has been implemented and is operating effectively. In meeting this requirement, the Chair of the Audit & Risk Committee submits an annual report summarising the activities of the Committee to assure the NSS Board that the Committee's responsibilities are being discharged in accordance with its remit. This is accomplished by ensuring the governance of the following: Internal Control and Corporate governance including Risk Management.

- i. Internal Audit
- ii. External Audit
- iii. Service Audit
- iv. Risk Review
- v. Annual Accounts
- vi. Annual Report
- vii. Standing Orders
- viii. Gifts and Hospitality

NSS REMUNERATION AND SUCCESSION PLANNING COMMITTEE– Support Structure

Supported by: Board Secretary (afc 6) (if required cover provided by Corporate Affairs and Compliance Manager (afc7))

Meets: 3 times per year.

Members: Chair, Employee Director plus 2 more Non-Executives In attendance: Chief Executive, Director of HR and Workforce Development

Purpose: The Remuneration Committee's main function is to ensure the application and implementation of fair and equitable pay systems on behalf of the Board, as determined by Ministers and the Scottish Government and described in MEL(1993)114 and subsequent amendments. The Committee is also, through the Staff Governance Committee, required to provide assurance that systems and procedures are in place to manage the issues set out in MEL(1993)114 so that the overarching staff governance responsibilities can be discharged. This is accomplished through;

- i. Regular review of NSS policy for the remuneration and performance management of the EMT/SMT cohorts
- ii. Agree all Terms and Conditions of employment of the EMT Cohort
- iii. Agree objectives for the EMT Cohort
- iv. Chair of the committee on behalf of the RSPC will agree appointments/terminations and early retirement settlements in line with above protocols.
- v. Submit remuneration arrangements for members of the EMT and SMT to external audit for scrutiny
- vi. Review and approve discretionary points awarded by the NSS Committee on Consultants' discretionary points.
- vii. Succession planning
- viii. Chair of RSPC will approve all new or additional jobs created on a range with a salary maximum over £75,000 or where the lower half of the range, with a salary max over £75,000 will not secure the preferred candidate.
- ix. 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.

NSS STAFF GOVERNANCE COMMITTEE – Support Structure

Supported by: Committee Secretary (afc 5) (if required cover provided by Board Secretary (afc 6))

Meets: 4 times per year

Members: Non-Executives: At least 4 one of which must be Employee Director plus at least 3 Trade Union Representatives.

Purpose: 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.

- i. To ensure an effective system of Governance and oversight for the management, safety and welfare of the workforce including a strategic workforce planning strategy.
- ii. Oversee the development of frameworks which ensure delivery of the Staff Governance Standard.
- iii. 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.
- iv. Oversee the development and monitoring of all Organisational policy related to workforce ensuring compliance with National Workforce Policies.
- v. Consider any policy amendment, funding or resource submission to achieve the Staff Governance Standard, providing support as required to drive forward.
- vi. Establish detailed and timely staff governance data reporting standards, ensuring that information is provided to support both NSS operating activities and national monitoring.
- vii. Provide staff governance information for the Statement of Internal Control.
- viii. To 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.
- ix. To review quarterly the NSS complaints report in the context of staff risk.
- x. Overseeing the NSS values programme, ensuring that the values are embedded within NSS structures and processes.

NSS FINANCE, PROCUREMENT AND PLANNING COMMITTEE – Support Structure

Supported by: Board Secretary (afc 6) (if required cover provided by Committee Secretary (afc 5))

Meets: At least 4 times per year

Members: Non-Executives: Minimum of 4 (although all may attend if they wish). In attendance: Chief Executive, Direct of Finance, Director Strategy, Performance and Service Transformation

Purpose: The purpose of the Committee is to keep under review the financial position of NSS and 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. This is accomplished via:

- i. Approve the draft NSS Operational Delivery Plan for submission to the Scottish Government.
- ii. Approve the annual revisions to the NSS Standing Financial Instructions.
- iii. Approve any procurement contracts which the NSS Standing Financial Instructions require to be approved by the Board.
- iv. At the request of the Board or the Chair and under delegated authority, to approve any
- v. procurements which require the authority of the Board under the Standing Financial Instructions.
- vi. 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.
- vii. 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.
- viii. Review quarterly where the SFIs have not been followed.
- ix. Review forward service and financial plans, performance against ODP, delivery of best value and efficiency programmes, content of financial reporting and business risks in IRMA and Best Value.

NSS CLINICAL GOVERNANCE COMMITTEE – Support Structure

Supported by: Board Secretary (afc 6) (if required cover provided by Committee Secretary (afc 5))

Meets: At least 3 times per year.

Members: Non-Executives: Board Chair, 3 further Non-Executives, up to 2 further co-opted members who are not already Members of the Board, but may be NSS employees. In attendance: Chief Executive, Exec Lead for Clinical Governance, Medical Director and Head of the Clinical Directorate.

Purpose: The CGC shall discharge the following functions:

- i. Review and challenge NSS performance in delivering health outcomes.
- ii. Review and challenge reports on clinical adverse events, risks and complaints, including their identification, causes, management, lessons learnt and service improvement implemented.
- iii. Review regular reports on blood and tissue safety to satisfy itself that appropriate action is being taken to provide an adequate and safe supply.
- iv. Review compliance with clinical regulatory requirements.
- v. Review major NSS programmes in support of clinical and public health services.
- vi. 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.
- vii. Review and challenge reports on progress against the NSS Equality Outcomes and the NSS Participation Standard.
- viii. Draft annually a clinical governance report for inclusion in NSS's Annual Report. Review annual reports on:
 - Infection Prevention and Control
 - Research, Development and Innovation
 - Clinical Professional Appraisal and Revalidation
 - Feedback, Comments, Concerns and Complaints

NSS INFORMATION GOVERNANCE COMMITTEE – Support Structure

Supported by: Committee Secretary (afc 5) (if required cover provided by Board Secretary (afc 6))

Meets: At least 3 times per year.

Members: Non-Executives: NSS Chair, 3 further Non-Executives. Up to 2 further co-opted members who are not already Members of the Board, but may be NSS employees

Purpose: The IGC shall discharge the following functions:

- i. 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.
- ii. The IGC is to review at each meeting reports on performance relating to information governance matters across NSS and satisfy itself that appropriate
- iii. progress is being made to improve the quality of information governance across NSS, including the monitoring and auditing of Information Assets.
- iv. 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.
- v. 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.
- vi. The IGC is to review annually the risk appetite of NSS in relation to information governance.
- vii. The IGC is to draft annually an information governance report for inclusion in NSS's Annual Report.

NSS PARTNERSHIP FORUM – Support Structure

Supported by: Committee Secretary (afc 5) (if required cover provided by ?)

Meets: Monthly (except for July and October)

Members: Executive Management Team and Lead Trade Union Representatives

Purpose: The NSS Partnership Forum is the focal point of the Partnership Agreement. The Agreement is the employee relations framework which ensures effective partnership working between managers and recognised trade unions at all levels, using agreed mechanisms to deliver the staff governance standard to the benefit of all.

It covers all areas impacting on staff including:

- i. Strategic Planning
- ii. Operational Planning
- iii. Organisational Change
- iv. Staff Risks
- v. Health, Safety & Wellbeing
- vi. Terms and Conditions/Policy Development
- vii. Staff Governance
- viii. Learning & Development
- ix. Facilities Arrangements

This is not an exhaustive list though, and other matters may be dealt with on an ad hoc or ongoing basis.

WORKFORCE POLICY TERMS AND CONDITIONS GROUP – Support Structure

Supported by: Business Support Assistant [afc 3] (if required cover provided by Committee Secretary [afc 5])

Meets: Quarterly

Members: 2 Joint Chairs (Management and Trade Union), 3 Management Representatives, 3 Trade Union Representatives, 2 HR Representatives, 1 Finance Representative

Purpose: The Workforce Policy and Terms & Conditions (WPTC) Group provides direction and advice on all Workforce Policy and Terms & Conditions matters to ensure compliance with Employment Legislation, National Pay Agreements, Circulars, PIN Policies etc. The Group will regularly update and report to the NSS Partnership Forum and any other governance group or committee within NSS as appropriate. *NB: the Group does not have the authority to renegotiate any terms and conditions covered by the National Agreements for Agenda for Change.*

The role of the Group will specifically cover:

Workforce Policy:

- i. To assess and analyse PIN Policies introduced by Scottish Government and make appropriate recommendations to the NSS Partnership Forum;
- ii. To review all Workforce Policies in line with the agreed schedule of work ensuring that Policies are reviewed within the prescribed timescales, meet business needs and are compliant with legislation and good practice;
- iii. To consider any implementation and communication issues arising as a result of new policies or any agreed policy changes;
- iv. To consider changes to legislation and Scottish Government Directives and action as appropriate;
- v. To oversee the effective consultation on policies including decision making, following feedback from consultation, through NSS Governance structures;
- vi. To review, agree and sign off all Equality & Diversity and Privacy Impact Assessments associated with new or revised policies.

Terms & Conditions:

- i. To plan and oversee the implementation of any Terms and Conditions changes arising from employment legislation or National Agreements/NHS Circulars;
- ii. To oversee the auditing, where required, of existing Terms and Conditions and highlight possible consequences of moving to any new arrangements;
- iii. To support and promote sustainable collective agreement on all Terms and Conditions
- iv. To monitor pay and grading issues in line with national pay agreements and equal pay;
- v. To make recommendations on interpretation and/or application of Terms and Conditions that cannot be resolved locally across NSS;
- vi. To ensure that agreed Terms and Conditions for all NSS Staff are applied correctly and consistently.

OCCUPATIONAL HEALTH AND SAFETY ADVISORY COMMITTEE – Support Structure

Supported by: Business Support Assistant [afc 3] (if required cover provided by Committee Secretary [afc 5])

Meets: Quarterly

Members: Non Executive Director (Chair); Director of Strategy, Performance and Service Transformation; Director of HR & Workforce Development; Chairs of SBU Occupational Health and Safety Committees; Chairs of Building User Groups; NSS National Officer Fire; Head of Healthy Working Lives ; Trade Union Representatives (x3)

Purpose: Under the NHS Staff Governance Standard, NSS are required to provide an improved, safe working environment which is responsible for the development, delivery and governance of the NSS Occupational Health, Safety and Wellbeing Policy and the NSS Fire Safety Policy. OHSAC is a Partnership Committee which leads the NSS Occupational Health, Safety, Wellbeing and Fire Programme which includes setting the overarching governance, performance management and continuous improvement.

OHSAC are the Policy Makers for NSS and are responsible for:

- Development, implementing, communicating and monitoring the NSS Occupational Health Safety and Wellbeing Programme and NSS Occupational Health, Safety and Wellbeing Policy across the organisation, ensuring that NSS is on track overall against agreed programme, policy and action plans and takes action to remedy any issues;
- Endorsement and sign off of all Occupational Health and Safety Procedures and related documentation developed by the Safety Working Group and Healthy Working Lives to support the Occupational Health and Safety Performance Management Procedure/Process;
- Monitoring, review and update the NSS Corporate Risk Register and Red & Amber risks identified within the SBU Risk Profile and enforcing any corrective action when and where necessary;
- Monitoring and reviewing progress of all SBU Risk Profiles, Objectives and OH&S Action Plans.

JOINT LOCAL NEGOTIATING COMMITTEE – Support Structure

Supported by: : Business Support Assistant [afc 3] (if required cover provided by Committee Secretary [afc 5])

Meets: at least 2 times per year

Members: 2 Directors nominated by the NSS CEO, Director of HR and Workforce Development and NSS Medical Director

Purpose: The purpose of the Committee shall be:-

- i. To discuss issues for Medical and Dental staff and how we work together – an informative dialogue on joint working.
- ii. To negotiate and agree local terms and conditions of service for medical and dental staff as determined in National Conditions of Service or by NHS Scotland
- iii. To determine any matter relevant to employment within NHS NSS including policies and decisions which apply solely to medical and dental staff.

CORPORATE COMPLIANCE GROUP– Support Structure

Supported by: PSO Band 5

Meets: quarterly

Members:

Associate Director of Corporate Affairs and Compliance (Chair)

Trade Union Representation

SBU/Directorate representation

Equality, Sustainability and Privacy Leads

i. Subject Leads as appropriate

ii. The CCG can invite non members to meetings to contribute to the purpose of meetings.

iii. The Groups will be chaired by the Associate Director of Corporate Affairs and Compliance.

iv. Membership can be adjusted at any time to reflect the profile of the policies and areas of compliance under the CCG's remit.

v. Members must appoint a deputy to attend in their absence and the deputy must have delegated authority to make decisions on behalf of the member

Purpose:

The CCG provides assurance to NSS Board sub-committees, organisational operational management groups and the NSS Executive Management Team in relation to areas of corporate and regulatory compliance falling outwith the scope of Staff Governance.

ii. The CCG will provide accountability and assurance that all statutory and regulatory compliance areas are being met together with ensuring effective consultation on policies. The CCG will identify areas of compliance risk that could materially affect the performance and reputation of NSS.

EQUALITY AND DIVERSITY GROUP– Support Structure

Supported by: Business Administrator (Band 3)

Meets: quarterly

Members: Head of equality & engagement (Chair) All SBUs and Directorates ; JTUs; Staff Equality Network co-ordinators

Purpose:

2.1 The purpose of the Equality and Diversity Group is to ensure an integrated approach to equality and diversity that will identify, review and implement the appropriate mechanisms to ensure that NHS National Services Scotland (NSS):
Complies with UK legislation in relation to equality and diversity, in particular the Equality Act 2010 and the Human Rights Act 1998; Complies with NHSScotland and NSS policies and procedures in relation to equality and diversity, in particular the NHSScotland Staff Governance Standard and NSS Equality, Diversity and Human Rights Policy;
Promotes best practice in relation to equality and diversity in the treatment of staff and in the delivery of services; and
Conducts its business ethically in line with its values and corporate responsibility

2.2 The Group was formed in April 2014, with the agreement of the NSS Executive Management Team (EMT), following a review of previous arrangements.

VOLUNTEERING STEERING GROUP– Support Structure

Supported by: Business Administrator (Band 3)

Meets: quarterly

Members: Head of equality and engagement; JTUs; HR ; SNBTS Volunteer co-ordinators; Volunteers

Purpose: The NSS Volunteer Steering Group was established in 2010 to ensure that the Scottish Government's Refreshed Strategy for Volunteering in the NHS in Scotland was implemented consistently across NSS services.

As part of the Refreshed Strategy for Volunteering in the NHS in Scotland the NSS Volunteer Steering group is responsible for monitoring the progress against the Investing in Volunteer Standard.

The group will provide an operational and advisory role to the Corporate Compliance Group on the requirements set out in the Scottish Government's Refreshed Strategy for Volunteering in the NHS in Scotland.

Provide a mechanism for enhancing communication and understanding of the subject matter. Provide assurance that collectively the various parts of NSS are complying with the strategic drivers for volunteering Focus on best practice, knowledge and value sharing to influence policy decisions for volunteering in NSS Integrate approaches to volunteering in NSS consistently. Add something on decision making/direction

Role and Remit of Group

- The remit of the Volunteering Steering Group is to:
- Discuss, debate and agree the programmes of work for Volunteering .
- Monitor the progress against the NSS Volunteer Policy
- Monitor the progress against the Investing in Volunteer Standard
- Ensure that the requirements of the strategic drivers are met
- Identify and report on risk for Volunteering in NSS
- Represent their respective service areas and organisations; and to ensure effective communication of the outcome of these meetings to their colleagues

MODEL COMPLAINTS HANDLING PROCEDURE STEERING GROUP– Support Structure

Supported by: Business Administrator Band 3

Meets: quarterly

Members: Head of equality & engagement (Chair); SBU & Directorate Leads; JTUs

Purpose: Purpose

The purpose of the MCHP steering group is to ensure that the new NHS MCHP is implemented across the NSS Strategic Business Units (SBU'S) and Directorates.

Scope

- i. The group will implement the new NHS MCHP ensuring that all existing policy and procedures are updated to reflect the new approach
- ii. The group are responsible for developing a clear communication plan
- iii. The group are responsible for keeping their Directors and Senior Management Teams up to date on progress
- iv. The group are responsible for identifying the potential risks and agreeing mitigating actions to reduce the risks

INFORMATION GOVERNANCE GROUP– Support Structure

Supported by: Previously supported by fixed term (now elapsed) dedicated IG admin support, still to establish whether this will be taken forward by Senior Information Risk Owner (SIRO) support or through SPST support

Meets: usually 3 times per year (to coincide with IG Committee preparation)

Members:

- SIRO who will act as Chair
- NSS Medical Director and Caldicott Guardian
- NSS Deputy Caldicott Guardian (Caldicott)
- NSS Head of Data Protection/ Data Protection Officer
- Associate Director of Corporate Affairs & Compliance (NSS IG Lead)
- Information Security Officer (Information Security)
- Corporate Records and FOI Organisational Lead
- Information and Clinical Governance Manager (Adverse Events and communications)
- Organisational Development & Learning Advisor (Training & Development)
- A representative for the Executive Management Team
- A Staff Side representative
- An information governance representative from Public Health & Intelligence Strategic Business Unit
- An information governance representative from Blood, Tissues and Cells Strategic Business Unit

Purpose: To identify, review and implement the appropriate mechanisms to ensure NHS National Services Scotland:

- i. Complies with UK and Scottish legislation in respect to Information Governance;
- ii. Complies with NHS Scotland Information Governance policies and procedures;
- iii. Promotes best practice throughout NSS in all aspects of Information Governance.

CALDICOTT GUARDIANS' GROUP– Support Structure (from TOR dated 2012)

Supported by: PA to NSS Caldicott Guardian

Meets: Meetings will be held quarterly, approximately 2 weeks before the NSS Information Governance Group

Members: Chair: NSS Caldicott Guardian, member of NSS IG Group
Caldicott Guardians of each NSS Division
Staff Side representative

In attendance (as required): NSS Head of Data Protection/ Data Protection Officer

Purpose: To aid communication between NSS Caldicott Guardian and Divisional Caldicott Guardians, to support the Caldicott function throughout NSS and to raise standards of Information Governance for patient based information.

DATA PROTECTION LEADS' GROUP– Support Structure

Supported by: Administrative support from within S&G when available, otherwise by the NSS Head of Data Protection/ Data Protection Officer

Meets: Usually, four times per year

Members: NSS Head of Data Protection/ Data Protection Officer and the SBU Data Protection Leads identified by SBU Directors.

Purpose:

- i. Promote and embed data protection compliance within each Strategic/ Support Business Unit (SBU)
- ii. 2. Assist in ensuring key processes such as privacy impact assessments (PIAs), and procedures such as subject access request procedures (SARs), are carried out consistently and in line with statutory and policy requirements
- iii. 3. Support the implementation of the NSS annual Information Governance (IG) Action Plan
- iv. 4. Provide input to the Information Governance Group on data protection challenges, risks and issues
- v. 5. Gather, assess and share best practice in data protection compliance
- vi. 6. Support the provision of training and awareness-raising on data protection compliance to all staff
- vii. 7. Provide a regular forum to raise and discuss data protection issues, and to share and learn lessons from information governance incidents that have involved data protection.

RECORDS MANAGEMENT GROUP– Support Structure

Supported by: SPST

Meets: Terms of reference says monthly meetings

Members: Corporate Records Lead and SBU Records Management Leads

Purpose: The NSS RM Leads Group will:

- i. Support local implementation of NSS Policy framework so that records are managed and controlled within legislative and regulatory standards including, but not limited to:
- ii. Public Records (Scotland) Act 2011
- iii. Scottish Government NHS Scotland Code of Practice on Records Management
- iv. Freedom of Information (Scotland) 2002 - Section 61: Code of Practice for Records Management
- v. Statutory Instrument 2005 No. 50 Blood Safety & Quality Regulations (BSQR)
- vi. Consider and discuss new developments in line with legislative & regulatory requirements and how these affect NSS working practices.
- vii. Monitor the implementation of NSS RM policies and guidance materials to ensure appropriate measures are in place to protect and manage organisational records effectively.
- viii. Support the development of Strategic/Support Business Unit (SBU) & Directorate Records Management Improvement Plans (RMIP). RMIP's will inform organisational progress against the legislative requirement of a Records Management Plan (RMP) for compliance set out under the Public Records (Scotland) Act 2011.
- ix. Provide specialist RM advice and guidance whilst raising awareness within SBU's & Directorates to all staff relating to policies, procedures and guidelines alongside legislative, regulatory and information governance requirements
- x. Provide input to the Information Governance Committee alerting them to the local impact of legislative changes to NSS.
- xi. Provide a regular forum to raise and discuss RM issues and developments.
- xii. Monitor off-site storage whilst ensuring the organisation retains a complete index of records held off-site in order to comply with RM and Data Protection legislation.
- xiii. Review and update records management policies, standard operating procedures, and guidance ensuring standardisation and continuity of the management of organisational records in support of Scottish Government, national and international legislation, and NHS Scotland Information Governance Standards.

ADVERSE EVENTS LEADS GROUP

Supported by: NSS Information Governance and Clinical Governance Manager (IG admin support has lapsed)

Meets: Four times per year (when required)

Members: Corporate Adverse Events Leads and SBU Adverse Events Leads identified by SBU Directors

Purpose: The group brings together NSS Adverse Events Leads to:

- i. Share good practice and learning.
- ii. To help support NSS Adverse Events Leads implement and embed the adverse events management process across NSS.
- iii. To support NSS Adverse Events Leads and the relevant Committees in ensuring that the organisation has the relevant policy, process and associated procedures in place to support the Healthcare Improvement Scotland (HIS) national adverse events management framework.

CONSULTANTS' DISCRETIONARY POINTS COMMITTEE – Support Structure

Supported by: Committee Secretary (afc 5) (if required cover provided by??)

Meets: 1 time per year

Members: Chair, 2 Lay Member and 3 Medical Members

Purpose: To review the performance of the National Distinction Award Holders to ensure that they continue to meet the criteria for holding an award.

COMMITTEE SUPPORT SERVICES

The Board Services Team provides the following to all committees:

- i. Setting meeting dates, securing venues, catering, parking etc.
- ii. Ensuring all membership lists are up to date.
- iii. Ensuring forward programmes of business are up to date.
- iv. First draft of agendas from the forward Programme for consideration by the appropriate chair and executive lead.
- v. Collation and distribution of meeting papers via Admincontrol or pdf.
- vi. Maintenance of the action log and document lists for each committee.
- vii. Minuting of all meetings.
- viii. Preparation and distribution of minutes within agreed timescales.

- ix. In addition;
- x. Recording attendance at meetings.
- xi. Members expenses; validating and submission for payment.
- xii. Assistance with recruitment of Non-Executives (Board Secretary).

B/19/55

NSS Formal Board Meeting – Friday, 28 June 2019

2018/2019 Staff Governance Committee Annual Report to the NSS Board

1. INTRODUCTION

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

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

1.2 The following are/were members of the Staff Governance Committee during the period 1 April 2018 to 31 March 2019.

Mr John Deffenbaugh, Non-Executive Director (Staff Governance Committee Chair)

Mr Ian Cant, Non-Executive Director

Mrs Susan Cook, Trade Union Representative (from 16 August 2018)

Mr Tam Hiddleston, Trade Union Representative

Professor Elizabeth Ireland, NSS Chair

Mr Gerry McAteer, Trade Union Representative

Mr Mark McDavid, Non-Executive Director

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

1.3 The Staff Governance Committee met on four occasions in 2018/19: 11 May 2018, 28 September 2018, 30 November 2018 and 15 February 2019.

1.4 At these meetings the Committee received regular, relevant updates from the NSS Partnership Forum, the Clinical Governance Committee, the Audit and Risk Committee, the Finance, Procurement and Performance Committee, and the Remuneration and Succession Planning Committee.

2. AIM

2.1 The aim of this report and the attached appendix is to provide assurance to the Board that NSS complies with the Staff Governance Standard. The appendix to this report sets out the key actions which have been taken and evidence to support this and the outcomes. The actions and evidence are taken from the reports to the Staff Governance Committee and the iMatter results. In addition, this report summarises those matters which were considered and discussed by the Staff Governance Committee. This combined evidence provides assurance to the Committee and to the NSS Board that NSS complies with the Staff Governance Standard.

3. NSS GREAT PLACE TO WORK PLAN AND STAFF GOVERNANCE ACTION PLAN

3.1 NSS has adopted a different approach to Staff Governance reporting in which we no longer report against the five strands of the Staff Governance Standard. All reporting on people issues is against the NSS Great Place to Work Plan of which the Staff Governance Action Plan forms part of.

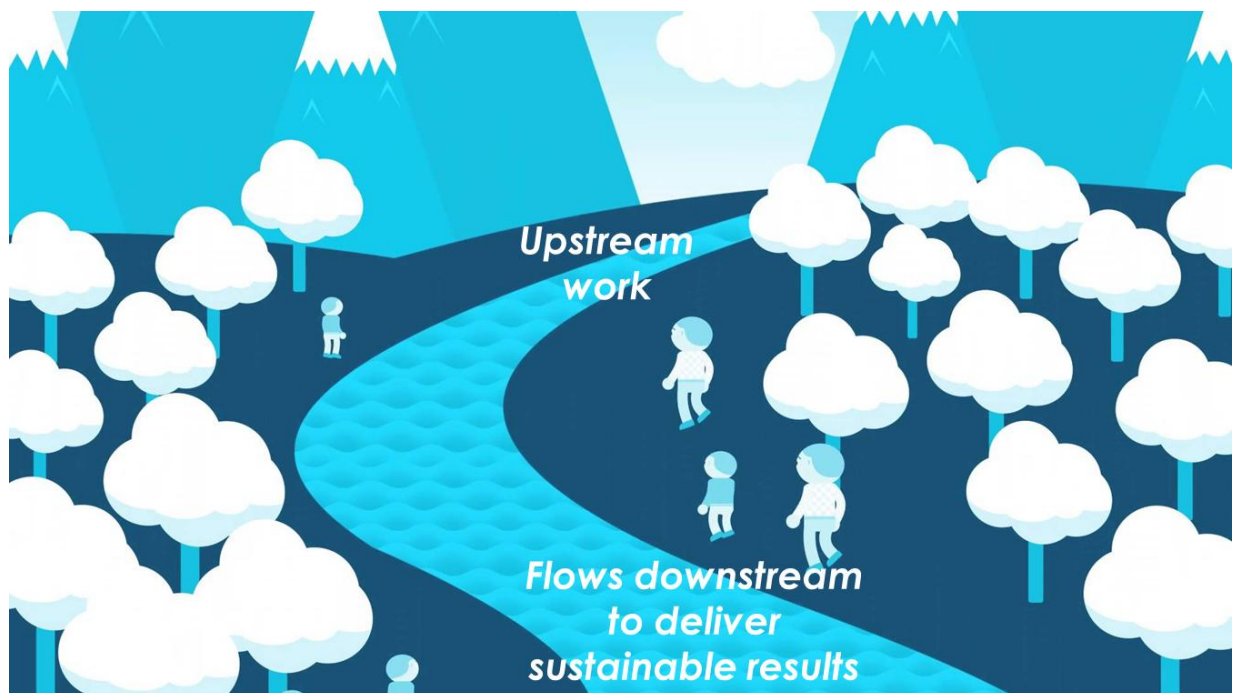
The NSS Great Place to Work Plan is made up of four key Staff Governance Objectives. These are:

- **Positive Staff Experience**, which is reported and monitored through the NSS People Report and measured against NSS' iMatter response rates, Employee Engagement Index Score, and the number of iMatter action plans submitted.
- **Healthy, Well and Safe Workforce**, reported and monitored through the Occupational Health, Safety and Advisory Committee (OHSAC), the NSS People Report, and the 2017/18 Dignity at Work survey.
- **Sustainable Workforce**, made up of a number of workforce measures and reported and monitored through the NSS People Report, OHSAC Report and iMatter results.
- **Corporate Responsibility**, currently focusing on recruitment of young people and people with disabilities, and reported and monitored through the NSS People Report.

For the purposes of providing assurance to the NSS Board of compliance with the Staff Governance Standard, the actions and key deliverables from the four Staff Governance Objectives have been re-aligned to the five strands of the Staff Governance Standard, details of which are appended to this report.

3.2 The spotlight sessions, introduced during 2017-18 to better understand Staff Governance issues at a local level, were continued through 2018-19 and the scope was slightly expanded to include sessions on the leadership development programme and staff inductions. The Committee was pleased to note that there was evidence of the management level work having a positive impact “downstream” but there was a need to better link up good practice across the organisation.

The focus of the committee’s assurance is to identify the impact of upstream activity on downstream results as illustrated below.



4. AGENDA ITEMS

Item	Description	Evidence
ToRs 5(a)	To ensure an effective system of Governance and oversight for the management, safety and welfare of the workforce including a strategic workforce planning strategy.	Standing Items: People Report; Occupational Health, Safety, Wellbeing and Fire Report; Equality and Diversity Update; Partnership Forum Update
ToRs 5(b)	Oversee the development of frameworks which ensure delivery of the Staff Governance Standard.	Standing Item: NSS Staff Governance/Great Place To Work Action Plan
ToRs 5(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.	Standing Items: People Report; Occupational Health, Safety, Wellbeing and Fire Report; Equality and Diversity Update; Partnership Forum Update; NSS Staff Governance/Great Place To Work Action Plan
ToRs 5(d)	Oversee the development and monitoring of all Organisational policy related to workforce ensuring compliance with National Workforce Policies.	Standing Item: Partnership Forum Update, Policy Oversight Items
ToRs 5(e)	Consider any policy amendment, funding or resource submission to achieve the Staff Governance Standard, providing support as required to drive forward.	Standing Item: Partnership Forum Update, Policy Oversight Items
ToRs 5(f)	Establish detailed and timely staff governance data reporting standards, ensuring that information is provided to support both NSS operating activities and national monitoring.	Standing Items: People Report; Occupational Health, Safety, Wellbeing and Fire Report; Equality and Diversity Update; Partnership Forum Update
ToRs 5(g)	Provide staff governance information for the Statement of Internal Control.	This information relates to the Committee membership, remit and number of meetings which are provided directly to Finance by the Board Services Team
ToRs 5(h)	To 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.	Standing Item: Staff Risks
ToRs 5(i)	To review quarterly the NSS complaints report in the context of staff risk.	Standing Item: Staff Feedback, Concerns, and Complaints Report
ToRs 5(j)	Overseeing the NSS values programme, ensuring that the values are embedded within NSS structures and processes.	Standing Items: People Report; Occupational Health, Safety, Wellbeing and Fire Report; Equality and Diversity Update; Partnership Forum Update

5. CONCLUSIONS AND ASSURANCES TO THE BOARD

- 5.1 Through scrutiny and discussion of the agenda items highlighted, and the key actions and evidence contained within the attached appendix, the Staff Governance Committee confirms that it has fulfilled its aims and objectives during 2017-2018. The Committee considers that it can provide appropriate assurance to the NSS Board that NSS has relevant procedures and processes in place with regard to Staff Governance matters. The Committee can also provide assurance that NSS complies with the Staff Governance Standards.

Mr John Deffenbaugh
NSS Staff Governance Committee Chair
June 2018

Appendices:-

Appendix 1 – Staff Governance Standard Strands - Key Actions Taken, Supporting Evidence and Outcomes Document

The NSS Staff Governance Action Plan forms part of the NSS Great Place to Work Plan and is based on the results of the outcomes of the NSS iMatter results. NSS has adopted a different approach to Staff Governance reporting and no longer reports against the five strands of the Staff Governance Standard. However, for the purposes of providing assurance to the NSS Board, the Staff Governance Committee have aligned the actions taken during the year with the five strands of the Standard and the outcomes will be measured on evidence submitted by SBUs, the NSS iMatter and Dignity at Work survey results.

The NSS iMatter results include a summary score against each of the five strands of the Staff Governance Standard, and it is reassuring to note that NSS has, year on year, broadly maintained its position.

<i>STAFF GOVERNANCE STANDARD STRAND</i>	<i>ACTION</i>	<i>EVIDENCE</i>	<i>EXPECTED OUTCOME/CURRENT STATUS</i>
Well Informed	Develop and implement web facing version of HR Connect. Carry out an internal communications audit Overall iMatter score - well informed	All staff, including those outposted, can access the HR Connect site providing ease of access to HR information 24/7. Access is available on mobile, tablet and home pc. Communications survey, seeking feedback on internal communications channels, issued to all staff to complete on a voluntary basis. Face to face focus groups held. 2018/19 80% : 2017/18 80%	Since implementation there has been an 80% increase in staff using the contact us eform to contact HR Services for support, rather than via email. Results of internal communications audit will be available in 2019/20 Variance – nil 2019/20 81%
Appropriately trained and developed	All staff have access to training Statutory/Mandatory Training Increase access to Line Manager	All staff have access to a personal e-learning account for Statutory and Mandatory training, personal and continuing professional development. Development and implementation of the	Managers are able to monitor team completion of statutory and mandatory training via the learnpro scorecard and eESS. Mandatory Training 3 YR Ave 90% Mandatory Training 2 YR Ave 75% Statutory Training 2 YR Ave 83% Early feedback from staff has been very

<p>training</p> <p>All staff have a meaningful performance review meeting and personal development plan</p> <p>Develop a Leadership Programme to deliver the NSS strategy</p> <p>Overall iMatter Score – Appropriately Trained and Developed</p>	<p>Essential Line Manager portal and content aimed at new and aspiring managers.</p> <p>The Essential Line Manager programme continues to roll out and includes meaningful review events and personal development planning. NSS has also developed new guidance for managers and staff for completing the Turas Appraisal system and developed an organisation wide communications plan to raise awareness of the new guide.</p> <p>The Leadership Programme re-launched in September 2018 following an extensive review. There are a range of development interventions on offer from bespoke interventions tailored to clients needs, master classes, and development options aligned to the values of NSS and underpinned by the 6 core leadership capabilities for Health & Social Care, which are open to all Leaders.</p> <p>2018/19 76% : 2017/18 76%</p>	<p>positive.</p> <p>Turas compliance data is now available to Boards. This is shared monthly with the Executive Management Team focusing on this with them to ensure all staff undertake these.</p> <p>There has been a Module or Master Class scheduled every month since September 2018 and all are aligned to the 6 capabilities. The Leadership pages on HR Connect have also been refreshed and updated.</p> <p>A Tailored Leadership Programme was developed to support Leaders identified as 'High Potential' through completion of the Project Lift Self Assessment, and for Leaders on the Redeployment List. The pilot for the first Cohort was launched on 25 March 2019 and a further Cohort will commence in early summer.</p> <p>The CEO has approved a commission from Tree of Knowledge to deliver 5 workshops from their VIBE programme for EMT development. The programme commenced on 25 March at the EMT off-site meeting</p> <p>Variance – nil 2019/20 Target 77%</p>
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Involved in Decisions	<p>Promote awareness of Organisational Change and TUPE arrangements in NSS to all staff and Managers. Ensure the new TUPE Toolkit is rolled out across NSS</p> <p>Organisational Change/TUPE toolkit</p> <p>Review of the corporate induction programme</p> <p>Partnership Working</p> <p>iMatter score – Involved in decisions</p>	<p>TUPE toolkit published on HR Connect in January 2019. This sits alongside the Organisational Change Toolkit providing comprehensive information for managers and staff in relation to agreed processes which underpin and promote partnership working and full staff engagement.</p> <p>Bespoke training and awareness sessions are being provided to SBUs on request, in particular to support managers understanding their responsibilities in relation to managing change and TUPE situations.</p> <p>The corporate induction programme has been redesigned based on feedback from key stakeholders</p> <p>As part of this review the Partnership Working development session will be revised in order to be more interactive for staff.</p> <p>2018/19 – 72%; 2017/18 – 73%</p>	<p>The toolkit will be continually improved based on staff feedback.</p> <p>The revised approach will be implemented in May 2019.</p> <p>Variance – minus 1% 2019/20 73%</p>
Healthy, well and safe	Targeted initiatives in relation to reporting of accidents	<p>Dedicated support provided to PCF to review and develop Health and Safety structures, roles and deliver specific plans for the National Distribution Centre and Facilities Management.</p> <p>End of March - Campaign materials to be sent incorporating slip, trips and falls with reporting</p> <p>Annual walk round inspections have been completed Feb and March within the majority of NSS sites – no major concerns identified</p>	<p>Resulted in a marked decrease in RIDDORS for 2019 Increase in PCF incidents being submitted allowing actions to be taken earlier to potentially reduce accidents</p> <p>Expected outcome of an increase of incidents being submitted, which will allow managers and SBUs to implement measures to reduce accidents in the future</p> <p>Expected outcome of an increase of awareness when talking to staff of any issues and understanding of their roles and responsibilities</p>

	<p>Promote awareness of Mental Health in the workplace.</p> <p>iMatter score – Healthy, Well and Safe</p>	<p>Continued focus on promotion of support for managers and staff around mental health issues. During 2018/19- 6 Mentally Healthy Workplace training courses delivered to 61 staff, 4 Scotland Mental Health First Aid courses delivered to 32 staff, and workshops held at the 2018 Senior Manager Forum</p> <p>Bullying and Harassment/Discrimination Cases</p> <p>Cases upheld</p> <p>Sickness Absence</p> <p>NSS awarded the HWL Gold Award for the 11th consecutive year</p> <p>2018/19 – 78%: 2017/18 – 78%</p>	<p>Expected outcome in the longer term is a reduction in the number and duration of sickness absence due to mental health issues.</p> <p>15</p> <p>1</p> <p>Long Term 2.6% Short Term 1.56% Total = 4.16%</p> <p>Preparation for the 2019 reassessment will commence in March 2019</p> <p>Variance – nil 2019/20 79%</p>
<p>Treated Fairly and Consistently</p>	<p>Re-launch of the NSS Values</p> <p>Ensure that NSS staff are paid at the rate appropriate to their roles and that inconsistencies in pay are identified and addressed</p>	<p>Promote awareness of the NSS Values following the results of the 2017/18 Dignity at Work Survey.</p> <p>Materials refreshed and initially delivered to the Executive Management Team and all senior teams. Values sessions delivered/ planned for all staff in NSS</p> <p>The bi-annual Equal Pay Gap report is currently being developed along with the Equality and Diversity Mainstreaming Report for publication by 30 April 2019.</p> <p>NSS complies fully with the provisions of the NHS Job Evaluation Scheme.</p>	<p>Increase iMatter score to “I am treated with dignity and respect as an individual” from 84% to 85%</p> <p>HR team currently identifying any gender, race or disability pay differences, the reasons for this and, where applicable, any actions that can be taken to address these.</p> <p>0 new Equal Pay Claims Downward trend in pay differences identified</p> <p>Job Evaluation Customer Survey</p>

	<p>Treat all staff and patients with dignity and respect while valuing diversity.</p> <p>iMatter score – Treated Fairly and Consistently</p> <p>Recruitment levels have remained consistent across 2018/2019 and turnaround targets for recruitment have been achieved.</p> <p>Through the commitment of HR and the buy-in of recruiting managers to increase numbers of staff categorised under the protected characteristics, NSS has had some significant achievements, including:</p>	<p>Staff equality networks established and working effectively in NSS</p> <p>All SBUs are members of the NSS Equality and Diversity steering group</p> <p>2018/19 – 77%: 2017/18 78%</p> <p>In terms of youth employment, a total of 43 young people were recruited during the year against a target of 70</p> <p>For people with disabilities, NSS have recruited a total of 21 people against a target of 21 in the past year</p> <ul style="list-style-type: none"> - NSS's first Foundation Apprenticeship began in August 2018 in the IT SBU. - Completion of a placements programme working collaboratively with the Scottish Ambulance Service and Healthcare Improvement Scotland. The placement allowed students to learn about different opportunities NHS Scotland offers. While visiting NSS the students spent time with SNBTS in the Jack Copland Centre and with the digital transformation team. The feedback was very positive and NSS looks forward to participating in future collaborative placements. - Revision of the modern apprenticeship guide to include details of both foundation and graduate apprenticeships. - Maintained our disability confident employer status. - Reviewed the Recruitment Manager training 	<p>Improved knowledge and awareness of E&D</p> <p>Reduced number of complaints from patients and their families % of staff related complaints will reduce</p> <p>Current variance – minus 1% 2019/20 Target 78%</p> <p>The JobTrain system has been implemented across NSS, the functionality within the new system has great potential to improve the overall process and specifically support the increase in applications from candidates with a protected characteristic.</p>
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		<p>and as a result, the course has received overwhelmingly positive feedback. 90% of managers saying that their performance would improve as a result of attending the course and 96% have gone on to say that they would recommend the course to a colleague. HR recognises the value that this course adds and plans to continue to deliver this to support our managers during the recruitment process.</p>	
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Adherence to the NHS Scotland Staff Governance Standard

The Staff Governance Committee reviews and monitors NSS' adherence to the Staff Governance Standard through a number of different channels, including:-

- a. NSS People Dashboard on Tableau, which monitors performance against the actions agreed and targets set within the NSS Great Place to Work Plan.
- b. NSS Partnership Forum update presented by the chairs of the NSS Partnership Forum.
- c. NSS Resourcing Report, which provides information regarding the status of staff seeking redeployment.
- d. Introduction of the SBU spotlight showcasing a different SBU at each meeting. SBU directors are invited on a rotational basis to discuss SBU-specific Staff Governance challenges and successes.
- e. Occupational Health, Safety, Wellbeing and Fire Report, which demonstrates delivery of the Great Place to Work Plan

B/19/56

NSS Formal Board Meeting – Friday, 28 June 2019

2018/19 Clinical Governance Committee Annual Report to the NSS Board

1. INTRODUCTION

Under the provisions of NHS MEL (1998) 75, NSS has a duty to have in place appropriate arrangements to meet its clinical governance responsibilities. Clinical governance is defined as "corporate accountability for clinical performance". It is not intended to replace professional self regulation and individual clinical judgement, but to add an extra dimension that will provide the public with assurance that relevant, safe and effective systems and processes are in place.

This was supplemented by Healthcare Improvement Scotland's (HIS) [Learning from adverse events through reporting and review: A national framework for NHSScotland](#) third edition published in July 2018. The framework includes reference to the statutory organisational Duty of Candour legislation which will apply to specific events or incidents that have resulted in death or harm.

Within NSS this serves to support NSS in delivering effective national and specialist services which enable and support improvements in the health and wellbeing of all the people of Scotland.

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

The Committee met on four occasions during 2018-19, on 11 June 2018, 13 September 2018, 5 December 2018 and 21 March 2019.

During the 2018-19 period, the following were Members and regularly In Attendance at meetings:

Members:

Ms Julie Burgess, Non-Executive Director and Committee Chair

Ms Jane Davidson, Non-Executive Director

Mr John Deffenbaugh, Non-Executive Director (until 31.07.18)

Professor Elizabeth Ireland, NSS Chair

Mr Mark McDavid, Non-Executive Director (from 01.08.18)

In Attendance:

Ms Noreen Kent, Nurse Director and Executive Lead for Clinical Governance (until 17/06/18)

Dr Lorna Ramsay, Interim Medical Director (until 31/10/18) and Medical Director (from 01/11/18)

Professor Jacqui Reilly, Interim Nurse Director and Executive Lead for Clinical Governance (from 18/06/18) and Director of Nursing and Executive Lead for Quality (from 01/02/19)

Mr Colin Sinclair, Chief Executive

Professor Marc Turner, Medical Director – Scottish National Blood Transfusion Service

2. COMMITTEE ACTIVITIES IN 2018-19

2.1 Agenda Items

Item	Description	Evidence
ToRs 5(a)	Review and challenge NSS performance in delivering health outcomes.	Standing Items: Clinical Directorate Report
ToRs 5(b)	Review and challenge reports on clinical adverse events inclusive of duty of candour enactment, risks and complaints, including their identification, causes, management, lessons learned and service improvement implemented.	Standing Item: Adverse Events, Risks and Complaints Report
ToRs 5(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.	Standing Item: Blood Safety Report
ToRs 5(d)	Review compliance with clinical regulatory requirements.	Standing Items: Blood Safety Report, Clinical Directorate Report and relevant Annual Reports
ToRs 5(e)	Review major NSS programmes in support of clinical and public health services.	See detail under Section 2.2 – Additional Highlights
ToRs 5(f)	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.	Standing Items: Clinical Directorate Report
ToRs 5(h)	Draft an annual clinical governance report for inclusion in NSS's Annual Report.	Undertaken by the Medical Director on behalf of the Committee
ToRs 5(i)	Review annual reports on: <ul style="list-style-type: none"> • Infection Prevention and Control • Research, Development and Innovation • Clinical Professional Appraisal and Revalidation • Feedback, Comments, Concerns and Complaints 	<p>June 2018 Meeting</p> <p>June 2018 Meeting</p> <p>December 2018 Meeting</p> <p>June 2018 Meeting</p>

2.2 Additional Highlights

In the course of the year, the Committee was updated on a number of issues affecting Breast Screening services:

- women affected by the Public Health England incident currently resident in Scotland.
- the issue of variation in the age parameters across the UK
- the work being done to address any issues of slippage in the Scottish Breast Screening Programme (SBSP), looking specifically at final and first invitations, as well as the overall slippage rate.
- a “double-click” issue with the SBSP system which resulted in the duplication of results, and the follow up with Atos to ensure it did not recur.

Supplementary to this, the Committee received updates on the risks associated with the various other screening programmes managed by the National Screening Services Directorate, and were assured that the appropriate processes were in place for these to be managed

The Committee discussed the clinical risks associated with the GP IT Re-provisioning project and were satisfied that they were sufficiently articulated for the Full Business Case to progress for discussion by the Board at an ad-hoc, Commercial in Confidence meeting at the Board Offsite in October 2018.

At various points in the year, the Committee were also briefed on the dental governance models discussed with the Scottish Government in light of the Scottish Dental Practice Board being disbanded. The Committee agreed the model they felt comfortable with and an outline proposal was generated for the February 2019 NSS Board meeting and brought to the March 2019 meeting of the Clinical Governance Committee.

2.3 Relationships with other Board Committees

The Committee continues to recognise the overlaps with other NSS Board committees (particularly the Information Governance and Staff Governance, Committees) in its responsibilities regarding certain matters. For example, the adverse events and risks considered by the Information Governance Committee are often the same as those considered by the Clinical Governance Committee, with the former committee focused on the appropriate use of information, while the latter considers the clinical and health implications. Another example would be the revalidation of clinical staff, which would be discussed from an HR policy and process perspective at the Staff Governance Committee, with the Clinical Governance Committee being focused more on the specific clinical and patient safety concerns.

There is cross membership across all of the committees and regular updates on matters of mutual interest are provided as a standing item on the agenda of the Committee. The Committee also welcomes other NSS Board Members observing their meetings to enhance their knowledge of the full spectrum of clinical activity within NSS.

3. CONCLUSIONS AND ASSURANCE TO BOARD

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

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

Ms Julie Burgess
NSS Clinical Governance Committee Chair
June 2019

B/19/57

NSS Formal Board Meeting – Friday, 28 June 2019

Annual Report to NSS Board by NSS Finance, Procurement and Performance Committee, 1 April 2018 – 31 March 2019

1. INTRODUCTION

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

2. MEMBERSHIP

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

- Mrs Kate Dunlop (Chair)
- Ms Julie Burgess
- Mr Ian Cant (from 1 August 2018)
- Professor Elizabeth Ireland
- Mr Mark McDavid (until 31 July 2018)

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

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

3. MEETINGS

- 3.1 The Committee met on the following dates:-

- 30 May 2018
- 5 September 2018
- 23 November 2018
- 14 February 2019.

- 3.2 The Chair would like to thank all the members for their support and contribution throughout the year.

4. MINUTES OF AND ACTIONS FROM MEETINGS

- 4.1 Detailed and comprehensive minutes were prepared after each meeting in order to provide a clear audit trail.

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

5. COMMUNICATION TO NSS BOARD

- 5.1 A report on the key issues discussed was given to the NSS Board Meeting following the Committee meetings and the meeting minutes were submitted for noting by the Board at the first ordinary meeting of the Board held after each meeting of the Committee.

6. FINANCIAL MONITORING

- 6.1 The financial position of the Board was fully reviewed at each meeting with particular emphasis on Strategic Business Unit (SBU) Performance, efficiency savings and capital expenditure position. At their meeting on 23 November 2018, the Committee was

provided with a demonstration of the LearnPro Financial Guidelines training module, which had been developed by NSS in-house but had the potential to be shared across NHSScotland.

7. PERFORMANCE MONITORING

7.1 The final version of the NSS Operational Delivery Plan (ODP) 2018/19 was reviewed by the Committee at its May 2018 meeting and a Mid Year Performance Report was presented at their meeting on 23 November 2018.

7.2 The Committee received regular updates on resilience management arrangements and were updated on progress against NSS's sustainability targets. Each Committee meeting also reviewed the Business Risks on the NSS Risk Register with particular focus on high risks for accuracy and mitigating actions. Clinical waste contingencies and Brexit were key risks which were highlighted and monitored in this regard.

7.3 At their 14 February 2019 meeting, the Committee received the updated Finance and Workforce Plan based on the submission of plans by the SBUs at the Resource Allocation Meetings.

8. PROCUREMENT

8.1 The Committee sought and received assurance as necessary over the whole procurement cycle, from setting the strategy to approval of contracts. A number of new and extended National Procurement contracts were agreed during the course of the year (See Appendix 1 for details)

9. ANNUAL REVISIONS TO THE NSS STANDING FINANCIAL INSTRUCTIONS (SFI's)

9.1 The annual revisions to the SFIs were considered at the May 2018 meeting.

10. PERFORMANCE AND FINANCE COMMITTEE TERMS OF REFERENCE

10.1 The Committee reviewed its terms of reference at their meeting in February 2019 and updated these as necessary.

11. DOCUMENTS CIRCULATED FOR INFORMATION

11.1 The Committee received regular documents for information. These included relevant publications, details of the meeting dates and forward programme of documents, together with details of contracts which were expected to be received by the Committee for approval.

12. CONCLUSIONS AND ASSURANCE TO NSS BOARD

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

Kate Dunlop
Chair of the Performance and Finance Committee
June 2019

Appendix A

NHS STRATEGIC SOURCING CONTRACTS AWARDED IN 18/19

NP Contracts for 18/19 fiscal year

Annual savings reflect opportunity reported where the contract has been awarded, where award is still to happen, annual savings are an estimate

Contract Description	Annual Value (£M)	Annual Savings (£M)	Award Month
NP811/18 Lift Maintenance	£0.00	£0.18	Complete
NP813/18 Authorising Engineers	£0.00	£0.00	Complete
NP813/18a Authorising Engineers for Water	£0.00	£0.03	Complete
NP5071/18 National Infection Control System Support Contract	£0.28	£0.03	Complete
NP5033/18 National Catering Information System	£0.60	£0.00	Complete
NP5016/17 Software Reseller	£15.24	£0.15	Complete
NP145/18 Rigid Endoscopy Equipment	£3.00	£0.07	Complete
NP101/18 Oxygen Therapy	£4.20	£0.32	Complete
NP167/18 Multi-Modality Imaging Equipment & Maintenance	£29.00	£0.09	Complete
NP573/18 Alcohol Hand Sanitisers, Moisturisers and Soaps	£0.93	£0.01	Complete
NP674/18 Arthroscopy	£2.11	£0.15	Complete
NP505/18 Temporary Agency Allied Health Professionals & Other Clinical Professions	£7.11	£0.23	Complete
NP510/18 Temporary Agency Nurses & Operating Department Practitioners	£22.63	£2.57	Complete
NP681/18 Pessary Products	£0.00	£0.06	Complete
NP620/18 Disposable Sterile Scissors	£0.25	£0.00	Complete
NP851/18 Sackholders	£0.40	£0.13	Complete
NP828/18 VAT Services	£0.51	£0.24	Complete
NP651/18 Consultancy - Managed Patient Flow / Quality Improvement Partner	£1.10	£0.00	Complete
NP776/18 Fresh Milk & Cream Products	£2.01	£0.02	Complete
NP777/18 Chilled Prepared Sandwiches	£2.09	-£0.13	Complete
NP795/18 Lease Commercial Vehicles	£3.00	£0.09	Complete
NP794/18 Supply and Delivery of Photocopiers and Multi-Functional Devices & Associated Services	£3.60	£0.78	Complete
NP667/17 Bone Conduction Implantable Devices (hearing aids)	£0.60	£0.00	Complete
NP564/18 Healthcare Beds, Mattresses & Overlays	£0.98	£0.01	Complete
NP595/17 Sterile Services Consumables	£1.05	£0.07	Complete
NP144/17 Intravenous Administration Sets & Related Items	£4.68	£0.20	Complete
NP452/18a Quadravalent Vaccine	£0.00	£0.00	Complete
NP938/18a Adjuvanted Trivalent Influenza Vaccine	£0.00	£0.00	Complete
NP919/17g Emtricitabine (Emtriva®)	£0.02	£0.00	Complete
NP475/18 Anagrelide, Ezetimibe, Ivabradine, Rosuvastatin	£0.07	£0.67	Complete
NP486/18 Aseptic Consumables	£0.13	-£0.02	Complete
NP917/18a Lenograstim (Granocyte)	£0.16	£0.00	Complete
NP907/18j Baricitinib (Olumiant®)	£0.26	£0.00	Complete

NP483/18 Emergency Planning Storage & Distribution	£0.40	£0.00	Complete
NP919/17u Emtricitabine / Tenofovir Alafenamide tablets (Descovy®)	£0.48	£0.00	Complete
NP917/15c Lipegfilgrastim (Lonquex)	£0.56	£0.01	Complete
NP312/18 Desflurane	£0.77	£0.00	Complete
NP489/18 Icatibant and C1 Esterase (CMU HAE)	£0.80	-£0.11	Complete
NP442/14 Trastuzumab Dose Banding	£0.81	£0.13	Complete
NP920/17 Elvitegravir / Cobicistat / Emtricitabine / Tenofovir Disoproxil tablets (Stribild®)	£1.00	£0.00	Complete
NP435/18 Chlorhexidine & Povidone Iodine Solutions	£1.19	-£0.10	Complete
NP367/18 Fertility Products	£1.21	-£0.03	Complete
NP307/18 Medical Gases in Cylinders	£1.26	£0.00	Complete
NP371/18 ENT, Ophthalmology & Skin Generic Medicines & Medical Devices	£1.32	£0.30	Complete
NP414/18 Contraceptive Medicines	£1.42	£0.32	Complete
NP919/18x Abacavir/Dolutegravir/Lamivudine (Triumeq®)	£1.51	£0.00	Complete
NP315/17 Albumin Products	£1.74	£0.10	Complete
NP919/17h Emtricitabine / Rilpivirine / Tenofovir Disoproxil tablets (Eviplera®)	£1.93	£0.00	Complete
NP474/18 Trastuzumab 150mg Intravenous Injection	£2.10	£0.17	Complete
NP919/17y Emtricitabine / Rilpivirine / Tenofovir Alafenamide tablets (Odefsey®)	£2.34	£0.00	Complete
NP433/18 HIV Generic Medicines	£2.43	£1.64	Complete
NP478/18 Glatiramer Injection	£2.46	£1.12	Complete
NP488/18 Homecare Delivery – NHS Commissioned	£3.50	-£0.34	Complete
NP907/18k Tocilizumab S/C	£3.54	£0.00	Complete
NP907/18c Golimumab (Simponi®)	£3.65	£0.00	Complete
NP916/18C&d Multiple Sclerosis (MS) Medicines: Interferon Beta-1a (Avonex®) and (Rebif®)	£3.83	£0.89	Complete
NP907/18g Certolizumab (Cimzia)	£4.34	£0.00	Complete
NP354/18 Contrast Media	£5.42	£0.06	Complete
NP452/18 Influenza Vaccine General Practice and Hospitals	£5.73	-£2.00	Complete
NP477/18 CMU Bleeding Disorders	£8.11	£0.77	Complete
NP361/18 Antibiotics & Genito Urinary Medicines	£8.60	£1.25	Complete
NP397/18 Oncology Generic Medicines	£9.32	£0.11	Complete
NP479/18 Cytokine Modulators	£28.30	£3.45	Complete
NP484/18 Adalimumab	£39.95	£31.04	Complete
NP919/18z Supply of Symtuza®	£0.01	£0.02	Complete
NP814/18 Supply of Biomass Fuels	£1.50	£0.00	Complete
NP5007/17 GP IT Managed Services	£9.40	£0.00	Complete
NP147/18 Flexible Video Endoscopy Equipment & Maintenance	£10.99	£0.20	Complete
NSS181939 NSS Health and Safety System	£0.20	£0.00	Complete
NP675/18 Neurological Devices and Supporting Products	£1.50	£0.02	Complete
NP509/18 Minimally Invasive Surgical Products	£2.26	£0.99	Complete
NP566/18 Simultaneous Cutting / Coagulation and Uterine Ablation Systems	£4.27	£0.01	Complete
NP653/18 Surgical Staplers, Cutters & Clip Appliers	£6.68	£0.08	Complete
NP5073/18 National Video Conferencing Service	£0.48	£0.00	Complete

NHS STRATEGIC SOURCING CONTRACT EXTENSIONS AWARDED IN 18/19

NP Contract Extensions for 18/19 fiscal year

Contract Description	Annual Value (£M)	Annual Savings (£M)	Extension Start Date
NP609/16 Thermometer Probe Covers	£0.70	£0.00	Apr-18
NP650/13 Gender Reassignment Services	£0.00	£0.00	Apr-18
NP912/16a Trastuzumab 150mg powder for solution for infusion	£2.11	£0.00	Apr-18
NP503/15 Temporary & Interim Staff for The Scottish Public Sector	£11.40	£0.00	Apr-18
NP512/15 Enteral Feeds	£1.10	£0.00	May-18
NP1000/13 Cervical Cytology Managed Service	£1.14	£0.00	Jun-18
NP103/13 Flexible Video Endoscopy Instruments and Consumables	£6.12	£0.10	Jun-18
NP457/16 Storage and Distribution of Seasonal Influenza Vaccines	£0.25	£0.00	Jul-18
NP188/16 Radiology Reporting	£3.30	£0.00	Sep-18
NP926/15a Laronidase (Aldurazyme®)	£0.92	£0.00	Oct-18
NP926/15b Imiglucerase (Cerezyme®)	£0.26	£0.00	Oct-18
NP926/15c Agalsidase Beta (Fabrazyme®)	£0.96	£0.00	Oct-18
NP926/15d Alglucosidase Alfa (Myozyme®)	£1.46	£0.00	Oct-18
NP926/17e Velaglucerase alfa (VPRIV®)	£0.36	£0.00	Oct-18
NP926/17f Idursulfase (Elaprase®)	£0.87	£0.00	Oct-18
NP926/17g Agalsidase Alfa (Replagal®)	£1.71	£0.00	Oct-18
NP186/15 Multi Modality Imaging Maintenance	£12.00	£0.00	Oct-18
NP441/16 Infliximab	£6.50	£1.00	Nov-18
NP455/17 Etanercept	£14.32	£0.00	Nov-18
NP466/17 Methotrexate Pens & PFS	£3.51	£0.00	Nov-18
NP579/15 Children's Dental (Childsmile)	£0.50	£0.00	Nov-18
NP907/15a Adalimumab (Humira®)	£32.60	£0.00	Nov-18
NP907/15g Certolizumab (Cimzia)	£3.20	£0.00	Nov-18
NP907/17c Golimumab (Simponi®)	£3.65	£0.00	Nov-18
NP907/17j Baricitinib (Olumiant®)	£0.26	£0.00	Nov-18
NP508/16 Paper Products	£4.77	£0.05	Nov-18
NP572/18 Patient Cleansing Aids	£1.10	£0.00	Nov-18
NP660/16 Portable Batteries	£0.22	£0.00	Nov-18
NP386/14 Compounded Dose Banded Medicines	£0.00	£0.00	Dec-18
NP442/16 Trastuzumab Dose Banded Medicines	£0.00	£0.00	Dec-18
NP446/16 Rituximab Dose Banded Medicines	£0.00	£0.00	Dec-18
NP502/15 Dental Sundries	£3.55	£0.00	Dec-18
NP902/15a Gonadorelin Analogues Goserelin (Zoladex®)	£0.10	£0.00	Dec-18
NP902/15b Gonadorelin Analogues Leuprorelin (Prostap®)	£0.15	£0.00	Dec-18
NP902/15c Gonadorelin Analogues Triptorelin (Decapeptyl®)	£0.49	£0.00	Dec-18

NP902/15d Gonadorelin Analogues Triptorelin (Gonapeptyl®)	£0.00	£0.00	Dec-18
NP903/15a Botulinum Toxin Type A - Botox	£0.92	£0.00	Dec-18
NP903/15b Botulinum Toxin Type A - Dysport	£0.28	£0.00	Dec-18
NP903/15c Botulinum Toxin Type A - Xeomin	£0.36	£0.00	Dec-18
NP921/14 Tocilizumab S/C	£1.40	£0.00	Dec-18
NP656/15 Spinal Implants	£2.23	£0.00	Dec-18
NP601/16 Cardiology Stents	£2.13	£0.00	Dec-18
NP570/14 Pulp Products	£1.58	£0.00	Dec-18
NP154/14 Breathing Circuits	£1.30	£0.00	Jan-19
NP518/15 Hernia Mesh	£0.60	£0.00	Jan-19
NP565/15 Supply of Pacemakers & Implantable Loop Recorders	£2.45	£0.00	Jan-19
NP614/14 Single Use Respiratory & Facial Protection & Surgical Headwear	£0.21	£0.00	Jan-19
NP914/17 Daclatasvir	£1.96	£0.00	Jan-19
NP914/17c Sofosbuvir containing medicines	£21.71	£0.00	Jan-19
NP914/17g Ombitasvir/Paritaprevir/Ritonavir (Viekirax®)	£9.25	£0.00	Jan-19
NP914/17h Dasabuvir (Exviera®)	£0.53	£0.00	Jan-19
NP914/17j Elbasvir / Grazoprevir (Zepatier®)	£0.21	£0.00	Jan-19
NP914/17k Glecaprevir/Pibrentasvir (Maviret®)	£0.00	£0.00	Jan-19
NP622/14 Faecal Management Systems	£0.00	£0.00	Jan-19
NP652/15 Cleaning Wipes	£0.00	£0.00	Jan-19
NP346/15 Granulocyte Colony-Stimulating Factor (G-CSF)	£0.11	£0.00	Feb-19
NP377/15 Sevoflurane & Isoflurane	£1.23	£0.02	Feb-19
NP5013/18 Patient Management System	£10.00	£0.00	Feb-19
NP527/15 Cochlear Implants	£2.20	£0.00	Feb-19
NP460/17 Enoxaparin	£1.11	£0.00	Mar-19
NP462/16 Nicotine Replacement Therapy	£3.55	£0.00	Mar-19
NP584/14 ITU Haemofiltration (Machines, Fluids & Consumables)	£0.99	£0.00	Mar-19
NP592/15 Supply of Patient Lifting Equipment	£0.78	£0.00	Mar-19
NP635/15 Cath Lab Consumables	£3.14	£0.00	Mar-19

B/19/58

NSS Formal Board Meeting – Friday, 28 June 2019

2018/19 Information Governance Committee Annual Report to the NSS Board

1. INTRODUCTION

The Information Governance Committee met on three occasions in 2018-19, namely, 25 April 2018, 18 September 2018 and 20 February 2019: The members of the Committee were as follows.

- Julie Burgess (Member of Committee from 1 August 2018)
- Ian Cant, Employee Director (Chair of Committee until 31 July 2018)
- Kate Dunlop, Non Executive Director (Member of Committee)
- Elizabeth Ireland, NSS Chair (Member of Committee)
- Alison Rooney, Non Executive Director (Member of Committee until 31 July 2018; Chair of Committee from 1 August 2018)

Expected regular attendees of the Committee meetings were as follows:-

- Colin Sinclair, Chief Executive
- Lorna Ramsay, Medical Director and Caldicott Guardian
- Martin Bell, Senior Information Risk Owner (until 3 January 2019)
- Deryck Mitchelson, Senior Information Risk Owner (from 4 January 2019)
- Eilidh McLaughlin, Information Governance Lead

Other NSS employees attended as required for specific agenda items.

The Chair would like to thank all the Members for their support and contribution throughout the year.

2. CONSTITUTION AND TERMS OF REFERENCE

i. Constitution

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

ii. Membership and Attendees:

Membership of the IGC comprises of:

- 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 may be NSS employees

Attendees required at each meeting will be as follows

- Chief Executive
- Information Governance Executive Lead
- Medical Director (who is also NSS's Caldicott Guardian)
- 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).

iii. Frequency of meetings

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

iv. Minutes of Meetings

Minutes of the proceedings of the IGC shall be drawn up by or on behalf of the Board Secretary of 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.

3. MEETINGS IN 2018/19

Item	Description	Evidence
Terms of Reference 5(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.	Standing Items: NSS Information Governance Report; National Strategic and Operational Governance Update; Data Protection Officer Update; Cyber Security Update
Terms of Reference 5(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.	Standing Item: NSS Information Governance Report
Terms of Reference 5(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.	Standing Item: NSS Information Governance Report (Risks Issues and Complaints Section)
Terms of Reference 5(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.	Standing Item: NSS Information Governance Report (Risks Issues and Complaints Section)
Terms of Reference 5(e)	The IGC is to review annually the risk appetite of NSS in relation to information governance	Undertaken as part of the NSS Board's overall risk appetite review.
Terms of Reference 5(f)	The IGC is to draft annually an information governance report for inclusion in NSS's Annual Report.	This is undertaken on behalf of the committee by the Information Governance Lead

4. RELATIONSHIPS WITH OTHER BOARD COMMITTEES

Cross references to matters of mutual interest discussed in other committees of the Board were addressed as a standing item on the agendas of the Committee. There was appropriate linkage on issues of mutual interest to the Clinical Governance Committee.

5. CONCLUSIONS AND ASSURANCE TO THE BOARD

The Information Governance Committee concludes that information governance in NSS continues to be strengthened by the establishment of the IGC.

The Committee feels able to assure the NSS Board that substantial attention is given by the organisation to its information governance arrangements, that this is proportionate to the nature of each SBU role and that the IGC monitoring responsibilities are being met.

Alison Rooney
NSS Information Governance Committee Chair

B/19/60

NSS Board Meeting, Friday 28th June 2019

NSS Annual Report and Accounts 2018/19

Purpose

The purpose of the paper is to present the Board with the NSS Annual Report and Accounts for the year to 31 March 2019.

Recommendation

The Board is asked to approve the NSS Annual Report and Accounts for 2018/19. The Chief Executive and Director of Finance are required to sign the following statements on behalf of NSS:

- Performance Report
- Accountability Report
- Parliamentary Accountability Report
- Balance Sheet
- Letter of Representation

Timing

N/A

Background

The draft Annual Report and Accounts was presented to the Audit & Risk Committee in May and June for review and comment. The attached paper incorporates the comments from this meeting and subsequent discussions with Audit Scotland.

This has resulted in minor changes as a result of corrected typos, grammar and formatting.

At the time of issue the Trade Union Facility information is still outstanding (highlighted in yellow on page 37). The gathering of the information is almost complete and will be circulated to the EMT, Audit and Risk Committee and Audit Scotland early next week. The extract will be tabled at the Board for completeness.

As previously reported to the Board NSS met all its financial targets for 2018/19. The final performance against the targets is:

- Revenue Resource Limit - £422k surplus
- Capital Resource Limit - £53k surplus

Engagement

Engagement has included all Executive Management Team and the Audit & Risk Committee

NHS National Services Scotland

Annual Report & Accounts for the Year to 31 March 2019



Table of Contents

PART A	3
Performance Report	
Accountability Report.....	15
Corporate Governance Report.....	15
Remuneration Report and Staff Report.....	28
Independent Auditor's Report.....	38
PART B	42
Primary Financial Statements	42
Statement of Comprehensive Net Expenditure & Summary of Resource Outturn	43
Statement of Financial Position	44
Statement of Cash flows.....	45
Statement of Changes in Taxpayers' Equity	46
Notes to the Accounts	47
Note 1 Accounting Policies.....	47
Note 2 Notes Statement of Cashflows	62
Note 3 Operating Expenses	63
Note 4 Operating Income	64
Note 5 Segmented Information	65
Note 6 Intangible Assets	66
Note 7a Property, Plant and Equipment.....	67
Note 7b Assets Held for Sale	68
Note 7c Property, Plant and Equipment Disclosures	68
Note 7d Analysis of Capital Expenditure.....	69
Note 8 Inventories	69
Note 9 Trade and Other Receivables.....	70
Note 10 Available for Sale Financial Assets.....	71
Note 11 Cash and Cash Equivalents	71
Note 12 Trade and Other Payables.....	72
Note 13a Provisions	73
Note 13b Clinical Negligence and Other Risks Indemnity Scheme (CNORIS).....	74
Note 14 Contingent Liabilities.....	74
Note 15 Events after the end of year reporting	75
Note 16 Commitments.....	75
Note 17 Commitments under leases	76
Note 18 Commitments under PFI/PPP/Non Profit Distribution Contracts.....	77
Note 19 Pensions	78
Note 20 Retrospective Restatements.....	78
Note 21 Restated Primary Statements.....	78
Note 22 Financial Instruments.....	79
Note 23 Derivative Financial Instruments.....	81
Note 24 Related Party Transactions	81
Note 25 Third Party Assets.....	81
Direction by the Scottish Ministers	82

PART A

Performance Report

Overview

This overview provides sufficient information to understand the NHS National Services Scotland (NSS) purpose, the key risks to the achievement of our objectives, and how we have performed during the year. Further detailed information is provided in the rest of the Performance Report, the Accountability Report, and the Financial Statements.

Chief Executive Statement

This has been another successful year for NSS, with the organisation exceeding its target of delivering 90% of measures agreed with Scottish Government. We have been able to achieve this because of the substantial commitment our staff makes every day and I would like to take this opportunity to acknowledge and thank them for their hard work, skill, and dedication which allows us to continue to provide excellent services to NHSScotland and more widely in health and care.

Performance is measured formally via the key performance indicators held within the Operational Delivery Plan (ODP) – the contract NSS makes with Scottish Government each year. This year NSS achieved 95% of the measures and exceeded measures in areas such as decontamination, primary care payments, antimicrobial resistance and healthcare associated infections, national contracts, and fraud prevention; demonstrably adding value to NHSScotland's overall performance.

The above successes were achieved despite the challenging financial environment. This year saw NSS deliver its contracted services and support a range of operational issues facing NHSScotland whilst simultaneously exceeding the requirement for a recurring 5% Cash Releasing Efficiency Savings (CRES) of £16.7m, ultimately delivering £18.5m in savings.

We continue to support the Health and Social Care Delivery Plan through a range of activities, such as Atlas of Variation, National Health Shared Services, primary care service offering, and Digital programmes (including Community Health Index (CHI), Office 365, GP/IT and eRostering systems). We have also reviewed our strategy for the next five years to ensure we continue to focus on the key goals and requirements of health and care.

NSS is playing an important role to support health and care transformation and is leading various transformation programmes, including laboratory, radiology, and aseptic dispensing. We also have a critical role in the establishment of Public Health Scotland in 2020. This includes the successful transfer of key public health services provided by Information Services Division (ISD) Scotland and Health Protection Scotland (HPS) into the new public body, and the provision of shared services to enable Public Health Scotland to focus on Scotland's public health priorities. Ensuring the successful transfer of NSS staff to Public Health Scotland is also a major priority.

NSS actively supports National Board collaboration and is engaged in a range of activities, covering digital, primary, and community care and transformation – all of which are gaining pace. There are still opportunities for increased collaborating in support services, such as HR, Finance, Procurement, and Facilities. The Target Operating Models being created by the four work streams aim to drive deeper and more effective collaboration for efficiency in these areas. This is an essential activity if the National Boards are to meet their savings target.

A key focus for the organisation has been to ensure the full implementation of the agreed action plan – based on KPMG and Grant Thornton LLP recommendations – to improve how NSS manages eHealth funds on behalf of NHSScotland. The completed action plan is discussed further in the Governance Statement (see page 25).

Throughout the year, NSS has been called on to support emergent and major activities in a number of areas.

NHSScotland clinical waste services. The waste contingency plan was implemented quickly and effectively in December 2018 with no disruption to clinical services. A new contract has been agreed and implementation work is underway and due to be concluded in August 2019. We have also been engaging with the previous supplier's staff about future employment opportunities.

EU Exit. Contingency planning has been in full swing with NSS playing a pivotal role for NHSScotland. We have planned on the basis of a no deal exit and have been asked to set up a response service that Health Boards can contact where they have specific EU Exit related shortages, as well as increasing our stock holding in the national distribution centre. In addition, this service will enable Health Boards to access medicines which are being managed on a UK wide basis.

UK Infected Blood Inquiry. Our teams within Scottish National Blood Transfusion Service (SNBTS) and Central Legal Office (CLO) are supporting the Inquiry. The teams have good experience of the process having actively contributed to the Penrose Inquiry (Scotland). The UK inquiry has an extended time period and wider considerations than Penrose, and it is likely that expert staff will be called to give or submit evidence. Staff welfare and support is therefore is at the forefront of our minds.

NHS Greater Glasgow and Clyde fungal infections. Our teams in Health Facilities Scotland and Health Protection Scotland are providing expert input around the physical infrastructure, water, and air handling systems, along with epidemiological data and technical support and advice. We have been asked by Scottish Government to play a greater role in ensuring Health Board compliance with procedures, processes, and policies - particularly in the buildings and facilities management area.

It is testimony to the hard work and commitment of all our staff that we are able to successfully underpin these important activities, while also achieving our ongoing commitments to Scottish Government, NHSScotland, and health and care.

NSS Strategy

NSS provides national infrastructure services and solutions which are integral to NHSScotland. Using our expertise in a wide range of specialist areas, we are able to support a successful health and care service locally, regionally. and nationally.

Our main focus is on supporting NHSScotland, but we are now working more widely across health and care. This ensures the benefits and value we achieve through our national infrastructure can help many different areas of local front line services to improve outcomes for the people of Scotland.

Our strategy outlines areas our stakeholders have said they need us to deliver against over the next five years and has been informed by a number of key requirements of health and care:

- Achieving the Cabinet Secretary for Health and Sport's immediate priorities on mental health, waiting times, and health and social care integration;
- Enabling the people of Scotland to live longer, healthier lives at home or in a homely setting;
- Ensuring everyone who provides healthcare in Scotland is able to demonstrate their professionalism;

- Helping Scotland become a more successful country by increasing the wellbeing of people and creating opportunities for everyone who lives here; and
- Taking actions needed to shift NHSScotland towards long-term fundamental change and securing its future.

We are committed to delivering services and solutions that support the achievement of these requirements. We also acknowledge that we must continue to evolve as an organisation and will need to:

- Increase our pace of change so the value we create for health and care can be realised more quickly;
- Continuously develop our services so they support a step change in improving health performance and delivering health and care outcomes;
- Ensure our future sustainability by developing our workforce, improving our productivity, and ensuring our services are the most efficient they can be; and
- Optimise our governance and build strong and compassionate leadership in all areas of the organisation.

Our purpose

Our Purpose reflects why NSS was established and guides everything we do:

“We provide national solutions to improve the health and wellbeing of the people of Scotland”

We believe our primary responsibility is to provide a robust and effective national infrastructure to NHSScotland. Going forward, and to continue to fulfill our purpose, we will work in partnership with all areas of health and care.

Our vision

Our Vision recognises what we need to achieve over the next five years:

“To be integral to a world-leading national health and care service”

We want the people of Scotland to have the best possible health and care service in the world. We know we can play an important role in making this a reality for them. Over the next five years we will support the change that is needed across health and care, while also reforming our services so they remain integral to the ongoing success of NHSScotland and the wider health and care landscape.

Values and our people

NHSScotland’s values guide everything we do and ensure we fulfill our purpose and make our vision a reality. Our goal is:

“NSS will remain a great place to work”

We fulfill the ambition of the NHSScotland Staff Governance Standard through an annual action plan. We focus on areas relating to a positive staff experience; making sure our staff are healthy, well, and safe; that we have a sustainable workforce; and provide inclusive working opportunities to encourage a more diverse workforce. We measure our success through iMatter and other staff surveys as needed.

Approach

Our approach defines where our stakeholders need us to prioritise our efforts:

Enable health and care transformation with new services:

We have the ability to connect our services and deliver solutions that create additional value and health care. This will be achieved by harnessing the wide ranging skills and expertise NSS has and refocusing them on areas of health and care where we can optimise our

delivery of triple value as defined by Realistic Medicine. We also recognise that we cannot achieve this alone and will seek to engage and partner with others.

Underpin NHSScotland with excellent services:

We will continue to provide core national infrastructure to NHSScotland, driving and increasing the quality and value of these services. We are also called upon to provide additional levels of support at times of crisis, or increased need, and will work closely with Scottish Government and health boards to ensure we respond quickly and appropriately.

Assist other organisations involved in health and care:

We will play an important role in connecting strategic health and care initiatives across Scotland. By continuing to connect with partners and stakeholders in other public bodies, we can use our national position to ensure our services, solutions, and programmes of work are aligned to, coordinated with, and integrated into regional and local initiatives. This will help ensure we are supporting transformation throughout the health and care system.

We recognise that its ambitions can only be achieved by successfully aligning our mission, vision, and values with our strategic priorities and operational delivery plan. To help us measure our success, we have adapted the balanced scorecard approach and created four strategic objectives:

- Customers at the heart
- Improving the way we do things
- Increasing our service impact
- Great place to work

Purpose and Activities of NSS

NSS is a Non Departmental Public Body (NDPB), accountable to Scottish Ministers. NSS was established as the Common Services Agency in 1974 under The National Health Service (Functions of the Common Services Agency) (Scotland) Order 1974, with a mandate to provide national strategic support services and expert advice to Scotland's health sector whilst maximising health impacts and cost savings. In 2013, the Public Services Reform (Functions of the Common Services Agency for the Scottish Health Service) (Scotland) Order 2013 extended the remit of NSS enabling the provision of services to other bodies, including local authorities and government departments. More recently, the Public Bodies (Joint Working) Scotland Act 2014 reinforced this requirement to maximise health, financial, and environmental impacts by engaging with, and offering services to, the wider public sector in Scotland.

NSS operates throughout Scotland and has a staff of 3,491 people, delivering a range of services from key sites in Edinburgh, Glasgow, Aberdeen, Inverness, Dundee, Larkhall, and Livingston. Our people have specialist expertise and knowledge in our areas of operation and NSS employ professional staff in all disciplines and service areas.

NSS is organised into six Strategic Business Units and four Support Business Units. This structure is the basis for the Segment information in note 5 (see page 65).

Strategic Business Units and activities are:

Scottish National Blood Transfusion Service (SNBTS)

- Collect, process, and supply high quality blood components, tissues, and cells;
- Support and provide a range of specialist and national services, such as the organ transplant programme, the pancreatic islet cells programme, quality and regulatory assurance in Scotland's blood banks, and transfusion reference laboratory services;
- Provide specialist transfusion medicine and support; and

- Research, development, and innovation to ensure patients have access to new and improved products, technologies, and therapies.

Central Legal Office (CLO)

- Providing expert legal advice and assistance across litigation, employment, commercial contracts, and commercial property;
- Inform and advise clients of emerging issues; and
- Provide guidance on wider policy issues and deliver client seminars and training.

Information Technology (IT)

- Manage and deliver Information Management and Technology (IM&T) services focused on the development and enablement of national level capabilities;
- Manage and deliver IM&T services, systems, data, and contracts which enable cross-agency integration, cross-board/boundary integration, workflow, information sharing, cost efficiency realisation, and collaboration; and
- Manage and deliver IM&T services to support NSS.

Practitioner and Counter Fraud Services (P&CFS)

- Support accurate payments and patient registration for NHS Services to Scotland's GPs, Dentists, Pharmacists, and Optometrists;
- Support accurate payments for the Scottish Infected Blood Support Scheme;
- Provide clinical services to support General and Public Dental Services;
- Deter and detect fraud both inside the NHS and beyond, coordinating awareness campaigns and leading investigations; and
- Provide a full range of conference, events, and committee services.

Procurement, Commissioning and Facilities (PCF)

- Delivering value for money national contracts;
- Providing logistics services to NHSScotland;
- Commissioning national screening programmes and specialist services;
- Manage and deliver facilities management service for NSS;
- Providing advice on healthcare environment and equipment; and
- Ensuring the safety of healthcare equipment.

Public Health and Intelligence (PHI)

- Deliver official health statistics;
- Provide an expert public health protection service to the people of Scotland;
- Through provision of health intelligence and analysis, help a wide range of organisations working in health and care to perform more effectively; and
- Co-ordinate national health protection activity, providing specialist support for public health incidents and outbreaks.

Support Business Units

- Clinical (Assurance, Governance, Insight and Leadership)
- Finance
- HR
- Strategy, Performance and Service Transformation

Service Sustainability

Over the last few years, relatively modest increases in funding, combined with high Cash Releasing Efficiency Savings (CRES) requirements, have effectively reduced the funding of the full range of services that NSS provides. NSS have managed to maintain a balanced budget, but this represents an increasing challenge over the lifetime of our Strategy.

NSS is introducing a Service Sustainability Plan to ensure financial and workforce sustainability, while also delivering the transformation of NSS services. The plan is focused on delivering three primary outcomes during the lifetime of the strategy:

- Strong financial management

- Workforce effectiveness
- Transformed services

Our approach is based on having a full understanding of our cost drivers, exploring the workforce challenges we face now and could face in the future, and better recognition of the value our services can create.

Ensuring our services are fully optimised and sustainable gives us the confidence that we can deliver against our strategic priorities.

NHSScotland Priorities

Scottish Government has identified the following priorities for health and care:

- Mental health;
- Waiting times; and
- Health and social care integration

NSS support these priorities through a number of services, including provision of national data to support decision making, Information Technology to support the delivery of health and care, and support services to allow people to receive the right care in the right setting.

We will continue to work with health and care partners to identify where we can best support local delivery to make improvements in these priority areas.

Public Health Scotland

We will ensure the smooth and successful transition of Public Health and Intelligence (PHI) to the new public health body in April 2020. We will also co-create a corporate services solution for the new body so that Public Health Scotland can focus a greater proportion of its efforts on achieving the national public health priorities.

This supports ambitions for improving public health and supporting the shift in care to prevention and early intervention.

Enabling health and care transformation with new services

We will harness the wide ranging skills and expertise NSS has to deliver better care, better health, and better value for Scotland with the following programmes of work

- **Primary and community care.**
We will enable the modernisation and integration of primary and community care in Scotland. This includes assessing primary care capability and capacity, supporting the modernisation and integration of primary care systems and processes, assessing the current state of the general practice estate, and actively engaging with community care to understand their needs. This programme will help deliver a more sustainable and resilient primary and community care service that improves patient care with more effective multi-disciplinary team working.
- **Medicines**
We will enable the introduction of new treatments, develop the use of genomics and cellular therapies, and help improve prescribing pathways. This includes; reviewing and redesigning prescribing pathways; improving access to medicines data; supporting the research, development and introduction of new treatments; and ensuring Scotland gets best value from its spend on medicines. This programme will help ambitions for the right medicine (or treatment) to be given to the right patient at the right time by the right clinician in any location.
- **Digital and data**
We will enable the successful delivery of the digital health and care strategy. This includes optimising the use of the public cloud, creating a new national security

operations centre for NHSScotland, and improving access and use of NSS national data sets. This programme will help our customers turn ideas into practical digital-first solutions through digital service transformation.

- **Transformation, innovation and integration**

We will enable stakeholders and partners in Scottish Government, territorial health boards, regions and integration authorities to deliver change. This includes developing an innovation network with partners, harnessing expertise to support innovators and supporting the scale up of key innovations across Scotland. This programme will help maximise the potential for key innovations to be successfully implemented across health and care in Scotland.

National Board Collaboration

We are part of a collaborative of eight national boards providing services where improved quality, value, and efficiency are best achieved through a national approach. We share a common purpose and by working closely together (along with our partners in the Scottish Government, regions, territorial boards, and integrated joint boards) we will support the changes required to improve services, reduce unnecessary demand, improve workforce sustainability, and strengthen leadership to protect and improve Scotland's health.

The National Boards Collaborative Programme focuses on three areas - (1) improvement, transformation and evaluation; (2) digitally enabled service redesign; and (3) a sustainable workforce.

These are the areas where we believe we can help our partners redesign services to meet technological, demographic, and societal changes. We will take on difficult issues in partnership to identify where national support can help deliver real sustainable change to address priority areas, such as waiting times and mental health, and drive integration across health and social care.

Our key corporate risks are discussed further in the Governance Statement (see page 24).

Performance Summary

- NSS has its operational objectives set out in the Operational Delivery Plan (ODP). This ODP is the agreement between NSS and the Scottish Government as to the targets to be delivered in support of Scotland's 2020 Vision for Health and Social Care, and the Scottish Government's National Strategic Objectives. It complies with Scottish Government's strategic guidance and encompasses all aspects of NSS activities; whether funded directly by Scottish Government or through other sources.
- NSS achieved or exceeded expectation in 95% of the 58 key performance indicators for 2018-19. Particular success was achieved in reducing the potential for healthcare associated infections. National contracting achieved secured savings of £85.4m against a target of £50m, with the major element coming from procurement of medicines. Patient exemption fraud or error was reduced by £1.7m against a target of £1.0m. NSS have made further improvements in 2018-19 to the organisation's self assessment against the Good Corporate Citizenship criteria; exceeding the 80% target set.
- The significant successes were also set in a context where NSS understood and accepted its fair share of efficiency requirements as set out by the Scottish Government. Organisationally we delivered services within the 1% uplift in baseline, exceeding our 5% CRES requirement.

Further detail of successes and issues can be found in the Performance against Key Non-Financial Targets section of this report (see page 12).

Performance Analysis

Financial Performance

The Scottish Government sets three financial targets and the CRES savings target for NSS on an annual basis. These are:

- Revenue Resource Limit (RRL): a resource budget for ongoing operations;
- Capital Resource Limit (CRL): a resource budget for new capital investment;
- Cash Requirement: a financing requirement to fund the cash consequences of the ongoing operations and new capital investment: and
- CRES Savings: a local efficiency savings target based on core activities.

NSS is expected to stay within these limits and the performance against these limits in the current year is set out below.

	Limit as set by SGHSC £'000	Actual Outturn £'000	Variance (Over) /Under £'000
Core Revenue Resource Limit (RRL)	467,199	466,932	267
Non Core Revenue Resource Limit (RRL)	13,902	13,747	155
Capital Resource Limit (CRL)	7,077	7,024	53
Cash Requirement	475,119	475,118	1
CRES Savings	16,704	18,522	1,818

Memorandum for In Year Outturn

	£'000
Reported Surplus in 2018/19	422
Approved carry forward surplus from previous financial year	834
Deficit against in year Revenue Resource Limit	<u>(412)</u>

Revenue

A total revenue resource of £481.1m (2017/18 £430.0m) was provided by SGHSC. Operating income of £251.3m (2017/18 £272.4m) has been credited to the Statement of Comprehensive Net Expenditure for the year ended 31 March 2019. When combined with income from SGHSC, this gives a total income for 2018/19 of £732.4m (2017/18 £702.4m). The funding stream for the eHealth SLA with NHSScotland has changed in year. In 2017/18 this was included in the operating income. The funding is now provided through the revenue resource limit

Total revenue expenditure in the year was £732.0m (2017/18 £701.5m), giving rise to a saving against the RRL set by SGHSC in the year of £0.4m as shown on the Summary of Resource Outturn.

National Programmes Managed on behalf of Scottish Government and NHSScotland

The total revenue resource limit includes funding for specific Scottish Government and NHSScotland initiatives of £152.9m. During the year projects such as CHI/Child Health, GPIT re-procurement, Radiology Shared services, and National Laboratories have encountered delays and, as such, progress has been rescheduled to next financial year. In line with our accounting policies, the income has not been recognised in these accounts and the funding of £5.6m (of which £4.3m relates to eHealth programmes) has been returned to Scottish Government. The total revenue resource limit for 2018/19 was reduced as a result.

Total revenue expenditure increased by £30.5m in 2018/19 and is primarily attributable to the following movements:

- Clinical waste contingency programme £9.0m
- The extension of specialist services provided by National Services Division on behalf of NHSScotland of £7.0m;
- The volumes and throughput of the National Distribution Centre has increased by £5.3m in 2018/19;
- The national pay award for all agenda for change staff was agreed in 2017/18 and covers a three year period. The award for 2018/19 is 3% which equates to £4.9m;
- The administration of the Scottish Infected Blood Support Scheme to NSS has increased £3.5m in year.

Payments made during the year to Primary Care contractors on behalf of NHS Boards in Scotland were £2,576.5m (2017/18 £2,500.6m) from funds drawn from the SGHSC totalling £2,576.5m (2017/18 £2,500.6m). NSS administer the payments to primary care practitioners on behalf of NHSScotland. The income and expenditure is recognised in the accounts of the NHS Boards. NSS record the cash drawn down and associated payments in the Statement of Cashflows.

Pensions and Pension Liabilities

Sums charged to the revenue account during the year in respect of deferred pensions, and the balance of the remaining liability for such costs, is shown in Note 19 (see page 78). During this accounting period, the charge to the Statement of Comprehensive Net Expenditure for pensions is based on the actual contributions level set by the Government Actuary. The costs associated with pension liabilities are shown in Note 19 (see page 78) and the Remuneration Report (see page 28). The accounting policy note for pensions is provided in Note 1 (see page 47).

Non Current Assets

During the year NSS invested £7.0m (2017/18 £3.3m) in capital projects. The main areas of spend were £1.5m on property upgrades and the completion of the Jack Copland Centre, £1.8m on IT Equipment, £2.4m on software licence and developments, £0.2m on energy efficient programmes, £0.8m on plant and equipment, and £0.3m on vehicles.

Prior Year Adjustments

There are no prior year adjustments in the accounts for 2018/19.

Provisions

During the year the value of provisions held in the accounts increased by £1.0m to £3.8m. This is due to additional provisions arising in year for injury benefits (£0.6m), organisational restructuring (£0.7m), and the potential over recovery of VAT as a result of a clarification of the rules by HMRC (£0.5m). This is offset by provision utilised in year of £0.3m and reversed unutilised of £0.4m.

Contingent liabilities

Contingent liabilities not provided for in the accounts total £0.9m (£0.9m in 2017/18) and are explained further in Note 14 (see page 74).

PFI/PPP Scheme

The value of the contract for the Jack Copland Centre on the Statement of Financial Position is £32.3m. The contract term is 25 years which commenced in August 2017 and will complete in November 2041.

Payment Policy

The Scottish Government is committed to supporting business in the current economic situation by paying bills more quickly. The intention is to achieve payment of all undisputed invoices within 10 working days, across all public bodies.

- In 2018/19 the average period of credit taken from all suppliers was 6.0 days (2017/18) 5.0 days).

- In 2018/19 NSS paid 88.5% (2017/18 91.3%) of all invoices by value and 89.9% (2017/18 92.0%) of all invoices by volume, within 10 days.
- In 2018/19 NSS paid 96.7% (2017/18 97.2%) of all invoices by value and 96.8% (2017/18 97.0%) of all invoices by volume, within 30 days.

Performance against Key Non Financial Targets

NSS Operational Delivery Plan 2018/23 (ODP) was agreed with SGHSC at the beginning of 2018/19. To manage its implementation, the plan was reported quarterly to the Executive Management Team, the Finance, Procurement and Performance Committee, and to our sponsor at Scottish Government. Strategic Business Unit performance is recorded within the Decision Support Tool (DST) using the BRAG basis, i.e. Blue (exceed target) / red (target not met) / amber (target not fully achieved) / green (on target) status, to highlight the success of the measure. Where progress showed targets to be behind schedule, Strategic Business Units provided a recovery plan to ensure progress remained on track for the end of year.

The ODP required NSS to deliver on 58 measures of performance. NSS has achieved 55 of these measures, which equates to 95% achievement. These measures were categorised under the headings Better Health, Better Care and Better Value. Achievements under each include:

Better Health

- Reduce the potential for healthcare associated infection by implementing the Decontamination Strategy. There is 98% achievement against year 3 actions, against a target of 95%.
- 95% deliverables in the ARHAI (Antimicrobial Resistance and Healthcare Associated Infections) framework, supporting the ARHAI national strategy. 98% of deliverables have been achieved.

Better Care

- Testing and validation of equipment for reusable medical devices. Achieved 96% of programme delivery. The target is 90%.
- Payment to primary care practitioners. This is at 99.9% accuracy compared to a target of 99.5%.
- 18 Atlas Maps have been produced against a target of 12.

Better Value

- £85.4m of National Contract delivered savings against a target of £50m.
- To support health improvement in NHS Scotland by undertaking prevention, detection and investigation initiatives to reduce patient exemption fraud or error by £1 million. This has achieved anticipated savings of £1.7m.

NSS also achieved the HEAT target:

- NHS Boards to operate within their agreed revenue resource limit; operate within their capital resource limit; meet their cash requirement; and maximise cash efficiencies to invest in frontline services.

Targets delivered within 10% of their original target include:

Better Care

- All participating Health Boards and partnerships will have an agreed number of indicators for adult inpatients by nurse family, and an IT supported approach to submitting data to ISD. Submitted data will be visualised through a Tableau hosted information system known as Care Assurance Improvement Resource (CAIR). 16 out of 17 Boards have submitted data, with NHS 24 being given further support to do so.

The wider development of the system will not be impacted by lack of NHS 24 data as each Board has access to its own data.

- Data submission and quality assurance of social care data was to be completed by October 2018 in order to provide Scottish Government with social care data. Design and input new output on social care activity on Source and publish Official Statistics thereafter. This has been reported previously. 31 out of 32 data sharing agreements were received. Engagement continues with Glasgow. They have reviewed the Data Sharing agreement and feedback has been given to us. Updated documentation has been sent back. In the meantime, aggregated data has been provided to allow a top level Scotland report to be provided.

Better Value

- Collaborative contract coverage is at £1.338bn against a target of £1.4bn. Continued strong savings achievement makes this target challenging to achieve without taking on new areas of devolved spend.
- Delivery of a Good Corporate Citizenship score of 80% was intended by March 2019. However, 2 of the 7 areas identified in GCC are behind schedule. Actions have been identified and are being implemented to complete actions in relation to these over the forthcoming financial year.

During 2018-19, NSS has exceeded the targets set for both national and local efficiencies with a total of £85.4m national savings delivered on behalf of NHSScotland and a further £18.5m of local efficiencies delivered.

Sustainability and Value

NSS has delivered significant wider value and sustainability through its delivery of the Good Corporate Citizenship measurement within the 2018-19 ODP. Three key themes, extracted from the Public Bodies Duties (2011) were pursued in how the organisation would deliver its services by:

- Acting sustainably
- Adapting for climate change
- Reducing emissions

As part of our acting sustainably, NSS has fully incorporated sustainable values into its Procurement Strategy. In line with the Procurement Reform Act 2014, NSS is pursuing ethical procurement which includes utilising suppliers that are local, small, supported enterprises. These businesses employ local citizens who might otherwise be challenged to secure sustainable employment within the workplace. This continues to be an area of strong performance this year.

There has been steady performance on transport, travel and facilities management in this financial year. There are a number of improvement actions to take forward into 2019/20 which includes:

- The development of the transport policy to support the reduction in business travel and move to low-carbon options;
- The implementation of the Environmental Management (Quality) system and action plan; and
- To establish, promote and use environmental performance metrics to support the staff engagement plan.

Environmental Reporting

The Climate Change (Scotland) Act 2009 sets out measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. In 2015 an Order was introduced, requiring all designated major players (of which NSS is one) to submit an annual

report to the Sustainable Scotland Network, detailing compliance with the climate change duties imposed by the Act. The information returned by NSS is compiled into a national analysis report, published annually and supersedes the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Act, along with copies of prior year national reports, can be found at the following resource:

<http://www.keepsotlandbeautiful.org/sustainability-climate-change/sustainable-scotland-network/climate-change-reporting/>

Approval and signing of the performance report

The Accountable Officer authorised these financial statements for issue on 28 June 2019.

Colin Sinclair

Chief Executive

Date 28 June 2019.

Accountability Report

Corporate Governance Report

Directors Report

Date of Issue

The Accountable Officer authorised these financial statements for issue on 28 June 2019.

Appointment of Auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. For the financial year 2018/19 the Auditor General appointed Mark Taylor, Audit Director, Audit Scotland to undertake the audit of NSS. The general duties of auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Board Membership

Under the terms of the Scottish Health Plan, the NSS Board is a board of governance whose membership will be conditioned by the functions of the Board. Members of the NSS Board are selected on the basis of their position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The NSS Board has collective responsibility for the performance of NSS as a whole, and reflects the partnership approach, which is essential to improving health and health care.

The Board Members who held office during the year are as follows:

Non-Executive Directors	Title	Appointed	Term Ended	Unexpired Term as at 31 March 2019
Professor Elizabeth Ireland	Chair	03/05/13		2 yrs 1 mth
Mrs Kate Dunlop	Vice Chair*	01/07/15		1 yr 3 mths
Mr Ian Cant	Employee Director	01/08/13		2 yrs 4 mths
Mr Mark McDavid**		01/09/14		1 yr 5 mths
Ms Julie Burgess		01/12/15		0 yr 8 mths
Mr John Deffenbaugh		01/02/16		0 yr 10 mths
Ms Alison Rooney		26/06/17		2 yrs 3 mths
Mrs Jane Davidson***		26/06/17		2 yrs 3 mths
Executive Directors				
Mr Colin Sinclair	Chief Executive	01/08/16		
Mrs Carolyn Low	Director of Finance	01/09/14		
Dr Lorna Ramsay	Medical Director	31/10/18		

*Mrs Kate Dunlop's second term of office was extended by 1 year to June 2020.

**Mr Mark McDavid entered his 2nd term of office during 2018.

***Mrs Jane Davidson demitted office on 31st March 2019.

The Board Members' responsibilities in relation to the Accounts are set out in a statement following this report.

Statement of Board Members' Responsibilities

Under the National Health Service (Scotland) Act 1978, NHS National Services Scotland (NSS) is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of NSS as at 31 March 2019 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHSScotland by Scottish Ministers.
- Make judgments and estimates that are reasonable and prudent.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed and where the effect of the departure is material.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume NSS will continue to operate.

The NSS Board members are responsible for ensuring proper accounting records are maintained which disclose, with reasonable accuracy, at any time the financial position of NSS and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of NSS and hence taking reasonable steps for the prevention of fraud and other irregularities.

The NSS Board Members confirm they have discharged the above responsibilities during the financial year and in preparing the accounts.

Board Members' and Senior Managers' Interests

Details of any interests of Board Members, Senior Managers and other senior staff in contracts or potential contractors with NSS, as required by IAS 24, are disclosed in note 24 (see page 81). The Register of Interests for all Board Members can be found on the NSS website at <http://www.nhsnss.org>.

Directors third party indemnity provisions

There have been no third party indemnity provisions in place during the financial year.

Remuneration for Non Audit Work

Audit Scotland did not undertake any non-audit work during 2018/19 and received no additional remuneration from NSS.

Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose duties on the Scottish Government and listed public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year.

In accordance with the Public Services Reform (Scotland) Act 2010, NSS publish the full information as required by the act on the NSS website following the approval of the Directors Report and Accounts. The report for 2018/19 will be available from July 2019 at <https://www.nhsnss.org/>.

Personal data related incidents reported to the Information Commissioner

NSS had one data related incident during 2018/19 which was reported to the Information Commissioner's Office (ICO). The ICO advised that no enforcement action was required.

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditors are unaware; and each Director has taken all the steps that he/she ought reasonably to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

Statement of Accountable Officer's Responsibilities

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, the Principal Accountable Officer (PAO) of the Scottish Government has appointed me as the Accountable Officer of NHS National Services Scotland (NSS).

This designation carries with it responsibility for:

- the propriety and regularity of financial transactions under my control;
- the economical, efficient and effective use of resources placed at the disposal of NSS; and
- safeguarding the assets of the Board.

In preparing the accounts I am required to comply with the requirements of the government's Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the government Financial Reporting Manual have been followed and disclose and explain any material departures; and
- prepare the accounts on a going concern basis.

I confirm that the Annual Report and Accounts as a whole are fair, balanced and reasonable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles, and in the format, directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as Accountable Officer as intimated in the Departmental Accountable Officers letter to me on the 1 August 2016.

Governance Statement

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with NHS National Services Scotland's (NSS) policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. Also, I am responsible for safeguarding the public funds and assets assigned to NSS.

I confirm that NSS is compliant with the aspects of the Scottish Public Finance Manual (SPFM) which are set out within the guidance issued to Chief Executives and more generally to all Board members by the Scottish Government Health Directorates as being applicable to NHS Boards.

In terms of enabling me to discharge my responsibilities as Accountable Officer, the following arrangements and processes have been in place throughout the financial year to manage risk within the organisation:

- A Board which meets regularly to consider the plans and strategic direction of the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the Executive members of the organisation and Non-Executive members. The Board activity is open to public scrutiny with minutes of the meetings publicly available at <https://www.nhsnss.org/>;
- A single system of governance and risk management arrangements with clear supporting lines of accountability and agreed Scheme of Delegation, Standing Financial Instructions and Standing Orders;
- The consideration by the Board of periodic reports from the Chairs of the Finance, Procurement and Performance, Staff Governance, Clinical Governance, Information Governance, Remuneration and Succession Planning and Audit and Risk Committees, concerning any significant matters on governance, risk and internal controls;
- Prioritisation of risks and allocation of responsibility for mitigating action to named senior officers; and
- A focus on Best Value and a commitment to ensuring that resources are used efficiently, effectively and economically taking into consideration equal opportunities and sustainable development requirements.

Purpose of the System of Internal Control

The system of internal control is based on an ongoing process designed to identify and prioritise the principal risks facing NSS. The system aims to evaluate the nature and extent of risks and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

This process within NSS accords with the guidance from Scottish Ministers in the SPFM and supplementary NHS guidance and has been in place for the year up to the date of approval of the Annual Report and Accounts.

The SPFM is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

Governance Framework

NSS Board

The Board met formally five times during the year to progress the business of NSS, and was supported in its work by the Committees listed below. It also met informally with Strategic Business Unit Directors and other Senior Members of the Management Team to consider strategic and other ad-hoc issues. The following includes the standing Committees that exist in NSS and the number of times the Committees have met during the year:

Committee	Number of meetings
Audit and Risk Committee	-5
Finance Procurement and Performance Committee	-4
Clinical Governance Committee	-4
Staff Governance Committee	-4
Remuneration and Succession Planning Committee	-3
Information Governance Committee	-3
Total	-23

Audit and Risk Committee

The Audit and Risk Committee was chaired by Mr Mark McDavid. During the year its membership comprised Mrs Kate Dunlop, Ms Julie Burgess (to 31 July 2018), Mrs Jane Davidson, Ms Alison Rooney and Mr John Deffenbaugh (from 01 August 2018). The Chair, Chief Executive, Director of Finance, Interim Director of Strategy and Governance (to 1 December 2018), Director of Strategy Performance and Service Transformation, Chief Internal Auditor, External Auditors and Service Auditors are also usually in attendance at the meetings along with other members of NSS staff as required. The Committee met five times during the year.

The Committee assists the Board in delivering its responsibilities by providing assurance that an appropriate system of internal control has been implemented and is operating effectively to address areas of risk for the organisation. It is the role of the Committee to review the Annual Report and Accounts and the Annual Audit Report on behalf of the NSS Board.

Finance, Procurement and Performance Committee

The Finance, Procurement and Performance Committee was chaired by Mrs Kate Dunlop. During the year its membership comprised Professor Elizabeth Ireland, Mr Mark McDavid (to 31 July 2018) Ms Julie Burgess and Mr Ian Cant (from 01 August 2018). The Chief Executive, Director of Finance, Interim Director of Strategy and Governance (to 1 December 2018) and Director of Strategy Performance and Service Transformation are usually in attendance along with other members of NSS staff as required. The Committee met four times during the year.

The Committee regularly reviews the financial position of NSS to ensure that suitable arrangements are in place to secure economy, efficiency and effectiveness in the use of all resources.

Clinical Governance Committee

The Clinical Governance Committee was chaired by Ms Julie Burgess, and comprised Mrs Jane Davidson, Professor Elizabeth Ireland, Mr John Deffenbaugh (to 31 July 2018) and Mr Mark McDavid (from 01 August 2018). The Chief Executive, Medical Director (from 31

October 2018), and the Nurse Director are usually in attendance along with other members of NSS staff as required. The Committee met four times during the year.

The Committee's remit is to provide an overarching governance of all clinical matters within NSS including complaints, clinical risk, and quality of clinical service. It must also satisfy itself that each NSS Strategic Business Unit has processes in place to monitor and report clinical governance issues, and to link clinical governance with risk management as prescribed by NHS Healthcare Improvement Scotland (HIS).

Staff Governance Committee

The Staff Governance Committee was chaired by Mr John Deffenbaugh. During the year its membership comprised Mr Ian Cant, Professor Elizabeth Ireland, and Mr Mark McDavid with Mr Gerry McAteer, Mr Tam Hiddleston and Mrs Susan Cook (from 16 August 2018) as Trade Union representatives. The Chief Executive and Director of HR and Workforce Development are usually in attendance, along with other members of NSS staff as required. The Committee met four times during the year.

The Committee supports and maintains 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.

Remuneration and Succession Planning Committee

The Remuneration and Succession Planning Committee was chaired by Mr John Deffenbaugh. During the year the membership comprised Professor Elizabeth Ireland, Mr Ian Cant, and Ms Alison Rooney. The Chief Executive and the Director of HR and Workforce Development are usually in attendance at the meetings. The Committee met three times during the year.

Further detail on the Remuneration and Succession Planning Committee is provided in the Remuneration Report (see page 28).

Information Governance Committee

The Information Governance Committee was chaired by Mr Ian Cant (to 31 July 2018) and Ms Alison Rooney (from 01 August 2018). During the year the membership comprised Professor Elizabeth Ireland, Ms Alison Rooney (to 31 July 2018), Mrs Kate Dunlop and Ms Julie Burgess (from 01 August 2018), along with other members of NSS staff as required. The Chief Executive, Medical Director (Caldicott Guardian), Director of IT (SIRO) and Director of Strategy, Governance and Service Transformation are usually in attendance at the meeting. The committee met three times during the year.

The Committee's remit 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 covers Caldicott Guardianship and Confidentiality; Data Protection; Information Security; Freedom of Information and Records Management.

Ethics Committee

NSS does not have a standalone ethics committee. Ethics are considered at each governance committee.

Operation of the Board

NSS governance and management structures support the SPFM by embedding it in their strategic reviews and day to day activities as follows:

- NSS's vision for the future is to support Scotland, in particular through providing shared services that improve the quality, efficiency and resilience of services provided to people in Scotland. Supporting Scotland's health will continue to be at the core of what we do. However, the Public Sector Reform Order and subsequent Joint Working Bill have allowed NSS to broaden its service as we support our Health and Local Authority partners in the delivery of effective Health and Social Care Integration, and look to provide services more widely to the Public Sector.
- As discussed in the Performance Report (see page 3), NSS Operational Delivery Plan (ODP) for the financial year was agreed with the Scottish Government at the beginning of 2018-19. The ODP required NSS to deliver on 58 measures. Progress against these measures is monitored and reported to the NSS Board at the mid year and the end of the financial year.
- The NSS Board reviews, on an annual basis, the Standing Orders which include the Code of Conduct that the Board Members must comply with, the Standing Financial Instructions and the scheme of delegation. These documents are the focus of the Board's annual review of governance arrangements. NSS has in place two corporate policy groups who review changes to policies, laws and regulations throughout the year.
- The NSS Committees; Audit and Risk, Finance, Procurement and Performance, Clinical Governance, Remuneration and Succession Planning, Staff Governance and Information Governance meet at least three times a year to review and challenge activities and practices across NSS. The committees report their findings to the NSS Board on a quarterly basis.
- The Board receives monitoring reports from the Director of Finance at its monthly meetings on budgetary control and performance measured against the Board's approved Financial Plan. The robust processes which we have in place for setting budgets and monitoring performance ensure that our resources are used efficiently and effectively. The budget also includes a Cash Releasing Efficiency Savings target which was achieved during the year.
- The Board receives monthly reports from the Director of Human Resources and Workforce Planning relating to staffing matters, and other directors on matters relevant to their areas of responsibility.
- NSS exercises governance over its IT matters in a co-ordinated and effective manner. The Director of IT reports to the Chief Executive. The IT SBU publishes a monthly electronic update on all its activities to a wide range of NSS staff; submits an update report to each Executive Management Team meeting highlighting achievements, challenges and upcoming activity; and conducts regular reviews with its key external suppliers on their service delivery and development performance. IT is also fully integrated into NSS Business Continuity Planning and IT Business Partners are aligned to each of the other SBUs to ensure effective and transparent relationships and service delivery.
- NSS continues to build its stakeholder and customer focus. During the year we have increased our engagement with local authorities and health and social care partnerships to ensure they are able to benefit from NSS services as they make the transition towards full integration.
- NSS holds informal Board meetings where the development needs of the Board are addressed. There is a clear process in place for the review of NSS Board performance for both Executive and Non-Executive Directors. In line with NHS Chairs group and Scottish Government guidance – "Corporate Governance: Being effective – what NHS Non-Executive Directors need to know", the Non-Executive Directors have an annual

performance review with the Chair of the NSS Board. A full induction programme is available for Non-Executive Directors. A leadership development framework is in place to offer a range of development activities to meet identified needs. Access to external and national programmes in line with the development plan and career objectives are also in place.

- NSS is committed to partnership working with staff and the wider public sector. There are monthly partnership meetings which review the policies and processes of NSS. We also engage with staff through a number of methods of communications including our award winning staff newsletter, management briefs, team and Strategic Business Unit updates and staff surveys.
- In addition to the Code of Conduct for members, NSS has in place a code of conduct for staff. This contains information for staff on how to deal with the disclosure, either internally or externally of malpractice, as well as illegal acts or omissions at work – commonly known as “whistleblowing”. Employees are encouraged to raise concerns regarding the organisation’s activities. The Freedom of Speech policy and the Fraud Action Plan are highlighted as part of the induction programme. These documents are also available on the NSS intranet.
- NSS also has a well established complaints system, whereby members of the public can make a formal complaint to the Board. Information on our complaints procedures is available on the NSS website.
- The NSS Finance, Procurement and Performance Committee reviewed performance against the Scottish Government’s Best Value Guidance for Accountable Officers in line with the biennial requirement to do so in October 2016. The Best Value Guidance seeks to ensure organisations secure continuous improvement in performance whilst maintaining appropriate balance between quality and cost. Its structure focuses on five themes: Vision and Leadership, Effective Partnerships, Governance and Accountability, Use of Resources and Performance Management. There are two cross cutting themes of Equality and Sustainability. The NSS performance reported against the guidance criteria highlighted that all five themes remained as on target performance, as did the theme of Equality. It was noted that there have been improvements to the theme of Sustainability with the development of a Sustainability Strategy, establishment of a Sustainability Governance Group and associated work programme. Since the Best Value report was produced, we have exceeded our 80% target against the Good Corporate Citizenship framework in 2018-19.
- The Organisational Change and Business Portfolio Management Group (OC/BT PMG) supports compliance with the NSS Organisational Change Policies and provides overview of NSS ongoing modernisation and growth enablement to support the Scottish Government Public Sector Reform legislation. The Corporate Initiatives and Information Technology Portfolio Management Group (CI/IT PMG) provides governance and support for the portfolio change where initiatives impact more than one Strategic Business Unit and also for those where there is an underpinning IT investment. Both groups membership consists of EMT members and senior professionals from across the organisation. The groups provide regular progress reports to the NSS Board.

Risk and Internal Control Framework

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

Risk Assessment

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

- The risk management approach sets out the importance of risk management to the delivery of our objectives, our risk appetite statement, the responsibilities of staff across NSS, the supporting organisational arrangements for the identification, assessment and reporting of risks and the steps to be taken to develop and implement mitigating actions.
- SBUs identify and assess risks through their planning and performance processes, reviews of significant changes in NSS service or the environment in which it operates in, following a resilience incident, adverse event or near miss, data protection impact assessments, information security risk assessments, testing controls in place around NSS day to day activities, horizon scanning future events, stakeholder engagement, programme and project risk assessments, and through the internal controls assurance checklists. Monthly risk reviews are undertaken by SBUs.
- The Executive Management Team reviews the risk profile for the organisation, across all categories of risk and challenges key organisational risks and issues monthly. It also considers corporate and strategic risks at its Development Sessions throughout the year.
- Risks are assessed for the likelihood of an event occurring and the impact of the event. They are categorised under four headings: Business, Staff Clinical and Reputational. Management Groups review these risks by category for their areas of responsibility and challenge the actions being taken to address them. Information Governance risks across all of the categories were also reviewed by the Information Governance Group.
- The NSS Committees: Finance Procurement and Performance, Staff Governance, Clinical Governance, Information Governance, and Audit and Risk meet at least three times during the year and reviewed and challenged Business, Staff, Clinical and Reputational risks respectively across NSS. This provides a comprehensive review of risks by risk category across the organisation. The Committees also review respective strategic risks at least three times each year.
- The Audit and Risk Committee receives quarterly reports on risk management across NSS, detailing the improvements being made to our processes and procedures and key risks for the organisation. This provides the Committee with the assurance that risk management is operating effectively and that there is integration between organisational risks and audit activity. The Committee also reviews the NSS risk appetite statement on an annual basis.
- Risks associated with information that we hold and are responsible for are subject to regular review and independent audit as part of our overall governance and risk management arrangements. The NSS Information Governance Committee has met three times and provides a focus for the five Information Governance disciplines: Caldicott & Confidentiality, Data Protection, Information and Cyber Security, Records Management and Freedom of Information. The Committee reports directly to the NSS Board.
- The Board receives risk update reports every six months. The reports include details of risk management improvements; the risk profile for the organisation and the key risks being addressed. This gives the Board the opportunity to review and challenge risk management processes and the key risks we face. The Board reviews and approves NSS's appetite to risk annually. NSS has a flexible approach to its risk appetite in pursuit of its four principal objectives: Customers at the Heart of Everything We Do, Increase our Service impact, Improving the Way We Do Things and Be a Great Place to Work. Where risks to new and on-going activities are identified, NSS will always attempt to mitigate the likelihood or impact of the risk to a level judged to be acceptable in the prevailing conditions. This is in line with the NSS Integrated Risk Management Approach (IRMA). Board reports are available on our website at : <https://nhsnss.org/how-nss-works/our-board/board-meetings/>

NSS Key Risks

EU Exit

The UK's exit from the European Union will have an impact on a number of services across NSS, from the continued delivery of supplies and medicines to the ongoing relationships with professional institutions and organisations to understand how NSS will work with them in the future. NSS has assessed the potential impact on staff recruitment and retention issues in the future. A dedicated webpage has been set up to support the current workforce.

We will continue to keep abreast of developments in the political process and assess ongoing implications of any exit deal.

Clinical Waste Contingency

There is a risk that the contingency measures in place fail to deliver the necessary requirements to maintain clinical services across NHSScotland. NSS are working closely with Scottish Government, UK Cabinet Office and other government agencies on UK capacity. In addition, measures are being taken to develop increased treatment capacity within Scotland.

Furthermore there is a risk that in the urgency to secure clinical waste disposal capacity, NSS enter into legally binding contracts that do not offer best value for the taxpayer. All costs are evaluated against current market rates and tracked by NSS. Costs are then reviewed and agreed by NHSScotland Directors of Finance and the Scottish Government.

UK Infected Blood (Langstaff) Inquiry

This could lead to additional costs and have an adverse reputational impact for NSS and the Scottish National Blood Transfusion Service. NSS is working with the Inquiry and are actively engaged in responding to requests.

Data Protection Compliance

There is a risk that NSS breaches relevant legislation, due to incomplete preparation for new laws and lack of staff awareness and understanding of the laws and their responsibilities. Work continues to complete the actions on the General Data Protection Regulation (GDPR) plan. A communications plan is in place to raise awareness with staff and an Information Governance e-Learning module has been implemented to support staff training.

IT Security

There is a risk that the NSS IT security infrastructure could be compromised by unforeseen events such as Ransomware and malware. The rate of change of threats is increasing due to the involvement of organised crime. NSS is required to comply with security controls as set out in various documents such as Scottish Public Sector Action Plan, NHSScotland Information Security Policy Framework and Cyber Essentials. We are working on a programme of improvements to allow us to meet these obligations.

Risk management

The NSS approach towards risk management is one of continuous improvement in order to develop an effective and consistent risk management culture across the organisation. Throughout 2018-19 risk management was improved through assessments and a development including the annual review of the Integrated Risk Management Approach to ensure it continues to be effective and meets the needs of our staff, management groups and governance structure.

- The IRMA was reviewed and is aligned to the ISO310009 (2018) international standard on Risk Management. NSS use checklists to assess the internal controls we have in place around our key day to day activities allowing us to identify where external assurance is provided, for the services we provide.
- NSS Risk Champions meet quarterly to share risk management best practice and support continuous improvement to our risk management process and procedures. This has

- improved the implementation of our risk management approach across the organisation. All staff is required to complete the Risk and Resilience e-Learning as mandatory training.
- NSS has sustainability impact assessed all corporate risks against threats from climate change as part of the NSS corporate commitment to address the social, economic and environmental impacts of its products, services, projects and/or activities.

Improvements in Governance of Funds Managed on behalf of NHSScotland

In response to the governance weaknesses relating to eHealth funds that came to light in March 2018 an action plan to improve overall financial governance was agreed by the NSS Board in June 2018. These are funds, held by NSS, on behalf of NHSScotland Boards that are utilised to fund multi-year programmes of work commissioned by the SG eHealth Group. There were six actions agreed and delivered in the financial year 2018/19. These actions apply to all funds managed by NSS on behalf of NHSScotland:

Action 1 – Improved Governance and Reporting

- NSS has introduced regular reporting of Funds managed on behalf of NHSScotland to the Executive Management Team, Finance, Procurement and Performance team and the NSS Board.
- The Portfolio Management group (a sub group of the EMT), chaired by the Director of Finance has oversight of all projects and programmes delivered by NSS on behalf of NHSScotland.

Action 2 – Revision of the Standing Financial Instructions (SFI's)

- A comprehensive review of the SFI's was carried out in May 2018 and endorsed by the NSS Board in June 2018.

Action 3 – Improved Financial Controls and Compliance

- The responsibility for financial controls and compliance rests with the Associate Director of Financial Planning and Analysis. A new role has been introduced to provide increased focus on the control environment and the implementation of a financial controls system.

Action 4 – Rotation of Senior finance Staff

- An interim structure was put in place to allow for the rotation of senior finance staff across the organisation.

Action 5 – Refresher training for all finance staff

- All finance staff trained in the role of finance, professional responsibilities and financial governance. Business partner training was also provided to all staff that directly supports the senior management teams across the organisation.

Action 6 – Training for non finance managers

- Mandatory learning module has been introduced for all staff on the Standing Financial Instructions. There is specific guidance for all staff, budget holders, line managers and requisitioners.

The steps taken to address each of the agreed actions have been well received. There has been a high level of support from the Executive Management Team and the NSS Board. Finance staff are feeling empowered to challenge and highlight areas for improvement, and supported to have difficult conversations with the senior management teams.

In addition to the agreed action plan, the NSS internal auditors KPMG conducted a review of finance and along with the feedback from our customers, finance have put in place a transformation programme for the next 12 months which aims to provide strong financial management and supporting the business decisions of the organisation.

NSS Audit and Risk Committee commissioned additional internal audits during 2018-19. The areas covered are Logistics, Primary Care Rebates and Commissioned Services. The Primary Care Rebates audit is complete with no significant issues raised, the other two audits

are ongoing. This provided further assurance to the NSS Board and Scottish Government that governance weaknesses were limited to eHealth.

During the next financial year ending 31 March 2020 NSS will continue to seek opportunities to further enhance the Board's system of internal control.

Internal Audit

NSS's Internal Auditors submit regular reports to the Audit and Risk Committee. Each year the Head of Internal Audit also submits an independent opinion on the adequacy and effectiveness of NSS's system of internal control, together with recommendations for any improvements. In accordance with the Internal Audit Plan for 2018-19, agreed by the Audit and Risk Committee, the Internal Auditors carried out a review of the systems in place to provide assurances about the internal controls operating within NSS.

Internal Audit Opinion

"Significant with minor improvements assurance can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control".

Overall the review found that the Assurance framework is founded on a systematic risk management process and does provide appropriate assurance to the Board.

The assurance framework does reflect the organisation's key objectives and risks and is reviewed by the NSS board on a regular basis.

There were four high risk recommendations identified by the Internal Auditors as part of their overall review. These recommendations have agreed actions plans in place to be completed by December 2019. Similarly the medium and low risk findings reported also have actions plans in place. Management will provide regular updates on actions plans to the Audit and Risk Committee.

External Audit

Audit Scotland submitted regular reports to the Audit and Risk Committee. I have received these reports and have ensured that we have acted on any matters raised.

Service Audits

Service Audits were undertaken for the year to 31 March 2019 in accordance with the International Standard on Assurance Engagements (ISAE) 3402 - Assurance Reports on Controls at a Service Organisation - issued by the International Auditing and Assurance Standards Board.

ISAE 3402 allows us to disclose our control activities and processes in a uniform reporting format which describes the control objectives, the key controls and processes implemented by NSS and the results of the testing undertaken by the Service Auditor. It also provides positive assurance over the controls in place and clearly identifies areas of control weakness. The areas covered by Service Audit are:

- Practitioner Services;
- National IT Services; and
- Payroll Services.

The Service Auditors have provided unqualified opinions for all of the above Service Audits. Full reports have been made available to all relevant NHS Boards and Audit Scotland. The only Service Audit covered by Audit Scotland is the Practitioner Services Service Audit. Audit Scotland, in its letters to external auditors of other NHSScotland Boards, concluded that it was able to place reliance on the work in respect of Practitioner Services.

During the year ended 31 March 2019 we continued to work jointly with NHS Boards and their auditors in particular when planning for future audit requirements. This has led to a better understanding across the service of the assurance provided by Service Audits.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- the Executive Directors within NSS who have responsibility for the development and maintenance of the internal control framework. To this end I have requested and received a positive certificate of assurance from all SBU Directors on the standard of internal control within NSS;
- the work of the Internal Auditors who submit reports to the NSS Audit and Risk Committee which include their independent and objective opinion on the adequacy and effectiveness of the NSS systems of internal control together with recommendations for improvement;
- comments made by the External Auditors in their management letters and other reports; and
- the work of our Service Auditors who submit reports to the NSS Audit and Risk Committee which includes their independent opinion on the controls in place around the services we provide to customer NHS Boards.

I have been advised on the implications of my review of the system of internal control by the Board and the Audit and Risk Committee and plan to ensure continuous improvement by addressing areas where controls can be improved.

As a public body NHS National Services Scotland is committed to achieving Best Value in the delivery of our services.

Disclosures

As set out above, a comprehensive programme of work has been undertaken by Internal Audit, External Audit and Service Audit.

During the financial year, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control.

Colin Sinclair

Date 28 June 2019

Chief Executive

Remuneration Report and Staff Report

Determination of Senior Employees Remuneration

The remuneration of the members of the NSS Executive and Senior Management Cohort is determined by the Scottish Government Health and Social Care Directorates (SGHSC) under Ministerial Direction and in accordance with HDL(2006)23, HDL (2006)59, CEL(2007)4, CEL(2007)22, CEL(2008)52, CEL(2010)6, CEL(2011)7 and subsequent circulars PCS(ESM)2012/1 and PCS(ESM)2013/1. All Director and Senior Management posts are subject to evaluation by the National Evaluation Committee, an independent panel that reports to the SGHSC. Salary on appointment is authorised by the NSS Remuneration and Succession Planning Committee. Performance appraisal for managers in the Executive Cohort is monitored by the National Performance Management Committee (NPMC). The performance management of staff within the Senior Management Cohort is the responsibility of the SBU Directors and NSS Remuneration and Succession Planning Committee in line with HDL (2007)15. Assessment of performance must be systematic, evidence based and properly recorded.

Business Interests

NSS Executive and Non-Executive Directors are required to declare any business interests on a Register of Interests and this is amended when any new interests are declared. This is published on the NSS website <https://www.nhsnss.org/> and in the Annual Report. All Executive Directors and Senior Managers are also governed by the NSS Code of Conduct as part of the Standing Orders and Standing Financial Instructions.

Remuneration and Succession Planning Committee

The Remuneration and Succession Planning Committee was chaired by Mr John Deffenbaugh. Its membership shall consist of no less than three Non-Executive members of the Board and the Chair. The Committee met three times during the year.

The remit of the committee is to:

- Conduct a regular review of the NSS policy for the remuneration and performance management for the members of the Executive and Senior Management Cohorts;
- Agree all terms and conditions of employment of the Executive Cohort;
- Agree objectives for members of the Executive Cohort in line with guidance from the SGHSC and NPMC;
- Ensure effective measures are in place for the performance management of the Senior Management Cohort; and
- Review and approve annually the discretionary points awarded by the NSS Committee on Consultants' discretionary points.

Remuneration of Senior Managers

Remuneration for NSS Executive Management for current and future financial years is subject to Ministerial Direction and circulars published by the SGHSC. NSS Remuneration and Succession Planning Committee will approve all appointment salaries where the lower half of the salary scale would not secure the appointment. The Committee will also approve all performance ratings for end of year payments for staff within the Executive and Senior Management Cohorts.

Assessment of Performance Conditions

Annual performance objective setting and appraisal is conducted as part of a normal appraisal cycle. Appraisals for members of the NSS Executive and Senior Management cohorts are in line with the recommendation set out in HDL(2006)54, HDL(2007)15, subsequent circulars and Good Practice Guide. Performance management and appraisal arrangements follow the nationally prescribed format and are directly linked to the improved performance of NSS in the delivery of its objectives and Local Delivery Plan.

Performance ratings are based on a scoring matrix as set out in the defining SGHSC circulars. All ratings must be fully evidenced.

The Remuneration and Succession Planning Committee has oversight of the performance management outcomes for Senior Management Cohort and approves the performance rating for the Chief Executive. The Chair and Chief Executive approve the performance ratings for staff within the Senior Management Cohort. Performance ratings for staff in the Executive Cohort are considered by the National Performance Management Committee to provide assurances to Ministers.

Performance Appraisal and Connections to the Remuneration Package

Executive and Senior Managers' progression through the pay range is subject to the fully acceptable performance of the individual. Performance Related Pay is subject to Ministerial Direction and any payments will be made in accordance with SGHSC circulars. All payments to Executive and Senior Managers are approved by the Remuneration and Succession Planning Committee and the SGHSC (where appropriate).

Contractual Arrangements for Senior Management

Senior Managers contracts are determined by the SGHSC as laid out in HDL (2006)23, HDL (2006)59 and subsequent publications. These govern the terms and conditions and remunerations of Senior Managers. These terms and conditions and contracts came into effect from 1st October 2005 and supersede contracts prior to that date.

The duration of contracts must be approved by the NSS Remuneration and Succession Planning Committee and, in line with legislation and best practice, the use of fixed term appointments is restricted. If the contract of employment is terminated by NSS for any reason other than gross misconduct, such termination shall be with notice or payment in lieu of notice if appropriate, typically three months for Senior Managers. In the event of termination of contract by reason of redundancy, the termination shall be in accordance with PCS(RED)2006/1 and PCS(DD)2007/1 and associated Addendums which state that redundancy will be based on one month's salary for each year of reckonable service up to twenty four years service. All Senior Managers have a notice period of three months, with the exception of the Chief Executive who has a notice period of 6 months.

Amounts Payable to Third Parties for Services of a Senior Manager

There have been no payments to third parties for the services of an Executive or Senior Management. This excludes arrangements with other NHS Boards and SGHSC for staff secondments.

Significant Awards made to Senior Managers

There is no provision for non-consolidated performance payments. This is in line with the guidance contained in the SG circulars PCS(ESM)2012/1 and PCS(ESM)2013/2.

Board Members and Senior Employees Remuneration for the Year Ended 31 March 2019 (Audited)

Remuneration Table

Remuneration of:	Gross Salary (Bands of £5,000)	Total Earnings in Year (bands of £5,000)	Pension Benefits	Benefits in Kind	Total Remuneration (bands of £5,000)
	£'000	£'000	£'000	£'000	£'000
Executive Members					
Chief Executive Mr C Sinclair	135 – 140	135 - 140	24	4	160 – 165
Director of Finance: Mrs C Low	100 – 105	100– 105	22	0	120 – 125
Medical Director: Dr L Ramsay	120 –125	120 – 125	258	0	375 - 380
Non-Executive Members					
Prof. E Ireland	25 – 30	25 – 30	0	0	25 – 30
Mrs K Dunlop	5 – 10	5 - 10	0	0	5 – 10
Mr M McDavid	5 – 10	5 – 10	0	0	5 – 10
Ms J Burgess	5 – 10	5 – 10	0	0	5 – 10
Mr J Deffenbaugh	5 – 10	5 – 10	0	0	5 – 10
Ms A Rooney	5 – 10	5 – 10	0	0	5 – 10
Mrs J Davidson	5 – 10	5 – 10	0	0	5 – 10
Employee Director; Mr I Cant	40 – 45	40 – 45	30	0	70 – 75
Senior Employees					
Director of Central Legal Office Ms N Shippin	100 – 105	100 – 105	35	5	140 - 145
Director of Information Technology Mr J Hall (from 2 April 2018 to 26 August 2018)	90 – 95	90 – 95	18	0	110 - 115
Director of Information Technology Mr D Mitchelson (from 27 August 2018)	65 - 70	65 – 70	4	0	70 - 75
Director of Practitioner & Counter Fraud Services Mr D Knowles (to 31 March 2019)	90 – 95	90 – 95	32	0	125 - 130
Director of Procurement, Commissioning and Facilities Mr J Miller	100 – 105	100 – 105	23	1	125 - 130
Director of Public Health and intelligence Mr P Couser	105 – 110	105 – 110	21	0	125 - 130
Director of Scottish National Blood Transfusion Service (to 27 October 2018) Director of Strategy, Performance and Service Transformation/ Deputy Chief Executive (from 28 October 2018) Ms M Morgan	95 – 100	95 – 100	79	4	180 – 185
Interim Director of Scottish National Blood Transfusion Service Mrs H Thomson (from 29 October 2018)	80 – 85	80 – 85	49	0	130 - 135
Director of HR and Workforce Development Ms J Jones	90 – 95	90 – 95	17	0	105 - 110
Interim Director of Strategy and Governance (to 27 October 2018) Director of Practitioner & Counter Fraud Services (from 1 March 2019) Mr M Bell	75 – 80	75 – 80	23	0	100 - 105
Director of Customer Engagement and Development Mr M Neilson (to 28 October 2018)	85 – 90	85 – 90	21	0	100 -105
Nurse Director Prof J Reilly	100 – 105	100 - 105	8	0	110 - 115
Total			664	14	

Note

1. Remuneration excludes Employer Pension and Employer NI contributions
2. Proportion of Employee Director total remuneration for non Board duties for Mr I Cant is Band 30 - 35.
3. Dr L Ramsay and Prof J Reilly held their posts on an interim basis until 31 October 2018 and 01 February 2019 respectively.
4. The annualised remuneration (in bands of £5,000) for members who have joined during year is as follows: D Mitchelson 115 – 120
5. The calculation of the pension benefits aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement.

6 The total earnings in year column show the remuneration relating to actual earnings payable in 2018-19.

**Board Members and Senior Employees Remuneration
for the Year Ended 31 March 2019 (Audited)**

Pension Values Table

	Total accrued pension at 31 March 2019 (Bands of £5,000)	Real increase in pension (Bands of £2,500)	Cash Equivalent Transfer value (CETV) at 31 March 2018	Cash Equivalent Transfer value (CETV) at 31 March 2019	Real increase in CETV in year
Remuneration of:	£'000	£'000	£'000	£'000	£'000
Executive Members					
Chief Executive Mr C Sinclair	15 -20 55 -60 lump sum	0 - 2.5 5 – 7.5 lump sum	407	453	26
Director of Finance: Mrs C Low	5 –10	0 – 2.5	77	102	12
Medical Director: Dr L Ramsay	35 – 40 125 -130 lump sum	10-12.5 40 – 45 lump sum	577	824	231
Non-Executive Members					
Prof. E Ireland	0 – 0	0 – 0	0	0	0
Mrs K Dunlop	0 – 0	0 – 0	0	0	0
Mr M McDavid	0 – 0	0 – 0	0	0	0
Ms J Burgess	0 – 0	0 – 0	0	0	0
Mr J Deffenbaugh	0 – 0	0 – 0	0	0	0
Ms A Rooney	0 – 0	0 – 0	0	0	0
Mrs J Davidson	0 – 0	0 – 0	0	0	0
Employee Director; Mr I Cant	10- 15 30 – 35 lump sum	0 – 2.5 2.5 – 5.0 lump sum	162	191	25
Senior Employees					
Director of Central Legal Office Ms N Shippin	40 – 45 120 – 125 lump sum	0 – 2.5 5.0 – 7.5 lump sum	895	967	58
Director of Information Technology Mr J Hall (from 2 April 2018 to 26 August 2018)	0 – 5	0 – 2.5	34	58	11
Director of Information Technology Mr D Mitchelson (from 27 August 2018)	0 - 5	0 – 2.5	0	8	0
Director of Practitioner & Counter Fraud Services Mr D Knowles (to 31 March 2019)	45 – 50 135 – 140 lump sum	0 – 2.5 5.0 – 7.5 lump sum	997	1066	55
Director of Procurement, Commissioning and Facilities Mr J Miller	15 – 20 45 – 50 lump sum	0 – 2.5 2.5 – 5.0 lump sum	309	351	27
Director of Public Health and intelligence Mr P Couser	10 –15	0 – 2.5	125	154	15
Director of Scottish National Blood Transfusion Service (to 28 October 2018) Director of Strategy, Performance and Service Transformation (from 29 October 2018) Ms M Morgan	45 – 50 135 – 140 lump sum	2.5 – 5.0 10.0 – 12.5 lump sum	871	978	93
Interim Director of Scottish National Blood Transfusion Service (from 29 October 2018) Mrs H Thomson	30 – 35 95 – 100 lump sum	2.5 – 5.0 7.5 – 10.0 lump sum	603	671	57
Director of HR Ms J Jones	10 –15	0 – 2.5	196	224	15
Interim Director of Strategy and Governance (to 28 October 2018) Director of Practitioner & Counter Fraud Services (from 1 March 2019) Mr M Bell	5 – 10	0 – 2.5	79	105	15
Director of Customer Engagement and Development Mr M Neilson (to 28 October 2018)	5 – 10	0 – 2.5	72	94	10
Nurse Director Prof J Reilly (from 18 June 2018)	35 – 40 115 – 120 lump sum	0 – 2.5 2.5 – 5.0 lump sum	724	759	21
Total			6,352	7,259	684

Board Members and Senior Employees Remuneration for the Year Ended 31 March 2018 (Audited)

Remuneration Table

	Gross Salary (Bands of £5,000)	Total Earnings in Year (bands of £5,000)	Pension Benefits	Benefit in Kind	Total Remuneration (bands of £5,000)
	£'000	£'000	£'000	£'000	£'000
Remuneration of:					
Executive Members					
Chief Executive Mr C Sinclair	130 – 135	130 – 135	26	5	160 – 165
Director of Finance and Business Services: Mrs C Low	95 – 100	95 – 100	19	0	115 - 120
Medical Director (to 15 October 2017) Prof. M Bain	90 – 95	90 – 95	0	0	90 - 95
Non-Executive Members					
Prof. E Ireland	25 – 30	25 – 30	0	0	25 – 30
Mrs K Dunlop	5 – 10	5 - 10	0	0	5 – 10
Mr D Yates (to 30 April 2017)	0 – 5	0 – 5	0	0	0 - 5
Mr M McDavid	5 – 10	5 – 10	0	0	5 – 10
Ms J Burgess	5 – 10	5 – 10	0	0	5 – 10
Mr J Deffenbaugh	5 – 10	5 – 10	0	0	5 – 10
Ms A Rooney (from 26 June 2017)	5 – 10	5 – 10	0	0	5 – 10
Mrs J Davidson (from 26 June 2017)	5 – 10	5 – 10	0	0	5 – 10
Employee Director; Mr I Cant	40 – 45	40 – 45	34	0	40 - 45
Senior Employees					
Director of Central Legal Office Ms N Shippin	95 – 100	95 – 100	23	4	115 – 120
Director of Information Technology Mr A Robertson	100 – 105	100 – 105	15	0	115 – 120
Director of Practitioner & Counter Fraud Services Mr D Knowles	90 – 95	90 – 95	24	0	100 - 105
Director of Procurement, Commissioning and Facilities Mr J Miller	100 – 105	100 – 105	17	0	110 – 115
Director of Public Health and intelligence Mr P Couser	100 – 105	100- 105	22	0	115 – 120
Director of Scottish National Blood Transfusion Service Ms M Morgan	90 – 95	90 – 95	23	3	105 – 110
Director of HR Ms J Jones	90 – 95	90 – 95	15	0	100 - 105
Director of Strategy and Governance Mr J Fox-Davies (to 30 November 2017)	50 – 55	50 – 55	0	0	50 – 55
Interim Director of Strategy and Governance Mr M Bell (from 1 December 2017)	25 – 30	25 – 30	16	0	40 - 45
Director of Customer Engagement and Development Mr M Neilson	80 – 85	80 – 85	16	0	90 – 95
Joint Interim Medical Director Dr L Ramsay (from 6 November 2017)	40 – 45	40 – 45	78	0	120 – 125
Joint Interim Medical Director Dr M Winter (from 6 November 2017)	55 – 60	55 - 60	43	8	105 - 110
Total			371	20	

Note

- Remuneration excludes Employer Pension and Employer NI contributions
- Proportion of Employee Director total remuneration for non Board duties for Mr I Cant is Band 30 - 35.
- The annualised remuneration (in bands of £5,000) for members who have joined/left during the year is as follows:
M Bain 170 – 175, J Fox-Davies 75 – 80, M Bell 70 – 75, L Ramsay 85 – 90, M Winter 125 – 130.
- The calculation of the pension benefits aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement.
- The total earnings in year column show the remuneration relating to actual earnings payable in 2017-18.

Board Members and Senior Employees Remuneration for the Year Ended 31 March 2018 (Audited)

Pension Values Table

Remuneration of:	Total accrued pension at 31 March 2018 (Bands of £5,000)	Real increase in pension (Bands of £2,500)	Cash Equivalent Transfer value (CETV) at 31 March 2017	Cash Equivalent Transfer value (CETV) at 31 March 2018	Real increase in CETV in year
	£'000	£'000	£'000	£'000	£'000
Executive Members					
Chief Executive Mr C Sinclair	15 -20 45 -50 lump sum	0 - 2.5 5 - 7.5 lump sum	333	388	36
Director of Finance and Business Services: Mrs C Low	5 - 10	0 - 2.5	49	71	8
Medical Director: Prof. M Bain (to 15 October 2017)	30 - 35 100 - 105 lump sum	NIL	1214	651	NIL
Non-Executive Members					
Prof. E Ireland	0 - 0	0 - 0	0	0	0
Mrs K Dunlop	0 - 0	0 - 0	0	0	0
Mr D Yates (to 30 April 2017)	0 - 0	0 - 0	0	0	0
Mr M McDavid	0 - 0	0 - 0	0	0	0
Ms J Burgess	0 - 0	0 - 0	0	0	0
Mr J Deffenbaugh	0 - 0	0 - 0	0	0	0
Ms A Rooney (from 26 June 2017)	0 - 0	0 - 0	0	0	0
Mrs J Davidson (from 26 June 2017)	0 - 0	0 - 0	0	0	0
Employee Director; Mr I Cant	5 - 10 25 - 30 lump sum	0 - 2.5 2.5 - 5.0 lump sum	118	146	25
Senior Employees					
Director of Central Legal Office Ms N Shippin	35 - 40 110 - 115 lump sum	0 - 2.5 2.5 - 5.0 lump sum	791	850	45
Director of Information Technology Mr A Robertson	15 - 20	0 - 2.5	224	252	13
Director of Practitioner & Counter Fraud Services Mr D Knowles	40 - 45 130 - 135 lump sum	0 - 2.5 2.5 - 5.0 lump sum	882	940	46
Director of Procurement, Commissioning and Facilities Mr J Miller	10 - 15 40 - 45 lump sum	0 - 0.25 2.5 - 5.0 lump sum	255	288	20
Director of Public Health and intelligence Mr P Couser	5 - 10	0 - 2.5	88	115	13
Director of Scottish National Blood Transfusion Service Ms M Morgan	40 - 45 120 - 125 lump sum	0 - 2.5 2.5 - 5.0 lump sum	760	811	38
Director of HR Ms J Jones	10 - 15	0 - 2.5	160	185	13
Director of Strategy and Governance Mr J Fox-Davies (to 30 November 2017)	0 - 5	0 - 2.5	59	62	NIL
Interim Director of Strategy and Governance Mr M Bell (from 1 December 2017)	5 - 10	0 - 2.5	55	73	8
Director of Customer Engagement and Development Mr M Neilson	5 - 10	0 - 2.5	48	64	6
Joint Interim Medical Director Dr L Ramsay (from 6 November 2017)	25 - 30 85 - 90 lump sum	2.5 - 5.0 10 - 15 lump sum	446	529	71
Joint Interim Medical Director Dr M Winter (from 6 December 2017)	35 - 40 105 - 110 lump sum	2.5 - 5.0 7.5 - 10.0 lump sum	772	821	30
Total			6,254	6,246	372

1. Professor Marion Bain was seconded to Scottish Government from 16 October 2017. Under the guidance issued by Scottish Government NSS only disclose pension information relating to the period of the board membership.

Fair Pay Disclosure

2018-19	£'000	2017-18	£'000
Range of Staff Remuneration	0 – 220	Range of Staff Remuneration	0 - 245
Highest Earning Director's Total Remuneration (£'000)	135 – 140	Highest Earning Director's Total Remuneration (£'000)	130 – 135
Median Total Remuneration	£36,865	Median Total Remuneration	£34,703
Ratio	3.7	Ratio	3.8

Note

The Highest Earning Director's total remuneration does not include employers NI and pension contributions.
The Median total remuneration includes employers NI and pension contributions.

The increase in the median salary reflects general inflation, incremental increases and mix of grades to salary levels in year.

Staff Report

Staff Numbers and Costs

	Executive Board	Non Executive	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	2019 TOTAL	2018 TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
EMPLOYEE EXPENDITURE								
Salaries and wages	359	119	119,509	0	0	(1,574)	118,413	114,255
Social security costs	46	7	11,809	0	0	0	11,862	11,686
NHS scheme employers' costs	53	5	16,435	0	0	0	16,493	16,137
Other employers' pension costs	0	0	0	0	0	0	0	0
Inward secondees	0	0	0	1,923	0	0	1,923	1,425
Agency and other directly engaged staff	0	0	0	0	5,001	0	5,001	4,231
Compensation for loss of office/early retirement	0	0	0	0	0	0	0	134
Pensions to former Board members	0	0	0	0	0	0	0	0
Total	458	131	147,753	1,923	5,001	(1,574)	153,692	147,868

Included in the total employee expenditure above were costs of staff engaged directly on capital projects, charged to capital expenditure of: 117 305

STAFF NUMBERS

Whole time equivalent (WTE)	3	8	3,165	24	90	(26)	3,264	3,326
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Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of: 1 3
Included in the total staff numbers above were disabled staff of: 124 100

Higher Paid Employees Remuneration

Employees whose remuneration fell within the following ranges:	Clinicians		Other	
	2019 Number	2018 Number	2019 Number	2018 Number
£ 70,001 to £ 80,000	25	29	103	113
£ 80,001 to £ 90,000	9	18	27	59
£ 90,001 to £100,000	20	12	56	14
£100,001 to £110,000	4	6	17	23
£110,001 to £120,000	4	5	14	10
£120,001 to £130,000	3	3	2	4
£130,001 to £140,000	5	4	6	4
£140,001 to £150,000	2	2	0	0
£150,001 to £160,000	1	2	0	0
£160,001 to £170,000	2	1	0	0
£170,001 to £180,000	3	5	1	1
£180,001 to £190,000	2	2	0	0
£190,001 to £200,000	3	1	0	0
£200,001 and above	4	4	0	0

Staff composition

	2019			2018		
	Male	Female	Total	Male	Female	Total
Executive Directors	1	2	3	1	2	3
Non-Executive Directors and Employee Director	3	5	8	4	5	9
Senior Employees	183	131	314	182	140	322
Other	1,147	2,019	3,166	1,170	2,053	3,223
Total Headcount	1,334	2,157	3,491	1,357	2,200	3,557

For this section of the report the definition of senior employee is anyone earning over £70k in 2018/19.

Sickness absence data

	2019	2018
Sickness absence rate	4.2%	3.9%

The HEAT standard for sickness absence for NHSScotland is 4.0%

The sickness absence rate has increased by 0.3% in 2018/19. To address the increase a number of measures have been put in place to manage absence. The Healthy Working Lives team have developed and supported a programme of events and initiatives to raise awareness of stress and mental issues and the support mechanisms in place for both staff and managers. The HR Director has been meeting with the SBU Directors to discuss specific improvements to ensure absence is managed appropriately going forward.

Staff policies

NSS ensures that NHS Scotland PIN policies are in place as a minimum requirement for our obligations to staff within the Staff Governance standard, which includes the recruitment and selection policy.

In addition, with the NSS Great Place to Work plan, the organisational goals and strategy has been developed with specific reference to a positive staff experience, within a sustainable workforce.

The plan has specific targets for the organisation to deliver relating to the NSS Corporate Responsibility. These are the increase in (i) youth employment and (ii) increased employment of people with disabilities.

The progress against these targets is monitored by the NSS Board and the Executive Management Team (EMT).

The Corporate Learning and Development plan is in place and is open to all staff across NSS to access training.

The NSS (dis)Ability Group continues to support all staff with a disability across the organisation to share ideas and provide support. This is a self managed group that has a member of EMT as a sponsor.

Exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Cost of exit packages (£000)
<£10,000	0	0	0	0
£10,000 - £25,000	0	1	1	24
£25,000 - £50,000	0	1	1	50
£50,000 - £100,000	0	1	1	92
£100,000- £150,000	0	1	1	121
£150,000- £200,000	0	0	0	0
£200,000- £250,000	0	0	0	0
>£250,000	0	0	0	0
Total number of exit packages by type	0	4	4	287

PRIOR YEAR

Exit package cost band	2018		Total number of exit packages by cost	Cost of exit packages (£000)
	Number of compulsory redundancies	Number of other departures agreed		
<£10,000	0	1	1	8
£10,000 - £25,000	0	4	4	71
£25,000 - £50,000	0	8	8	305
£50,000 - £100,000	0	5	5	342
£100,000- £150,000	0	2	2	229
£150,000- £200,000	0	0	0	0
£200,000- £250,000	0	0	0	0
>£250,000	0	0	0	0
Total number of exit packages by type	0	20	20	955

Trade Union Facility Time

Number of employees who were relevant union officials during the period 1 April 2018 to 31 March 2019	Full-time equivalent employee number

Percentage of time spent on facility time

Percentage of time	Number of representatives
0%	
1 - 50%	
51-99%	
100%	

Percentage of pay bill spent on facility time

Total cost of facility time	
Total pay bill	
Percentage of the total pay bill spent on facility time	

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	
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Parliamentary Accountability Report**Losses and Special Payments**

	No of Cases	£000
Losses	9	263

In the year to 31 March 2019 NSS did not have any balances in excess of £250,000 which were written off.

Fees and Charges

NSS provides a variety of services as detailed under Purpose and Activities of (see page 6). These services include the provision of legal services, the supply of blood and blood products, management of national IT infrastructure, procurement, healthcare commissioning, facilities management and provision of data and analytics. Services are provided to NHS Scotland, the wider public sector and third party suppliers. The expenditure and income relating to these services can be found in note 3 operating expenses (see page 63) and note 4 operating income (see page 64) of the accounts.

Remote Contingent Liabilities

NSS has reported all contingent liabilities known to the organisation in Note 14 (see page 74).

Colin Sinclair
Chief Executive

Date 28 June 2019

Independent Auditor's Report

Independent auditor's report to the members of NHS National Services Scotland, the Auditor General for Scotland and the Scottish Parliament

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of NHS National Services Scotland for the year ended 31 March 2019 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cashflows, and the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made there under by the Scottish Ministers of the state of the board's affairs as at 31 March 2019 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made there under by the Scottish Ministers.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the [Code of Audit Practice](#) approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 18 July 2016. The period of total uninterrupted appointment is 3 years. I am independent of the board in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Risks of material misstatement

I have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that I identified and my conclusions thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skillfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of the individual amounts manipulated, and the seniority of those individuals involved. I therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration Report and Staff Report, and my independent auditor's report. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge

obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

In my opinion, the audited part of the Remuneration Report and Staff Report has been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration Report and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit
- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties

Mark Taylor
Audit Director
Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

28 June 2019

PART B**Primary Financial Statements****NHS NATIONAL SERVICES SCOTLAND****STATEMENT OF COMPREHENSIVE NET EXPENDITURE****FOR THE YEAR ENDED 31 MARCH 2019**

2018			2019
£000		Note	£000
150,461	Employee expenditure	3a	155,149
	Other operating expenditure	3b	
238,593	Clinical Services		241,925
312,275	Non Clinical Services		334,760
<u>182</u>	Other health care expenditure		<u>181</u>
701,511	Gross expenditure for the year		732,015
(272,358)	Less: operating income	4	(251,336)
<u>429,153</u>	Net expenditure for the year		<u>480,679</u>

The Notes to the Accounts, numbered 1 to 25, form an integral part of these Accounts.

NHS NATIONAL SERVICES SCOTLAND

SUMMARY OF RESOURCE OUTTURN

FOR THE YEAR ENDED 31 MARCH 2019

		2019	2019	
SUMMARY OF CORE REVENUE RESOURCE OUTTURN	Note	£000	£000	
Net expenditure	SoCNE		480,679	
Total non core expenditure (see below)			<u>(13,747)</u>	
Total core expenditure			466,932	
Core Revenue Resource Limit			<u>467,199</u>	
Saving/(excess) against Core Revenue Resource Limit			<u>267</u>	
SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN				
Depreciation / amortisation		8,873		
Annually Managed Expenditure - impairments		3,832		
Annually Managed Expenditure - creation of provisions		<u>1,042</u>		
Total Non Core Expenditure			13,747	
Non Core Revenue Resource Limit			<u>13,902</u>	
Saving / (excess) against Non Core Revenue Resource Limit			<u>155</u>	
SUMMARY RESOURCE OUTTURN		Resource	Expenditure	Saving / (Excess)
		£000	£000	£000
Core		467,199	466,932	267
Non Core		<u>13,902</u>	<u>13,747</u>	155
Total		<u>481,101</u>	<u>480,679</u>	<u>422</u>

The Notes to the Accounts, numbered 1 to 25, form an integral part of these Accounts.

NHS NATIONAL SERVICES SCOTLAND

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

2018 £000		Note	2019 £000
77,186	Property, plant and equipment	7c	72,393
10,779	Intangible assets	6a	8,720
1,337	Financial assets:		
	Trade and other receivables	9	267
<u>89,302</u>	Total non-current assets		<u>81,380</u>
	Current Assets:		
19,593	Inventories	8	28,843
24,968	Financial assets:		
	Trade and other receivables	9	21,375
1,085	Cash and cash equivalents	11	985
<u>45,646</u>	Total current assets		<u>51,203</u>
<u>134,948</u>	Total assets		<u>132,583</u>
	Current liabilities		
(933)	Provisions	13a	(1,590)
(58,807)	Financial liabilities:		
	Trade and other payables	12	(62,827)
<u>(59,740)</u>	Total current liabilities		<u>(64,417)</u>
<u>75,208</u>	Non-current assets plus / less net current assets / liabilities		<u>68,166</u>
	Non-current liabilities		
(1,862)	Provisions	13a	(2,247)
(36,071)	Financial liabilities:		
	Trade and other payables	12	(35,285)
<u>(37,933)</u>	Total non-current liabilities		<u>(37,532)</u>
<u>37,275</u>	Assets less liabilities		<u>30,634</u>
	Taxpayers' Equity		
29,642	General fund	SoCTE	24,338
7,633	Revaluation reserve	SoCTE	6,296
<u>37,275</u>	Total taxpayers' equity		<u>30,634</u>

The Notes to the Accounts, numbered 1 to 25 form an integral part of these Accounts.

The financial statements on pages 42 to 81 were approved by the Board on 28 June 2019 and signed on their behalf by:

..... Director of Finance

..... Chief Executive

NHS NATIONAL SERVICES SCOTLAND

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2019

2018 £000		Note	2019 £000	2019 £000
	Cash flows from operating activities			
(429,153)	Net expenditure	SoCTE	(480,679)	
12,230	Adjustments for non-cash transactions	2a	12,795	
1,266	Add back: interest payable recognised in net operating expenditure	2b	2,115	
6,832	Movements in working capital	2c	61	
<u>(408,825)</u>	Net cash outflow from operating activities			<u>(465,708)</u>
	Cash flows from investing activities			
(1,638)	Purchase of property, plant and equipment		(5,357)	
(1,070)	Purchase of intangible assets		(1,406)	
73	Proceeds of disposal of property, plant and equipment		0	
<u>(2,635)</u>	Net cash outflow from investing activities			<u>(6,763)</u>
	FHS Payments on Behalf			
2,500,605	Funds drawn down		2,576,499	
<u>(2,500,605)</u>	Payments made		<u>(2,576,499)</u>	<u>0</u>
<u>0</u>				
	Cash flows from financing activities			
412,862	Funding	SoCTE	475,210	
791	Movement in general fund working capital	SoCTE	(92)	
413,653	Cash drawn down		475,118	
(136)	Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	2c	(632)	
<u>(1,266)</u>	Interest element of finance leases and on-balance sheet PFI / PPP contracts	2b	<u>(2,115)</u>	
<u>412,251</u>	Net Financing			<u>472,371</u>
791	Net Increase / (decrease) in cash and cash equivalents in the period			(100)
<u>294</u>	Cash and cash equivalents at the beginning of the period			<u>1,085</u>
<u>1,085</u>	Cash and cash equivalents at the end of the period			<u>985</u>
	Reconciliation of net cash flow to movement in net debt/cash			
791	Increase / (decrease) in cash in year	11		(100)
<u>294</u>	Net debt / cash at 1 April			<u>1,085</u>
<u>1,085</u>	Net debt / cash at 31 March			<u>985</u>

The Notes to the Accounts, numbered 1 to 25, form an integral part of these Accounts.

NHS NATIONAL SERVICES SCOTLAND
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	General Fund	Revaluation Reserve	Total Reserves
Note	£000	£000	£000
Balance at 31 March 2018	29,642	7,633	37,275
Restated balance at 1 April 2018	29,642	7,633	37,275
Changes in taxpayers' equity for 2018-19			
Net gain / (loss) on revaluation / indexation of property, plant and equipment	0	(1,172)	(1,172)
Impairment of property, plant and equipment	0	(3,832)	(3,832)
Revaluation and impairments taken to operating costs	0	3,832	3,832
Transfers between reserves	165	(165)	0
Net operating cost for the year	(480,679)	0	(480,679)
Total recognised income and expense for 2018-19	(480,514)	(1,337)	(481,851)
Funding:			
Drawn down	475,118	0	475,118
Movement in General Fund (creditor) / debtor	92	0	92
Balance at 31 March 2019	24,338	6,296	30,634

PRIOR YEAR

	General Fund	Revaluation Reserve	Total Reserves
Note	£000	£000	£000
Balance at 31 March 2017	45,823	6,640	52,463
Restated balance at 1 April 2017	45,823	6,640	52,463
Changes in taxpayers' equity for 2017-18			
Net gain / (loss) on revaluation / indexation of property, plant and equipment	0	1,103	1,103
Impairment of property, plant and equipment	0	(3,264)	(3,264)
Revaluation and impairments taken to operating costs	0	3,264	3,264
Transfers between reserves	110	(110)	0
Net operating cost for the year	(429,153)	0	(429,153)
Total recognised income and expense for 2017-18	(429,043)	993	(428,050)
Funding:			
Drawn down	413,653	0	413,653
Movement in General Fund (creditor) / debtor	(791)	0	(791)
Balance at 31 March 2018	29,642	7,633	37,275

The Notes to the Accounts, numbered 1 to 25, form an integral part of these Accounts.

Notes to the Accounts

Note 1. Accounting Policies

1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FRoM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in section 30 below.

(a) Standards, amendments and interpretations effective in the current year

The following accounting standards have been applied for the first time in 2018/19;

IFRS 9 Financial Instruments – The Standard replaces IAS 39 and introduces a single approach to classification and measurement of financial instruments; a new forward-looking expected loss impairment model; and a revised approach to hedge accounting.

IFRS 15 Revenue from Contracts with Customers – The standard introduces greater disclosure requirements, as well as a new five stage model for assessing and recognising revenue from contracts with customers.

IAS 7 Statement of Cash Flows – The standard requires disclosure of changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes.

Both standards have been applied retrospectively and without restatement of prior year figures.

These standards have not had a material impact on the accounts of NSS.

(b) Standards, amendments and interpretation early adopted this year

There are no new standards, amendments or interpretations early adopted in 2018/19.

(c) Standards, amendments and interpretation issued but not adopted this year

IFRS 16 Leases was published by the International Accounting Standards Board in January 2016. HM Treasury have agreed that entities which prepare their accounts in accordance with the FRoM, such as NSS, will adopt this standard in 2020/21.

IFRS 16 will require leases to be recognised on the Statement of Financial Position as an asset which reflects the right to use the underlying asset, and a liability which represents the obligation to make lease payments. Preparations for the implementation of the standard continue but it is not yet possible to accurately quantify the impact on NSS accounts.

2. Basis of Consolidation

In accordance with IAS 27 – Consolidation and Separate Financial Statements, NSS have considered the requirement to consolidate the financial statements of the Trinity Park Foundation.

It has been agreed that the value of income and expenditure of the Trinity Park Foundation is not sufficiently material to require consolidation.

NHS Endowment funds were established by the NHS (Scotland) Act 1978. The legal framework under which charities operate in Scotland is the Charities and Trustee Investment (Scotland) Act 2005. Under the 1978 Act Endowment Trustees are also members of the NSS. The Board members (who are also Trustees) are appointed by Scottish Ministers.

The Trinity Park Foundation is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis.

Transactions between NSS and the Trinity Park Foundation are disclosed as related party transactions, where appropriate, in note 24 (see page 81) to the financial statements.

3. Retrospective Adjustments

No retrospective adjustments have been made in these accounts.

4. Going Concern

The accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

5. Accounting Convention

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories and financial assets and liabilities (including derivative instruments) at fair value.

6. Funding

Most of the expenditure of NSS is met from funds advanced from the SGHSC within an approved revenue resource limit. Cash drawn down to fund expenditure within this approved revenue resource limit is credited to the general fund.

All other income receivable by NSS that is not classified as funding is recognised in the year in which it is receivable.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Funding for the acquisition of capital assets received from the SGHSC is credited to the general fund when the cash is drawn down.

Expenditure on goods and services is recognised when, and to the extent that, they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in the Statement of Comprehensive Net Expenditure except where it results in the creation of a non-current asset such as property, plant and equipment.

7. Property, plant and equipment

The treatment of capital assets in the accounts (capitalisation, valuation, depreciation, and particulars concerning donated assets) is in accordance with the NHS Capital Accounting Manual.

The title to properties included in the accounts is held by Scottish Ministers.

7.1 Recognition

Property, plant and equipment is capitalised where: it is held for use in delivering services or for administrative purposes; it is probable that future economic benefits will flow to, or service potential be provided to NSS; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

1. Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.
2. In cases where a new facility would face an exceptional write off of items of equipment costing individually less than £5,000, NSS has the option to capitalise initial revenue equipment costs with a standard life of 10 years.
3. Assets of a lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial costs of equipping a new development and total over £20,000.

7.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets that are not held for their service potential (i.e. investment properties and assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured subsequently at fair value as follows:

- Specialised NHS land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as proxy fair value as specified in the FReM; non specialised land and buildings such as offices, are stated at fair value.
- Non specialised equipment, installations and fittings are valued at fair value. NSS value such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost basis is used as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).
- Assets under construction are valued at current cost. This is calculated by the expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.

All land and building assets are subject to a professional valuation on an annual basis. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual in so far as these terms are consistent with the agreed requirements of the SGHSC.

To meet the underlying objectives established by the SGHSC the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

- Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only;
- Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets assessed as surplus, where there is no clear plan to bring the asset back into use, as an operational asset, are valued at fair value.

Subsequent Expenditure

Subsequent expenditure is capitalised into an assets carrying value when it is probable the future economic benefits associated with the item will flow to NSS and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria, the expenditure is charged to the Statement of Comprehensive Net Expenditure. If part of an asset is replaced, then the part it replaces is derecognised, regardless of whether or not it has been depreciated separately;

Revaluations and Impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together;

- Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.
- Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.
- Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Expenditure.

7.3 Depreciation

Items of property, plant and equipment are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged in each main class of tangible asset as follows:

1. Freehold land is considered to have an infinite life and is not depreciated.
2. Assets in the course of construction are not depreciated until the asset is brought into use.
3. Property, Plant and Equipment which has been reclassified as "Held for Sale" ceases to be depreciated upon the reclassification.
4. Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
5. Equipment is depreciated over the estimated life of the asset.

6. Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation is charged on a straight line basis.

The following asset lives have been used:

Asset Category	Component	Useful Life
Buildings	Structure	Up to 90 years based on valuations
	Engineering	Up to 49 years based on valuations
	External Plant	Up to 49 years based on valuations
Transport Equipment		From 3 to 15 years
Machinery & Equipment		From 2 to 25 years
Furniture and Fittings		From 2 to 25 years
IT Equipment		From 3 to 10 years

8. Intangible Assets

8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of NSS business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to NSS, and where the cost of the asset can be measured reliably.

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in NSS activities for more than one year and they have a cost of at least £5,000.

The main classes of intangible assets recognised are;

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists, and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- The project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- NSS intends to complete the asset and sell or use it;
- NSS has the ability to sell or use the asset;
- How the intangible asset will generate probable future economic or service delivery benefits e.g. The presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- Adequate financial, technical and other resources are available to the NSS to complete the development and sell or use the asset; and
- NSS can measure reliably the expenses attributable to the asset during development.

Expenditure so deferred is limited to the value of future economic benefits.

Software

Software which is integral to the operation of hardware e.g. An operating system is capitalised as part of the relevant property, plant and equipment. Software which is not integral to the operation of hardware e.g. Application software is capitalised as an intangible asset.

Software licences

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred.

Carbon Emissions

Participation in the Carbon Reduction Commitment (CRC) scheme gives rise to an asset for allowances held and a liability for the obligation to deliver allowances equal to emissions that have been made.

Intangible Assets, such as CRC emission allowances intended to be held for use on a continuing basis whether allocated by government or purchased are classified as intangible assets. Allowances that are issued for less than their fair value are measured initially at their fair value.

When allowances are issued for less than their fair value, the difference between the amount paid and fair value is revaluation and charged to the general fund. The general fund account is charged with the same proportion of the amount of the revaluation, which the amount of the grant bears to the acquisition cost of the asset.

A provision is recognised for the obligation to deliver allowances equal to emissions that have been made. It is measured at the best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. This will usually be the present market price of the number of allowances required to cover emissions made up to the Statement of Financial Position date.

Websites

Websites are capitalised only when it is probable that future economic benefits will flow to, or service potential be provided to, NSS: where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

8.2 Measurement

Valuation

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently, intangible assets that are not held for their service potential (i.e. Assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured at fair value. Where an active (homogeneous) market exists, the intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

Revaluation and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised in operating income.

- Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.
- Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

Intangible assets held for sale are reclassified to “non-current assets held for sale” measured at the lower of their carrying amount or “fair value less costs to sell”.

Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus; where there is no clear plan to bring the asset back into future use as an operational asset.

8.3 Amortisation

Intangible assets are amortised to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Amortisation is charged to the Statement of Comprehensive Net Expenditure on each main class of intangible asset as follows:

- 1) Internally generated intangible assets. Amortised on a systematic basis over the period expected to benefit from the project.
- 2) Software. Amortised over their expected useful life.
- 3) Software licences. Amortised over the shorter term of the licence and their useful economic lives.
- 4) Other intangible assets. Amortised over their expected useful life.
- 5) Intangible assets which have been reclassified as “Held for Sale” cease to be amortised upon reclassification.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category	Useful Life
Software Licences	From 3 - 15 years
Software	From 2 - 11 years

9. Non-current assets held for sale

Non-current assets intended for disposal and reclassified as “Held for Sale” once all of the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales; and
- The sale must be highly probable i.e.:
 - Management are committed to a plan to sell the asset;
 - An active programme has begun to find a buyer and complete the sale;
 - The asset is being actively marketed at a reasonable price;
 - The sale is expected to be completed within 12 months of the date of classification as “Held for Sale”; and

- The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their "fair value less costs to sell". Depreciation ceases to be charged and the assets are not revalued, except where the "fair value less costs to sell" falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as "Held for Sale" and instead is retained as an operational asset and the assets useful economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

10. Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Statement of Financial Position initially at the current full replacement cost of the asset.

The accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual.

11. Sale of property, plant and equipments, intangible assets and non-current assets held for sale

Disposal of non-current assets is accounted for as a reduction in the value of fixed assets equal to the net book value of the assets disposed. When set against any sales proceeds, the resulting gain or loss on disposal will be recorded in the Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

12. Leasing

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by NSS, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS.

The asset and liability are recognised at the inception of the lease, and are derecognised when the liability is discharged, cancelled or expires. The minimum lease payments (annual rental less operating costs e.g. Maintenance and contingent rental) are apportioned between the repayment of the outstanding liability and a finance charge. The annual finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability using either the implicit interest rate or another relevant basis of estimation such as the sum of the digits method. Finance charges are recorded as interest payable in the Statement of Comprehensive Net Expenditure. Contingent rental and operating costs are charged as expenses in the periods in which they are incurred.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to the operating expenditure over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease unless title to the land is expected to transfer.

13. Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes for assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment. Impairments losses charged to the Statement of Comprehensive Net Expenditure are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

14. General Fund Receivables and Payables

Where NSS has positive net cash book balance at the year end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the SGHSCD.

Where NSS has a net overdrawn cash position at the year-end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

15. Inventories

Taking into account the high turnover of NSS inventories, the use of average purchase price is deemed to represent current cost. Work in progress is valued at the cost of bringing direct materials plus conversion costs and other costs incurred to bring the goods up to their present location, condition and degree of completion.

16. Losses and Special Payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the NHS not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

17. Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs

NSS participates in the NHS Superannuation Scheme (Scotland). This scheme is unfunded statutory pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and those current employees who are members of the scheme and paying contributions at progressively high marginal rates based on pensionable pay as specified in the regulations. NSS is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents NSS employer contributions payable to the

scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to the Exchequer. The pension cost is assessed every four years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the Statement of Comprehensive Net Expenditure at the time NSS commits itself to the retirement, regardless of the method of payment.

18. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this threshold are reimbursed to employing authorities from a central fund held as part of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by the Scottish Government.

NSS provides for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as "Category 3" are deemed most likely and provided for in full, those in "Category 2" as 50% of the claim and those in "Category 1" as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in the respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

NSS also provides for its liability from participating in the scheme. The participation in CNORIS provision recognises the Board's respective share of the total liability of NHSScotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office. The movement in the provisions between financial years is matched by a corresponding adjustment in AME provision and is classified as non-core expenditure.

19. Related Party Transactions

Material related party transactions are disclosed in Note 24 (see page 81) in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3 (see page 63).

20. Value Added Tax

Most of the activities of NSS is outside the scope of VAT and in general input tax is not recoverable. However, the business activities of NSS is subject to output tax and input tax relating to these activities is recoverable. In addition VAT charged to NHS organisations on the purchase of contracted-out services is refundable at the direction of HM Treasury under section 41(3) of the Value Added Tax Act 1994. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

21. PFI/HUB/NPD Schemes

Transactions financed as revenue transactions through the Private Finance Initiative or alternative initiatives such as HUB or Non Profit Distributing Model (NPD) are accounted for in accordance with the HM Treasury application of IFRIC 12, Service Concession Arrangements, outlined in the FReM.

Schemes which do not fall within the application of IFRIC 12 are deemed to be off-Statement of Financial Position. Where NSS has contributed assets, a prepayment for their fair value is

recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Net Expenditure. Where, at the end of the PFI contract, a property reverts to NSS, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up on the Statement of Financial Position over the life of the contract by capitalising part of the unitary charge each year.

Transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as "on-Statement of Financial Position" by NSS. The underlying assets are recognised as Property, Plant and Equipment and Intangible Assets at their fair value. An equivalent liability is recognised in accordance with IAS 17. Where it is not possible to separate the finance element from the service element of the unitary payment streams this has been estimated from information provided by the operator and the fair values of the underlying assets. Assets are subsequently revalued in accordance with the treatment specified for their applicable asset categories.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

The service charge and the finance cost interest element are charged in the Statement of Comprehensive Net Expenditure.

22. Provisions

NSS provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

23. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within NSS's control) are not recognised as assets, but are disclosed in note 14 (see page 74) where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 14 (see page 74), unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

24. Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 "Presentation of Financial Statements" requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

25. Financial Instruments

Financial Assets

Business Model

NSS's business model refers to how it manages its financial assets in order to generate cash flows and is determined at a level which reflects how groups of financial assets are managed to achieve a business objective, rather than assessment of individual instruments.

Classification

When NSS first recognises a financial asset, it classifies it based on its business model for managing the asset and the asset's contractual flow characteristics. NSS classifies its financial assets in the following categories: at fair value through profit or loss, amortised cost and fair value through other comprehensive income. The default basis for financial assets is to be held at fair value through profit or loss, although alternative treatment may be designated where receivables are held to collect principal and interest and/or for sale.

(a) Financial assets at fair value through profit or loss

This is the default basis for financial assets

(b) Financial assets held at amortised cost

A financial asset may be held at amortised cost where both of the following conditions are met:

- i. The financial asset is held within a business model where the objective is to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

(c) Financial assets at fair value through other comprehensive income

A financial asset may be held at fair value through other comprehensive income where both of the following conditions are met:

- i. The financial asset is held within a business model where the objective is to collect contractual cash flows and sell the asset; and
- ii. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

Impairment of financial assets

Provisions for impairment of financial assets are made on the basis of expected credit losses. NSS recognises a loss allowance for expected credit losses on financial assets and this is recognised in other comprehensive income, rather than reducing the carrying amount of the asset in the Statement of Financial position.

Lifetime expected credit losses are recognised and applied to financial assets by NSS where there has been a significant increase credit risk since the assets initial recognition. Where NSS does not hold reasonable and supportable information to measure the lifetime expected credit losses on an individual instrument basis, the losses are recognised on a collective basis which considers comprehensive credit risk information.

Recognition and measurement

Financial assets are recognised when NSS becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and NSS has transferred substantially all risks and rewards of ownership.

(a) Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure.

Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains and losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Financial assets held at amortised cost
Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of the asset.

(c) Financial assets held at fair value through other comprehensive income

Financial Liabilities

Classification

- i. NSS classifies its financial liabilities in the following categories: at fair value through profit or loss, and amortised cost. NSS classifies all financial liabilities a measured at amortised cost, unless: These are measured at fair value on a portfolio basis in accordance documented risk management or investment strategy;
- ii. They contain embedded derivatives; and/or
- iii. It eliminates or reduces 'accounting mismatch' that would otherwise arise from measurement or recognition on an amortised cost basis.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivatives. Liabilities in this category are classified as current liabilities. NSS does not trade in derivatives and does not apply hedge accounting.

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. NSS's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

Recognition and measurement

Financial liabilities are recognised when NSS becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the Statement of Financial Position when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Amortised cost

Financial liabilities held at amortised cost are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

26. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. This has been identified as the senior management of NSS Board.

Operating segments are not directly related to the analysis of expenditure shown in Note 3.

27. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Where the Government Banking Service is using the National Westminster Bank to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

28. Foreign Exchange

The functional and presentational currency of NSS is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where NSS has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- Monetary items (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March;
- Non-monetary assets and liabilities measured at historic cost are translated using the spot exchange rate at the date of the transaction; and
- Non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on the settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense expenditure in the period in which they arise. Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

29. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since NSS has no beneficial interest in them. However, they are disclosed in Note 25 (see page 80) to the accounts in accordance with the requirements of the FReM.

30. Key sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NSS makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. NSS make judgements

in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

Provisions disclosed in the Accounts include the organisational restructure, the participation in the Clinical Negligence Other Risk and Indemnity Scheme (CNORIS) and the cost of compensation for loss of earnings made to employees as a result of an injury sustained during the course of their employment. NSS management estimate the level of provision based on the best information available at the Statement of Financial Position date. It is expected that the uncertainty regarding the level and cost of these provisions will be resolved before the end of March 2020.

Accruals relating to NSS operating activities are estimated on the basis of existing contractual obligations and goods and services received during the financial year.

Non-current assets are reviewed for impairment on an annual basis. The impairment review is based on professional valuations for property and for all other assets the valuation is based on management expertise and information available at the Statement of Financial Position date.

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

2. NOTES TO THE CASH FLOW STATEMENT

2a. Adjustments for non-cash transactions

2018 £000		Note	2019 £000
	Expenditure not paid in cash		
5,152	Depreciation	7a	5,222
3,875	Amortisation	6	3,650
3,589	Impairments on PPE charged to SoCNE		3,958
(325)	Reversal of impairments on PPE charged to SoCNE		(126)
(61)	Loss / (profit) on disposal of property, plant and equipment		91
<u>12,230</u>	Total expenditure not paid in cash	CFS	<u>12,795</u>

2b. Interest payable recognised in operating expenditure

2018 £000			2019 £000
	Interest payable		
1,266	PFI Finance lease charges allocated in the year	18b	2,115
<u>1,266</u>	Net interest payable	CFS	<u>2,115</u>

2c. Movements in working capital

2018 Net movement £000		Note	Opening balances £000	Closing balances £000	2019 Net movement £000
	INVENTORIES				
210	Balance Sheet	8	19,593	28,843	
<u>210</u>	Net decrease / (increase)				<u>(9,250)</u>
	TRADE AND OTHER RECEIVABLES				
296	Due within one year	9	24,968	21,375	
1,903	Due after more than one year	9	1,337	267	
<u>2,199</u>			26,305	21,642	
<u>2,199</u>	Net decrease / (increase)				<u>4,663</u>
	TRADE AND OTHER PAYABLES				
6,590	Due within one year	12	58,807	62,827	
(1,158)	Due after more than one year	12	36,071	35,285	
(412)	Less: property, plant & equipment (capital) included in above		(1,162)	(1,412)	
(204)	Less: intangible assets (capital) included in above		(204)	(306)	
(791)	Less: General Fund creditor included in above	12	(1,085)	(993)	
136	Less: lease and PFI creditors included in above	12	(32,927)	(32,295)	
			59,500	63,106	
<u>4,161</u>	Net decrease / (increase)				<u>3,606</u>
	PROVISIONS				
262	Statement of Financial Position	13a	2,795	3,837	
<u>262</u>	Net decrease / (increase)				<u>1,042</u>
<u>6,832</u>	Net movement (decrease) / increase	CFS			<u>61</u>

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

3. OPERATING EXPENSES

3a. Employee expenditure

2018		2019
£000		£000
7,911	Medical, Dental and Pharmacy	7,974
10,675	Nursing	10,756
19,564	Life Sciences	18,938
3,360	Senior Managers	3,219
10,900	Support Services	11,078
98,051	Administrative Services	103,184
<u>150,461</u>	Total	<u>SoCNE 155,149</u>

Further detail and analysis of employee expenditure can be found in the Remuneration and Staff Report, forming part of the Accountability Report.

3b. Other operating expenditure

2018		2019
£000		£000
	Clinical Services	
221,484	Procurement, Commissioning and Facilities	227,317
17,109	Scottish National Blood Transfusion Service	14,608
<u>238,593</u>	Total	<u>241,925</u>
	Non Clinical Services	
780	Central Legal Office	1,190
65,014	Information Technology	65,617
15,933	Practitioner and Counter Fraud Services	19,351
199,691	Procurement, Commissioning and Facilities	212,312
5,765	Public Health and Intelligence	4,538
4,645	NSS Corporate Costs	7,942
20,447	NSS Property Costs	23,810
<u>312,275</u>	Total	<u>334,760</u>
	Other health care expenditure	
182	External Auditor's remuneration - statutory audit fee	181
<u>182</u>	Total	<u>181</u>
<u>551,050</u>	Total Other Operating Expenditure	<u>576,866</u>

NHS NSS did not purchase any non-audit services from Audit Scotland.

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

4. OPERATING INCOME

2018		2019
£000	Note	£000
	Clinical Services	
138	Procurement, Commissioning and Facilities	149
8,628	Scottish National Blood Transfusion Service	7,993
	Non Clinical Services	
7,096	Central Legal Office	7,126
54,028	Information Technology	24,205
778	Practitioner and Counter Fraud Services	821
188,533	Procurement, Commissioning and Facilities	195,458
6,857	Public Health and Intelligence	6,383
3,386	NSS Corporate Services	5,986
2,914	NSS Property Services	3,215
<u>272,358</u>	Total Income	<u>251,336</u>
	SoCNE	
	Income Summary	
1,225	Income from Scottish Government	1,670
262,465	Income from other NHS Scotland bodies	239,715
1,862	Income from NHS non-Scottish bodies	1,828
0	Profit on disposal of assets	0
6,806	Income from Non NHS	8,123
<u>272,358</u>	Total Income	<u>251,336</u>
	SoCNE	

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

5. SEGMENTAL INFORMATION

Segmental information as required under IFRS has been reported for each strategic objective

	Central Legal Office	Information Technology	Practitioner and Counter Fraud	Procurement Commissioning and Facilities	Public Health and Intelligence	Scottish National Blood Transfusion Service	Corporate	2019
	£000	£000	£000	£000	£000	£000	£000	£000
Net operating cost	617	61,057	34,503	290,979	32,061	41,072	20,390	480,679

PRIOR YEAR

Segmental information as required under IFRS has been reported for each strategic objective

	Central Legal Office	Information Technology	Practitioner and Counter Fraud	Procurement Commissioning and Facilities	Public Health and Intelligence	Scottish National Blood Transfusion Service	Corporate	2018
	£000	£000	£000	£000	£000	£000	£000	£000
Net operating cost	110	29,200	31,242	262,069	31,107	44,092	31,333	429,153

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

6. INTANGIBLE ASSETS - NON CURRENT

	Software Licences	IT - software	Assets Under Development	Total
	£000	£000	£000	£000
Cost or Valuation:				
At 1 April 2018	91,454	62,628	1,286	155,368
Additions	0	100	1,408	1,508
Completions	625	89	(714)	0
Transfers between asset categories (Note 7)	0	0	83	83
Disposals	(1,909)	0	0	(1,909)
At 31 March 2019	90,170	62,817	2,063	155,050
Amortisation				
At 1 April 2018	84,306	60,283	0	144,589
Provided during the year	2,973	677	0	3,650
Disposals	(1,909)	0	0	(1,909)
At 31 March 2019	85,370	60,960	0	146,330
Net book value at 1 April 2018	7,148	2,345	1,286	10,779
Net book value at 31 March 2019	4,800	1,857	2,063	8,720

	Value £000
Classification of Assets under development	
Information technology - software	2,063
	2,063

PRIOR YEAR

	Software Licences	IT - software	Assets Under Development	Total
	£000	£000	£000	£000
Cost or Valuation:				
At 1 April 2017	91,454	65,543	304	157,301
Additions	0	217	1,057	1,274
Completions	0	75	(75)	0
Disposals	0	(3,207)	0	(3,207)
At 31 March 2018	91,454	62,628	1,286	155,368
Amortisation				
At 1 April 2017	81,269	62,652	0	143,921
Provided during the year	3,037	838	0	3,875
Disposals	0	(3,207)	0	(3,207)
At 31 March 2018	84,306	60,283	0	144,589
Net book value at 1 April 2017	10,185	2,891	304	13,380
Net book value at 31 March 2018	7,148	2,345	1,286	10,779

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

7a. PROPERTY, PLANT AND EQUIPMENT

	Land (including under buildings) £000	Buildings (excluding dwellings) £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Assets Under Construction £000	Total £000
Cost or valuation								
At 1 April 2018	3,650	52,997	5,974	17,648	14,984	26,553	2,767	124,573
Additions - purchased	0	540	55	751	151	882	3,228	5,607
Completions	0	0	326	191	1,409	463	(2,389)	0
Transfers between asset categories (Note 6)	0	0	0	0	0	0	(83)	(83)
Revaluations	(884)	(490)	0	0	0	0	0	(1,374)
Impairment charges	(145)	(4,310)	0	0	0	0	0	(4,455)
Impairment reversals	0	105	0	0	0	0	0	105
Disposals - purchased	0	0	(196)	(1,366)	(35)	(233)	0	(1,830)
At 31 March 2019	2,621	48,842	6,159	17,224	16,509	27,665	3,523	122,543
Depreciation								
At 1 April 2018	0	0	4,018	10,258	13,895	19,216	0	47,387
Provided during the year - purchased	0	720	478	1,786	843	1,395	0	5,222
Revaluations	0	(202)	0	0	0	0	0	(202)
Impairment charges	0	(497)	0	0	0	0	0	(497)
Impairment reversals	0	(21)	0	0	0	0	0	(21)
Disposals - purchased	0	0	(196)	(1,277)	(33)	(233)	0	(1,739)
At 31 March 2019	0	0	4,300	10,767	14,705	20,378	0	50,150
Net book value at 1 April 2018	3,650	52,997	1,956	7,390	1,089	7,337	2,767	77,186
Net book value at 31 March 2019	SoFP 2,621	48,842	1,859	6,457	1,804	7,287	3,523	72,393
Open Market Value of Land in Land and Dwellings Included Above	0							
Asset financing:								
Owned - purchased	2,621	17,216	1,859	6,457	1,804	7,287	3,523	40,767
On-balance sheet PFI contracts	0	31,626	0	0	0	0	0	31,626
Net book value at 31 March 2019	SoFP 2,621	48,842	1,859	6,457	1,804	7,287	3,523	72,393

PRIOR YEAR

	Land (including under buildings) £000	Buildings (excluding dwellings) £000	Transport Equipment £000	Plant & Machinery £000	Information Technology £000	Furniture & Fittings £000	Assets Under Construction £000	Total £000
Cost or valuation								
At 1 April 2017	1,604	20,960	6,462	18,523	15,180	27,588	39,686	130,003
Additions - purchased	0	0	25	165	0	27	1,833	2,050
Completions	2,614	34,205	59	1,663	207	4	(38,752)	0
Revaluations	(54)	969	0	0	0	0	0	915
Impairment charges	(514)	(3,397)	0	0	0	0	0	(3,911)
Impairment reversals	0	260	0	0	0	0	0	260
Disposals - purchased	0	0	(572)	(2,703)	(403)	(1,066)	0	(4,744)
At 31 March 2018	3,650	52,997	5,974	17,648	14,984	26,553	2,767	124,573
Depreciation								
At 1 April 2017	0	0	4,063	11,128	13,412	18,939	0	47,542
Provided during the year - purchased	0	575	527	1,826	886	1,338	0	5,152
Revaluations	0	(188)	0	0	0	0	0	(188)
Impairment charges	0	(322)	0	0	0	0	0	(322)
Impairment reversals	0	(65)	0	0	0	0	0	(65)
Disposals - purchased	0	0	(572)	(2,696)	(403)	(1,061)	0	(4,732)
At 31 March 2018	0	0	4,018	10,258	13,895	19,216	0	47,387
Net book value at 1 April 2017	1,604	20,960	2,399	7,395	1,768	8,649	39,686	82,461
Net book value at 31 March 2018	SoFP 3,650	52,997	1,956	7,390	1,089	7,337	2,767	77,186
Open Market Value of Land in Land and Dwellings Included Above	0							
Asset financing:								
Owned - purchased	3,650	21,315	1,956	7,390	1,089	7,337	2,767	45,504
On-balance sheet PFI contracts	0	31,682	0	0	0	0	0	31,682
Net book value at 31 March 2018	SoFP 3,650	52,997	1,956	7,390	1,089	7,337	2,767	77,186

NHS NATIONAL SERVICES SCOTLAND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

7b. ASSETS HELD FOR SALE

NHS NSS have no Assets Held for Sale.

NHS NATIONAL SERVICES SCOTLAND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

7c. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

2018 £000		Note	2019 £000
	Net book value of property, plant and equipment at 31 March		
<u>77,186</u>	Purchased		<u>72,393</u>
<u>77,186</u>	Total	SoFP	<u>72,393</u>
<u>0</u>	Net book value related to land valued at open market value at 31 March		<u>0</u>
<u>784</u>	Net book value related to buildings valued at open market value at 31 March		<u>0</u>
	Total value of assets held under:		
<u>31,682</u>	PFI and PPP Contracts		<u>31,626</u>
<u>31,682</u>			<u>31,626</u>
	Total depreciation charged in respect of assets held under:		
<u>222</u>	PFI and PPP contracts		<u>358</u>
<u>222</u>			<u>358</u>

All land and buildings were revalued by an independent valuer, The Valuation Office Agency, as at 31/03/2019 on the basis of fair value (market value or depreciated replacement costs where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

The net impact was an decrease of £2.660m (2017-18: £2.161m) of which £1.172m (2017-18: £1.103m) was credited to the revaluation reserve. An impairment of £3.832m (2017-18: £3.264m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

7d. ANALYSIS OF CAPITAL EXPENDITURE

2018 £000		Note	2019 £000
	Expenditure		
1,274	Acquisition of intangible assets	6	1,508
<u>2,050</u>	Acquisition of property, plant and equipment	7a	<u>5,607</u>
<u>3,324</u>	Gross Capital Expenditure		<u>7,115</u>
	Income		
0	Net book value of disposal of intangible assets	6	0
<u>12</u>	Net book value of disposal of property, plant and equipment	7a	<u>91</u>
<u>12</u>	Capital Income		<u>91</u>
<u>3,312</u>	Net Capital Expenditure		<u>7,024</u>
	SUMMARY OF CAPITAL RESOURCE OUTTURN		
3,312	Core capital expenditure included above		7,024
<u>3,323</u>	Core Capital Resource Limit		<u>7,077</u>
<u>11</u>	Saving / (excess) against Core Capital Resource Limit		<u>53</u>
3,312	Total capital expenditure		7,024
<u>3,323</u>	Total Capital Resource Limit		<u>7,077</u>
<u>11</u>	Saving / (excess) against Total Capital Resource Limit		<u>53</u>

8. INVENTORIES

2018 £000		Note	2019 £000
19,593	Consumables		28,843
<u>19,593</u>	Total inventories	SoFP	<u>28,843</u>

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

9. TRADE AND OTHER RECEIVABLES

2018 £000		2019 £000
	Receivables due within one year	
	NHSScotland	
951	Scottish Government Health & Social Care Directorate	922
<u>10,406</u>	Boards	<u>7,489</u>
11,357	Total NHSScotland Receivables	8,411
77	NHS non-Scottish bodies	85
3,706	VAT recoverable	2,742
5,267	Prepayments	7,392
1,281	Accrued income	1,444
1,844	Other receivables	948
<u>1,436</u>	Other public sector bodies	<u>353</u>
24,968	Total Receivables due within one year	21,375
	Receivables due after more than one year	
<u>1,337</u>	Prepayments	<u>267</u>
1,337	Total Receivables due after more than one year	267
26,305	TOTAL RECEIVABLES	21,642
<u>0</u>	The total receivables figure above includes a provision for impairments of :	<u>0</u>
	WGA Classification	
10,406	NHS Scotland	7,489
951	Central Government bodies	3,664
659	Whole of Government bodies	353
77	Balances with NHS bodies in England and Wales	85
<u>14,212</u>	Balances with bodies external to Government	<u>10,051</u>
26,305	Total	21,642

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2019, receivables with a carrying value of £0.8m million (2018: £2.0 million) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

2018 £000		2019 £000
996	Up to 3 months past due	445
908	3 to 6 months past due	232
<u>102</u>	Over 6 months past due	<u>163</u>
2,006		840

The receivables assessed as past due but not impaired were mainly NHS Scotland Health Boards, Local Authorities and Universities and there is no history of default from these customers recently.

Concentration of credit risk is limited due to customer base being large and unrelated / government bodies. Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

Receivables that are neither past due nor impaired are shown by their credit risk below:

2018 £000		2019 £000
<u>9,271</u>	Counterparties with external credit ratings	<u>5,117</u>
9,271	Counterparties with no external credit rating:	5,117
	Total neither past due or impaired	<u>5,117</u>
	The NHS Board does not hold any collateral as security.	
26,305	The carrying amount of receivables are denominated in the following currencies:	21,642
<u>26,305</u>	Pounds	<u>21,642</u>
26,305		21,642

All non-current receivables are due within 2 years (2017-18: 2 years) from the balance sheet date.

The carrying amount of short term receivables approximates their fair value.

The fair value of long term other receivables is £0.3m (2017-18: £1.3m).

NHS NATIONAL SERVICES SCOTLAND
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

10. INVESTMENTS

NHS NSS do not have any Investments.

11. CASH AND CASH EQUIVALENTS

	Note	2019	2018
		£000	£000
Balance at 1 April		1,085	294
Net change in cash and cash equivalent balances	CFS	(100)	791
Balance at 31 March	SoFP	985	1,085
Overdrafts		0	0
Total Cash - Cash Flow Statement		985	1,085

The following balances at 31 March were held at:

Government Banking Service	631	1,002
Commercial banks and cash in hand	354	83
Balance at 31 March	985	1,085

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

12. TRADE AND OTHER PAYABLES

2018 £000		2019 £000
	Note	
	Payables due within one year	
	NHSScotland	
13	Scottish Government Health & Social Care Directorate	7
5,236	Boards	3,757
<u>5,249</u>	Total NHSScotland Payables	<u>3,764</u>
9,708	NHS Non-Scottish bodies	14,309
1,085	Amounts payable to General Fund	993
(67)	Trade payables	(77)
31,326	Accruals	34,816
3,954	Deferred income	1,419
632	Net obligations under PPP / PFI Contracts	18b 673
3,030	Income tax and social security	3,098
2,253	Superannuation	2,300
457	Holiday pay accrual	561
124	Other public sector bodies	38
1,056	Other payables	933
<u>58,807</u>	Total Payables due within one year	<u>SoFP 62,827</u>
	Payables due after more than one year	
673	Net obligations under PPP / PFI contracts due within 2 years	18b 716
2,288	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	18b 2,435
29,334	Net obligations under PPP / PFI contracts due after 5 years	18b 28,471
3,776	Deferred income	3,663
<u>36,071</u>	Total Payables due after more than one year	<u>SoFP 35,285</u>
<u>94,878</u>	TOTAL PAYABLES	<u>98,112</u>
	WGA Classification	
5,236	NHS Scotland	3,757
3,167	Central Government bodies	3,141
0	Whole of Government bodies	1
9,708	Balances with NHS bodies in England and Wales	14,309
76,767	Balances with bodies external to Government	76,904
<u>94,878</u>	Total	<u>98,112</u>
	Borrowings included above comprise:	
32,927	PFI contracts	32,295
<u>32,927</u>		<u>32,295</u>
	The carrying amount and fair value of the non-current borrowings are as follows	
	Carrying amount	
32,295	PFI contracts	31,622
<u>32,295</u>		<u>31,622</u>
	The carrying amount and fair value of the non-current borrowings are as follows	
	Fair value	
32,918	PFI contracts	31,622
<u>32,918</u>		<u>31,622</u>
	The carrying amount of short term payables approximates their fair value.	
	The carrying amount of payables are denominated in the following currencies:	
94,878	Pounds	98,112
<u>94,878</u>		<u>98,112</u>

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

13a. PROVISIONS

	Pensions and similar obligations	Participation in CNORIS	Other (non- endowment)	2019 TOTAL	
	£000	£000	£000	£000	Note
At 1 April 2018	1,913	102	780	2,795	
Arising during the year	576	64	1,183	1,823	
Utilised during the year	(154)	(20)	(167)	(341)	
Reversed unutilised	(10)	(35)	(395)	(440)	
At 31 March 2019	2,325	111	1,401	3,837	2

Analysis of expected timing of discounted flows to 31 March 2019

	Pensions and similar obligations	Participation in CNORIS	Other (non- endowment)	2019 TOTAL	
	£000	£000	£000	£000	
Payable in one year	146	43	1,401	1,590	SoFP
Payable between 2 - 5 years	578	50	0	628	SoFP
Payable between 6 - 10 years	714	3	0	717	SoFP
Thereafter	887	15	0	902	SoFP
At 31 March 2019	2,325	111	1,401	3,837	

PRIOR YEAR

	Pensions and similar obligations	Participation in CNORIS	Other (non- endowment)	2018 TOTAL	
	£000	£000	£000	£000	
At 1 April 2017	1,805	108	620	2,533	
Arising during the year	229	40	432	701	
Utilised during the year	(121)	(21)	(183)	(325)	
Unwinding of discount	0	0	0	0	
Reversed unutilised	0	(25)	(89)	(114)	
At 31 March 2018	1,913	102	780	2,795	

Analysis of expected timing of discounted flows to 31 March 2018

	Pensions and similar obligations	Participation in CNORIS	Other (non- endowment)	2018 TOTAL	
	£000	£000	£000	£000	
Payable in one year	125	28	780	933	SoFP
Payable between 2 - 5 years	498	9	0	507	SoFP
Payable between 6 - 10 years	620	0	0	620	SoFP
Thereafter	670	65	0	735	SoFP
At 31 March 2018	1,913	102	780	2,795	

Pensions and similar obligations

NHS NSS meets the cost of compensation for the loss of earnings made to employees as a result of injury sustained in the course of their employment by paying the required amounts annually to the Scottish Public Pensions Agency. NHS NSS provides for this in full when the award is made by establishing a provision for the estimated payments discounted by the Treasury discount rate of 0.1% in real terms. NHS NSS expects expenditure to be charged to this provision for the period of up to 38 years.

Clinical & Medical Legal Claims against NHS Board

NHS NSS do not have Clinical and Medical provisions. All claims have been assessed as Contingent Liabilities and disclosed in Note 14.

Participation in CNORIS

NHS NSS have a provision relating to the participation in the CNORIS scheme. Note 13b provides further information on the scheme.

Other (non-endowment)

NHS NSS have provisions relating to the organisation restructure, employee injury claims and for the potential over recovery of VAT due to the HMRC clarification of heading 14 professional services.

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

13b. CLINICAL NEGLIGENCE AND OTHER RISKS INDEMNITY SCHEME (CNORIS)

2018 £000		Note	2019 £000
0	Provision recognising individual claims against the NHS Board as at 31 March		0
0	Associated CNORIS receivable at 31 March		0
102	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	13a	111
<u>102</u>	Net Total Provision relating to CNORIS at 31 March		<u>111</u>

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS boards in Scotland. The scheme allows for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS has an agreed threshold of £25k and any claims with a value less than this are met directly from within boards' own budgets. Participants e.g. NHS boards contribute to the CNORIS pool each financial year at a pre-agreed contribution rate based on the risks associated with their individual NHS board. If a claim is settled the board will be reimbursed by the scheme for the value of the settlement, less a £25k "excess" fee. The scheme allows for the risk associated with any large or late in the financial year legal claims to be managed and reduces the level of volatility that individual boards are exposed to.

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles. The provision and associated receivable are shown in the first two lines above. The receivable has been netted off against the provision to reflect reimbursement from the scheme.

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHSScotland has been made and this is reflected in third line above.

Therefore there are two related but distinct provisions required as a result of participation in the scheme. Both of these provisions as well as the associated receivable have been shown in the note above to aid the reader's understanding of CNORIS.

Further information on the scheme can be found at: <http://www.clo.scot.nhs.uk/our-services/cnoris.aspx>

14. CONTINGENT LIABILITIES

The following contingent liabilities have not been provided for in the Accounts:

2018 £000	Nature	2019 £000
860	Clinical and medical compensation payments	827
30	Employer's liability	33
<u>890</u>	TOTAL CONTINGENT LIABILITIES	<u>860</u>

NHS NSS has not entered into any unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort.

NHS NATIONAL SERVICES SCOTLAND**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2019****15. EVENTS AFTER THE END OF THE REPORTING YEAR****Events after the end of the reporting period having a material effect on the accounts are:**

There have been no events after the end of the reporting period which have a material effect on these accounts

16. COMMITMENTS**Capital Commitments**

NHS NSS has the following capital commitments which have not been provided for in the accounts

2018		Property, plant and equipment	Intangible assets	2019
£000		£000	£000	£000
	Contracted			
746	Property	0	0	0
560	IT Infrastructure	740	0	740
<u>1,306</u>	Total	<u>740</u>	<u>0</u>	<u>740</u>
	Authorised but not Contracted			
944	Property	560	0	560
786	Medical Equipment	415	0	415
395	Transport	295	0	295
1,900	IT Infrastructure	453	0	453
220	Software Development	0	1,531	1,531
<u>4,245</u>	Total	<u>1,723</u>	<u>1,531</u>	<u>3,254</u>

Other Financial Commitments

NHS NSS has not entered into any non-cancellable contracts (which are not leases or PFI contracts).

NHS NATIONAL SERVICES SCOTLAND**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2019****17. COMMITMENTS UNDER LEASES****Operating Leases**

Total future minimum lease payments under operating leases are given in the table below for the each of the following periods:

Obligations under operating leases comprise:

2018		2019
£000		£000
	Land	
153	Not later than one year	153
148	Later than one year, not later than 2 years	148
272	Later than two year, not later than five years	281
318	Later than five years	325
	Buildings	
7,301	Not later than one year	7,293
6,755	Later than one year, not later than 2 years	6,899
18,215	Later than two year, not later than five years	19,040
25,800	Later than five years	23,983
	Other	
713	Not later than one year	528
346	Later than one year, not later than 2 years	287
538	Later than two year, not later than five years	175
	Later than five years	
	Amounts charged to Operating Costs in the year were:	
977	Hire of equipment (including vehicles)	994
7,789	Other operating leases	7,668
8,766	Total	8,662

Aggregate Rentals Receivable in the year

2018		2019
£000		£000
2,175	Total of finance & operating leases	2,099

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

18. COMMITMENTS UNDER PFI CONTRACTS - On Balance Sheet

NHS NSS has entered into the following on-balance sheet Non Profit Distributing project.

Jack Copland Centre, 52 Research Park North, Heriot Watt University Research Park, Edinburgh, EH14 4BE

Under IFRIC 12 the asset is treated as an asset of the Board and included in the Board's accounts as a non current asset. The liability to pay for the property is in substance a finance lease obligation. Contractual payments therefore comprise two elements; imputed finance lease charges and service charges. The imputed finance lease obligation is as follows:

Total obligations under on-balance sheet PFI / PPP / Hub contracts for the following periods comprises:

2018			2019
£000	Gross Minimum Lease Payments		£000
2,747	Rentals due within 1 year		2,747
2,747	Due within 1 to 2 years		2,747
8,241	Due within 2 to 5 years		8,241
<u>51,124</u>	Due after 5 years		<u>48,377</u>
<u>64,859</u>	Total		<u>62,112</u>
2018			2019
£000	Less Interest Element		£000
(2,115)	Rentals due within 1 year		(2,074)
(2,074)	Due within 1 to 2 years		(2,031)
(5,953)	Due within 2 to 5 years		(5,806)
<u>(21,790)</u>	Due after 5 years		<u>(19,906)</u>
<u>(31,932)</u>	Total		<u>(29,817)</u>
2018	Present value of minimum lease payments	Note	2019
£000			£000
632	Rentals due within 1 year	12	673
673	Due within 1 to 2 years	12	716
2,288	Due within 2 to 5 years	12	2,435
<u>29,334</u>	Due after 5 years	12	<u>28,471</u>
<u>32,927</u>	Total		<u>32,295</u>
2018	Service elements due in future periods		2019
£000			£000
970	Rentals due within 1 year		994
970	Due within 1 to 2 years		994
2,910	Due within 2 to 5 years		2,983
<u>18,052</u>	Due after 5 years		<u>17,898</u>
<u>22,902</u>	Total		<u>22,869</u>
<u>55,829</u>	Total commitments		<u>55,164</u>
2018			2019
£000			£000
1,266	Interest charges	2	2,115
479	Service charges		970
260	Principal repayment		632
<u>0</u>	Other charges		<u>0</u>
<u>2,005</u>	Total		<u>3,717</u>

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

19. PENSION COSTS

NHS NSS participates in the NHS Superannuation Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively high marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2012. The next valuation will be as at 31 March 2016 and this will set contribution rates from 1 April 2019.

For the current year, normal employer contributions of £16.493m were payable to the Scottish Public Pensions Agency (SPPA) (prior year £16.137m) at the rate of 14.9% of total pensionable salaries. In addition during the accounting period the NHS NSS incurred additional costs of £510k (prior year £134k) arising from early retirement of staff. Provisions amounting to £2.325m for employees who have retired early due to injury sustained in the course of their employment are included in the Statement of Financial Position and reflect the difference between amounts charged to the Statement of Comprehensive Net Expenditure and the amounts paid directly.

NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above average inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Price Index (CPI). This continues until the member leaves the scheme or retires. In 2018-19 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal retirement age is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

NHS Superannuation Scheme (Scotland) 1995 & 2008

These schemes are now closed to new joiners from 31 March 2015 but any benefits earned in either the NHS 1995 or NHS 2008 sections are protected and will be paid at the section's normal pension ages using final pensionable pay when members leave or retire. Some members who were close to retirement when the NHS 2015 scheme was launched will continue to earn benefits in their current section. This may affect members who were paying into the scheme on 1 April 2012 and were within 10 years of their normal retirement age. Some members who were close to retirement but did not qualify for full protection will remain in their current section beyond 1 April 2015 and join the 2015 scheme at a later date.

National Employment Savings Trust (NEST)

The Pensions Act 2008 and 2011 Automatic Enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions towards their retirement. For those staff not entitled to join the NHS Superannuation Scheme (Scotland) NHS NSS utilised an alternative pension scheme called NEST to fulfil its Automatic Enrolment obligations.

NEST is a defined contribution pension scheme established by law to support the introduction of Auto Enrolment. Contributions are taken from qualifying earnings, which are currently from £5,824 to £43,000, but will be reviewed every year by the government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by the government.

Date	Employee	Employer Contribution	Total Contribution
1st March 2013	1%	1%	2%
1st October 2018	3%	2%	5%
1st October 2019	5%	3%	8%

Pension members can choose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Board they can continue to pay into NEST.

NEST Pension members can take money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally members can transfer their NEST retirement fund to another scheme.

NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arm's length from government and is accountable to Parliament through the Department for Work and Pensions.

	2019 £000	2018 £000
Pension cost charge for the year	16,493	16,137
Additional costs arising from early retirement	510	134
Provisions / liabilities / prepayments included in the Statement of Financial Position	2,325	1,913

20. RETROSPECTIVE RESTATEMENTS

There are no retrospective restatements recognised in these Accounts.

21. RESTATED PRIMARY STATEMENTS

The primary statements have not been restated.

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

22. FINANCIAL INSTRUMENTS

22a. FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

		Financial assets at fair value through OCI	Total
	Note	£000	£000
AS AT 31 MARCH 2019			
Assets per Statement of Financial Position			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	2,830	2,830
Cash and cash equivalents	11	985	985
		<u>3,815</u>	<u>3,815</u>

		Financial assets at fair value through OCI	Total
	Note	£000	£000
At 31 March 2018			
Assets per Statement of Financial Position			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	4,638	4,638
Cash and cash equivalents	11	1,085	1,085
		<u>5,723</u>	<u>5,723</u>

Financial Liabilities

		Financial liabilities at amortised cost	Total
	Note	£000	£000
AS AT 31 MARCH 2019			
Liabilities per Statement of Financial Position			
PFI Liabilities	12	32,295	32,295
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12	51,573	51,573
		<u>83,868</u>	<u>83,868</u>

		Financial liabilities at amortised cost	Total
	Note	£000	£000
At 31 March 2018			
Liabilities per Statement of Financial Position			
PFI Liabilities	12	32,927	32,927
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	12	43,689	43,689
		<u>76,616</u>	<u>76,616</u>

NHS NATIONAL SERVICES SCOTLAND

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2019

22. FINANCIAL INSTRUMENTS, cont.

22b. FINANCIAL RISK FACTORS

Exposure to Risk

The NHS NSS activities expose it to a variety of financial risks:

Credit risk - the possibility that other parties might fail to pay amounts due.

Liquidity risk - the possibility that the NHS NSS might not have funds available to meet its commitments to make payments.

Market risk - the possibility that financial loss might arise as a result of changes in such measures as interest rates, stock market movements or foreign exchange rates.

Because of the largely non-trading nature of its activities and the way in which government departments are financed, the NHS NSS is not exposed to the degree of financial risk faced by business entities.

a) Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and other institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and other institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the NHS NSS.

The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period and no losses are expected from non-performance by any counterparties in relation to deposits.

b) Liquidity Risk

The Scottish Parliament makes provision for the use of resources by the NHS NSS for revenue and capital purposes in a Budget Act for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the Budget Act. The Act also specifies an overall cash authorisation to operate for the financial year. The NHS NSS is not therefore exposed to significant liquidity risks.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000	£000	£000	£000
AS AT 31 MARCH 2019				
PFI Liabilities	673	716	2,435	28,471
Trade and other payables excluding statutory liabilities	47,910	702	1,885	1,076
Total	48,583	1,418	4,320	29,547
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£000	£000	£000	£000
At 31 March 2018				
PFI Liabilities	632	673	2,288	29,334
Trade and other payables excluding statutory liabilities	39,913	647	1,653	1,476
Total	40,545	1,320	3,941	30,810

c) Market Risk

The NHS NSS has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NHS Board in undertaking its activities.

i) Cash flow and fair value interest rate risk

The NHS NSS has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market

ii) Foreign Currency Risk

The NHS NSS is not exposed to foreign currency risk

iii) Price risk

The NHS NSS is not exposed to equity security price risk.

c FAIR VALUE ESTIMATION

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. NHS NSS do not have any financial instruments that meet this definition.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current HM Treasury interest rate that is available for similar financial instruments.

NHS NATIONAL SERVICES SCOTLAND**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 MARCH 2019****23. DERIVATIVE FINANCIAL INSTRUMENTS**

NHS NSS do not have any Derivative Financial Instruments

24. RELATED PARTY TRANSACTIONS

NHS NSS had various material transactions with other Scottish Government departments and other UK Central Government bodies.

NHS NSS Board members have cross directorships with Education Scotland, Frontline Consultants, NHS Borders, Thirst Food Logistics (Trading as HECK) and Wale King Associates. Listed below are the material balances in year with each of these bodies

Name of Related Party	Description	Amount £000
NHS Borders	Commissioned services provided by NHS Borders	444
	Provided by NHS NSS:	
	Legal Services, Data and Analytics Service and Blood Products	4,702
	Outstanding Balance due to NHS NSS	274
	Outstanding Balance due from NHS NSS	48

25. THIRD PARTY ASSETS

NHS NSS do not have any Third Party Assets.


1 Direction by the Scottish Ministers



Common Services Agency

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in pursuance of sections 86(1), (1B) and (3) of the National Health Services (Scotland) Act 1978, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.
4. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
5. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 30 December 2002 is hereby revoked.


Signed by the authority of the Scottish Ministers

Dated 10/2/2006

B/19/61

NSS Board Meeting, Friday 28th June 2019

FINANCE REPORT

Purpose

The purpose of the attached paper is to report on NSS Financial Performance against agreed ODP targets for the financial year 2018/19.

Recommendation

The Board is asked note the contents of this report.

Timing

N/A

Background

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

- a) Operate effectively and deliver all LDP targets within a balanced revenue budget of £822.1m (Revenue Outturn Breakeven)
- b) Deliver our capital investment programme within a balanced budget of £7.1m(Capital Outturn Breakeven)
- c) Deliver Cash Releasing Efficiency Savings of 5% of baseline on a recurring basis

NSS has met its statutory financial targets for 2018/19.

NSS Target	RAG rating*	Full Year Outturn
Revenue outturn	Green	£0.4m surplus
NSD CRES savings	Green	106%
NSS CRES savings	Green	116%
Capital outturn	Green	£0.1m surplus

Key

Red: Target will not be met

Amber: Uncertainty over whether target will be met

Green: On target

Engagement

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

NSS BOARD FINANCIAL PERFORMANCE REPORT AS AT 31st MARCH 2019

1. Overview of Financial Performance

NSS has met its statutory financial targets for 2018/19.

NSS Target	RAG rating	Full Year Outturn
Revenue outturn	Green	£0.4m surplus
NSD CRES savings	Green	106%
NSS CRES savings	Green	116%
Capital outturn	Green	£0.1m surplus

2. Revenue

The overall SBU position has remained in line with the February forecast, with a surplus on revenue of £0.4m at the year-end.

SG has recently confirmed that this surplus will be reinstated in 19/20. This adjustment is being factored into the overall NSS Financial Plan as part of the detailed review and update currently being undertaken.

The final SG allocation letter received in April included:

- Clinical Waste £5.6m
- Impairments £3.9m
- Provisions £1.1m
- CLO Q4 charges £0.1m

3. Capital

The overall SBU position has remained in line with the February forecast, with a surplus on capital of £0.1m at the year-end. This net position includes a further under spend on Radiology which has been offset by a revenue funded programme for PHI which is capital in nature.

4. CRES

The total CRES target for 2018-19 is £17.1m, including £9m for NSD and £8.1m across SBUs, which represents a 5% reduction of baseline funding. NSS has delivered savings of £18.5m exceeding the 5% target.

5. National Boards Collaboration Savings

As reported throughout 2018/19, it has become increasingly difficult for the patient facing boards in particular to contribute towards the £15m. NSS has contributed £6m this financial year which has helped to reduce the gap for 18/19 to £2.7m.

6. Conclusions

The NSS Board is asked to note this report, in particular, the achievement of all statutory financial targets for 2018/19.

Carolyn Low
Director of Finance
19th June 2019

Appendix 1 (a) – Summary NSS Revenue Position

	FY Budget £000	FY Actual £000	FY v Budget £000
Income			
NSS Baseline Allocation	328,176	328,176	0
SG Allocation	152,925	152,925	0
NHSS Health Board Trading	244,562	241,953	(2,609)
SGHD Trading	2,043	1,670	(373)
Non NHSS Income	58,216	97,773	39,557
Total Income	785,922	822,497	36,575
Expenditure			
Pay	155,693	155,127	566
Non Pay	207,615	248,088	(40,473)
Depreciation/ Capital Charges	8,873	8,873	0
Purchase of Healthcare	222,575	223,094	(519)
Cost of Sales	186,102	181,829	4,273
AME	5,064	5,064	0
Total Expenditure	785,922	822,075	(36,153)
Net Surplus/ (Deficit)	0	422	422

Appendix 1 (b) – Summary SBU Revenue Position

	February Forecast (£000's)	Full Year Outturn (£000's)
Central Legal Office	0	6
Information Technology	0	(8)
Procurement, Commissioning and Facilities	(264)	(323)
Practitioners & Counter Fraud Services	170	177
Public Health & Intelligence	0	(82)
Scottish National Blood Transfusion Service	672	681
Finance	0	4
Clinical Directorate	94	100
Strategy, Planning & Service Transformation	237	441
Human Resources	102	8
Trading Position	1,011	1,005

Appendix 1 (c) – SBU Revenue Performance Reports

CLO

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	190	617	↑ 428	225.5%
	Income	7,095	7,453	↑ 358	5.0%
	Total Income	7,285	8,070	↑ 785	10.8%
	Total Pay	6,536	6,963	427	6.5%
	Non Pay	669	1,107	438	65.5%
	Cost Of Sales / Healthcare	0	0	(0)	-100.0%
	Total Expenditure	7,205	8,070	↑ 865	12.0%
	Net Surplus/(Deficit)	80	0		

STAFFING	WTE
Actual (Mar 18)	111.3
Budget (current period)	112.9
Actual (current period)	107.4
Variance (Current period)	5.5
Movement since Mar 18	↓ -4.0

Active Vacancies	0.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	617	617	0	617
	Income	7,453	7,126	(327)	7,126
	Total Income	8,070	7,743	(327)	7,743
	Total Pay	6,963	6,667	296	6,667
	Non Pay	1,107	1,076	31	1,076
	Cost Of Sales (Logistics)	0	0	0	0
	Total Expenditure	8,070	7,743	327	7,743
	Net Surplus/(Deficit)	0	0	0	0

CRES	£000
Target YTD	0
Actual YTD	0
Variance	0

CLO's YTD position for the 12 months Apr 2018 to Mar 2019 has reached breakeven, after the income fluctuated during the year above and below (eg below in Sep, Dec, Feb) the phased budget targets.

CLO expect to be able to report by July 2019 the benefits of some of the digital service improvement.

IT

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	27,915	61,048	↑ 33,133	118.7%
	Income	56,992	24,522	↓ (32,471)	-57.0%
	Total Income	84,908	85,570	↑ 662	0.8%
	Total Pay	18,304	19,251	947	5.2%
	Non Pay	65,158	67,886	2,728	4.2%
	Cost Of Sales / Healthcare	0	(1,567)	(1,567)	-156678010.0%
	Total Expenditure	83,462	85,570	↑ 2,108	2.5%
	Net Surplus/(Deficit)	1,445	0		

STAFFING	WTE
Actual (Mar 17)	333.8
Budget (current period)	333.4
Actual (current period)	345.2
Variance (Current period)	-11.9
Movement since Mar 17	↑ 11.4

Active Vacancies	
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	61,048	61,048	● 0	61,048
	Income	24,522	24,206	● (316)	24,206
	Total Income	85,570	85,254	● (316)	85,254
	Total Pay	19,251	19,613	● (362)	19,613
	Non Pay	66,319	65,649	● 670	65,649
	Cost Of Sales (Logistics)	0	0	● (0)	0
	Total Expenditure	85,570	85,262	● 308	85,262
	Net Surplus/(Deficit)	0	(8)	● (8)	(8)

CRES	£000
Target YTD	289
Actual YTD	468
Variance	● 178

IT SBU final position for 18/19 was £8k overspent, this deficit was driven by ATOS storage trueup which was only just identified. £250k for printing true-down was returned to the HB's before year end. The additional funding that was provided to IT for endpoints was all spent in 18/19 and these are currently being deployed to staff.

Hosted Funds - There was a significant level of unders and overs across eHealth projects which were managed internally by NSS but is being reported to SG at the quarterly review on 17th April.

Capital expenditure came in on target with only the balance of the work on the mobile solution slipping into 19/20, this work should be complete by mid May 19.

P&CFS

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	33,757	34,679	↑ 922	2.7%
	Income	707	800	↑ 93	13.2%
	Total Income	34,464	35,479	↑ 1,015	2.9%
	Total Pay	16,016	16,370	354	2.2%
	Non Pay	15,933	19,109	3,177	19.9%
	Total Expenditure	31,949	35,479	↑ 3,530	11.0%
	Net Surplus/(Deficit)	2,515	0		

STAFFING	WTE
Actual (Mar 18)	466.2
Budget (current period)	461.2
Actual (current period)	446.3
Variance (Current period)	15.0
Movement since Mar 18	↓ -19.9

		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	34,679	34,679	0	34,679
	Income	800	774	(25)	774
	Total Income	35,479	35,454	(25)	35,454
	Total Pay	16,370	15,940	430	15,940
	Non Pay	19,109	19,337	(227)	19,337
	Total Expenditure	35,479	35,277	202	35,277
	Net Surplus/(Deficit)	0	177	177	177

CRES	£000
Target YTD	1,201
Actual YTD	1,378
Variance	177

P&CFS reporting a surplus of £177k for FY19 - primarily due to £160k SG funding for ePharmacy that cannot be spent in 2018/19 due to policy date changes for extension of MAS (Minor Ailments Service) to 01/04/20; funds will be sought in 2019/20 to complete this development.

The £430k savings in pay due to greater vacancies than planned has been offset with additional non pay costs e.g. additional prescription paper stock pending Brexit outcome.

PCF

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	261,769	290,632	↑ 28,862	11.0%
	Income	229,087	252,228	↑ 23,141	10.1%
	Total Income	490,856	542,860	↑ 52,004	10.6%
	Total Pay	25,360	26,649	1,289	5.1%
	Non Pay	285,078	330,130	45,052	15.8%
	Cost Of Sales / Healthcare	180,717	186,080	5,363	3.0%
	Total Expenditure	491,156	542,860	↑ 51,704	10.5%
	Net Surplus/(Deficit)	● (300)	0		

STAFFING	WTE
Actual (Mar 18)	646.1
Budget (current period)	644.8
Actual (current period)	644.0
Variance (Current period)	● 0.8
Movement since Mar 18	↓ -2.1

Active Vacancies	
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		Budget	Actual	Variance	
YEAR TO DATE	Total Allocations	290,632	290,632	● 0	
	Income	252,228	288,613	● 36,385	
	Total Income	542,860	579,244	● 36,385	
	Total Pay	26,649	26,347	● 302	
	Non Pay	330,130	371,442	● (41,311)	
	Cost Of Sales	186,080	181,780	● 4,300	
	Total Expenditure	542,860	579,568	● (36,708)	
	Net Surplus/(Deficit)	0	● (324)	● (324)	

CRES	£000
Target YTD	9,861
Actual YTD	10,440
Variance	● 579

PCF are reporting a deficit of £324k for the year. This includes additional storage and staffing costs relating to Brexit stock build totalling £210k, NSD overspend of £70k plus pressures in Strategic Sourcing and HFS netted against non recurring savings in Business Development and Directorate.

The income variance includes Rebates £39.9m, Logistics £0.5m netted against an income shortfall on Plasma products £4.6M (IVIG) due to shortages. Additional expenditure relating to clinical waste contingency of £9.1m was reimbursed via HB contributions and SG allocation.

PHI

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	31,355	31,976	↑ 620	2.0%
	Income	6,256	6,218	↓ (38)	-0.6%
	Total Income	37,611	38,193	↑ 582	1.5%
	Total Pay	31,314	33,301	1,987	6.3%
	Non Pay	6,049	4,893	(1,156)	-19.1%
	Total Expenditure	37,363	38,193	↑ 831	2.2%
	Net Surplus/(Deficit)	248	0		

		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	31,976	31,976	● 0	31,976
	Income	6,218	6,068	● (149)	6,068
	Total Income	38,193	38,044	● (149)	38,044
	Total Pay	33,301	33,288	● 12	33,288
	Non Pay	4,893	4,837	● 55	4,837
	Total Expenditure	38,193	38,126	● 68	38,126
	Net Surplus/(Deficit)	0	(82)	● (82)	(82)

STAFFING	WTE
Actual (Mar 18)	711.1
Budget (current period)	725.6
Actual (current period)	725.0
Variance (Current period)	● 0.6
Movement since Mar 17	↑ 14.0

Active Vacancies	● 15.0
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CRES	£000
Target YTD	1,911
Actual YTD	1,911
Variance	● (0)

PHI have ended the year with a deficit of £82k, primarily as a result of an income shortfall. However, PHI were required to deliver Regional Planning Support, despite it not being funded and associated costs were £240k. Furthermore, PHI also absorbed an overspend of over £100k relating to Public Health Reform, which they had no direct control over and over £40k of SG allocations were withheld as a consequence of the overall NSS position. PHI were able to absorb most of these pressures as a result of savings that resulted from relatively high staff turnover. The year saw continued growth, with total income increasing by nearly £0.5m and staff numbers by 31 WTE, turnover having reduced the average staff cost. Finally, despite an increased ask of nearly £0.5m, CRES was again delivered as planned.

SNBTS

FINANCIAL POSITION		Actual 16/17 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	47,068	41,752	↓ (5,316)	-11.3%
	Income	8,018	7,736	↓ (282)	-3.5%
	Total Income	55,086	49,488	↓ (5,598)	-10.2%
	Total Pay	35,677	35,289	(388)	-1.1%
	Non Pay	17,654	14,688	(2,966)	-16.8%
	Cost Of Sales / Healthcare	11	(489)	(500)	-4546.7%
	Total Expenditure	53,342	49,488	↓ (3,854)	-7.2%
	Net Surplus/(Deficit)	1,744	0		

STAFFING	WTE
Actual (Mar 18)	780.8
Budget (current period)	806.9
Actual (current period)	772.0
Variance (Current period)	34.9
Movement since Mar 18	↓ -8.8

Active Vacancies	23.8
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	41,752	41,752	0	41,752
	Income	7,736	7,775	39	7,775
	Total Income	49,488	49,527	39	49,527
	Total Pay	35,289	34,246	1,043	34,246
	Non Pay	14,199	14,601	(401)	14,551
	Cost Of Sales (Logistics)	0	0	(0)	50
	Total Expenditure	49,488	48,846	642	48,846
	Net Surplus/(Deficit)	0	681	681	681

CRES	£000
Target YTD	2,002
Actual YTD	2,556
Variance	554

SNBTS is reporting a full year revenue surplus of £681k.

PAY: £1.043m surplus

Pay variance is due to 40 WTE vacancies within SNBTS, we are currently recruiting a large number of these vacancies. Although SNBTS is carrying these vacancies this doesn't have an immediate impact on the services delivery, but could if we are unable to recruit into these vacancies in the short term.

NON PAY: £401k deficit

Non pay variance is due higher spend on storage costs (£25K), legal fees because of the UK Blood Inquiry (£110k) and importing of Human Tissues (Tendons) (£150K) this is because SNBTS has been unable to retrieve Tendons in 18/19 due to regulatory reasons.

Non-pay recurring savings not fully achieved within the targeted areas. SNBTS has over achieved its saving target by £554k, this is due non-pay non-recurring savings.

CD

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	1,489	1,127	↓ (361)	-24.3%
	Income	3	0	↓ (3)	-100.0%
	Total Income	1,492	1,127	↓ (365)	-24.5%
	Total Pay	1,332	960	(372)	-28.0%
	Non Pay	143	168	25	17.5%
	Cost Of Sales / Healthcare	0	0	(0)	-100.0%
	Total Expenditure	1,475	1,127	↓ (347)	-23.6%
	Net Surplus/(Deficit)	18	0		

STAFFING	WTE
Actual (Mar 18)	7.5
Budget (current period)	9.6
Actual (current period)	9.0
Variance (Current period)	0.6
Movement since Mar 18	↑ 1.5

Active Vacancies	0.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	1,127	1,127	● 0	1,127
	Income	0	1	● 1	1
	Total Income	1,127	1,128	● 1	1,128
	Total Pay	960	895	● 65	895
	Non Pay	168	133	● 35	133
	Cost Of Sales (Logistics)	0	0	● (0)	0
	Total Expenditure	1,127	1,028	● 100	1,028
	Net Surplus/(Deficit)	0	100	● 100	100

CRES	£000
Target YTD	43
Actual YTD	43
Variance	● 0

The full year underspend of £100k is consistent with the M11 forecast of £94k, slightly increased due to £5k CD contribution to DHI innovation grant that SG did not have time to arrange before year end (& other small changes)

The other main component of CD underspend was the Nurse Director position not being fully charged to CD until the last months of this financial year.

Externally funded Scotcap (Capsular Endoscopy) programme: all but £42k of the SG £270k SG funding received earlier in 2018/19 has been returned as approved by programme governance, due to a required delay in the programme evaluation and business case phases, which will now take place mainly in 2019/20.

Finance

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	2,922	3,057	↑ 135	4.6%
	Income	385	401	↑ 16	4.2%
	Total Income	3,307	3,458	↑ 151	4.6%
	Total Pay	2,694	2,618	(76)	-2.8%
	Non Pay	662	840	178	26.9%
	Total Expenditure	3,356	3,458	↑ 102	3.0%
	Net Surplus/(Deficit)	(49)	0		

STAFFING	WTE
Actual (Mar 18)	65.3
Budget (current period)	51.5
Actual (current period)	57.6
Variance (Current period)	-6.1
Movement since Mar 18	↓ -7.7

Active Vacancies	● 0.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	3,057	3,057	● 0	3,057
	Income	401	405	● 4	405
	Total Income	3,458	3,462	● 4	3,462
	Total Pay	2,618	2,623	● (5)	2,623
	Non Pay	840	834	● 6	834
	Total Expenditure	3,458	3,457	● 1	3,457
	Net Surplus/(Deficit)	0	4	● 4	4

CRES	£000
Target YTD	130
Actual YTD	61
Variance	● (69)

Finance are reporting a surplus of £4K full year. The implementation of the eHealth actions agreed by the board, NHS24 moving their payroll to GG&C along with resourcing issues have had a significant impact on finance department this year.

Funding has been received to support initiatives such as Year 2-5 planning, zero based budgeting, implementation of Blackline system, external review of finance function and training for all staff. As a result of this funding Finance achieved a small surplus for the year.

HR

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	3,503	3,411	↓ (92)	-2.6%
	Income	1,013	1,343	↑ 330	32.5%
	Total Income	4,516	4,753	↑ 237	5.3%
	Total Pay	3,194	3,473	279	8.7%
	Non Pay	1,215	1,280	65	5.4%
	Cost Of Sales / Healthcare	0	0	0	0.0%
	Total Expenditure	4,408	4,753	↑ 345	7.8%
	Net Surplus/(Deficit)	107	0		

STAFFING	WTE
Actual (Mar 18)	76.3
Budget (current period)	76.6
Actual (current period)	80.2
Variance (Current period)	-3.6
Movement since Mar 18	↑ 3.9

Active Vacancies	0.0
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		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	3,411	3,411	0	3,411
	Income	1,343	1,352	9	1,352
	Total Income	4,753	4,762	9	4,762
	Total Pay	3,473	3,447	26	3,447
	Non Pay	1,280	1,307	(27)	1,307
	Cost Of Sales (Logistics)	0	0	(0)	0
	Total Expenditure	4,753	4,754	(1)	4,754
	Net Surplus/(Deficit)	0	8	8	8

CRES	£000
Target YTD	159
Actual YTD	159
Variance	0

Additional non-pay cost incurred on the SLA for the SAS for Occupational Health & Safety were recovered through income resulting in a small surplus for the year (£8K). A number vacancies in the Service Centre and OD during the year have resulted in a positive pay variance of £26K. This has been offset by additional costs in Director recruitments during FY18/19.

SP&ST

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	0	8,137	↑ 8,137	#DIV/0!
	Income	0	3,106	↑ 3,106	#DIV/0!
	Total Income	0	11,244	↑ 11,244	#DIV/0!
	Total Pay	0	8,666	8,666	#DIV/0!
	Non Pay	0	2,577	2,577	#DIV/0!
	Total Expenditure	0	11,244	↑ 11,244	#DIV/0!
	Net Surplus/(Deficit)	0	0		

STAFFING	WTE
Actual (Mar 18)	163.7
Budget (current period)	184.7
Actual (current period)	182.4
Variance (Current period)	2.3
Movement since Mar 18	↑ 18.7
Active Vacancies	0.0

		Budget	Actual	Variance	Forecast
YEAR TO DATE	Total Allocations	8,137	8,137	0	8,137
	Income	3,106	3,464	358	3,464
	Total Income	11,244	11,601	358	11,601
	Total Pay	8,666	8,683	(17)	8,683
	Non Pay	2,577	2,476	101	2,476
	Total Expenditure	11,244	11,160	84	11,160
	Net Surplus/(Deficit)	0	441	441	441

CRES	£000
Target YTD	208
Actual YTD	178
Variance	(31)

The overall position for SPST was a surplus of £441K. This was due in the main to a surplus with in the transformations programmes of £344K. NSS will returned this funding to support these programmes during FY19/20.

Appendix 2 – Returned Additional Allocations 2018/19

Category	Description	Amount £000	Return Required in 19/20
Savings	Contribution to £15m	(6,000)	No
	Return of NSD Risk Share to NHS Boards	(2,000)	No
NSS Baseline	Support NSS Implementation of O365	(2,150)	Yes
National Programmes	IT eHealth	(2,409)	No
	SLA Funding	(575)	No
	CHI Programme	(900)	No
	GP IT	(200)	No
	Adastra	(138)	No
	PCDS	(128)	No
Transformation Fund	Various Transformation Programmes	(510)	Yes
Other National Programmes	Radiology	(498)	Yes
	Colonoscopy Capsule project	(228)	No
SG Error	PMS Capital Charges – provided by SG and paid by Boards	(1,991)	No
	NSD A4C Pay Uplift – transferred as negative allocation	(1,480)	No
	Low value allocations transferred to NSS in error returned	(675)	No
Transfer to NHS Boards	Funding eESS Programme funding to NHS GG&C	(1,750)	No
	SCOTSTAR	(375)	No
Returned Allocations 2018/19		(22,007)	

Appendix 3 - NSS Capital Programme 2018-19

	LDP Capital Plan £'000	Movement in funding £'000	Revised Programme £'000	Full Year Expenditure £'000	FY Variance £'000
NSS Funded Programmes					
Breast Screening Mobiles	215	0	215	210	5
Breast Screening Mobiles	215	0	215	210	5
General Capital Programme - Transferred to Boards	500	(461)	39	0	39
Molecular Genetics - Transferred to Boards	300	(347)	(47)	0	(47)
NDC Warehouse Management System Upgrade	1,000	(700)	300	0	300
Gyle Courtyard - NSS Funding	0	31	31	31	(0)
Gyle Courtyard - GEP Funding	0	61	61	61	(0)
Aberdeen Property OBC	0	759	759	636	123
National Catering Information System / Bedside Electronic Patient Meal Ordering	0	634	634	450	184
Energy Efficiency Project (LEDs)	0	0	0	154	(154)
Air doors	0	0	0	29	(29)
Raysafe Dosimeters	0	30	30	30	0
Warehouse CCTV	0	38	38	40	(2)
Climate Change Mapping Tool	0	50	50	36	14
Charging Points for Electric Cars	0	38	38	56	(18)
TranMan Traffi Log	0	28	28	34	(6)
Imop XXL 64cm Scrubber Dryer System	0	10	10	0	10
Ellab Loggers	0	120	120	120	0
Bike Shed	0	0	0	0	0
PCF	2,230	289	2,519	2,095	425
Audio Visual / Video Conferencing Replacement	300	0	300	292	8
Network Replacement	300	0	300	291	9
Server Replacement	300	0	300	329	(29)
Legacy "Burning Platform" Programme	120	0	120	120	0
Cyber Security	0	539	539	539	0
Aberdeen Property Move	0	182	182	182	(0)
JCC Mobile Solution	0	54	54	54	0
IT	1,020	774	1,794	1,806	(12)
National Fleet Replacement	360	0	360	272	88
National Replacement & Equipment Improvement Programme	356	15	371	253	118
eProgesa (Semester patch)	100	0	100	100	0
Hospital Web Based Ordering	150	0	150	150	0
National Centre completion	0	741	741	741	0
Flow Cytometer (TCAT)	0	0	0	127	(127)
SNBTS	966	756	1,722	1,643	79
Radiology (STRP) NRIIP	0	167	167	26	141
Radiology (STRP) IT Conectivity	0	1,007	1,007	886	121
National Labs - Transformation Programme	0	241	241	97	144
Transformation Programmes	0	1,415	1,415	1,010	405
HOMELESSNESS	5	0	5	5	(0)
SCRIS	303	(169)	134	63	72
GP CONTRACTOR DATABASE	0	325	325	325	0
DAISy	0	50	50	50	0
PHI	308	206	514	443	71
SHSC AV Equipment 1819	0	28	28	28	0
P&CFS	0	28	28	28	0
Formula Allocation	(174)	(642)	(816)	0	(816)
Transfer of capital allocation to HIS (agreed as part of NBC)	0	(100)	(100)	0	(100)
Reserves	(174)	(742)	(916)	0	(916)
Total Capital Programme	4,350	2,727	7,077	7,024	53

Appendix 4 – Efficiency Programme 2018/19

	CRES Target (5%) £000	Infrastructure		Procurement		Productivity		Workforce		Total	
		Rec £000	Non Rec £000	Rec £000	Non Rec £000	Rec £000	Non Rec £000	Rec £000	Non Rec £000	Rec £000	Non Rec £000
IT	825	400	0	0	0	0	397	0	0	400	397
P&CFS	1,141	0	0	200	0	166	40	100	872	466	912
PCF	1,117	0	0	0	0	0	267	575	0	575	267
PHI	914	0	0	0	0	992	656	262	0	1,253	657
SNBTS	2,002	0	0	290	0	773	526	967	0	2,030	526
BS	163	0	0	0	0	0	61	0	0	0	61
CD	43	0	0	0	0	0	43	0	0	0	43
HR	159	0	0	0	0	0	159	0	0	0	159
S&G	176	0	0	0	0	0	178	0	0	0	178
RESERVES	1,145	0	0	0	1,000	0	0	0	0	0	1,000
NSD	9,019	0	0	9,598	0	0	0	0	0	9,598	0
TOTAL	16,704	400	0	10,088	1,000	1,931	2,327	1,904	872	14,322	4,200
Efficiencies Delivered										18,522	
Efficiencies Planned										16,704	
Surplus/(Deficit)										1,818	

Efficiency Savings	SBU	RAG	Full Year Target	Forecast year end outturn
			£000s	£000s
Total savings target per agreed LDP			16,704	16,704
TOTAL RED EFFICIENCIES		R	0	0
TOTAL AMBER EFFICIENCIES		A	0	0
A&I - Increase efficiency/automation	PHI	G	33	33
A&I - Realignment of teams	PHI	G	95	95
A&I - Reduction in frequency	PHI	G	45	45
A&I - Reduction in service	PHI	G	246	246
CKRS - Income Generation	PHI	G	171	171
CKRS - Realignment of teams	PHI	G	114	114
CKRS - Reduction in service	PHI	G	195	195
CKRS - Reduction in service	PHI	G	102	102
Clinical - Income Generation	PHI	G	198	198
DM&SD - Income Generation	PHI	G	184	184
DM&SD - Realignment of teams	PHI	G	53	53
DM&SD - Streamline processes	PHI	G	113	113
HPS - Income Generation	PHI	G	104	104
HPS - Reduction in service	PHI	G	92	92
HPS - Reduction in service	PHI	G	166	166
Vacancies not Filled/reduction of travel costs	PCFS	G	268	268
Reduction in GP Stationery & NHS Publications	PCFS	G	200	200
eSystems Automation (inc termination of QOF charges)	PCFS	G	78	78
reduction in travel costs and leased cars	PCFS	G	42	42
Increase in SHSC income target	PCFS	G	40	40
Increase in Vacancy Factor	PCFS	G	100	100
Reduction in Clinical budget (sessional Fees)	PCFS	G	46	46
Vacancies not Filled	PCFS	G	427	604
Staff Rationalisation - dis-established posts & associated costs	SNBTS	G	867	867
Pay protection reduction	SNBTS	G	100	100
G&S demand reduction	SNBTS	G	200	200
Reduction in Leuco costs due to Quality Analyst	SNBTS	G	100	100
Diamed contract savings	SNBTS	G	175	175
Collaborative procurement - euro packs	SNBTS	G	91	91
Apheresis reduction	SNBTS	G	115	115
National Centre synergies	SNBTS	G	148	148
Reduction in sample storage	SNBTS	G	115	115
MVS Supplied maintenance reductions	SNBTS	G	100	100
HTLV Savings	SNBTS	G	20	20
Additional savings	SNBTS	G	274	316
Diamed Contract Settlement	SNBTS	G	274	210
Non Pay Savings	Clinical	G	43	18
Nurse Director - reduced to 0.6WTE	Clinical	G	43	25
Non Pay Savings	SPST	G	88	88
Non Pay Savings	SPST	G	77	77
Internal Audit	SPST	G	13	13
Shared Service - Financial Services	Business Services	G	92	0
Additional Income- FP&A	Business Services	G	64	61
Non Pay Savings	HR	G	159	159
Additional external income	IT	G	50	397
Savings to NSS from collaborative working IT tools such as Office 365	IT	G	50	0
NSS portion (including benefit to P & CFS) of National IT Contract (NITC) Atos OA eg up	IT	G	150	150
Hosted Only power efficiency & increased transaction volume efficiency from modernisi	IT	G	100	100
eLinks data transfer efficiencies	IT	G	100	100
Local Networks BW increase for same cost (cost avoidance)	IT	G	50	50
NSD Efficiencies	PCF	G	9,019	9,598
Contract Implementation Manager (Lothian)	PCF	G	74	74
Warehouse Manager Role removed from Budget	PCF	G	51	51
CI Supervisor Role removed from Budget	PCF	G	28	28
Data Analyst role	PCF	G	50	50
L&D costs	PCF	G	17	17
CLO costs / prof fees	PCF	G	25	25
Business Development (Admin Support 2.6wte)	PCF	G	70	70
Stores Assistants	PCF	G	51	51
Vacancies not Filled	PCF	G	225	225
Masnet / Locums staff	PCF	G	189	189
Programme Manager	PCF	G	62	62
Reduction in Contingency	RES	G	1,000	1,000
TOTAL GREEN EFFICIENCIES		G	17,631	18,522
TOTAL EFFICIENCIES			17,631	18,522
Balance (outstanding) / overachieved			927	1,819

B/19/62

NSS Board Meeting, Friday 28th June 2019

FINANCE REPORT

Purpose

The purpose of the attached paper is to report on NSS Financial Performance against agreed ODP targets as at 31 May 2019.

Recommendation

The Board is asked note the contents of this report.

Timing

N/A

Background

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

- a) Operate effectively and deliver all LDP targets within a balanced revenue budget of £824.0m (Revenue Outturn Breakeven)
- b) Deliver our capital investment programme within a balanced budget of £5.3m (Capital Outturn Breakeven)
- c) Deliver Cash Releasing Efficiency Savings of 5% of baseline on a recurring basis

NSS Target	RAG rating*	Year to Date	Full Year Outturn
Revenue outturn	Green	£0.3m surplus	Breakeven
CRES savings	Green	19%	100%
Capital outturn	Green	Breakeven	Breakeven

Key

Red: Target will not be met

Amber: Uncertainty over whether target will be met

Green: On target

Engagement

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

NSS BOARD
FINANCIAL PERFORMANCE REPORT AS AT 31st MAY 2019

This paper updates the NSS Board on the financial position for NSS as at 31st May 2019

1. Overview of Financial Performance

At this early stage in the Financial Year, NSS is on track to achieve all of its statutory financial targets for Revenue, Capital and Efficiency Savings.

A summary of the financial position and key, emerging issues is provided below.

NSS Target	RAG rating*	Year to Date £000	Forecast Outturn £000
Revenue outturn	Green	276	0
NSD CRES savings	Green	1,200	9,700
NSS CRES savings	Green	1,600	6,900
Capital outturn	Green	0	0

Key

Red: Target will not be met

Amber: Uncertainty over whether target will be met

Green: On target

a) Revenue – SBU Trading

NSS is reporting an SBU trading surplus of £276k at the end of May, with a forecast deficit of £789k at year-end.

SBU	Year to Date £000	Forecast Outturn £000
SNBTS	154	79
CLO	21	1
CD	(13)	0
Finance	14	0
HR	10	0
P&CFS	(47)	(919)
PCF	74	50
SPST	63	0
IT	0	0
PHI	0	0
Net SBU Trading	276	(789)

Year to Date

The key significant underspend reported is within SNBTS (£154k) arising from delays in filling vacancies and additional income generated through services provided to Health Boards. Underspends in PCF and SPST relate to slippage in programmes funded from the Transformation Fund. If the current level of net under spend were to continue for the remainder of the year, the NSS SBU Trading surplus would be c£1.7m.

Forecast Outturn

Latest SBU forecasts indicate a projected deficit of £789k for 2019/20. This is driven primarily by significant additional costs in the programme to replace the DCVP Pharmacy payment system as a result of development delays and further costs emerging as exact requirements have been refined and clarified. P&CFS is looking to mitigate the indicative £1m pressure in a number of ways, including pursuing compensation from suppliers for delayed progress and the consideration of removing requirements to a minimum viable product.

Although PCF is reporting a year end surplus of £50k, this includes a £0.6m reduction forecast decommissioning costs through reduced demolition requirements. There are corresponding, offsetting pressures emerging including unfunded rates costs and non-pay pressures.

It is anticipated that all known pressures can be managed within our overall reserves position, but this will be kept under constant review

b) Cash Releasing Efficiency Savings (CRES)

The total CRES target for 2019-20 in NSS is £16.6m, with £9.7m relating to NSD. To date £2.8m has been achieved and there is currently no risk forecast to the delivery of the overall target by 31st March 2020.

c) Revenue – Reserves

The NSS Financial Plan approved by the Board in April included £6.7m of revenue development requests prioritised through RAM. A number of business cases have been received, reviewed and approved with funding released from Reserves into SBU budgets. However, there are 39 number business cases outstanding totalling £4.4m so EMT Directors have been reminded to ensure they are submitted in a timely manner.

SG has confirmed that the NSS 18/19 year end surplus will be returned in 2019-20 – this favourable impact was not included in the Financial Plan as there was a significant level of risk that this would not be reinstated given the challenging NHS Scotland Financial Position.

d) Capital

At this early stage of the Financial Year there is limited capital expenditure and there is no change to the forecast out turn of break-even. Similar to the revenue development position, a number of business cases have been received, reviewed and approved for capital but a 7 bids remain outstanding, totalling £2.7m.

2. Horizon Scanning

There are a number of emerging issues and pressures which are being closely monitored by Finance, and have been subject to early discussions with SG, either to keep them appraised of emerging financial risks or to seek additional funding support. These include, but are not exclusive to:

- UK Blood enquiry – ongoing costs being incurred
- EU EXIT -
- ARHAI / HFS – definition of centre of expertise
- Clinical Waste
- NSD Screening Systems replacement – additional costs / potential NSS contribution
- Corporate Services Provision to Public Health Scotland
- Funding for Major IT programmes including O365 and CHI / Child Health
- National Board Collaboration – delivering the residual recurring savings.

A detailed Quarter 1 review of the NSS Financial Position will take place over the coming weeks, taking into account all key financial issues, pressures and opportunities that have emerged since the 2019-20 Financial Plan was agreed.

3. Summary

The Board is asked to note this report, in particular:

- NSS is on track to meet all statutory financial targets
- The significant emerging issue in respect of the DCVP Pharmacy payment system which is contributing to a forecast trading deficit of £0.8m
- Other emerging pressures on the watch list and major initiatives underway, including the creation of Public Health Scotland and National Board collaboration.
- It is anticipated that all known pressures can be managed within our overall reserves position, but this will be kept under constant review
- A Q1 review of the financial position and update of the NSS Financial Plan for 19-20 will be progressed during July.

Carolyn Low
Director of Finance
18th June 2019

B/19/63

NSS Board
Friday, 28 June 2019



Workforce End of Year Report 2018/19

1. Purpose

1.1 The purpose of this paper is to inform the NSS Board of progress against a range of workforce targets and provide end of year summary as at 31 March 2019.

2. Recommendation

2.1 The Board is asked to note the information contained in the report and the key discussion points summarised below.

3. Timing

3.1 The report provides an end of year position as at 31 March 2019.

4. Summary

4.1 In summary, 2018/19 ends with NSS workforce continuing to be highly engaged and productive with a wide range of workforce initiatives being successfully delivered.

4.2 Sickness absence ended the year with an YTD rate of 4.16% and whilst above the target set, for the most part during 2018/19, sickness absence was below target. The total cost of absence for 2018/19 did increase with the main cause of absence due to anxiety/stress/depression. At the point absence began to rise, a range of HR interventions were put in place to support staff and managers.

4.3 In relation to case management, there were 340 active cases during 2018/19. In considering the cases in detail, particularly related to absence management, HR provided evidence that a number of staff on long term sickness absence or who have breached absence triggers were not being managed under any policy and/or process. The Director of HR is therefore working closely with SBU Directors in order to take a more proactive approach to managing sickness absence. There is recognition that further improvements can be made and overall sickness absence is generally being managed within NSS.

4.4 Whilst recognising the turnover rate did come above target, the rate still remains very low and is a reduction from last year. The introduction of our new exit interview process, including an online and face to face approach, is starting to provide information relating to the reasons staff are leaving which will allow consideration of appropriate interventions.

4.5 There were four accidents recorded in year which have resulted in notifications to the Health and Safety Executive (HSE) under RIDDOR regulations. Although all reportable accidents occurred within the SNBTS SBU, there was no conclusive trend in relation to location, type of work undertaken or type of accident. The root cause of the accidents appears to be mostly behavioural in terms of staff not paying attention. The accident incidence rate for the year across NSS is 24.16 which is a decrease of 25% against the previous year.

Staff Experience/Staff Engagement

Staff Experience/Staff Engagement

1. iMatter – 2017 Key Performance Indicators



2018 Key Performance Indicators



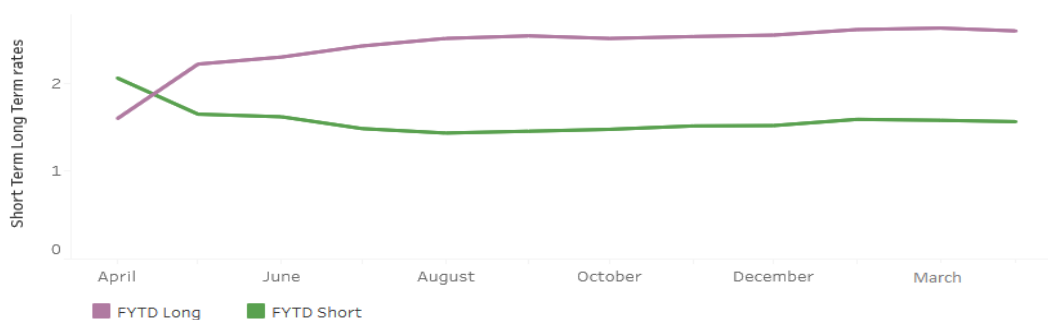
	NHS National Services Scotland		Improvement	NHSScotland	
	2017	2018		2017	2018
Response Rate	76%	77%	↑	63%	59%
EEI	77	76	↓	75	76
Action Planning	78%	76%	↓	43%	68%
No Reports	15%	16%	↓	33%	38%

4.6 NSS fully implemented the iMatter staff survey during 2018/19 retaining a high level of employee participation and engagement. All outcomes continue to be monitored through the NSS Partnership Forum and reported to the NSS Staff Governance Committee with the information being central to the creation and implementation of the NSS Great Place to Work/Staff Governance Action Plan 2019/20. The above table provides the outputs and benchmarks NSS received in comparison to NHSScotland.

5. Sickness Absence



- 5.1 The graph above shows that that financial year 2016/17 saw a sharp increase in sickness absence over the first three quarters, from the lowest rate to the highest quarter position rate. Whilst no sickness absence rates broke the Upper Limit control at quarter end position, the sickness absence rate at October 2016 was 4.74%, which caused a level of concern and required further interventions.
- 5.2 At this point, HR commenced a programme of additional absence management support for NSS which began to impact in a positive reduction to sickness absence trends from December 2016, which fell below both the NSS average (4.15%) and below the NSS target (4%) by the end of Quarter 2 of financial year 2017/2018.
- 5.3 The last two financial years saw sickness absence steadily increase; reaching the NSS target by the end of Quarter 2 2018/2019, and the last quarter of 2018/2019 was above the NSS mean.
- 5.4 Although the trend shows a steady increase from a quarterly position, it should be noted that April 2018 saw the lowest sickness absence rate throughout the last three years at 3.67%.
- 5.5 In respect to the current year ending, 2018/19, the YTD rate for sickness absence is 4.16%. This increase is primarily caused by a higher Long Term absence, and a small increase in the number of employees who were absent over the financial year.
- 5.6 The Long Term absence rate ended the year at 2.60%, 0.25% higher than the Long Term year end rate for 2017/18. Over the financial year, Long Term absence steadily rose to its highest rate in February. A total of 411 staff were absent due to Long Term sickness throughout the year, of which 53 of these employees had multiple Long Term absences.



- 5.7 The Short Term rate ended the year at 1.56%, which is only 0.02% higher than the Short Term year end rate for the 2017/18 period. Over the financial year, there was a five month reduction followed by the Short Term rate beginning to increase steadily.

6. Absence Cost

- 6.1 The total cost for absence for the 2018/2019 financial year was £3,942,295, compared to £3,555,000 for the 2017/2018 financial year; an increase of £387,295.
- 6.2 The main cause for this increase is anxiety/stress/depression as a reason for absence. The total year cost of absence had significantly increased from £910,000 in 2017/2018, to £1,236,348 in 2018/2019, an increase of £326,348. This accounts for the higher Long Term rate compared to the previous financial year.
- 6.3 In total the hours lost due to anxiety/stress/depression were 63,049 hours within 2017/2018, which increased to 79,256 hours in 2018/2019 an increase of 16,207 hours.

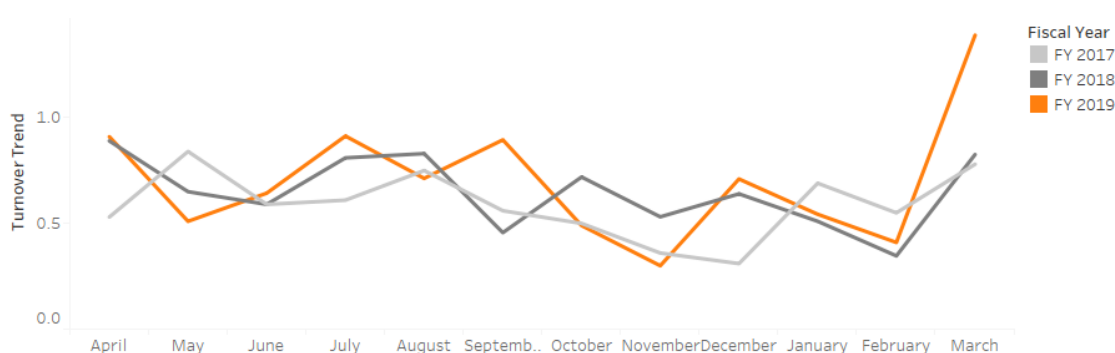
6.4 In order to address the high level of absence relating to anxiety/stress/depression and to promote the NSS Stress and Mental Health Policy, Healthy Working Lives have developed and supported a programme of events and initiatives that raised awareness of stress and mental health issues and what support mechanisms and initiatives are available for both managers and staff. Through the introduction of these courses since 2016, 205 staff have attended the Mentally Healthy Workplace training and a total of 87 staff attended the Scotland Mental Health First Aid course.

6.5 Overall there has been a noticeable increase in cost of absence over the last three years; however there appears to be no common trend pattern, although the lowest level of absence due to anxiety/stress/depression is during the summer periods.

6.6 Towards the end of this financial year the HR Director has also been meeting with SBU Directors particularly in areas where there are high absence rates in order to discuss the specific details and what needs to happen going forward to improve. This has highlighted a shortfall in managers at varying levels who are not actively managing absence in a way that would either prevent staff continuing to be off or supporting them to return to work at an early opportunity. Further work is required, from management at all levels of NSS, in order to ensure absence is not only robustly managed but prevented from happening.

7. Turnover

7.1 The end of year turnover rate finished above the NSS 7% target at 9.16% for 2018/19. This is a reduction from 2017/18, which was calculated at 9.25%, but both were significantly higher to 2016/17, with a rate of 7.10%.



7.2 The past two years have seen similar trends, where Quarter 2 is the period with the highest turnover rate and Quarter 3 is the period with the lowest. All three years have shown an increase in the turnover rate for the month of March, but this year has seen a significant increase with 1.39%, compared to 0.83% and 0.78% for the 2017/18 and 2016/17 financial years, respectively.

7.3 This noticeable increase was in SNBTS, which has a 3.60% turnover rate for March and was due primarily to a TUPE transfer of 17 staff to NHS Lothian.

7.4 2018/19 saw a total of 333 employees leave NSS with March 2019 showing the greatest number of leavers; a total of 51 employees which includes the staff who TUPE transferred to NHS Lothian.

7.5 The three main reasons for employees leaving NSS, throughout 2018/2019, were:

- New employment with NHS Scotland (34 employees)
- Retirement due to age (28 employees)
- Voluntary resignation (23 employees)

8. Case Management

8.1 There were 340 active cases during 2018/19, which is a reduction from 538 active cases during 2017/18. 245 cases were opened and 268 cases were closed during 2018/19. This is down from the previous financial year, where 328 cases were opened and 382 cases were closed during 2017/18. HR has been proactive in issuing out early absence trigger reports and actively encouraging managers to use these plus the dashboards to effectively manage sickness absence and improve attendance. However, there is some evidence that a number of employees who are off long term sick, and a number of employees who have breached triggers are not being managed in a process and this is a cause for concern.

- Capability cases make up 43.8% of all active cases (149 cases), of which 69 cases are Formal and 80 cases are Informal. This is down from 165 cases that were active during 2017/18, although it is to be noted that many of these cases were also active during the 2018/19 period as well.
- Attendance cases make up 35% of all active cases (119 cases), of which 78 cases are Formal and 41 cases are Informal. The number of cases has decreased compared to the number of active cases during the 2017/18 financial year. Six Attendance cases were escalated to Capability cases.
- Dignity cases: resulted in 16 cases; 15 for Bullying and Harassment with one Discrimination case being upheld.
- Disciplinary: resulted in 38 cases
- Grievance: resulted in 16 cases

8.2 There were a total of 634 employees who were on a trigger during the financial year, but it should be noted that only 91 (14.35%) were being actively managed. This suggests that managers are not taking their responsibility to ensure staff are managed in line with Policy and further work is required in this area.

8.3 Timelines continued to slip for a number of active cases but support from the Executive Management Team has enabled investigating managers to be secured at an earlier stage, preventing a delay at the start of the case. Training has also been provided for investigating managers and panel members. Work is underway to develop an end to end process for case management, which will include a formal escalation process and a targeted timeline to move cases forward in line with policy and best practice.

9. Whistleblowing

9.1 There were no Whistleblowing cases raised against NSS during 2018/19.

10. Equality and Diversity

10.1 It should be noted that the NSS Equalities Mainstream Report, including workforce data, has been delivered and includes the activity covering the last two years.

11. Recruitment

- 11.1 In 2018/19, there were 600 posts recruited to across NSS, representing a slight decrease on the previous year. For the same period the number of posts filled was 524. The average time to hire for the period remains constant with last year and within target.
- 11.2 The Jobtrain system has been implemented across NSS as of 4 March 2019 and to date we have advertised 70 posts. NSS continues to be involved in the development of the system and of the National Recruitment Processes as part of Once for Scotland.

12. Redeployment

- 12.1 The past 12 months has presented some challenges in respect to redeployment, with regards the number of employees on the register increasing and the growing number of displaced staff remaining on the register in excess of 24 months.
- 12.2 Positive steps, however, can be seen with the development and roll out of the workforce support programme and the one to one sessions being offered by the OD and L&D teams.
- 12.3 It is anticipated that these elements will be of benefit to redeployees particularly for those who are on the Redeployment Register for extended periods of time.
- 12.4 Work also continues with regards implementing agreed actions from the Redeployment Service Review and they will be fully implemented during 2019/20.
- 12.5 Voluntary Redundancy activity (and the number of granted applications) has decreased over the past 12 months, as expected. The cost of voluntary redundancy/voluntary early retirement for 2018/19 was £142,677.72. This is a significant decrease in comparison to 2017/18 where the cost amounted to £954,541.31. The reason for this is due to the 2017/18 displacement of staff due to the relocation in SNBTS to the Jack Copland Centre and only a small number of this cohort remain on the NSS Redeployment Register.

13. Occupational Health, Safety, Wellbeing and Fire

- 13.1 Key targets from the NSS Occupational Health, Safety, Wellbeing and Fire Plan 2017-2021 have been embedded into the NSS Great Place to Work Plan and the following key achievements have been delivered during 2018/19:
- Review and update of all Occupational Health Service Level Agreements in line with the Safe Effective Quality Occupational Health Standards;
 - Continued roll out and delivery of the Mental Health and Mental Health First Aid training to all managers across NSS;
 - The development of a Strategic Business Unit strategic risk profile to support the Health and Safety Committee, Building User Groups and Managers across the organisation to ensure appropriate measures are in place to support and protect staff;
 - Continued roll out across NSS of the Executive Management Health and Safety Training - Active Safety Leadership which supports managers taking a proactive approach to health and safety;
 - Completion and agreement of the Occupational Health and Safety Advisory Committee (OHSAC) terms of reference and widening of the remit of membership to include Building User Group Chairs;
 - Continued dedicated support to Procurement, Commissioning and Facilities to review and develop their health and safety structure, roles, develop and deliver specific health and safety

action plan for the delivery of the recommendations agreed via the RoSPA and KPMG audits;

- Development and delivery of the Healthy Working Lives Digital Plan including the development of specification and tender documentation for the procurement of a health and safety system, and development of the current.

13.2 2018/19 Annual Flu Programme

The flu vaccination campaign finished in January 2019 with 1,177 NSS employees being vaccinated and 490 frontline staff vaccinated which is a rise of 13.5%. The total percentage of frontline staff vaccinated is 40%, and although this is still short of the 50% target set by Scottish Government it is still a marked improvement.

13.3 Healthy Working Lives Gold Award

A portfolio of initiatives and events was presented to the Scottish Centre for Healthy Working Lives in early April 2018 and NSS retained the Gold Award. The 2019 submission was submitted mid April 2019.

13.4 RIDDORS

2018/19 has finished with four RIDDOR reportable accidents. All four RIDDORS have been within SNBTS and through analysis are all unrelated incidents, with the exception of those related to colleague behaviours. There was no conclusive trend in relation to location, type of work undertaken or type of accident. The root cause therefore appears to be mostly behavioural in terms of staff not paying attention. We continue to work and support the SBU to implement the actions arising from the incidents.

13.5 Accident/Incident Rate

The accident incidence rate for the year across NSS is 24.16 which is a decrease of 25% against the rate for 2017/18 as at the end of the year. A pilot of a new near miss reporting procedure has been undertaken which has produced an increase in the number of near misses that have been reported allowing us an opportunity to address potential hazards before they result in accidents. The main cause of accidents and incidents continues to be struck by moving/falling object and slips and trips, with the latter being the focus of a Healthy Working Lives campaign in Quarter 4.

This year has also seen the development of an Accident Incident dashboard, hosted on tableau, which provides all SBUs access to accurate and current data, both internally and across the wider NSS. A new strategic risk profile template has been developed to support SBUs in the management of all their occupational safety risks. Workshops and one to one support will be delivered to each SBU, with all SBUs required to submit the new risk profile in Quarter 1 2019/20. In terms of NSS governance there has been a review of the OHSAC terms of reference and membership. The new OHSAC first meeting was held in April 2019. Additionally the new Health Safety and Wellbeing Policy has been updated and is ready to be agreed at this meeting.

13.6 Occupational Health

Management referral and review appointments requiring the input of a Physician have increased during 2018/19. This suggests a greater clinical complexity of some cases. The OH practitioners have observed that on occasions management referrals are received, where in fact more proactive input at local operational level could have avoided the need for a referral.

13.7 Fire Safety Performance Management

Nominated Fire Safety personnel continue to be regularly monitored and reviewed throughout NSS premises taking into account any proposed changes in staffing locations post NSS moves. Currently NSS has sufficient trained personnel in post across all NSS sites.

13.8 Fire Risk Assessment Programme

The 2018/19 Fire Risk Assessment Programme continues to be delivered and will be completed by April 2019.

13.9 Fire Incidents

Fire incidents are recorded on a monthly basis through the information supplied by the Nominated Officer Fire/Deputy Nominated Officer Fire using the NSS Fire Incident report forms. A total of 22 incidents have taken place during the April 1 2018 to March 31 2019 reporting period. The two main types of incident during the year related to smoke detector fault/erroneous activation and contractor works.

14. Statutory and Mandatory Training

14.1 Statutory Fire Safety Awareness Training is presented 83% compliance at the end of the year, which is also the end of the two year period to reach the target of 90%. This target has therefore not been met despite the reassurance from SBU SMTs that they are monitoring progress of staff. A new e learning fire module has now been developed and scheduled to be online for users by the end of Quarter 1 2019.

14.2 Mandatory for All Training three year courses have met the target of 90% compliance at the end of the three year period.

14.3 All SBUs have been reminded to ensure staff training is prioritised as part of their objective setting for 2019/20 and further work will be required in order to ensure this is robustly performance managed.

15. Feedback and Complaints

15.1 In relation to staff related complaints, during 2018/19 numbers have remained consistently low with an average of eight complaints each quarter.

15.2 This is a reduction from 2016/17 (16) and 2014/15 (18). NSS has implemented customer care standards training and rolled out the NHS Model Complaints Handling Procedure to all SBUs. In SNBTS the NSS Values relaunch will encompass the launch of the donor web portal to ensure that donors and staff are updated on key areas of development. This is in response to improving communication to donors about the way blood donation is changing to ensure that the message is clearer.

15.3 In terms of emerging trends staff related complaints have significantly reduced over the last six years. Other improvements include web development and changes to public facing information and leaflets.

15.4 SBUs continue to seek feedback by various methods including customer surveys. The results indicate complimentary feedback about the services we deliver.

15.5 In relation to Scottish Public Sector Ombudsman (SPSO) referrals there was one complaint referred to the SPSO in 2018/19. This was investigated and not upheld.

16. Public Health Body

16.1 Work has commenced on finalising the formal consultation document for the TUPE transfer of NSS/PHI staff to Public Health Scotland. This follows approval by the Public Health Reform Programme Board on the process for taking forward the transition of staff, including the filling of the Chief Executive and immediate reports. The Trade Unions have agreed in principle to a minimum 45 day consultation period.

- 16.2 A work plan is in place to ensure all HR related deliverables for the transition of staff out of NSS is showing good progress.
- 16.3 Joint staff engagement sessions have taken place between NHS NSS/PHI and NHS Health Scotland to explore the Target Operating Model, provide updates on a range of activities and encourage staff questions. The sessions were well attended with a total of 357 questions raised across a range of themes which are in the process of being considered and responded to.

Author of Paper

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B/19/64

NSS Formal Board Meeting – Friday, 28 June 2019

NSS Workforce Strategy 2019/24

Purpose

The purpose of this paper is to present the NSS Workforce Strategy to the NSS Board and ask that it considers and approves the content.

Recommendation

The Board is being asked to consider and approve the NSS Workforce Strategy in support of the delivery of the NSS Business Strategy.

Timing

There are no timing requirements related to this paper.

Background

NSS Board endorsed the workforce high level aims as part of the approval relating to the NSS Business Strategy and requested fuller detail of the NSS Workforce Strategy be brought back to the Board thereafter.

The paper attached provides the detail of the proposed NSS Workforce Strategy 2019/24, which will be reviewed each year going forward as part of the business planning process. This Strategy incorporates a range of compliance requirements relating to our workforce along with interventions based on good employee relations models and best practice to support our workforce requirements.

The purpose of this Workforce Strategy is in two parts. The first part of the strategy sets out the type of organisation NSS wants to be as an employer and the actions we will take to achieve this and to continue to be a Great Place to Work.

The overall aims of the Workforce Strategy are to:-

- Increase the diversity of the workforce
- Build a workplace culture that employees want to engage with
- Create great employee experiences
- Provide opportunities for employees to grow, develop and contribute
- Recognise employee contribution and show appreciation for a good job and celebrate and share success
- Provide feedback on performance
- Improve the wellbeing of the workforce through focusing on physical, emotional and social wellness.

With our goals to remain a Great Place to Work being:

- Values its employees as its greatest asset
- Treats all employees with dignity and respect
- Celebrates and supports diversity and difference
- Promotes a culture of health and wellbeing for all
- Encourages collaborative and values based leadership at all levels

The second part of the strategy sets out the supply and demand challenges which NSS is facing over the coming years and provides information in relation to our workforce projections. There is a focus on key workforce data and highlights along with the incorporation of major service redesign and/or transformation programmes which will affect shape and size of our workforce.

Our approach to workforce planning is structured around the Scottish Government workforce planning guidance CEL(2011)32, and the nationally sponsored 6 step workforce planning methodology. Work is required in relation to future workforce projections and our ability to be more proactive and ambitious in our approach to workforce planning.

The Workforce Strategy is a live document that is flexible and adaptive in response to change. The Strategy, therefore, will remain a live document continually under review.

The Board is asked to consider and approve the Strategy based on the paper provided.

Engagement

In formulation of the NSS Workforce Strategy, there has been engagement with the following:

- The Executive Management Team
- NSS Partnership Forum
- NSS Staff Governance Committee

Feedback received has been taken into account in the draft being presented to the Board.

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NHS National Services Scotland Workforce Strategy

2019/24

DRAFT

June 2019 (updated by Aileen Stewart)

V9

Introduction

NHS National Services Scotland (NSS) provides national infrastructure services and solutions which are integral to NHSScotland and which support the wider health and care sector. Using our expertise in a wide range of specialist areas, we are able to support a successful health and care service locally, regionally and nationally in order to improve outcomes for people who use the services.

Our national infrastructure is wide-ranging, covering clinical areas, such as the safe supply of blood, tissues and cells, through to non-clinical areas, such as providing essential digital platforms and cyber security for health and care. We are able to increase the value we create for health and care by focusing our services to deliver solutions in key areas, such as the shift to primary care and meeting NHSScotland's current priorities on waiting times, mental health and integration.

Our purpose reflects why we exist and guides everything we do:

"We provide national solutions to improve the health and wellbeing of the people of Scotland."

We believe our primary responsibility is to provide a robust and effective national infrastructure to NHSScotland. In the future we need to work in partnership with all areas of health and care.

Our vision recognises what we need to achieve over the next 5 years:

"To be integral to a world-leading national health and care service."

We want the people of Scotland to have the best possible health and care service in the world. Over the next five years we will support the change that is needed across health and care, while also reforming our services so they remain integral to the ongoing success of NHSScotland and the wider health and care landscape.

Purpose of the Workforce Strategy

The purpose of this Workforce Strategy is in two parts. The first part of the strategy sets out the type of organisation NSS wants to be as an employer and the actions we will take to achieve this and to continue to be a Great Place to work.

The second part of the strategy sets out the supply and demand challenges which NSS is facing over the coming years and provides information in relation to the NSS Workforce Projections and other workforce information. Our workforce planning is structured around the Scottish Government workforce planning guidance CEL(2011)32, and the nationally sponsored 6 step workforce planning methodology.

The guidance sets out the following 6 steps which form the framework for the plan:

- Step 1: Defining the Workforce Plan
- Step 2: Visioning the Future / Mapping Service Change
- Step 3: Defining the Required Workforce
- Step 4: Understanding Workforce Capacity and Capability
- Step 5: Developing an Action Plan
- Step 6: Implement, Monitor and Refresh

The adoption of the 6 step approach is intended to make Board level workforce planning more interactive, enabling challenges to be identified and addressed on an on-going basis rather than on an annual basis.

The Workforce Strategy is a live document that is flexible and adaptive in response to change. The Strategy, therefore, will remain a live document continually under review.

NSS as an organisation

The overall aims of the workforce strategy are to:-

- Increase the diversity of the workforce
- Build a workplace culture that employees want to engage with
- Create great employee experiences
- Provide opportunities for employees to grow, develop and contribute
- Recognise employee contribution and show appreciation for a good job and celebrate and share success
- Provide feedback on performance
- Improve the wellbeing of the workforce through focusing on physical, emotional and social wellness.

Values and our people

The NSS values guide everything we do and ensure we fulfil our purpose and make our vision a reality. There is recognition that we have further work to do to be clear on how we will position ourselves with customers, stakeholders and our staff. This will focus on what type of organisation we want to be in terms of attitude and aspiration. In relation to staff, NSS will consider how we continue to make NSS an attractive place to work, one that encourages people to both join and stay and this builds on the our Great Place to Work approach.

We are re-launching the NSS Values and inviting all staff to bring fresh commitment and energy to creating a 21st century NSS culture of collaboration, innovation and compassion. This common set of values, endorsed by NSS Staff Governance Committee, helps us all create a better NSS community, whilst honouring the traditions and good work of our Strategic Business Units and Directorates.

The NSS Values are:

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

Great Place to Work

Our goal is: **“NSS will remain a great place to work.”**

To deliver this goal, NSS aims to:

- Values its employees as its greatest asset
- Treats all employees with dignity and respect
- Celebrates and supports diversity and difference
- Promotes a culture of health and wellbeing for all
- Encourages collaborative and values based leadership at all levels

We will achieve this by:-

- Providing an experience for all employees which is a positive one throughout their employment with us

- Actively encouraging engagement and involvement of all employees
- Being an organisation where workforce policies are applied consistently and where people are treated fairly, whilst taking account of business and individual need
- Ensuring that we train and support all employees to do their current role and provide opportunities to develop for the future
- Providing a total benefits package that is attractive and supports retention of a highly skilled workforce

We want all our staff to thrive and be successful. Their success is our success.

We demonstrate that NSS delivers the ambition of the NHSScotland Staff Governance Standard through developing and monitoring the delivery of an annual action plan. We focus on areas relating to a positive staff experience; making sure staff are healthy, well and safe; that we have a sustainable workforce; and provide inclusive working opportunities to encourage a more diverse workforce. We measure our success through the annual iMatter staff survey and other staff surveys as needed.

Monitoring and Improving NSS Staff Experience

NHSScotland have implemented iMatter as a staff experience continuous improvement tool designed to help individuals, teams and Health Boards understand and improve staff experience. The model has been aligned to the Staff Governance Standards and is monitored by Scottish Government. NSS is therefore required to ensure the tool is used to both monitor and improve staff experience and this is overseen by the NSS Partnership Forum and the NSS Staff Governance Committee on behalf of the Board.

The iMatter staff survey is issued across NSS on an annual basis with reports being provided at team, SBU and NSS level. The key outcomes relating to the 2018/19 iMatter are:

Key Outcome	2018/19 Position
Participation Rate	77%
Employee Engagement Index	76%
% of Action Plans Complete	77%
Well Informed	80%
Appropriately trained and developed	76%
Involved in decisions	72%
Treated Fairly and Consistently, with dignity and respect, in an environment where diversity is valued	77%
Provided with a continuously improving and safe working environment, promoting health and wellbeing of staff	78%

The outcome positions for NSS over the past three years have been consistent with the 2018/19 outcomes and indicate very positive positions in terms of engagement with our workforce. NSS will continue to strive to improve across the range of Staff Governance Standards and have agreed in partnership targets over the next three year's which are set out below.

Key Outcomes	2016/17 Actual	2017 /18 Actual	2018/19 Actual	2019/20 Target	2020/21 Target	2021/22 Target
Participation Rate	81%	76%	77%	78%	79%	80%
Employee Engagement Index	76%	77%	76%	77%	78%	79%
% of Action plans completed	82.5%	78%	77%	78 to 85%	79 to 87%	80 to 90%

Staff Governance

The NHS Reform (Scotland) Act 2004 introduced a legal requirement for each NHS Board in Scotland to comply with the Staff Governance Standard. The Standard requires all NHS Boards to demonstrate that staff are:

- well informed;
- appropriately trained and developed;
- involved in decisions;
- treated fairly and consistently, with dignity and respect, in an environment where diversity is valued; and
- provided with a continuously improving and safe working environment, promoting the health and wellbeing of staff, patients and the wider community.

The Standard also requires all staff to:

- keep themselves up to date with developments relevant to their job within the organisation;
- commit to continuous personal and professional development;
- adhere to the standards set by their regulatory bodies;
- actively participate in discussions on issues that affect them either directly or via their trade union/professional organisation;
- treat all staff and patients with dignity and respect while valuing diversity; and
- ensure that their actions maintain and promote the health, safety and wellbeing of all staff, patients and carers.

NSS is committed to working with our staff and Trade Unions/Professional Organisations to continue to implement the requirements of the Staff Governance Standards which enables NHSScotland to maintain its status as an exemplary employer.

Partnership Working

NHS MEL(1999)59 lays out a Framework for Local Partnership Agreements between NHS Boards and recognised Trade Unions/Professional Organisations as the approach to employee relations within NHSScotland.

The Partnership Principles ensure:

- Trade Unions and managers are recognised as partners in the process of formulating and implementing plans within the terms of the agreement.
- Management and Trade Unions have a right to be involved in the partnership process.
- Trade Unions and managers agree to work within a framework set out in the agreement.
- Appropriate arrangements, including the provision of time and resources will be made to enable all to participate in the partnership process. This will link into NHS NSS facility arrangements.

As an employer NSS is committed to working in partnership with our colleagues in the Trade Unions and Professional Organisations to jointly find solutions to challenges and to ensure that NSS continues to be a great place to work.

Occupational Health, Safety and Wellbeing

The Occupational Health, Safety and Wellbeing plan for NSS aims to support the organisation and staff to maximise their wellbeing by preventing illness and injuries associated with work and promoting wellbeing through services and initiatives that maximise their work life balance.

Sickness Absence

There is a requirement on all line managers to actively manage and promote staff attendance at work. The aim is for staff to be as well as they can be, be at work and in a safe work environment. There is evidence that being at work is beneficial to people and there is also evidence of an impact on the workplace and other staff when sickness absence is not managed.

It has been agreed that NSS should aim to have a sickness absence level of 4% or below. HR will work with line managers to provide them with the support they need to manage sickness absence, to ensure that staff are supported back to work at the earliest opportunity and to promote wellbeing as an outcome for staff. This includes workshops for managers and the introduction of a Reasonable Adjustment Passport. The aim of this is to assist managers and staff to have conversations about the adjustments which would enable them to work effectively. The Reasonable Adjustment Passport will also facilitate staff remaining at work for longer and contribute towards a more diverse workforce.

Carer Positive

As part of a multi functional approach to wellbeing, specific attention is being given under the banner of Carer Positive. The ambition is to use current policies to provide a broader and more flexible approach for people who have carer responsibilities over a spectrum of ages. In addition to this there is recognition that members of staff may wish to be involved in end of life care of relatives and friends. While the current policies do not specifically address these issues recommendations will be brought forward by the Wellbeing Group aimed at supporting members of staff who have these carer responsibilities.

Equality and Diversity

NSS aims to be a leading organisation for promoting equality, diversity and inclusion within the workplace and in NHSScotland.

The NSS vision for Equality & Diversity goes beyond establishing processes to achieve change. As part of our interaction with customer and suppliers, we will monitor progress made towards meeting objectives to;

Encourage diversity and eliminate unfair treatment and discrimination through a full range of human resource and contracting policies and procedures. This applies not just to areas of internal recruitment, training and development and promotion, but also monitoring the

adherence to the equality & diversity legislation and principles by our suppliers and contractors.

Recognise that staff have rights as employees to work in a supportive, safe and harassment free environment and that staff have individual and collective responsibility to value and respect each other's contributions.

Promote an environment where standards of conduct are of the highest level and to ensure that no one is harassed, bullied or victimised.

Take decisive action when discrimination occurs.

Disability Confident

NSS is proud that we have received 'Disability Confident' status. As a Disability Confident employer we are committed to supporting our staff – whether they become disabled during their working life with us or whether they are a new recruit to our organisation. NSS currently has level one status 'Disability Confident – committed'. This means we are committed to:

- Challenge attitudes towards disability
- Increase understanding of disability
- Remove barriers to disabled people and those with long term health conditions
- Ensure that disabled people have the opportunity to fulfil their potential and realise their aspirations.

Development of New Roles

NHSScotland has already invested significantly in its workforce and recognises the benefit of new roles in the healthcare setting, but also recognises they need to do more. NSS must be able to design new roles that are based on competencies and skills that allow the workforce to provide future care pathways and emerging ways of working.

Modern Apprenticeships

New clinical and non-clinical career pathways, supported by Modern Apprenticeship frameworks, will be developed across a number of SBUs in line with a national drive to develop MA's within NHS Scotland.

Youth Employment

The age profile of NSS workforce projects an increase in the number of potential retirements of staff over the next 10 years+ which means there is a need to prioritise the attraction, recruitment and retention of young people to create future workforce sustainability. NSS will therefore align to Scotland's Youth Employment Strategy as this is introduced and continue to increase the number of young people employed and retained in our Board. It will be important to ensure the attraction strategy is positive in approach to branding NSS as an employer of choice across a range of roles particularly given Scotland's population predicts an impact on the available market of those under the age of 24 in the next 10 and 25 years, as shown in appendix 1 (Source: Projected Population of Scotland NRS data)

Graduate Placement Scheme

To support retraining and staff development across a range of professions, NSS will continue to link with University Graduate Placement Programmes. This work will continue to grow and link to career pathways with accessibility for all those who require support to be considered.

Leadership

NHSScotland has identified a clear need for transformational change and fundamental to its

success is the capacity and capability of our Leaders to meet the opportunities and challenges they may face.

Project LIFT is a new NHS Scotland wide approach to identifying, supporting, enhancing and growing leadership capabilities at all levels to improve the experience of our people to transform NHS Scotland and its services.

This new approach across NHSScotland will be supported via NHS National Education for Scotland (NES). Their Project LIFT team will work with NHS Scotland Boards to create a shared focus on the key leadership attributes needed by NHSScotland which will create the skills, behaviours and culture to realise the ambitions of the Health & Social Care Delivery Plan.

The ask of leaders through Project LIFT is:

- people at the heart of everything we do
- demonstrate humility, curiosity, compassion, accountability
- show vision, self-leadership, creativity and innovation
- empower, motivate and inspire; positively influencing pathways
- be collaborative and strategic

NSS will deliver a leadership programme which offers a common and consistent approach to leadership development and is based on shared values and beliefs aligned to the NSS values. The programme will be underpinned by six core leadership capabilities, aligned to those expected for health and social care, and incorporate expected leadership behaviours. The programme will be tailored to meet both individual and team development.

Performance Management

A key aim of our workforce strategy is that NSS values its employees as its greatest asset. Good performance management at all levels of the organisation is essential to ensure we meet not only this aim but delivery against the NSS strategic direction. Our managers must be effective at ensuring all staff objectives are set against the NSS strategic objectives, that staff personal development plans are in place and delivered and that meaningful performance appraisals take place with feedback in line with the performance cycle.

The Essential Line Manager programme (ELM) is a blended learning programme, aimed at supporting line managers with their responsibilities to performance manage their workforce and is aligned to support delivery of the NSS Leadership Programme. The programme is aimed at all managers with line management responsibility and is tailored to meet the needs of the individual with a range of modules provided through a blended approach of both online and face to face events.

The programme covers:

- The Big Picture
- The Role of the Line Manager
- Effective Team Working
- Empowerment and Delegation
- HR Policy Training for Line Managers
- Communication and Feedback
- Coaching and Mentoring
- Managing Effective Career Development Conversations
- Managing Change, Transition and Resilience

Mandatory for All and Statutory Training Compliance

NSS has agreed a range of training programmes which are 'mandatory for all' and are monitored for compliance on a monthly basis through the NSS People Report. The programmes cover:

- Equality and Diversity
- Health and Safety Induction
- Information Management
- Risk and Resilience
- Freedom of Information
- Manual Handling Passport
- Counter Fraud Services

Within NSS, there is a legal requirement, endorsed by the NSS Fire Safety Group, which stipulates that *all* staff must complete fire safety awareness training as a statutory for all training requirement. This means that all new staff, regardless of role, must complete this training at induction, and all existing staff must complete this training at least once in every two year period.

A fire safety awareness training package has been developed by NSS Facilities Management which reflects the legislative requirements and NSS approach to delivery of fire safety training. Line Managers are required to use the NSS package to deliver this training to their staff.

Pay, Terms and Conditions

NSS supports the principle of equality of opportunity in employment and believes that staff should receive equal pay for the same or broadly similar work, or work rated as equivalent and for work of equal value, regardless of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex or sexual orientation, in accordance with the Equality Act 2010.

NSS understands that the right to equal pay between women and men is a legal right under both domestic and European law. In addition, the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012 requires NSS to publish pay gap information on a bi-annual basis.

It is good practice and reflects the NSS Values that pay is awarded fairly and equitably. NSS recognises that in order to achieve equal pay for employees doing the same or broadly similar work, work rated as equivalent, or work of equal value, it should operate pay systems which are transparent, based on objective criteria and free from unlawful bias.

NSS are expected to comply with the all pay, terms and conditions arrangements agreed at either a UK or Scottish level relating to the categories of contracts across our workforce, they include:

Agenda for Change – this is the NHS pay system for all staff directly employed by NHS Health Boards with the exception of Executive Level/Senior Managers and Medical Staffing. This applies across the UK and is designed to:

- Deliver fair pay for non-medical staff based on the principle of equal pay for work of equal value supported by the NHS Job Evaluation Scheme
- Harmonise terms and conditions of service such as annual leave, hours of work, sick pay and work performed in unsocial hours
- Provide better links between pay and carer progress using the Knowledge and Skills Framework

Medical & Dental – all matters in relation to medical pay, terms and conditions of employment take place across the UK and at Scottish level with a range of medical contracts:

- Consultants – Hospital and Dental consultants in Scotland are subject to the pay, terms and

conditions associated with the new consultant 2004 contract, which enables planning and timetabling of consultants duties. Hospital and dental consultants also have access to award schemes such as Distinction Awards and Discretionary Points scheme.

- Scottish Public Dental Service – a common set of terms and conditions of service for dentists working within the service are detailed PCS(DD)2013/5
- Specialty Doctors and Associate Specialists – From 1st April 2008 a new agreement was implemented providing pay, terms and conditions of contract for Specialty Doctors and Associate Specialists.

Executive and Senior Managers – Executive Pay and Terms and Conditions of service are under the direction of the Cabinet Secretary for Health and Sport. PCS(ESM)2018/1 provides the required pay and conditions of service to be provided to this category of staff in respect to both cost of living and performance related pay for year ending 2018/19.

The Workforce Plan - Defining the Required Workforce

Workforce Data

Effective workforce planning should describe the required workforce, based upon drivers for change, utilising accurate and quality data on the existing workforce and identifying key workforce trends. To maintain the quality of this data, NSS has fully implemented the Electronic Employee Support System (eESS), and we are now piloting the new recruitment module, Jobtrain, to replace IREC.

Furthermore, NSS has established a workforce reporting electronic tool using the tableau system to provide real time information across a range of metrics including sickness absence, workforce demographics and turnover. Further additions covering learning and development, case management, health and safety metrics will be included as the roll out of the system transitions. This will provide information which will support the overall performance management of our workforce requirements.

Workforce Projections

Workforce projections for NSS will be undertaken for each Job Family and across each Strategic Business Unit. In line with requirements from Scottish Government, the projections will be published by PHI Information Services with work continuing to be undertaken to ensure workforce planning within each area influences the projections on planned delivery. The projections will be available for publishing in June 2019.

Skills and Competencies – staff development

In order to support the transformation change for future service provision to NSS customers, the following high level skills and competencies have been identified:

- Programme management
- New ways of working – agile
- Business change management
- Scaling up/ spread
- User experience/ design
- Health economics
- Innovation
- Digital skills
- Technology
- Engagement/ use of networks

Development programmes will be considered and designed to take forward the requirements.

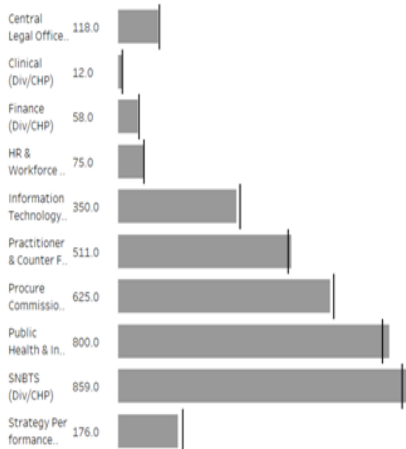
Current Workforce Highlights

Staff in Post

NHS National Services Scotland employed 3260.30 whole time equivalent (wte) staff and a headcount of 3584 as at 31 March 2019 as shown in the graphs below. 90.17% of the workforce is engaged within the range of services associated with the core business service delivery – 6 SBUs, with 9.83% of the workforce engaged within the Corporate Services support units based on headcount figures.

Division by Headcount

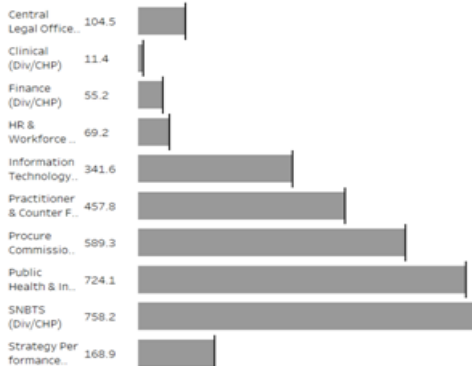
Staff count for All by Division



% of Total Chosen person measure and % of Total Chosen person measure for each sum of Staff total broken down by Chosen dimension. For pane % of Total Chosen person measure. Color shows details about Gender. The marks are labeled by % of Total Chosen person measure. The data is filtered on Current staff member, SBU, Ethnic group filter, Contingent worker, Age Group (group) and Division. The Current staff member filter keeps True. The SBU filter keeps 20 members. The Ethnic group filter excludes Filter out. The Contingent worker filter keeps Employee. The Age Group (group) filter keeps 10 of 10 members. The Division filter keeps 14 of 14 members. The view is filtered on Chosen dimension, which excludes 6 members.

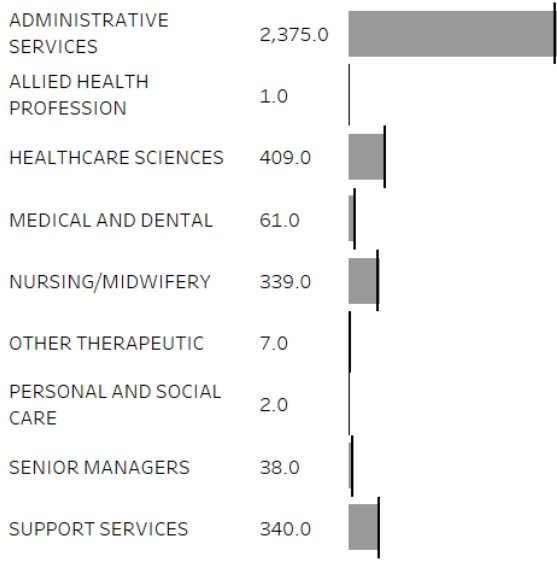
Division by WTE

Staff count for All by Division



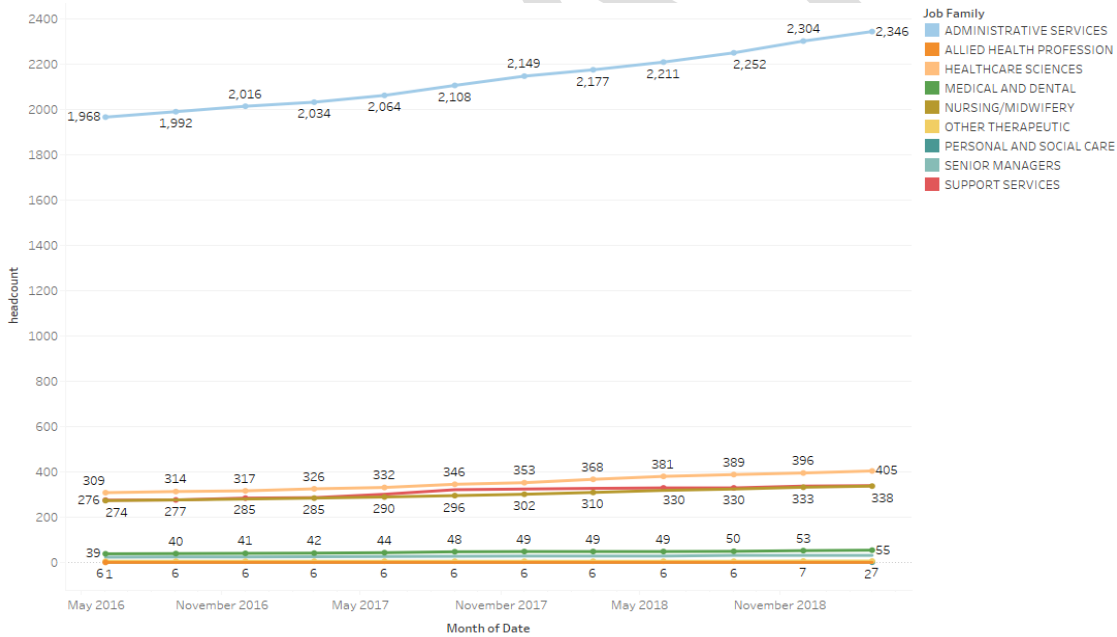
% of Total Chosen person measure and % of Total Chosen person measure for each sum of Staff total broken down by Chosen dimension. For pane % of Total Chosen person measure. Color shows details about Gender. The marks are labeled by % of Total Chosen person measure. The data is filtered on Current staff member, SBU, Ethnic group filter, Contingent worker, Age Group (group) and Division. The Current staff member filter keeps True. The SBU filter keeps 20 members. The Ethnic group filter excludes Filter out. The Contingent worker filter keeps Employee. The Age Group (group) filter keeps 10 of 10 members. The Division filter keeps 14 of 14 members. The view is filtered on Chosen dimension, which excludes 6 members.

The information below shows the breakdown of NSS workforce across all job families and indicates that Administration Services forms the largest element of workforce at 66.5%, with Healthcare Science at 11.5% and Nursing and Midwifery at 11.5%.

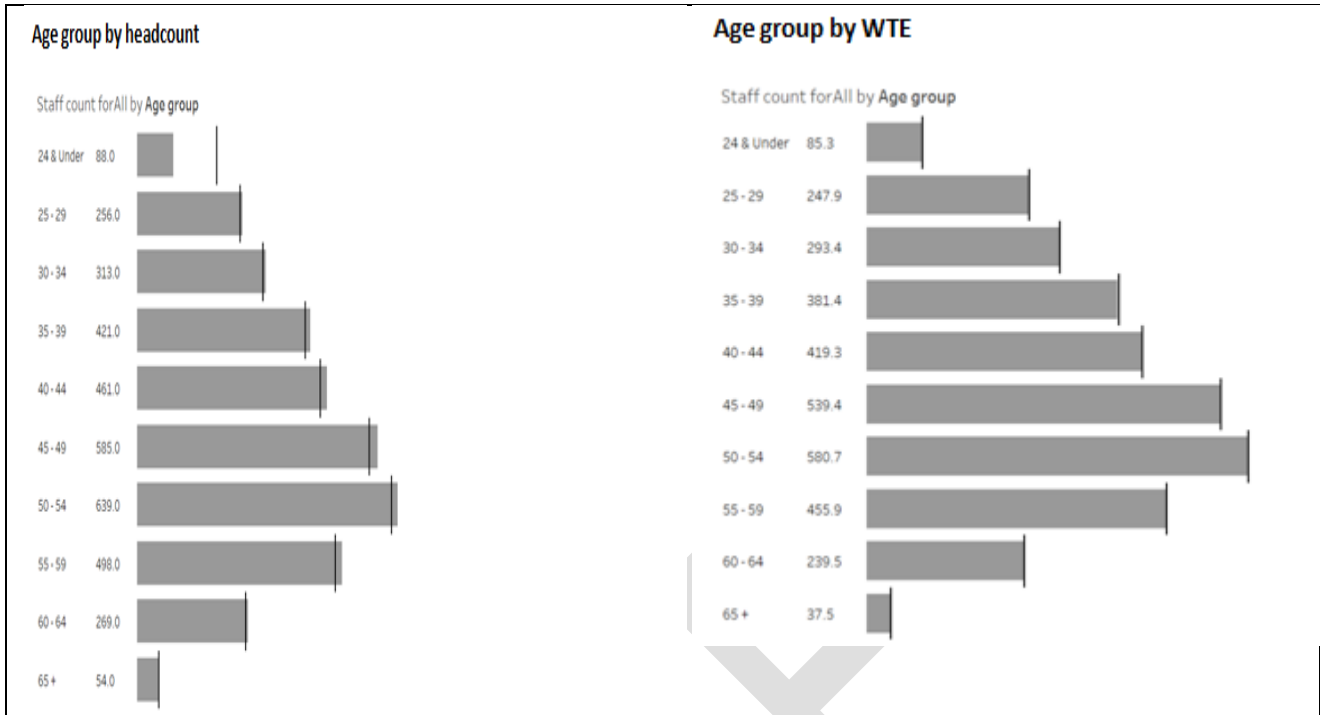


Workforce Trends

The following information shows the workforce trend by job family over the last three years which indicates a gradual increase across administrative services and Healthcare sciences in the main. It should be noted that administration services has a range of sub job families which are determined by the core purpose of each SBU delivering services to NSS customers, for example Information Technology professionals, Procurement professionals etc.



Age Profile



While it is recognised that increasing numbers of staff are choosing to work beyond both the Occupational Pension Scheme Age and State Pension Age, partly to assure their income in retirement, NSS is required to consider how the output from the national working longer steering group can be used to support the employment needs of older people to ensure a sustainable and capable workforce.

Staff Turnover Rates

The final turnover outcome reached 9.16% in the year ending 31 March 2019, higher than expected due to a TUPE transfer of 17 employees during the same month. The following graph provides the NSS workforce trend over the past 3 years indicating for the most part a reduction towards the end of each financial year. The average turnover rate across NHSScotland currently sits at 6.6%.

NSS Workforce Trend – 3 Years



The trend of sum of Turnover Trend for Date Month. Color shows details about Date Year. The marks are labeled by sum of Turnover Trend. The data is filtered on SBU Filter, which keeps True. The view is filtered on Date Year, which keeps FY 2017, FY 2018 and FY 2019.

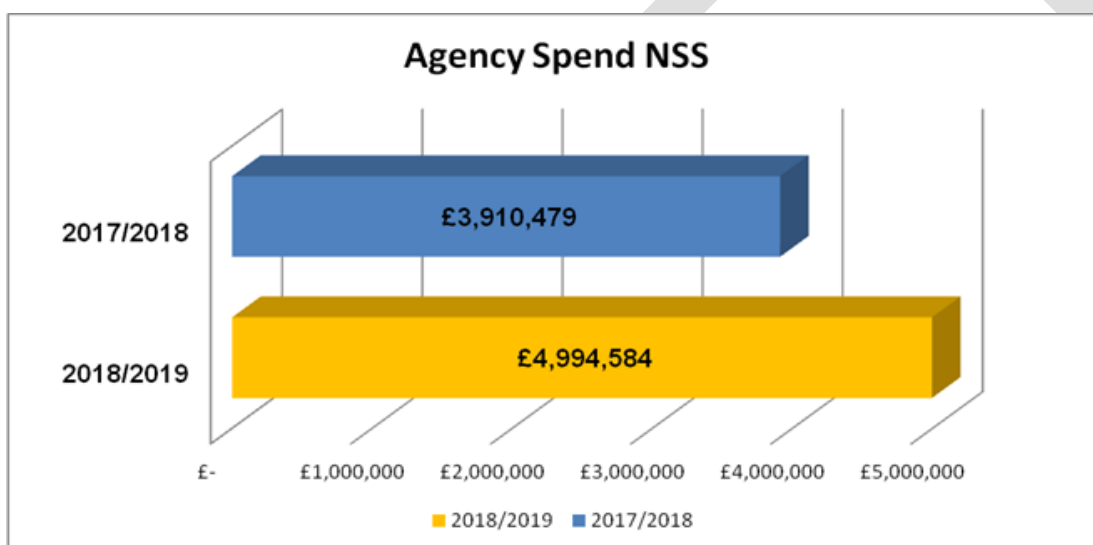
Expenditure on Agency, Overtime and Additional Hours

Agency Spend

NSS will continue to make effective use of Agency Staff to meet the need of customers and provide resources quickly or when there are areas where specialist knowledge or experience are required such as Procurement, Commissioning and Facilities (PCF) and IT services. Robust and formal monitoring will continue to be in place for all spend and activity in this area.

NSS's planning assumptions include not only the utilisation of staff employed on a permanent and fixed term basis but also includes the utilisation of other workforce supplies where the demand for new and changing services requires it, or very specialist skills are required. This includes the use of Agency staff and the use of overtime and excess hours when required. NSS will continue to identify areas where efficiencies can be made and includes plans to develop specialist skills and knowledge in the permanent and fixed term workforce.

NSS spent £4,994,584 on supplementary agency staffing for the year ending 31 March 2019, an increase of 28% from the previous year. The majority of this spend was in the IT and PCF SBUs.

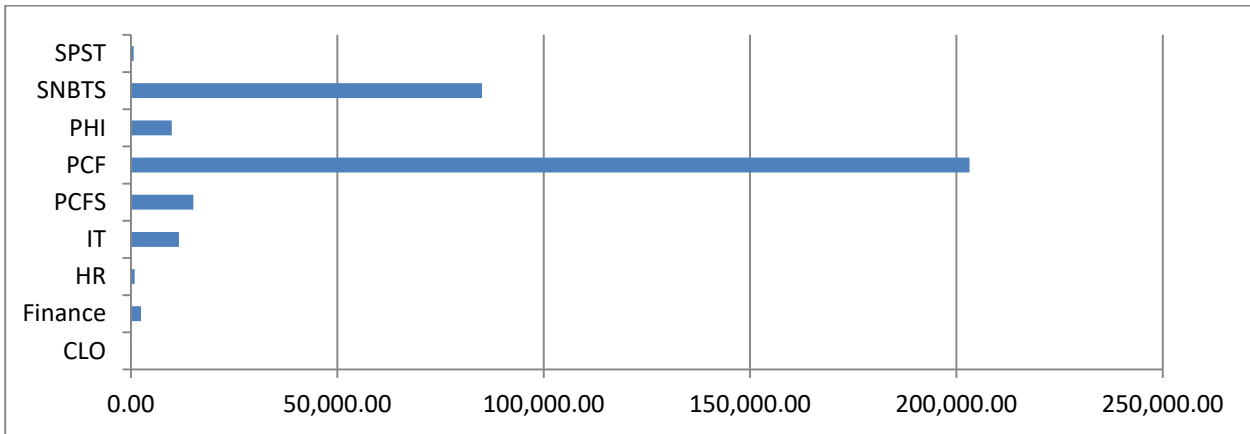


Overtime Spend

NSS will continue to reduce reliance on the use of overtime payments albeit at a slower rate than previous years and there are a number of developments which will in the short term continue to influence the level of overtime payments particularly in the PCF:

- Work on pre-building stock levels to advance pick lines, which require weekend working
- Work undertaken to support additional storage requirements for contingency stockpiling for Brexit
- Work required to support clinical waste stream activity

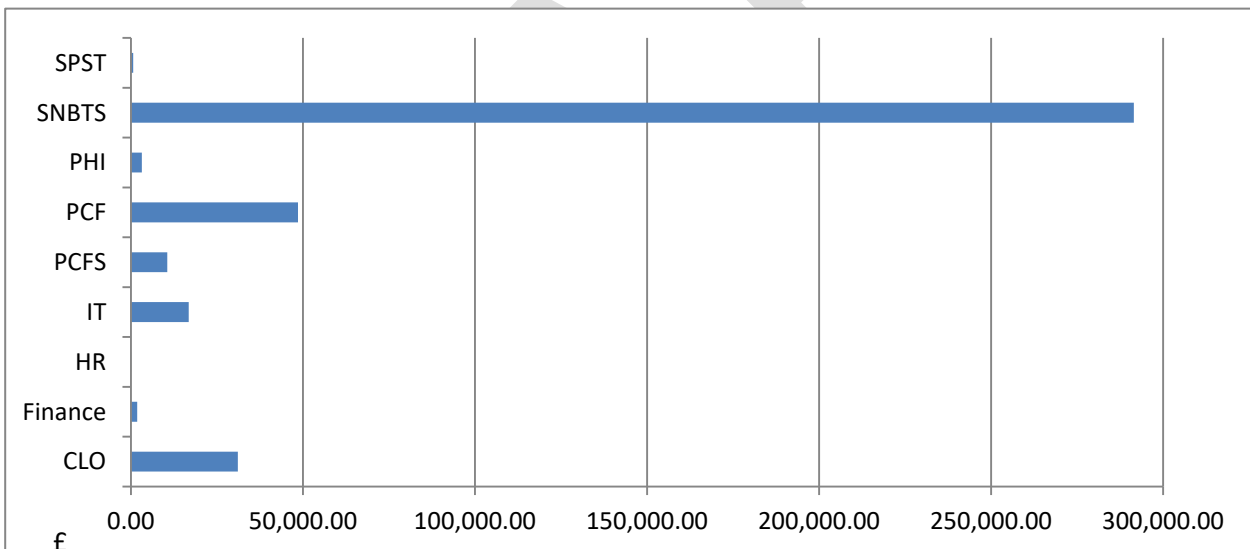
NSS spent £328,930.24 on overtime during 2018/19 a decrease of £9,329.86 from 2017/18. The main spend as indicated in the graph below relates to PCF SBU where 68.74% of their total spend covers employees in the warehouse.



Additional Hours

NSS will continue to use additional hours payments as appropriate. In particular this relates to SNBTS Blood Donor Sessions running over time, mainly paid at Band 3 and 4 levels and PCF where 57.45% of their total spend relates mainly to absence and vacancy cover of Band 2 employees within Facilities Management.

NSS spent a total of £402,866.97 on additional hours during 2018/19, an increase of £74,196.70 from 2017/18.



NSS will undertake further workforce planning in order to seek opportunities to reduce the requirement and spend on agency, overtime and additional hours.

Major Service Changes impacting on Workforce Configuration

Public Health Scotland

Scotland has one of the world's best performing health services, and yet it also suffers from some of the poorest health in the western world. While our health has improved over time, it has not improved at the same rate for everyone who lives in Scotland.

In November 2014, Scottish Ministers asked for a review of public health in Scotland. The 2015 [Review of Public Health in Scotland](#) was published in February 2016 making recommendations to strengthen leadership for the public's health and refocus the public health function in Scotland. The [Health and Social Care Delivery Plan](#) sets out the framework and actions the Scottish Government and COSLA will lead to deliver these recommendations, including:

1. Establishing national public health priorities
2. Creating a new national public health body
3. Enabling a joined-up approach to public health at a local level

Once established, Public Health Scotland's role will be to provide public health leadership, and enable and support the delivery of our national public health priorities at a local level. It will be intelligence and evidence led, bringing together the expertise, data, intelligence and innovation needed to improve the health of Scotland's population.

Public Health and Intelligence (PHI), from within NSS and Health Scotland (HS), are ideally equipped to fulfil this role and will be brought together to form this new body.

To play our part in establishing Public Health Scotland, we've set up the 'NSS enabling the new Public Health Body' Programme Board (ePHB) with representation from senior management and trade unions. The key objectives of the Programme Board are to:

- oversee organisational change to enable the successful transfer of affected staff to Public Health Scotland
- design and deliver realigned and optimised services for our remaining SBUs in order to prevent duplication, and maintain continuity of a business as usual service delivery
- work together to agree the best model for shared services

The expectation during 2019/20 is to transfer, in line with TUPE requirements, the current PHI workforce from NSS to Public Health Scotland. This impacts on 724.2 wte which is 800 people as at March 2019 and the potential to impact more widely on a number of corporate services areas.

Digital and Security SBU

In order to optimise the Digital and Security (DaS) SBU's position in the new landscape, the SBU needs to transform its existing service offering, to meet the challenges and opportunities presented by the new technology landscape.

The NHS Boards are looking towards NSS to provide a pathway into the new digital world of Public Cloud Computing, Artificial Intelligence and Analytics, Innovation and Internet of Things, Security Forensics and Operations, which creates opportunity and future sustainability for NSS through the provision of Digital and IT expertise and capability.

The DaS operating model, in its current form is not capable of supporting the emerging requirements of NSS and the wider NHSScotland, and needs a fundamental shift of its service provision and culture if it is to transform to be a data-led, digitally driven service provider and a trusted, integral and strategic digital & cyber partner to the NHS in Scotland.

A Digital and Security Strategy has been developed which plots a roadmap for modernisation of NSS's DaS services which maps across into the NSS DaS 5 year plan. The roadmap satisfies both NSS future needs and NHSS Boards' shared services requirements from NSS.

To enable the transformation of the SBU there will be a four phased organisational change programme delivered and concluded by 2020.

- Phase One – Focuses on addressing the changes at the senior level. The focus is to establish the foundations of the new structure through the changes at the DaS Senior Management Team. These changes are designed to put in place a senior structure that will support the next phases, define functions within the new structure and identify teams and roles that will be impacted by next phases of change.
- Phase Two – Organise and consolidate DaS staff based on their skill sets around functions and services as outlined in Phase One.

- Phase Three – Optimising changes, where needed, around DaS existing and new service offerings.
- Phase Four – Benefits realisation to assess the success of the changes against the intended benefits and further action, if required.

Procurement, Commissioning and Facilities SBU

Procurement, Commissioning and Facilities (PCF) has to adapt to the challenges faced by NHSScotland, NSS and the possible changes in the way National and Territorial Health Boards operate in the future. PCF will review its directorates and structures to meet the needs of NSS and NHSScotland as required and in line with the organisations strategic objectives.

There are a number of internal and external forces and constraints which will drive change in the way PCF deliver services and configure its workforce. These include, amongst others:

- Brexit and the unknown implications and uncertainty.
- Health and Social care agenda delivered through growing primary sector and reduced acute services in NHS Scotland
- Regionalised and national agenda from NHS Scotland including an increase in services being request for delivery by PCF from Scottish Government e.g. National Planning, National Networks.
- Workforce demographics linked to effective succession planning
- Improved productivity of workforce
- Financial pressures linked to workforce numbers, flexibility of role and skills development requirements
- Increased demand on the PCF services
- Recruitment of staff with specialist skills plus ability to share knowledge and increase resilience
- Digitalisation transformation to increase the impact on customer focus and service.

PCF has determined that continuing to provide the service in the same configuration, with existing resources in terms of numbers and skills mix, in the same manner is untenable. The requirement to deliver services to individual Health Boards with a reduced budget, coupled with the need to ensure that services are efficient, will result in PCF reviewing service delivery across a number of functional areas.

Improved Productivity and New Ways of Working

The need to increase productivity will have an impact on both workforce planning and skill development within this business unit. A more productive service will require a better understanding of the skills of our workforce to maximise potential in order to develop a flexible and financially sustainable workforce for the future. There is a need to ensure flexibility within the business to create a greater level of agility to meet demand from the wider Health Boards and Scottish Government. This may include increasing opportunities for staff, rotation to build flexibility and support personal development to allow for increased flexible use of resources through better deployment of staff within PCF and NSS.

The need to ensure the services are run in a more cost effective manner and the introduction of digital technology and increased automation within PCF have the potential to impact on staff numbers, grade and skill mix. This will derive from organisational change process and the implementation of digital change processes within NSS.

Learning and development will be critical in this transformational process. The challenge is to make full use of the considerable talents at our disposal ensuring the workforce is appropriately skilled to meet current and future challenges within PCF. Of equal importance is promoting leadership that encourages staff at all levels to challenge current thinking and ways of working and that welcomes ideas and innovation. A skills gap analysis has been developed and further work will be undertaken to assess the required training and development plans required to close the gap.

A new National Procurement Directorate will combine the two existing directorates; Strategic Sourcing and Logistics, into one. This service redesign will be put in place to review the services required, the model of delivery and further more detailed work will be completed and skills requirements for service areas in the new directorate.

The development of a centre of expertise function within Business Development Directorate to ensure PCF's service continues to be customer focused and meet the needs of the Health Boards. This will encompass a potential move of Logistics Customer Service team to this area and more focus of customer engagement.

Specialist Screening Services will streamline the implementation of data and analysis reporting as the requirement grows. National Planning workforce will grow as further requests from Scottish Government relating to large national networks being established including Neo Natal, Trauma, and Prison and Police Services.

Health Facilities Scotland will undertake a review based on direction from Scottish Government to move from an advisory to compliance management role. Expansion of services relating to validation and decontamination will be required and within Operational Facilities Management consideration will be given to the potential for a regional model to support the National Boards.

Currently, PCF is projecting an increase of staff in the next five year period however there are significant financial constraints to achieving this. Management will therefore take forward a combination of robust vacancy management and associated staff rationalisation, service redesign and efficiencies made through organisational change programmes which will include those arising from lean improvements and ceasing service activity in some areas.

NSS Service Transformation Programme

Our work on digital transformation has allowed us to develop key digital capabilities and our achievements have had a huge impact on how we are working now and how we plan to work in the near future. NSS has moved to the use of Agile approach, listening to the needs of our customers and delivering at pace in a challenging environment.

The move to service transformation shifts the focus of the programme to using our capabilities to transform NSS services. The programme has three aims:

- Support the internal SBUs to transform and redesign their services in line with the 2-5 year financial plan;
- Support NSS to achieve business transformation with a digital first focus;
- Deliver programmes in line with best practice services design methodologies.

Work is now commencing, led through the NSS Change Oversight Group (COG) to support SBUs and their services to develop strategic plans based on value add and strategic drivers. A range of workforce solutions and interventions will be provided to work throughout the service transformation lifecycle to enable change through our people.

National Board Collaboration

The public service reform agenda, reiterated in the Programme for Scotland, has direct implications on health service provision, with an emphasis on the need to reduce duplication and inefficiency.

By adopting a 'Once for Scotland' approach and changing the way we work, this agenda aims to improve, integrate and co-ordinate services across the Scottish Public Sector. Its aim is to reduce geographical and organisational barriers to the delivery of support services and functions. The key principle being, where appropriate, services should be managed on a Scotland wide basis and

should be delivered in a consistent way, unless a compelling reason exists for variation.

NSS will continue to be a key partner in the National board Collaborative and will play an important role supporting national planning ensuring a leadership approach across all workforce activity.

The Nursing Workforce - Context

NSS employs nurses at all levels of the career framework, as described in the NES “Education and career development pathways” model, to deliver clinical services inclusive of: health protection; infection prevention and control; commissioning; procurement; national audits, IT and occupational health. The CNO transforming roles agenda and policy outputs have been adopted within NSS. The main areas of relevance in NSS are specialist nurses and advanced nurse practitioner (ANP) roles.

Specialist nurses feature in the existing cohort in NSS health protection services and NSS is contributing to the transforming roles group at SGHSCD. The outcomes of this will be used to inform the future development of our services. There is opportunity to consider the potential for the addition of the role of ANPs in our direct patient care services in NSS SNBTS, as part of our transforming services agenda and our future nursing strategy.

Safe Staffing Legislation - Health and Care (Staffing) (Scotland) Bill

The Health and Care (Staffing) (Scotland) Bill is in progress currently and stage 3 is expected to complete in May 2019. NSS will take account of the required regulations in the light of our specialist clinical services. Workforce planning tools are currently being evaluated with the SGHSCD NMWWPP team to ensure they are fit for purpose. We participated in the NES learning needs analysis this year for the national tools and identified the need for training in the use of the tools within NSS.

Excellence in Care

NSS ISD is developing the Care Assurance Information Resource (CAIR) system for Excellence in Care are working in partnership with HIS and SGHSCD on the development of Excellence in Care.

[Excellence in Care](#)

<http://www.isdscotland.org/Products-and-Services/NSS-Excellence-in-Care/>

In the coming year NSS SNBTS will be onboarded to the CAIR system as this is the service which provides our direct patient care services. The monitoring of the indicators for assurance and improvement will feature in our NSS reporting, inclusive of the safe staffing measures included.

Financial Challenge for 2019/20 & beyond Financial issues facing NSS – short, medium and long term – links to finance plan

Across NHS Scotland there is a drive for improved financial efficiency and savings. NSS financial projections highlight the need to drive out approximately £52m on a recurring basis in years 2-5 of the FY19-23 plan. This requires savings beyond the 5% CRES target and means there is a need to transform services.

In order to reach financial sustainability by 2024, NSS will have to understand cost drivers, consider value created by our services and explore workforce challenges. NSS will take forward a programme to transform services, put in place strong financial management and ensure our workforce is effective as shown in Appendix 2.

United Kingdom’s Withdrawal from the European Union

The implications of the UK’s decision to leave the European Union, popularly known as Brexit, will be dependent on the final agreement negotiated between the UK and the remaining 27 EU members. Currently, there remains uncertainty over the shape of the labour market, employment

law and immigration policy. All of these factors will impact Workforce Planning at a national, regional and local level, and a variety of solutions will need to be identified across these levels to ensure the health and social care needs of our population are not adversely affected during the transition period and beyond.

As an employer, we are wholly committed to ensuring our EU staff and their families have access to up-to-date information, support and advice during this period of uncertainty. NSS will be seeking clarity, establishing facts and ensuring that our EU staff are kept updated on developments as and when they happen.

Implementation, Monitoring and Refresh

The development and implementation of the workforce strategy is the responsibility of the Director of Human Resources and Workforce Development. They will work closely with the Chief Executive, SBU Directors, the Trade Unions and Professional Organisations and appropriate sub-committees of the NSS Board to deliver a workforce strategy which is aligned to the NSS Strategy and which will improve the performance of the organisation and continue to make NSS a great place to work.

The Workforce Plan is the responsibility of the Chief Executive and SBU Directors of NHS National Services Scotland. The Director of Human Resources and Workforce Development is expected to provide leadership and to drive the development and implementation of workforce plans which identifies the people, skills and talent required to deliver services now and in the future; understanding the gaps and plan accordingly; how the organisation plans to develop skills and talent to improve resilience, capability and competency and addressing gaps to achieving strategic objectives.

DRAFT

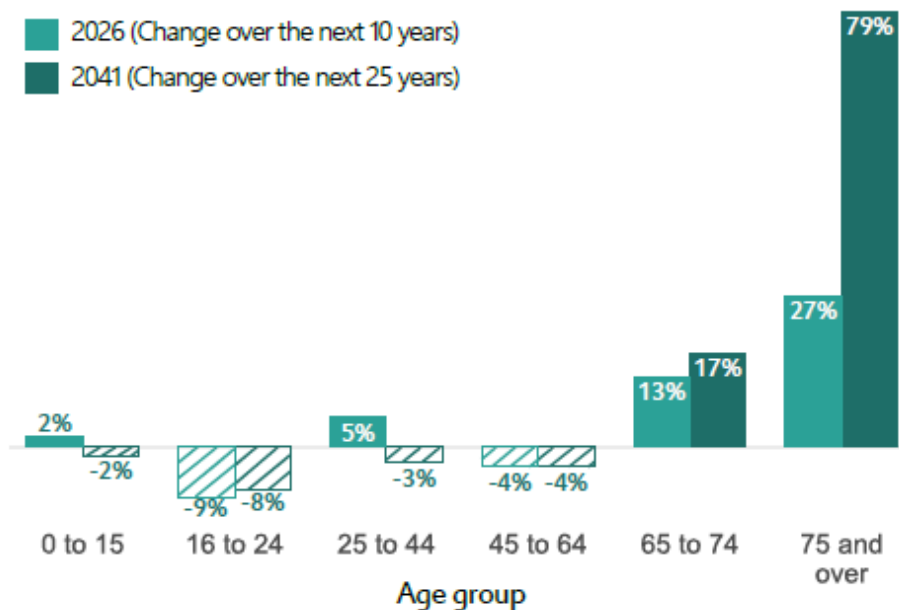
Appendix 1 - The National Context - Scotland's Population

The National Records of Scotland (NRS) predicts the population of Scotland will continue to grow from 5.40 million in 2016 to 5.69 million in 2040, an increase of 5% over the 25 year period.

People aged 75 and over are projected to be the fastest growing age group in Scotland. The graph below, obtained from the national NRS Projected Population of Scotland (2016-based) published on 26 October 2017 shows the projected population growth.

This has significant implication for NHSScotland and will require a transformation in the way Health and Social care services are delivery but also for Health Boards, including NSS, to consider the workforce implications of an age diverse workforce in order to continue to deliver planned services.

www.nrscotland.gov.uk
Source: Projected Population of Scotland (2016-based)



Comparison key points likely to consider:

Scotland growth and growth of age group for those over 65 will grow more over next 5 years at a more rapid pace than those in the younger age profile categories.

The growth of 0-44 is slowing down and in the main shows a negative impact on Scotland's population.

Given youth employment is a key requirement for NSS in terms of workforce sustainability and the market place over the coming years for this category of staff is reducing, NSS will have to consider its approach to attraction and retention to be the employer of choice and ensure young staff are motivated and inspired to remain with us.

It will be important to ensure staff in age group 45 and over feel valued to ensure retention of experience and knowledge and considered in relation to the Working Longer Strategy.

Financial Sustainability Plan 20:24

Workstreams

Strong Financial Management	Workforce Effectiveness	Transformed Services
<p>Financial reporting and Control</p> <ul style="list-style-type: none"> Improved reporting: <ul style="list-style-type: none"> Cost of occupation to drive effective use of Estate Cost of Travel to change behaviours Driving benefits from Digital: <ul style="list-style-type: none"> IT cost reduction <p>Cost and Value</p> <ul style="list-style-type: none"> Scenario planning Zero based budgeting Cost to serve and recharging Understanding value Aligning baseline to value of services <p>Optimising Procurement</p> <ul style="list-style-type: none"> Cost and Commercial Steering Group Procurement driven savings targets Targeted savings in areas of non contracted spend 	<p>Improved Governance</p> <ul style="list-style-type: none"> Recruitment (eRAF) Focus on Workforce Planning in years 2-5 <p>Workforce Optimisation</p> <ul style="list-style-type: none"> Productive workforce Effective resource deployment <p>Service Redesign</p> <ul style="list-style-type: none"> Capability driven operating model: Once for NSS Consistent approach to the shape of the organisation 	<ul style="list-style-type: none"> Where do we focus our service provision to add value? What do we stop doing? Exploiting automation Service redesign Digital first New ways of working

People Report – May 2019

1. Purpose

1.1 The purpose of this paper is to inform the Board of progress against the key workforce targets in the Great Place to Work Plan and to provide a summary of key workforce information as at 31 May 2019.

2. Recommendation

2.1 The Board is asked to note the information contained in the report and the key discussion points summarised below.

3. Timing

3.1 The report provides a position as at 31 May 2019.

4. Summary

4.1 Generally there has been an increase in sickness absence which is a similar trend over the past three years for the same period. The Director of HR has met with each SBU Director, at least once, to review sickness absence in their SBU and to provide additional support where required to promote attendance at work and manage sickness absence. Generally sickness absence is managed well but improvements could be made by involving HR at a much earlier stage than currently happens across all SBUs.

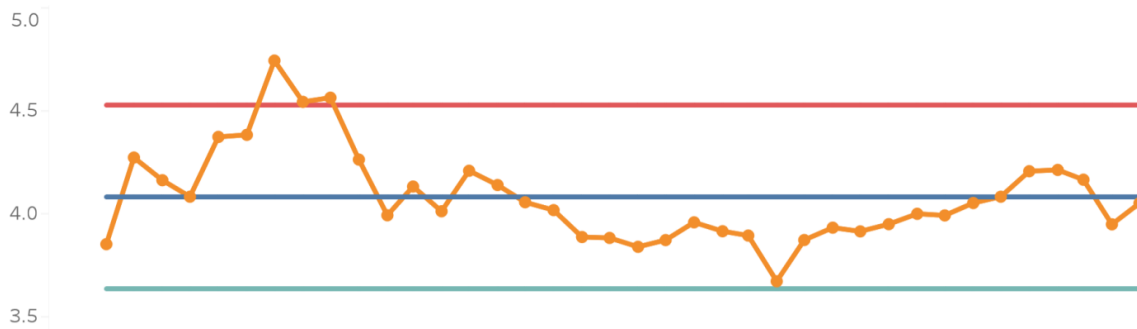
4.2 NSS have received one accident/incident that is reportable as a RIDDOR relating to the Canderside Warehouse in PCF.

4.3 All other workforce targets continue in a positive position.

5. Sickness Absence - Statistical Process Control

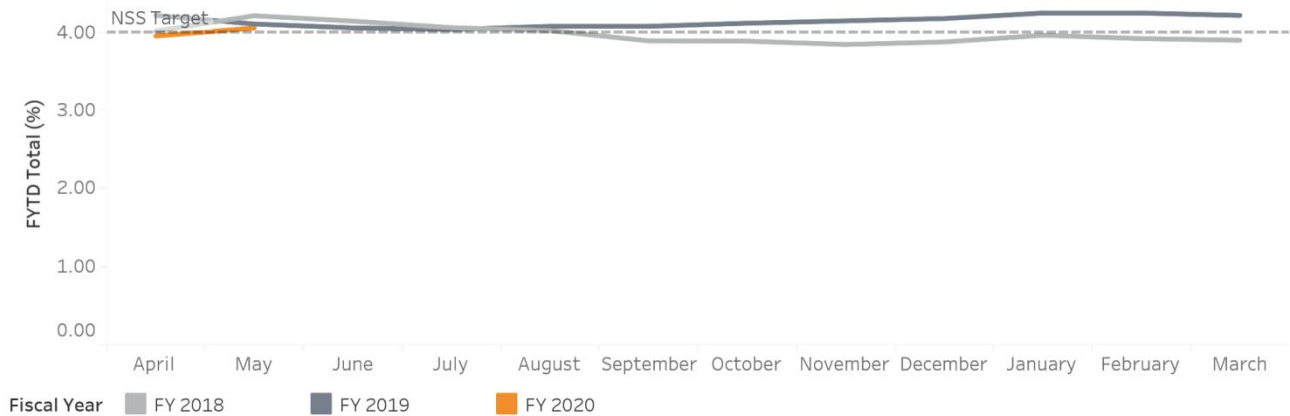
5.1 At NSS level, the Statistical Process Control (SPC) chart has shown the sickness absence rate has begun to increase, which is expected as there is a similar trend over the past three years. The sickness absence rate still sits below the mean, which has been calculated to be 4.08%.

SPC Sickness Absence Trend

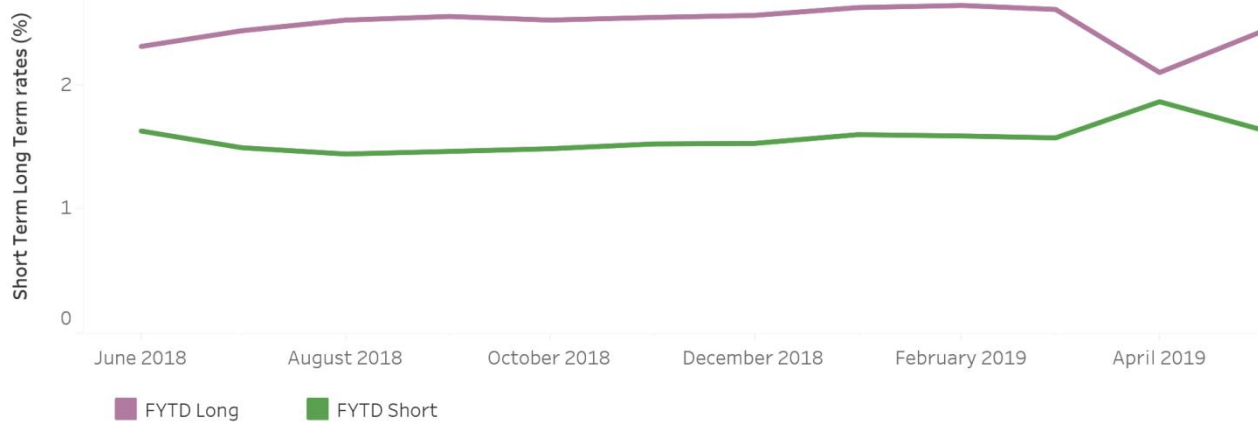


6. Sickness Absence

6.1 The YTD sickness absence rate for May 2019 was 4.05% as indicated in the chart below, which is an increase from April 2019 (3.95%), slightly exceeding the NSS target. The projection indicates that the NSS sickness absence rate will end the 2019/20 Financial Year (FY) at 3.93%, however, relating this to previous trend analysis it is more likely that this will end just above the 4% target.



6.2 Long term absence has shown an increase from 2.09% in April to 2.41% in May. Short term absence has seen a decrease from 1.86% in April to 1.63% in May. These changes highlight that short term absences are developing into long term absences, as well as an increase in overall long term absence.



6.3 Absence Cost

The cost of sickness absence for April 2019 was £266.443 with the main cause of absence continuing to be related to anxiety/stress/depression.

7. Turnover

7.1 The turnover rate for May 2019 is 0.44%, which is lower than at the same position for the past three years. The turnover rate is forecast to end the FY at 6.94%, which is just under the 7% NSS target.

8. Case Management

8.1 There has been an increase in the amount of time the HR Advisors are spending with managers whilst supporting a case. This feedback would suggest that a number of managers are keen to address issues but they lack confidence and are reluctant to make decisions. Whilst the HR Adviser has the skills and confidence to work through a complex set of circumstances and/or challenge a particular thought process with the managers, there is now also an increase in the number of meetings they are being asked to attend to enable the manager to reach a decision point and/or outcome. The HR Advisers are encouraging managers to make use of the completed risk matrix document and to capture key points of a discussion to enable them to refer back to agreed actions, decision points, and outcomes.

8.2 Overall, there are 65 cases being taken forward in line with the Management of Capability Policy currently active within the NSS, which is down from 67. This includes 36 formal and 29 informal cases.

8.3 There are currently 40 active Promoting Attendance cases in NSS, 30 are formal and 10 are informal.

8.4 The case activity relating to other categories currently shows there are 14 Employee Conduct cases, two Grievance cases, two Dependency cases and nine Dignity at Work cases.

8.5 There were no employees dismissed in May 2019.

9. Triggers

9.1 There are a total of 123 employees who are currently on an absence trigger during the month of May 2019 with 31 employees having hit a new trigger during the same month. There are currently 96 active cases covering both Promoting Attendance and Management of Capability linked to ill health and related absence. 15 of these are Stage 1 under the Management of Capability Policy; four are at Stage 2.

10. Recruitment

10.1 The implementation of JobTrain is having a positive impact on the overall recruitment process. Feedback from managers and candidates is very positive and already we are seeing a greater number and range of candidates coming through in comparison to previous experience of using iRecruitment. To date a total of 108 vacancies have been advertised with 18 having completed the process and over 1,700 applications. The pilot should officially end on 28 June 2019 and the National Digital Recruitment System project group will thereafter commence work on the review and lessons learned.

11. Health and Safety

11.1 NSS have received one accident/incident that is reportable as a RIDDOR to the HSE. This occurred within the Canderside Warehouse when the right hand of an individual, who was a contractor, was caught when trying to separate two roller cages.

11.2 A full investigation is still being undertaken to track the cage journeys across Scotland to identify if there are any trends within NHS Board Usage. PCF have introduced a cage review process which ensures that approx fifty cages per day are checked and reviewed to prevent any potential re-occurrence.

12. Statutory and Mandatory Training

12.1 Mandatory for All Training is currently showing 86.20% for two year courses and 91.97% for three year courses. Fire Safety Awareness shows 89.32% for May 2019.

12.2 It should be noted that the cycle of training compliance recommenced from April 2019.

13. Public Health Body

- 13.1 A revised timescale for the issue of the Formal Consultation enabling the TUPE transfer of NSS/PHI staff is currently being considered by the HR Steering Group and is likely to commence towards the end of June/start of July 2019. Further work has been undertaken to confirm the matching process relating to the senior team for Public Health Scotland, which will include a number of posts in PHI along with the approach to transactional transition of staff in line with TUPE arrangements.
- 13.2 Communication and engagement continues to be provided to all staff affected by the change and a new shared digital site is being developed between NSS and Health Scotland to improve consistent messages and information.
- 13.3 Communication has been issued to confirm the Acting Chair of Public Health Scotland as Professor Jim McGoldrick and further clarification of the shadow arrangements for the Executive Management are expected.
- 13.4 NSS continues to show good progress in relation to the wider range of workforce requirements to support transition to Public Health Scotland.

Jacqui Jones
Director of HR and Workforce Development
14 June 2019

B/19/66

NSS Formal Board Meeting – 28 June 2019

NSS Feedback and Complaints Annual Report 2018-19

Purpose

To highlight to the committee, the annual feedback and complaints annual report for 2018-19 and to ensure that NSS meets the mandatory requirement to publish the report on the 30th June 2019

Recommendation

The committee is asked to note the report.

Timing

The report must be submitted on the 30th June to:

- the Scottish Government,
- Healthcare Improvement Scotland,
- Scottish Public Services Ombudsman

Background

The new NHS Model Complaints Handling Procedure (MCHP) launched on 30th April 2017 requires all NHS Boards to gather, analyse and report on all complaints, feedback, comments and concerns. NHS Boards are required to demonstrate the learning and service improvements implemented as a result of this feedback.

NSS complaints remain relatively low and in 2018-19 NSS had 490 complaints compared to 452 in 2017-18. The trend for complaints has remained at these levels since 2013-14.

As a result of feedback and complaints NSS has improved:

- Blood Donor communication
- Developed British Sign Language (BSL) plans for blood donor sessions
- Improved processes in Practitioner and Counter Fraud Services
- Implemented Customer Care standards and re-launched the Values programme across NSS

NSS received a high volume of compliments in 2018-19 with areas in HFS, SNBTS, PHI and HPS being congratulated on the impact their services have demonstrated to improve local health and care services.

Engagement

This report is informed by the data provided by the SBUs and Directorates.

Equality & Diversity

The report will be published in an accessible format and will be made available in alternative formats to anyone that requests this.

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NHS National Services Scotland


Feedback, Concerns, Comments and Complaints

Annual Report

1st April 2018 – 31st March 2019

Contents:	
At A Glance	Page. 3
Section One: Introduction	Page. 5
Section Two: Encouraging and gathering feedback	Page. 5
Section Three: Encouraging and handling complaints	Page. 6
Section Four: The Culture - Staff Training and Development	Page. 14
Section Five: Improvements to Services	Page. 16
Section Six: Accountability and Governance	Page. 17

At A Glance 2018-19

	<p>NSS received very positive feedback and compliments about our services throughout 2018. For example, Public Health & Intelligence received compliments from the Scottish Government in relation to the work completed with the Technology Enabled Care programme. The work ensured a key deliverable was achieved which will aid local services and care planning</p>
	<p>SNBTS Donor Services has worked to improve Donor communications. The work has been shaped from the feedback and complaints received from Donors.</p>
	<p>In 2018-19, the National Care Opinion Summary Report for Scotland did not feature any stories on NSS specific services although we continue to respond to the limited number of stories posted on the website.</p>
	<p>NSS has had 1 Complaint referred to the Scottish Public Services Ombudsman (SPSO) in 2018.</p>
<p>Small Change <u>Big</u> Difference</p>	<p>Learning from feedback and complaints may result in small incremental improvements to process however, from further feedback, it is recognised that these changes make a big difference.</p>
	<p>NSS has worked with the Scottish Health Council to improve our approaches to engagement and involvement and to improve the representation of the public in our work.</p>



NSS Twitter and Facebook **provide information** about our services and initiatives. The Scottish National Blood Transfusion Service **interacts** with Donors on Facebook to provide responses in **real time** and to provide information on donor sessions.

Model Complaint



Handling Process

NSS has **met** the requirements set out in the new Model Complaints Handling Procedure with implementation taking place on 1st April 2017. This has been supported by a **comprehensive communication and training plan during 2017-19.**

Complaints received

490

We received **490** complaints in 2018-19. This is compared to **452** in 2017-18. **This is an increase of 8 % This annual report is informed by those complaints received in 2018-19.**



98% of complaints received in 2018-19 were **resolved** within 20 working days. This is in line with previous years.

98% of the complex complaints were **resolved** within the 5 working day target.



NSS Continues with the goals for 2018/19 including a focus on **digital transformation** of NSS services and processes and the need to give more emphasis to joining up current and future NSS services to **create solutions** for our customers. (NSS Local Delivery Plan 2017-22)

1. Introduction

- 1.1** This report provides the summary of the activity surrounding feedback, comments, concerns and complaints received by NHS National Services Scotland (NSS) in the period from 1st April 2018 to 31st March 2019. NSS is required to use this report to demonstrate improvements in the handling of complaints and feedback and to demonstrate learning. NSS does not have a central complaints handling team. Feedback and complaints are received directly by the Strategic Business Units (SBUs), directly into the Strategy, Planning and Service Transformation SBU¹ (formerly the Strategy and Governance Directorate) and via the online web form on the NSS website. Those submitted via the web form are routed to the generic NSS Feedback mailbox. All feedback and Complaints are handled in line with the model handling complaints procedure (MCHP).
- 1.2** This report will be reviewed by Health Improvement Scotland (HIS) and comments on it will be provided. These comments will be reported on in due course, together with any improvements required.
- 1.3** Empowering people to be at the centre of their care and listening to them, their carers and families is a shared priority for everyone involved in the NHS in Scotland. Feedback, comments, concerns and complaints provide a valued and vital source of information about service delivery and assists in identifying service improvement. This requirement has been embedded in legislation and recognised by the Scottish Health Council who, along with the SPSO, has required the NHS in Scotland to adopt a model complaints handling procedure to standardise complaints handling across the NHS and to be in line with the rest of the public sector.

¹ SBU = Strategic Business Unit

2. Encouraging and Gathering Feedback

- 2.1** NSS has continued to work with the support of the Scottish Health Council to review and update the methods that we use to seek and gather feedback. It is recognised that as a national mostly non-patient facing organisation, the approaches taken may differ from those in a territorial NHS Board and indeed other National Boards in Scotland.
- 2.2 Customer Engagement and Development, Analysis of their Customers:** NSS Customer Engagement and Development (CEAD) Directorate has analysed the qualitative feedback received through their annual customer satisfaction survey and started a quality improvement project to improve the understanding of their role and services among their customers and partners.
- 2.3** As part of this project, CEAD has developed and tested tangible information products like a contact me sheet, team portfolio and case study, which our customers have been providing feedback on. During the pilot period CEAD has seen clear upward trends of improvement in response rates and average weekly ratings given by their customers, but above this the project has helped enhance their engagement, share consistent information on services and will enable them to better support their customers.
- 2.4** The Scottish National Blood Transfusion Service (SNBTS) has recorded their compliments received for 2018-19. Procurement, Commissioning & Facilities (PCF) has recorded the compliments received.
- 2.5** The themes for positive SNBTS feedback focus on the good attitude, professionalism and compassionate care and attention given to donors by the donor services teams at the donor sessions. The themes for PCF focus on the hard work of teams in the National Distribution Centre and Health Facilities Scotland, as well as the work of Health Protection Scotland and their vaccine information.
- 2.6** The suggestions provided by blood Donors range from the opportunity to donate and waiting times to parking at donor session venues out in the community.

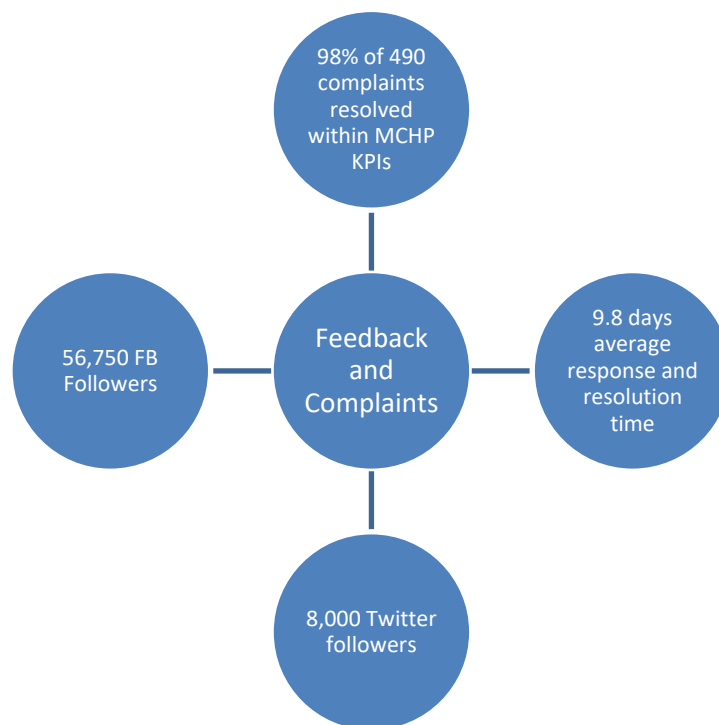
3 Encouraging and Handling Complaints

- 3.1** The way we respond to complaints means that the complainants feel that their complaints will be valued and handled appropriately and that the organisation will take on board what they have to say. This report outlines the complaints received in the following NSS Strategic Business Units and Directorates:
- Scottish National Blood Transfusion Service (SNBTS);
 - Procurement, Commissioning and Facilities(PCF);
 - Practitioner and Counter Fraud Services(PCFS);
 - Public Health and Intelligence(PHI);
 - Central Legal Office (CLO)

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

- 3.2** There has been **1** NSS Complaint referred to the Scottish Public Services Ombudsman (SPSO) in 2018-19. The complainant complained to the SPSO regarding the way a solicitor in CLO had handled their complaint. This was with regards to the legal advice CLO had provided to the NHS Board in question. The SPSO investigated this complaint it was not upheld as SPSO were satisfied that CLO had handled the complaint according to the NHS MHCP.
- 3.3** In 2018-19 NSS resolved 98% of complaints received and the average response time was 9.8 days. The figure below highlights how many people are using social media to follow us and provide feedback to us. The report shows that the interaction on FB and Twitter remains at the same levels as reported in 2017-18.

Figure: snapshot 2018-19



- 3.4** The number of complaints NSS received in 2018-19 has increased from the 2017-18 period. In 2018-19 NSS received a total of **490** complaints which is an increase from the previous year (452) of 8%. This increase can be attributed to the opportunity to donate category in SNBTS explained by current knowledge gaps of blood donors and the blood type campaign,

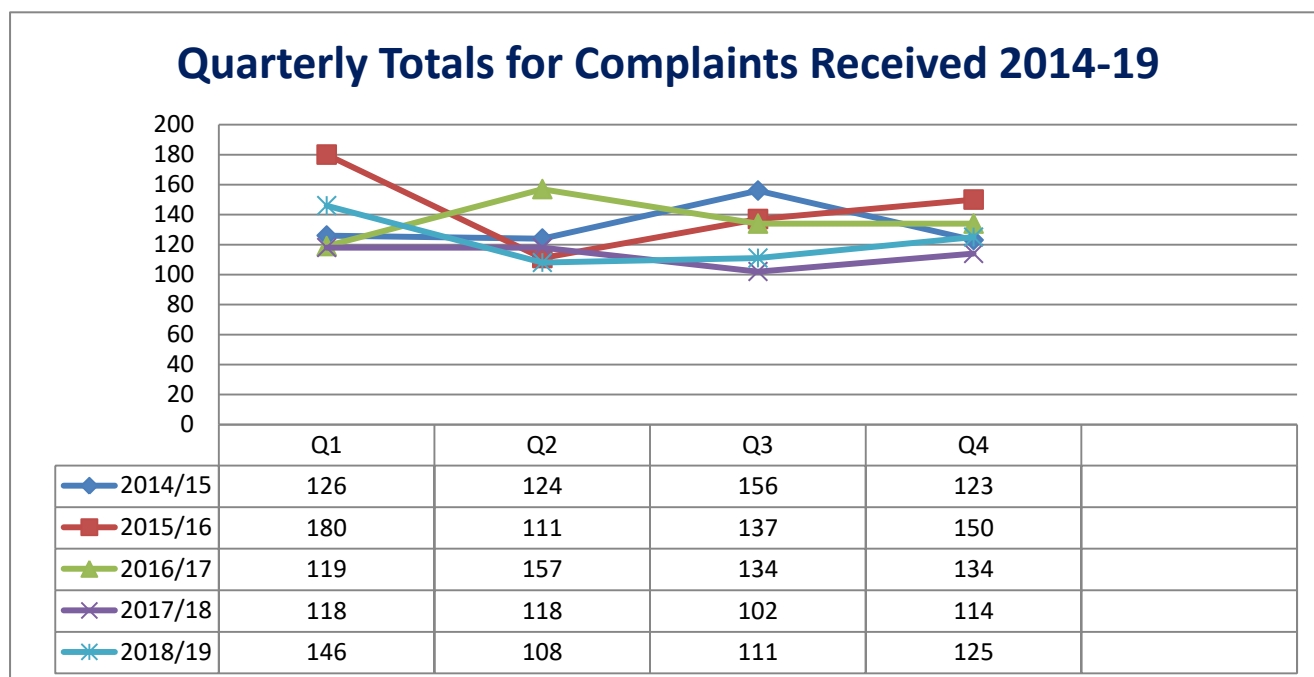
combined with the introduction of the appointment system. This does not include the complaints received by NSS that are in relation to other NHS Boards.

- 3.5** The NSS SBUs have fully implemented the new NHS MCHP which has proved challenging in a non – patient facing and non-clinical service. However, NSS will continue to handle complaints in accordance to the MCHP.

Table 1: Quarterly and cumulative totals for 2018-19 with a comparator with 2017-18.

	2018-19		2017-18	
	Quarterly Total	Cumulative Total	Quarterly Total	Cumulative Total
Q1	146	146	118	118
Q2	108	254	118	236
Q3	111	365	102	338
Q4	125	490	114	452

Line Chart 1: Quarterly and cumulative totals for 2014-15, 2015-16, 2016-17, 2017-18 & 2018-19



3.6 NSS continues to commit to the requirements set out in the new NHS Model Complaints Handling Procedure (MCHP) and NSS policy is to acknowledge complaints within 3 working days; resolve less complex complaints within 5

working days and resolve more complex complaints within the 20 working day timescale.

In 2018-19 the average response time to resolve complaints was 10.8 days, a slight increase on the 2017-18 of 9.52 days. The responses and resolutions for cases in 2018-19 that met the 20 working day target was 98% which is comparative with 2017-18 and 2016-17.

The new 5 working day target has been introduced into NSS and our SBUs are reporting an average response time for handling and solving within 2.5 days.

There were **10** cases that were not resolved within the 20 working day target in 2018-19. The reasons cited are staff sickness and absence and delayed responses from complainants to communication from staff. This compared to **7** cases in 2017-18 and **10** cases in 2016-17.

Table 2: Handling Complaints – NSS Response times

2018-19	Q1	Q2	Q3	Q4	2017-18	2016-17
	April-June	July-Sept	Oct-Dec	Jan-Mar	Comparison	Comparison
Average Response Time against Target Response Time of 5 working days (less complex)	3.25	2.85	2.50	2.50	Not measured	Not measured
Average Response Time against Target Response Time of 20 working days (more complex)	11.04	10.50	12.50	9.50	15.09	15.09
% responses within target (20 working day)	97%	97%	94%	100%	98%	98%
No. of responses out with target	3	1	6	0	4	4

3.7 NSS continues to receive a significant number of complaints and feedback from complainants that are in relation to other NHS Boards and primary care providers. This has been proactively managed in relation to the new website, as detailed in previous annual reports, and continues to be highlighted to other Boards via the NHS Complaints Managers and in the National Network.

3.8 This section will now look in more depth at the areas of reported complaints. The first group of tables show the complaints received in SNBTS which relate

to donors and patients. SNBTS are in contact with over 300,000 donors per year. In context, therefore, the number of complaints compared to the number of donations is very low.

Table 4: Donor Complaints in relation to staff behaviour in the Scottish National Blood Transfusion Service 2018-19

Type of Complaint	Q1	Same qtr 17-18	Q2	Same qtr 17-18	Q3	Same qtr 17-18	Q4	Same qtr 17-18
Staff Attitude and Behaviours	8	5	8	17	10	5	10	6
Voluntary Organiser Attitude and Behaviour	-	-	-	-	-	-	-	-
TOTAL	8	5	8	17	10	5	10	6

3.9 Table 4 above shows the number of complaints NSS has received from blood donors in relation to staff attitude and behaviours at **36** for 2018-19. This is an increase of **3** from **33** for 2017-18 and an increase of **4** from **32** in 2016-17. This is an important area for NSS as it one of our few patient facing services. It is important for NSS's reputation that donors always feel welcomed and valued. Facebook and Twitter followers who post comments expressing dissatisfaction with the service are encouraged to contact SNBTS directly or complete an online complaints form.

3.10 The table below highlights the categories of complaints received in SNBTS. In the 2018-19 and 2017-18 reporting periods SNBTS did not receive complaints in relation to codes 14 voluntary organiser and code 16 legal claims and these have been removed from the table below.

Code	Type of Complaint	Q1	Same qtr 17-18	Q2	Same qtr 17-18	Q3	Same qtr 17-18	Q4	Same qtr 17-18
1	Opportunity to donate	62	27	30	29	23	31	40	29
2	Donor Selection	7	8	0	2	1	5	5	4
3	Opening Hours	-	2	1	2	-	1	-	1
4	Staff Attitude & Behaviour	8	5	8	11	9	6	10	6
5	Waiting Times	7	5	0	14	4	3	5	8
6	Donor Communications	1	3	2	4	4	3	1	4
4	Documents and Records	2	3	2	-	1	-	3	1
8	Health and Safety	-	-	-	-	1	1	1	-
9	Bruising	3	-	2	2	2	2	5	1
11	Special Redesign/ change/disruption	-	-	-	-	-	-	-	4
12	Special Needs	1	1	-	-	-	-	-	-
13	Vexatious	-	1	-	1	-	-	-	-
15	Facilities (inc Parking)	1	1	1	1	2	1	2	1
	TOTAL	91	56	46	66	50	53	73	59

3.11 Summary of the Key areas in Feedback and Complaints SNBTS 2018-19

The Donor and Transport Services' principal contact out with SNBTS is with the blood donors amounting to 300,000 attendances per year. The opportunity to donate continues to generate the highest number of complaints.

Due to the reduction in blood collection target changes to the programme has been necessary. This has impacted on the session times and /or the number of blood collection sessions which has generated complaints regarding the opportunity to donate.

SNBTS has been piloting a queue management system where those attending without an appointment are given an indication when they are likely to be taken.

Additionally, donors are being provided with information on the alternative sessions available if they are unable to wait.

Information is being provided on the priority blood types at donor sessions during the conversation with the donor carer and reassurance given if that the donor's blood is not from the priority blood type that their donation is still valued.

3.12 Within PCF, the majority of complaints relate to National Procurement, simply due to the nature of the logistics part of the business.

Table 6: National Procurement complaints from NHS Boards related to services provided by the National Distribution Centre (NDC)

Type of Complaint	Q1	Same qtr 17-18	Q2	Same qtr 17-18	Q3	Same qtr 17-18	Q4	Same qtr 17-18
Wrong/Confusing/Missing Information	1	-	-	1	2	1	-	2
Late/Wrong/No Delivery	1	-	1	-	4	2	5	0
Product Unsuitably packed (H&S Issues etc)	17	-	-	24	3		-	4
Supply Issue	2	2	1	3	-	1	1	1
Product Quality	-	-	-	1	-	-	-	0
Dirty Product	4	6	1	1	8	3	5	5
Out of Date Product	19	12	17	9	13	11	12	14
Tote/Cage Issues	-	18	10	-	16	15	6	18
Service	-	4	-	3	-	-	-	0
Subs	-	-	-		-	-	-	0
Pick Error	1	-	-	1	-	-	-	7
Total	45	42	30	43	46	35	39	51

Table 7: National Procurement 3rd Party Complaints

Type of Complaint	Q1	Same qtr 17-18 **	Q2	Same qtr 17-18	Q3	Same qtr 17-18	Q4	Same qtr 17-18
Product Quality	112		122	102	101	83	70	86
Service	1		-	24	-	9	-	0
Transport Issues	-		-	-	1	3	-	3
Late/Wrong/No Delivery	9		9	4	8	0	7	9
Supply Issues	3		1	3	3	5	3	2
Wrong/Confusing/Missing Information	3		1	4	-	5	3	2
Price	3		2	2	1	1	1	1
I.T/Systems	-		-	0	-	0	-	0
Product Unsuitably Packed (H&S Issues)	16		11	2	11		9	0
Other	-		1	1	1	18	13	20
Total	147		147	142	126	124	106	123

Please note:

** As agreed with the NSS Strategy and Governance Directorate, from Q1 2017-18 onwards, PCF reported complaints that were complaints against the service we provided, our complaints submission did not

include product complaints which we facilitate the resolution of between our customers and suppliers. Please be assured that the product complaints were still managed to closure in the way that they have always been, but they are not complaints about our services.

The Q1 report was presented to the Governance Committees the NSS CEO overturned this decision and asked that the 3rd Party Complaints be reflected into the quarterly report from Q2 onwards and in the annual report.

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

3.13 Practitioner and Counter Fraud Services (PCFS)

PCFS received 20 complaints in 2018-19. These related to service delivery and complaints received from patients. The themes identified are summarised as follows:

- Delay in getting prior approval decision on dental treatment and length of time taken to get the approval
- Patients making complaints in relation to patient registration and questions on the form
- Patients making complaints about being removed from GP practices and/or the GP Practice they have been assigned to
- Patient complaints that they had been accused of fraud
- Dentist complaining that their payment had not been paid in a timely manner

3.14 Central Legal Office (CLO)

CLO receives very low numbers (e.g. 4 in 2018-19) of complaints and they have processes for dealing with those that relate to specific legal matters. (Scottish Legal Complaints Commission)

3.15 Public Health and Intelligence (PHI)

The complaint received by PHI in 2018-19 was related to the school flu vaccination programme publications. This resulted in minor modifications to the publications in question.

4. The culture including staff training and development:

4.1 NSS is committed to effective stakeholder engagement and complaints management. Within this area, key to this is staff training and awareness. A complaints handling process cannot encourage effective feedback if the organisation does not demonstrate empathy and that it is listening. NSS has undertaken specific training in the following areas: -

4.2 The NSS Values programme was re-launched in 2018-19.

From 2018, we re- launched the NSS Values and invited everyone to bring fresh commitment and energy to creating a 21st century NSS culture of collaboration, innovation and compassion. This common set of values, endorsed by Staff Governance, helps us all create a better NSS community, whilst honouring the traditions and good work of our Strategic Business units and Directorates.

The NSS Values are outlined below:

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

As part of the re-launch everyone will be invited to attend a Values Session with their teams facilitated by HR Services. The aim of the programme is that everyone will have attended a Values session by 31st March 2020.

4.3 PCF has increased staff awareness of good complaints handling and categorisation over the course of the year. PCF have been leaders for change and have ensured that staff are trained appropriately.

PCF has rolled out the model complaints handling procedure training across a range of their service areas training 60 complaint handlers in 2018-19.

4.4 Across the organisation, the “How Can I Help You” online learning modules provided by the National Education Board for Scotland (NES) are now available to all NSS staff via the Learnpro platform.

4.5 The Clinical Directorate and Strategy, Planning and Service Transformation SBU have delivered a train the trainer model complaints handling procedure training to over 100 staff across NSS.

- 4.6** NSS holds a Nurse Engagement Event each year and the focus of the event held in early 2019 was “Learning and Growing together”. Approximately 100 Nurses from across NSS came together to show their commitment to improving the services, they deliver.
- 4.7** In May 2018 NSS held a Senior Management Forum where over 200 senior managers from across the organisation learned about good practice and approaches to promoting mental health and well-being. The aim of the programme was to increase knowledge and awareness of senior managers about mental health to tackle the stigma that can surround this area of inequality and to promote a culture of inclusivity.

5. Improvements to NSS services

- 5.1.** The following areas have introduced improvements to services due to feedback and complaints received: -
- 5.2.** In Customer Engagement and Development, having received feedback regarding the NSS Publications page, changes have been made to ensure that the documents that the members of the public were searching for have been placed in a section that will make them easier to find.
- 5.3** As a result of feedback from equality organisations and donors who are deferred SNBTS have improved the donor selection criteria on their website and in donor information leaflets. SNBTS has engaged with key equality organisations at local level to influence their information and improve relationships and the knowledge of donors and the wider public. In SNBTS they have improved donor experience and reduced waiting times by the introduction of appointments slots which allows the donor to present at an allotted time rather than waiting in a queue with “walk-in donors”.
- 5.4** As a result of complaints received by Health Protection Scotland (HPS) in relation to the publications for the school vaccine programme HPS reviewed the publication and modified the wording in the communication.

6. Accountability and Governance

- 6.1.** The executive lead for Feedback and Complaints is the Director of Strategy Planning and Service Transformation, who is supported by the Associate Director for Corporate Affairs and Compliance and the Head of Equality and Engagement. The team aim to ensure visibility of feedback and complaints is at the highest level in the Board in order that performance and risk can be assessed and mitigated.
- 6.2.** NSS has a clear reporting timeline for complaints. Quarterly feedback and complaints reports are presented to the relevant sub committees of the NSS Board as detailed in the diagram below. Each Committee carries out a scrutiny role in relation to the report. The sub-committees will address their areas of interest and receive details about the themes and trends. For example, the NSS Staff Governance Committee will discuss the feedback and complaints in relation to staff. The Board are provided with the full report so have complete overview of all complaints and feedback received.
- 6.3.** In developing key performance indicators for NHS Scotland in relation to the forthcoming Model Complaints Handling Procedure, it was recommended that quarterly reporting was retained. Three specific indicators relating to learning, complaint process experience and staff training were developed in order that learning could be demonstrated and improvements shown. These indicators are qualitative in nature, and may be difficult to benchmark. However, they are fundamental to understanding how an organisation performs in this area.

- 6.4. The other indicators developed were quantitative in nature and relate to number of complaints received, how many are upheld, and how many are dealt with in the stated timescales. It is hoped by having consistent indicators that Boards can benchmark performance and increase learning from each other.

Hierarchy of Governance arrangements in NSS for Feedback and Complaints Reporting:



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B/19/67

NSS Board Meeting – Friday 28 June 2019

Purpose and recommendation

- To seek feedback and approval for the draft strategy performance framework.
- To note the final versions of the strategy and the supporting stakeholder engagement update.

Timing

The feedback and approval of the proposed framework will inform the final version to be presented at the 6th September meeting.

Background

The NSS Strategy 2019-24 was approved by the Board at its April 2019 meeting. Designed and accessible versions have been created that will support staff and stakeholder engagement. Copies are attached to this pack for reference along with an update on the stakeholder engagement plan. We will formally launch the strategy week commencing 1 July 2019. NSS makes a number of commitments within the strategy and a board development session was held in May 2019 which included amongst its consideration how the Board could assess performance against the strategy and its various commitments. The feedback from the development session has been used to inform and shape this proposal.

Procurement and Legal

No implications.

Engagement

The proposal was developed using Board feedback from the development session. The framework was also guided by input from selected planning and performance teams across NSS and after a full review by the EMT.

Equality & Diversity

No current implications and a full Equality Impact Assessment will be undertaken if required.

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NSS Strategy Dashboard: Strategic Priorities

Strategic Priority	Programme	Status - progress	Status - benefits	Achievements	Risks/Issues
ENABLE health and care transformation	Primary and community care	Amber		Multi Disciplinary Team (MDT) workshops completed. Sustainability and Data Collection Tools tested.	GMS Data Capture Tool – design approach has created a delay and due to be back on track by Sep '19.
	Medicines	Green		Programme scoped for 19/20. Identified collaboration opportunities. Completed digital prescribing design workshops.	
	Digital and data				
	Transformation, innovation and integration	Green		Well developed Hackathon model.	NSS role dependent on the outcome of a number of pieces of work which will finalise over the next few months.
UNDERPIN NHSScotland with excellent services	Blood, tissues and cells	Green		Blood stock usage/wasteage reported monthly to Health Boards. Blood stock dashboard available to Health Boards/Blood Banks.	There are some challenges with Blood Bank sustainability project for remote access fridges due to software compatibility of HB's IT systems.
	Digital and security				
	Specialist healthcare commissioning	Green		HPV, DRS, NIPT, SBSS Screening projects review approved. National Planning progressing in line with agreed plans.	Continual requirement above BAU.
	Primary care support	Green		Ongoing achievement of targets for payments to contractors and records transfer. Work underway to modernise systems to enable benefits and efficiencies to be realised.	New DCVP (Data Capture Validation and Pricing) behind schedule
	Fraud prevention	Green		Continuing to support Health Improvement in NHS Scotland by undertaking prevention, detection and investigation initiatives. Rolling out new Fraud Impact Assessment Tool to Boards.	
	Legal	Green		First area to implement fully paperless process (Accounts Receivable). New GDPR regulation requirements implemented. Voice Recognition fully implemented.	Ensuring IT resources and availability for the duration of the programme.
	Procurement & Logistics	Green		Continuing to achieve financial benefits and delivering solutions to benefit patients.	Potential of a no-deal Brexit impacting supply of MDCC and Medicines
	Programme management	Amber		76 activities supported across the public sector in FY19. ~90% staff have formal project/programme management qualifications. Programme/Portfolio Managers trained in Service Design Techniques.	Not being able to attract enough skilled and experienced staff to grow in line with customer demand.
	Health facilities	Green		SG commission to consider development of dedicated centre of excellence for healthcare environment and reducing infection.	Additional asks on current stretched resources
	Public Health Scotland	Amber		Fraud prevention and legal corporate shared services agreed and to be provided by CFS and CLO.	Uncertainty around financial budget, staff consultation timeline and corporate services process.
ASSIST other organisations in health and care	Integration joint boards	Green		Engagement meetings arranged with several IJB Chief Officers to map out challenges and opportunities for NSS solutions and support. Colin Sinclair to present to IJB Chief Officers Network in August.	Potential reputational risk around service demand from IJBs and impact on NSS capacity to deliver.
	Local government	Green		Positive engagements with COSLA and SOLACE around national health and social care policies including support to Public Health Scotland.	Potential reputational risk around service demand from local authorities and impact on NSS capacity to deliver.
	Emergency services	Green		Potential joint working opportunities identified with Police Scotland. NSS part of risk assessment partnership with the Scottish Fire and Rescue Service and several Health and Social Care Partnerships.	Operational risk around timelines for deliverables subject to commitments and priorities for Emergency Services organisations.
	Third sector	Green		Ongoing positive engagements with the Third and Independent Sector to explore where NSS infrastructure, services and solutions can benefit and add value to customers and service users experiences.	Potential reputational risk around service demand from Third and Independent Sector and impact on NSS capacity to deliver.

PRIMARY AND COMMUNITY CARE

JUNE 2019

SERVICES
<ul style="list-style-type: none"> • Practitioner Services • Clinical Directorate • Health Facilities Scotland • ISD Scotland • Digital and Security • Programme Management

STATUS	2-5 YEAR
AMBER	-

KPIs	Target	Actual
-	-	-
-	-	-
-	-	-

INVESTMENTS	
NSS	-
SG	-
Other	-
Total	-

MILESTONES	
GMS Phase 2 negotiations	Dec 20
All programme deliverables	Mar 21

PRIORITY		
Enable	Underpin	Assist

OUTCOMES		
Better Care	Better Health	Better Value

CHANGE TYPE		
Innovate	Transform	Improve

SRO
Martin Bell

GOVERNANCE
<ul style="list-style-type: none"> • SG Primary Care Directorate • NSS PMG • NSS Primary Care Board

AIM
To enable the modernisation and integration of primary and community care in Scotland.

UPDATE
<ul style="list-style-type: none"> • HFS survey of privately owned GP estate progressing well and offering excellent insight into the challenges independent contractors face. • Geospatial Data collection (GP practice boundaries) behind schedule. • Programme board members to support Medicine theme's 'Discovery' phase on prescribing pathway. • IG Framework for LIST and Primary Care Quality Improvement ready to publish and activity will transfer to BAU. • Stakeholder mapping completed and communications plan being developed. • Options for digitising medical records submitted to SG, but no funding available. Exploring internal options to conduct proof of concept. • Katherine Ross, Associate Director for Social Care, engaged to identify social care opportunities.

ACHIEVEMENTS TO DATE
<ul style="list-style-type: none"> • April's formal update well received by SG Primary Care Division. • Multi Disciplinary Team (MDT) workshops completed. • GP Practice Sustainability Tool tested and on track. • GP Data Collection (income expenditure and workforce) Tool tested but implementation delayed. • Programme Director appointed and started 10 June.

NEXT STEPS
<ul style="list-style-type: none"> • Roll out GP Sustainability Tool – activity on track. • GMS Data Capture Tool – design approach has created a delay and due to be back on track by Sep '19. • Finalise HFS survey and complete reports upload into estate tool. • Re-energise the Geospatial work. • Support the Medicine's Theme with its ePrescribing discovery work. • Maintain visibility and engagement with other NSS Primary Care activity (directly funded by SG), i.e. General Practice Digital Programme Board and developments within LIST, SPIRE, Performers List, GP Jobs Website, Practice Payments, SNUG, Eyecare Integration programme, eOphthalmic updates to accommodate GOS policy change & SWAN.

RISKS/ISSUES
GMS data collection tool does not capture all relevant information in a way for it to be easily analysed. Impacts GMS Phase 2 negotiations.

DEPENDENCIES
PHI development capability and capacity for delivering the data collection tool.

Medicines

JUNE 2019

SERVICES		
<ul style="list-style-type: none"> • PSD • ISD • DaS • SNBTS • NP • NSD • Finance 		
STATUS	2-5 YEAR	
GREEN	-	
KPIs	Target	Actual
-	-	-
-	-	-
-	-	-
INVESTMENTS		
NSS	-	
SG	-	
Other	-	
Total	-	
MILESTONES		
Prescribing pathway	DEC 19	
PRIORITY		
Enable	Underpin	Assist
OUTCOMES		
Better Care	Better Health	Better Value
CHANGE TYPE		
Innovate	Transform	Improve
SRO		
Lorna Ramsay		
GOVERNANCE		
<ul style="list-style-type: none"> • TBC – expected to be NSS Programme Management Group 		

AIM
<p>This project aims to collate the activities and expertise across NSS and develop a cohesive, informed 'offer' to NHS Scotland as a Centre of Excellence in this area. The project will work in areas such as improving prescribing pathways to make better use of NSS data, developing the use of genomics and cellular therapies and supporting medicines value.</p>
UPDATE
<ul style="list-style-type: none"> • Programme scoping for '19-20; PMG approval of initial plan, funding and resource requirement • Primary care prescribing pathway discovery work – agreement from ePharmacy Board now in place so work confirmed as jointly commissioned by SG via PCD and Pharmacy. Funded by NSS. Agreed delivery timescale December 2019. • Agreement in principle to recruitment a Pharmacy Clinical Fellow hosted by NSS and funded by Northern Area consortium on ATMPs – will support effective linkages with our Medicines 'New & Innovative' workstream
ACHIEVEMENTS TO DATE
<p>The activities for the next 12 months have been identified.</p> <p>Internal Network of SMEs: Identify cross SBU opportunities to collaborate. Build a forum to generate and evaluate ideas to progress initiatives. Expertise to advise / prioritise and knowledge share across issues. Reviewing work underway and providing expert guidance.</p> <p>Primary Care Prescribing: Solution design to provide a digital and mobile prescribing system that enables prescribers across the Primary Care workforce to prescribe efficiently and safely. Run 3 service design led workshops that provide evidence of the current process issues and informs a proposed, scalable solution for consideration at SG.</p> <p>Medicines Data: Currently awaiting report on user research from AAB to inform what data can come out of NSS to support / inform prescribing advisors and non-medical prescribers. Assess report findings and define response.</p> <p>Innovation - support for advanced therapies and Clinical fellow support. Supporting and mentoring a Clinical Fellow.</p>
NEXT STEPS
<ul style="list-style-type: none"> • Planning and preparatory work for Prescribing Discovery • Stakeholder analysis required. Initial connection with stakeholder groups (June 19) • Value and innovation sub-theme - a solution has been proposed to assist with issues around tiered services for medicines (prescribing and dispensing across acute/community). This needs cross-NSS working, including with Finance.
RISKS/ISSUES
TBC
DEPENDENCIES
TBC

Transformation, Innovation and Integration **JUNE 2019**

SERVICES		
• All		
STATUS	2-5 YEAR	
GREEN	-	
KPIs	Target	Actual
-	-	-
-	-	-
-	-	-
INVESTMENTS		
NSS	-	
SG	-	
Other	-	
Total	-	
MILESTONES		
Scotcap business case	JAN 20	
PRIORITY		
Enable	Underpin	Assist
OUTCOMES		
Better Care	Better Health	Better Value
CHANGE TYPE		
Innovate	Transform	Improve
SRO		
Lorna Ramsay		
GOVERNANCE		
• NSS PMG		

AIM
<p>Innovation - map, encourage and support internal initiatives, provide bi-directional signposting for industry and NHS, and work with partner organisations to support an ecosystem for innovation .</p> <p>Transformation –</p> <p>Integration -</p>
UPDATE
<ul style="list-style-type: none"> Initial work to map existing activity in SBUs in progress. Identified key areas of work – optimise and align existing work; signposting unmet need and opportunity; expert advice and lifecycle support; collaboration for innovation.
ACHIEVEMENTS TO DATE
<ul style="list-style-type: none"> Well developed Hackathon model.
NEXT STEPS
<ul style="list-style-type: none"> Collaboration for Innovation workshop (NSS, DHI, NHS24, HIS, SG and others) June 14th and delivering workshop output with partners. Internal stakeholder engagement across NSS and building NSS internal Innovation support network. Delivery of Scotcap evaluation by Dec 2019 and business case by Jan 2020. Planning for implementation by April 2020.
RISKS/ISSUES
TBC
DEPENDENCIES
NSS role dependent on the outcome of a number of pieces of work which will finalise over the next few months.

ENABLING PUBLIC HEALTH SCOTLAND JUNE 2019



SERVICES
<ul style="list-style-type: none"> • PHI • SPST • HR • FS • DaS • PCF

STATUS	2-5 YEAR
AMBER	-

KPIs	Target	Actual
-	-	-
-	-	-
-	-	-

INVESTMENTS	
NSS	-
SG	£475k
Other	-
Total	£475k

MILESTONES	
PHS Go Live	APR 20

PRIORITY		
Enable	Underpin	Assist

OUTCOMES		
Better Care	Better Health	Better Value

CHANGE TYPE		
Innovate	Transform	Improve

SRO
Mary Morgan

GOVERNANCE
<ul style="list-style-type: none"> • Public Health Reform Programme Board • NSS Board • NSS EMT

AIM

To support the successful establishment of Public Health Scotland.

UPDATE

- **Public consultation:** Formal public consultation on statutory establishment of PHS open and closes 8 Jul 2019.
- **Chair and Chief Executive:** Professor Jim McGoldrick, appointed Shadow Chair. Acting chief executive appointment expected shortly.
- **Target Operating Model (v2.0):** Approved by PHR Programme Board.
- **HR Steering Group:** Staff consultation timescales to be discussed.
- **Corporate Services:** NSS proposal being created covering IT, finance, HR, procurement and FM services.
- **Finance:** Report being prepared for SG on budget details.
- **Programme team:** Resource allocation within the Programme team (including the PHR team) being considered, with IT & Digital now project managed as a single entity.

ACHIEVEMENTS TO DATE

- Fraud prevention and legal corporate shared services agreed and to be provided by CFS and CLO.

NEXT STEPS

- Awaiting clarification on timelines, Corporate Services process, IT action plan, finance action plan and accommodation requirements
- TOM 2.0 workshop to consider teams matching to proposed directorates.
- Review of IG arrangements by Medical Director.
- Submission of corporate shared services offer.

RISKS/ISSUES


Uncertainty around financial budget, staff consultation timeline and corporate services process.

DEPENDENCIES

Decisions needed on how IT services should be delivered to PHS.


DIGITAL LEGAL SERVICES

JUNE 2019

SERVICE			AIM		
Central Legal Office 			To fully digitise and integrate CLO services.		
STATUS			UPDATE		
2-5 YEAR			<ul style="list-style-type: none"> Implemented fully automatic and paperless process for Accounts Receivable. Full implementation of Voice Recognition across CLO Implemented 80% electronic incoming mail through the Prescient+ Scanning Module. Introduced Indexing/Searching module in the current case management system. Piloting electronic legal case files (Litigation/Employment) including the “Bundling” Module. Windows 10 upgrade testing in progress. Prescient+ upgrade compatibility testing with Office 365 in progress. 		
GREEN					
KPIs	Target	Actual	ACHIEVEMENTS TO DATE		
Paperless (%)	10%	15%	<ul style="list-style-type: none"> CLO is the first area in NSS to implement a fully paperless process. New GDPR regulation requirements implemented. Voice Recognition fully implemented. 		
Saved time (h)	-	-	NEXT STEPS		
Savings (£)	-	-	<ul style="list-style-type: none"> Upgrade to Windows 10. Prescient+ upgrade. Post-implementation review of Voice Recognition. Implementation of secure external file transfer and collaboration facility for CLO and its stakeholders – Globalscape and Skype for Business. 		
INVESTMENTS			RISKS/ISSUES		
NSS	-		Ensuring IT resources and availability for the duration of the programme.		
SG	-		DEPENDENCIES		
Other	£40k		Alignment with the Scottish Digital Justice programme.		
Total	£40k				
MILESTONES					
Fully live		MAR 23			
PRIORITY					
Enable	Underpin	Assist			
OUTCOMES					
Better Care	Better Health	Better Value			
CHANGE TYPE					
Innovate	Transform	Improve			
SRO					
Norma Shippin					
GOVERNANCE					
• NSS COG					

PROGRAMME MANAGEMENT SERVICES

JUNE 2019

SERVICE(S)		
Programme Management 		
STATUS	2-5 YEAR	
AMBER	-	
KPIs 2018/19	Target	Actual
Customer satisfaction score	70%	100%
INVESTMENTS		
NSS	-	
Total	-	
MILESTONES		
Develop recruitment strategy	TBC	
Launch Service Transformation proposition	TBC	
PRIORITY		
Enable	Underpin	Assist
OUTCOMES		
Better Care	Better Health	Better Value
CHANGE TYPE		
Innovate	Transform	Improve
SRO		
Colette Mackenzie		
GOVERNANCE		
<ul style="list-style-type: none"> Strategy, Performance and Service Transformation SMT 		

AIM
Programme Management Services (PgMS) will support the transformation of health and care and ensure benefits can be realised at pace.
UPDATE
<ul style="list-style-type: none"> PgMS continues to provide Programme and Project Management support to Health and Social Care customers and to the Scottish Government Ring-fenced Service Design Hub team in place and supporting NSS Service Transformation projects Recent recruitment campaign appointed 8 external and 13 internal candidates
ACHIEVEMENTS TO DATE
<ul style="list-style-type: none"> In 2018/19 PgMS supported 76 engagements across a range of internal, Health Board and Scottish Government Customers PgMS has doubled its headcount over a 4 year period to over 100 staff at the end of 2018 Programme and Portfolio Managers have been trained in Service Design Techniques Formal Programme and Project Management qualifications, including Agile and Waterfall techniques, have been gained by ~90% of PgMS staff with others scheduled to follow
NEXT STEPS
<ul style="list-style-type: none"> Creation of new Service Design roles to support end-to-end Service Transformation Development and launch of Service Transformation proposition for external customers Further recruitment and development activities to grow our team of experienced staff
RISKS/ISSUES
<ul style="list-style-type: none"> There is a risk that PgMS is unable to attract enough skilled and experienced staff to grow in line with demand from customers
DEPENDENCIES
<ul style="list-style-type: none"> HR support and guidance to ensure successful people growth

ASSIST OTHER ORGANISATIONS INVOLVED IN HEALTH AND CARE

JUNE 2019

SERVICES		
<ul style="list-style-type: none"> Public Health and Intelligence Central Legal Office Procurement Commissioning & Facilities Digital and Security Programme Management 		
STATUS	2-5 YEAR	
GREEN	-	
KPIs	Target	Actual
-	-	-
-	-	-
-	-	-
INVESTMENTS		
NSS	-	
SG	-	
Other	-	
Total	-	
MILESTONES		
Assist Pre-Discovery and Discovery Phases	Aug 19	
All programme deliverables	Mar 20	
PRIORITY		
Enable	Underpin	Assist
OUTCOMES		
Better Care	Better Health	Better Value
CHANGE TYPE		
Innovate	Transform	Improve
SRO		
Mary Morgan		
GOVERNANCE		
<ul style="list-style-type: none"> NSS Board NSS EMT NSS Assist Strategic Working Group 		

AIM
To connect with other public bodies where we can use our national position to ensure our services and solutions are aligned, and integrated, into their strategic objectives, which supports transformation across the Scottish health and care system.
UPDATE
<ul style="list-style-type: none"> Integration Joint Boards – With support from Katharine Ross, Advisor for Social Care, engaging with several IJB Chief Officers to map out challenges and opportunities for NSS solutions and support. Provide input to planned meeting on 16th August with Colin Sinclair, Chief Executive and IJB Chief Officers Network. Local Government – Strategic engagement with Convention of Scottish Local Authorities and Society of Local Government Chief Officers to align NSS strategy with national health and care deliverables. NSS Senior Leadership now members of SOLACE. Support provided to six local authorities around data, technology, business intelligence and project management requirements. Children and Young People Joint Chronologies new common approach being tested across the Pan-Lothian Partnership. Scottish Local Government Digital Transformation – NSS is represented on the governance of local government's national programme. Emergency and Other Services – Strategic engagement with Police Scotland and Scottish Fire and Rescue Service, to continue to explore partnership and collaboration opportunities. Ongoing engagement and support provided through national programmes sponsored by Scottish Government around Justice and Scottish Prisons Service. Strategic engagement and support provided to the Edinburgh and South East Scotland City Region Deal. Third and Independent Sector – Strategic engagement with Scottish Council for Voluntary Organisations to explore organisational synergies and business opportunities. Programme sponsored by Scottish Government around exploring potential solutions to infrastructure requirements from Hospices across Scotland.
ACHIEVEMENTS TO DATE
<ul style="list-style-type: none"> A Review of the Ministerial Strategic Group on Integration with 25 Recommendations has been conducted, with subsequent actions being progressed. Launch of the Testing Phase for a Pan-Lothian common approach for Joint Chronologies – Target end of September'19 for completion. Strategic workshops held with Police Scotland and Scottish Fire and Rescue Service to further explore partnership opportunities.
NEXT STEPS
<ul style="list-style-type: none"> Conduct Discovery (research phase) to map landscape for 'Assist' strategic objective and present to the EMT – Target August'19 Develop the High Level Plan into a detailed Action Plan to deliver the Assist' strategic objective - Target post EMT August'19.
RISKS/ISSUES
Competing resource requirements across other priority areas impacting on timelines. Effective cross organisation planning will mitigate impacts.
DEPENDENCIES
NSS capacity for delivering the 'Assist' strategic objective.

NSS Strategy Dashboard: Strategic Objectives

Strategic objective	Key Performance Indicator	YTD Actual	FY20 Target	Status	Notes
Customer at the heart	Customer Satisfaction	76%	76%	Green	FY19 score. Reported annually. Next report Apr 20.
	Customer Advocacy	23%	23%	Green	FY19 score. Reported annually. Next report Apr 20.
	Customer Effort	76%	76%	Green	FY19 score. Reported annually. Next report Apr 20.
	Complaints Volume	490	500	Green	FY19 score. Reported quarterly. Next report Jul 19.
Improving the way we do things	Cash Releasing Efficiency Savings				May 19 results. Reported monthly. Next report Jun 19.
	WTE Levels				May 19 results. Reported monthly. Next report Jun 19.
	Major BCP Incidents	0	0	Green	Major = NSS Resilience Management Plan invoked.
	Cat 1 Clinical Adverse Events	0	0	Green	
	Cat 1 IG Adverse Events	0	0	Green	
Increasing our service impact	Revenue				May 19 results. Reported monthly. Next report Jun 19.
	Capital				May 19 results. Reported monthly. Next report Jun 19.
	Environmental Sustainability	48%	55%	Amber	FY19 results. Reported annually. Next report Mar 20.
	NHSScotland Savings				
	ODP NSS	95%	90%	Blue	FY19 result. Reported quarterly. Next report Jul 19.
Great place to work	Employee Engagement Index	76%	77%	Amber	FY19 score. Reported annually. Next report Sep 19.
	iMatter Action Planning	77%	85%	Red	FY19 score. Reported annually. Next report Jan 20.
	Sickness Absence	4.11%	4.00%	Amber	May 19 score. Reported monthly. Next report Jun 19.
	RIDDORS				
	Value Sessions				

ID	Programme/Service	Activity	Priority	Outcome	Change type	Lead SBU
1.01	Primary and community care		Enable health and care	Better care	Transformation	NSS
1.02	Medicines		Enable health and care	Better health	Transformation	NSS
1.03	Digital and data		Enable health and care	Better care	Transformation	NSS
1.04	Transformation, innovation and integration		Enable health and care	Better care	Innovation	NSS
2.01	SNBTS	Supporting hospital blood banks	Underpin NHSScotland	Better health	Improvement	SNBTS
2.02	SNBTS	Introducing eBlood management systems	Underpin NHSScotland	Better health	Transformation	SNBTS
2.03	PHS	Support the transition of HPS and ISD to PHS	Underpin NHSScotland	Better health	Transformation	NSS
2.04	NSD	Providing national planning to NHSScotland	Underpin NHSScotland	Better health	Improvement	PCF
2.05	HFS	Developing a national approach to infrastructure management	Underpin NHSScotland	Better care	Improvement	PCF
2.06	HFS	Reducing NHSScotland environmental impact	Underpin NHSScotland	Better value	Improvement	PCF
2.07	PSD	Automating primary care payments	Underpin NHSScotland	Better value	Transformation	PCFS
2.08	PSD	Refreshing the Community Health Index (CHI)	Underpin NHSScotland	Better care	Improvement	PCFS
2.09	DAS	Delivering digital solutions and digital transformation	Underpin NHSScotland	Better value	Transformation	DAS
2.10	NPL	Optimising contracted products and service usage	Underpin NHSScotland	Better value	Improvement	PCF
2.11	CFS	Increasing fraud detection and prosecution	Underpin NHSScotland	Better value	Improvement	PCFS
2.12	CLO	Implementing digital legal services	Underpin NHSScotland	Better value	Transformation	CLO
2.13	PGMS	Launching a transformation support service	Underpin NHSScotland	Better value	Innovation	SPST
3.01	ASSIST	Helping IJBs meet ministerial recommendations	Assist others in health and care	Better care	Improvement	NSS
3.02	ASSIST	Strengthen relationships with local authorities	Assist others in health and care	Better care	Improvement	SPST
3.03	ASSIST	Collaborate with Police Scotland and Scottish Fire & Rescue	Assist others in health and care	Better value	Improvement	SPST
3.04	ASSIST	Deliver a new public participation strategy	Assist others in health and care	Better health	Improvement	SPST
3.05	PHS	Deliver corporate shared services to Public Health Scotland	Assist others in health and care	Better value	Transformation	NSS
4.01	Customer Experience Plan	Improve the use of customer action plans	Strategic objectives	Customer at the heart	Improvement	SPST
4.02	Customer Experience Plan	Introduce customer at the heart standards	Strategic objectives	Customer at the heart	Improvement	SPST
4.03	NSS Service Sustainability Plan	Understand our cost drivers	Strategic objectives	Improving the way we do things	Improvement	FS
4.04	NSS Service Sustainability Plan	Explore workforce challenges	Strategic objectives	Improving the way we do things	Improvement	HR
4.05	NSS Service Sustainability Plan	Assess the value created by our services	Strategic objectives	Improving the way we do things	Improvement	SPST
4.06	NSS Service Sustainability Plan	Achieving financial balance	Strategic objectives	Increasing our service impact	Transformation	FS
4.07	Great Place to Work Plan	Delivering innovative people solutions	Strategic objectives	Increasing our service impact	Innovation	HR
4.08	CD	Aligning NSS activity to Realistic Medicine	Strategic objectives	Increasing our service impact	Improvement	CD
4.09	CD	Maturing our approach to clinical assurance	Strategic objectives	Increasing our service impact	Improvement	CD
4.10	NSS Service Sustainability Plan	Helping NSS to transform its services	Strategic objectives	Increasing our service impact	Transformation	SPST
4.11	Governance Blueprint	Providing governance expertise	Strategic objectives	Increasing our service impact	Improvement	SPST
4.12	Great Place to Work Plan	Deliver the Great Place to Work plan	Strategic objectives	Great place to work	Improvement	HR

NSS Strategy 2019-2024

Introduction

NHS National Services Scotland (NSS) provides national infrastructure services and solutions which are integral to the delivery of health and care services in Scotland – locally, regionally and nationally.

Our national infrastructure is wide-ranging, covering clinical areas, such as the safe supply of blood, tissues and cells, through to non-clinical areas, such as providing essential digital platforms and cyber security for health and care. We are now working more widely across health and care, ensuring the benefits and value we achieve through our national solutions can help many different areas of front line services to improve outcomes for the people of Scotland and attainment of the National Performance Framework goals.

Our people

Our staff are our most important resource. Their knowledge and expertise allows us to consistently deliver our services and achieve targets. Using their expertise and specialist knowledge we are creating new national solutions and services which will enable our partners to transform the way they deliver health and care.

This strategy also enables the delivery of robust workforce plans, ensuring that all of our staff feel valued and are treated with dignity and respect. We want to ensure that NSS remains a great place to work and is an organisation where diversity and differences are celebrated and collaborative, values based leadership is the norm.

Our changing environment

NSS delivers in a continuously changing environment and in 2020 our organisation will also change; with Information Services Division (ISD) Scotland, and Health Protection Scotland (HPS) joining with NHS Health Scotland to form Public Health Scotland.

This strategy has been developed in light of this changing environment and ensures we are responsive to the needs of our stakeholders, innovative in our thinking and continue to excel in the provision of our core services. In this way we can make the most effective contribution to improving the health and wellbeing of people in Scotland.

Our commitments

We are committed to evolving our organisation and, with customers at the heart of our own transformation, will improve our services and increase the pace of change to ensure the value we create for health and care can be realised more quickly.

We are proud to represent an organisation which constantly strives to deliver high-quality public services for the people of Scotland, and excited to begin delivering the work outlined in this strategy.

NSS Board and Executive Management Team

NHS National Services Scotland

This strategy outlines areas our stakeholders have said they need us to deliver against over the next five years and has been informed by a number of key requirements for health and care:

Achieving the Scottish Government's priorities on mental health, waiting times and health and social care integration.

Enabling the people of Scotland to live longer, healthier lives at home or in a homely setting.¹

Ensuring everyone who provides healthcare in Scotland is able to demonstrate their professionalism.²

Helping Scotland to become a more successful country by increasing the wellbeing of people and creating opportunities for everyone who lives here.³

Taking the actions needed to shift NHSScotland towards long-term, fundamental change and securing its future.⁴

¹ Health and Social Care Delivery Plan (2016); Scotland's Digital Health and Care Strategy (2018)

² Realistic Medicine (2016); Realising Realistic Medicine (2017); Practising Realistic Medicine (2018); Personalising Realistic Medicine (2019)

³ Scotland's National Performance Framework (2018)

⁴ NHS in Scotland 2018 (2018); The Governance of the NHS in Scotland – Ensuring Delivery of the Best Healthcare for Scotland (2018)

Our Values

“Great values underpin great delivery.”

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

Our Purpose

“We provide national solutions to improve the health and wellbeing of the people of Scotland”

Our Vision

To be integral to a world-leading health and care service.

We want the people of Scotland to have the best possible health and care service in the world. We know we can play an important role in making this a reality for them.

Over the next five years we will support the change that is needed across health and care, while also reforming our services so they remain integral to the ongoing success of NHSScotland and the wider health and care landscape.

Our Priorities

Our stakeholders have told us where they need us to prioritise our efforts for the next 5 years:

1. Enabling health and care transformation with new services.
2. Underpinning NHSScotland with excellent services.
3. Assisting other organisations involved in health and care.

Enabling health and care transformation with new services

We will harness the wide ranging skills and expertise NSS has to deliver better care, better health and better value for Scotland.

Primary and community care

We will enable the modernisation and integration of primary and community care in Scotland. This includes assessing primary care capability and capacity, supporting the modernisation and integration of primary care systems and processes, assessing the current state of the general practice estate and actively engaging with community care to understand their needs.

This programme will help deliver a more sustainable and resilient primary and community care service that improves patient care with more effective multi-disciplinary team working.

Medicines

We will support the review and redesign of prescribing pathways in primary care, improve access to medicines data and help ensure Scotland gets best value from its spend on medicines. This work includes research, development and introduction of new treatments, including developing the use of genomics and cellular therapies.

This programme will help ambitions for the right medicine or right treatment to be given to the right patient at the right time and by the right clinician in any location.

Digital and data

We will enable the successful delivery of the digital health and care strategy. This includes optimising the use of the public cloud, creating a new national security operations centre for NHSScotland and improving access and use of NSS national data sets.

This programme will help our customers turn ideas into practical digital-first solutions through digital service transformation.

Innovation and transformation

We will develop an innovation network with partners, harness our expertise to support innovators and support the scale up of key innovations across Scotland. We will enable stakeholders and partners in Scottish Government, territorial health boards, regions and integration authorities to deliver transformational change.

This programme will help maximise the potential for key innovations to be successfully implemented across health and care in Scotland.

Underpinning NHSScotland with excellent services

Blood, tissues and cells services delivered by the Scottish National Blood Transfusion Service (SNBTS) will ensure that hospital blood banks are supported to provide adequate staffing levels, regulatory compliance and clinical safety. They will introduce 'eBlood' management systems to support supply and stock accuracy and deliver supply chain efficiencies.

SNBTS will continue to supply a resilient, safe and sustainable blood, tissue and cell delivery model.

Health protection provided by Health Protection Scotland (HPS) will move to Public Health Scotland. This is a new public body which will bring together expertise in public health and support different ways of working to build a whole system approach to improve health and reduce health inequalities.

HPS will protect the health and wellbeing of the people of Scotland, developing resilience and capacity to support new and emerging threats.

Specialist healthcare commissioning managed by National Services Division (NSD) will continue to commission a range of health services, networks and screening services. Through their national planning arrangements, they will support the design of tertiary care in Scotland.

NSD aims to improve the health of those who require specialist care that can't be provided locally and those who require tertiary services.

Health facilities provided by Health Facilities Scotland (HFS) will utilise its technical and operational expertise to develop the national approach to infrastructure management

through their support to the National Infrastructure Board and stewardship of the strategic facilities agenda. They will also support NHSScotland to improve the sustainability of services by limiting their impact on the environment and helping them adapt to climate change.

HFS will use its expertise to support safe, fit for purpose infrastructure and reduce environmental impact.

Primary care support delivered by Practitioner Services Division (PSD) will continue to provide best in class payment, patient registration and records transfer for primary and community care contractor services (general practice, community dental, community pharmacy and optometry). Over the forthcoming period of this strategy they will fully automate all primary care payments and fully refresh the Community Health Index.

PSD aim to provide faster and more accurate payments, increased productivity and cost efficiencies to release resources for other activities.

Digital and security services delivered by Digital and Security (DaS) will transform digital and security capabilities by adopting a 'security to design' approach in the delivery of digital services and cloud platforms. This will enable on demand access to critical systems and business intelligence for informed decision making.

DaS will ensure health boards and health and social care partnerships are able to function efficiently and safely.

Information and intelligence provided by Information Services Division (ISD) Scotland will move to Public Health Scotland. This is a new public body which will bring together expertise in public health and support different ways of working to build a whole system approach to improve health and reduce health inequalities.

ISD will provide joined up data and intelligence to the public, professionals and public bodies.

Procurement services delivered by National Procurement (NP) will continue to underpin medicine programmes by supporting vaccine initiatives and patient access schemes. They will make better use of technology to deliver a more efficient service for all their customers and support initiatives to ensure the optimal use of the products and service solutions they provide.

NP will focus its efforts on achieving best value in procurement and supply chain services for NHSScotland.

Fraud prevention provided by the Counter Fraud Service (CFS) will ensure a continued drive to countering fraud with a goal of increasing detection and prosecution of fraud against the NHS in Scotland. They will achieve this by introducing new skills, such as business analytics, and adopting new detection technologies, such as artificial intelligence.

The savings made from detecting and stopping crime will support the NHS in Scotland in times of significant financial challenge.

Legal services provided by Central Legal Office (CLO) will continue to provide high quality and highly rated legal services in relation to litigation, employment, property and commercial contracts. They will redesign and improve their services using digital technologies, ensuring they are aligned to Scotland's Digital Justice ambitions. They will also continue to benchmark their costs to ensure they represent best value for their clients.

CLO will create a more efficient, user focused and easier to access service.

Programme management provided by Programme Management Services (PgMS) will help organisations realise the benefits of their critical health and care change programmes by providing a flexible and scalable approach to portfolio management, programme and project management and programme assurance. They will launch a transformation support service for health and care.

PGMS will support the transformation of health and care and ensure benefits can be realised at pace.

Assisting other organisations involved in health and care

By connecting with partners and stakeholders in other public bodies, we can use our national position to ensure our services, solutions and programmes of work are aligned to, coordinated with and integrated into regional and local initiatives. This will help ensure we are supporting transformation throughout the health and care system.

With Integration Joint Boards

We will strengthen our relationships with Chief Officers and explore opportunities to support changes that deliver against recommendations set out in the Ministerial Strategic Group for Health and Community Care's Review of Progress with Integration of Health and Social Care (2019).

With Local Government

We will continue to strengthen our relationships with local authorities and governing bodies, such as the Convention of Scottish Local Authorities (COSLA) and the Society of Local Authority Chief Executives (SOLACE).

With Emergency Services

We acknowledge that the Scottish Fire and Rescue Service and Police Scotland are also key partners in delivering joined up health and care services. We will seek opportunities to collaborate with them on activities that benefit health and care.

With the Third Sector

We will ensure we comply with Public Participation Standards and will work with the Scottish Health Council and national organisations, such as the Scottish Council of Voluntary Organisations, to deliver a new public participation strategy.

Our Objectives

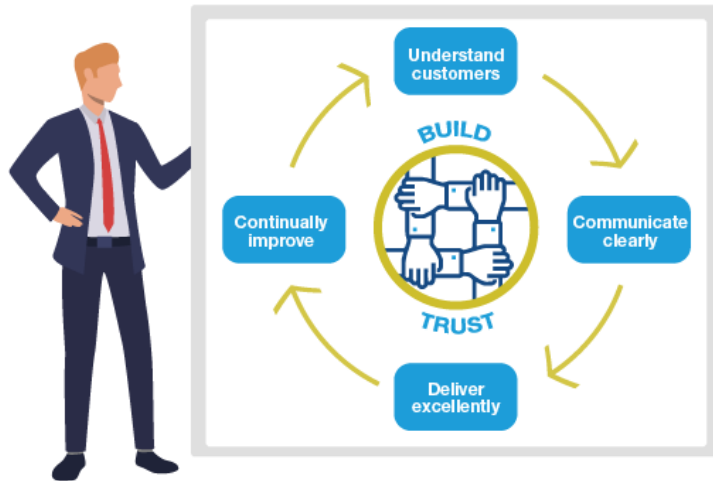
NSS recognises that its ambitions can only be achieved by successfully aligning our mission, vision and values with our priorities and operational delivery plan. We use four strategic objectives to help us manage performance and measure success.

- 1. Customers at the heart**
- 2. Improving the way we do things**
- 3. Increasing our service impact**
- 4. Great place to work**

Customers at the heart

Our primary goal is to build and maintain trust so that stakeholders and customers can be confident that we are delivering what they need us to.

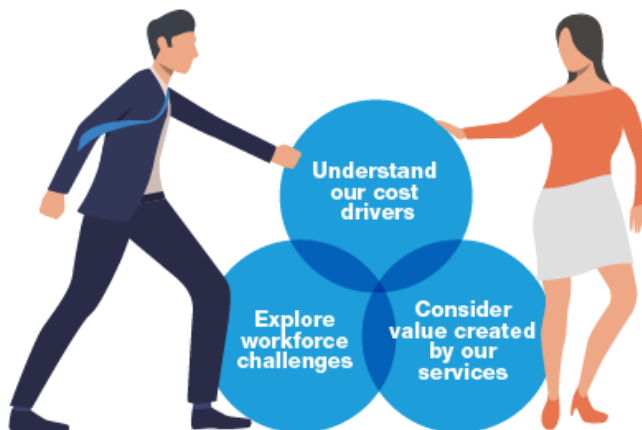
All our services produce an annual customer action plan and we are introducing new standards to ensure every part of NSS is proactively engaging with customers in everything we do.



Improving the way we do things

We have initiated a Service Sustainability Plan to ensure NSS has strong financial management, an effective workforce and is able to transform its services.

Ensuring our service are fully optimised and sustainable gives us confidence that we can deliver against our strategic priorities.



Increasing our service impact

NSS is committed to improving its frontline services and the corporate services that underpin them.

We will deliver excellence in strategic financial management by optimising procurement and improving reporting to help NSS to continue to achieve financial balance.

We will provide innovative people solutions through effective workforce planning, supporting flexible working and by placing wellbeing at the heart of service delivery.

We will ensure NSS is meeting Scotland's health and care needs by aligning NSS activity with Realistic Medicine and maturing clinical assurance and quality improvement approaches.

We will enable NSS success through subject matter expertise in specialist areas and supporting service transformation.

Great place to work

We want all our staff to thrive and be successful. Their success is our success.

NSS has placed significant focus on making our organisation a great place to work and are in the upper quartile of NHSScotland performance.

We have considered the type of organisation we need to be to meet our five year strategy and have identified five principles to define our approach.

- NSS values its employees as its greatest asset.
- NSS treats all employees with dignity and respect.
- NSS celebrates and supports diversity and difference.
- NSS promotes a culture of health and wellbeing for all.
- NSS encourages collaborative and values based leadership at all levels.

Contact us

Website: nhsnss.org

Email: NSS.feedback@nhs.net

Twitter: [@NHSNNS](https://twitter.com/NHSNNS)

HIGHLIGHTS FROM NSS BOARD COMMITTEES SINCE APRIL 2019 NSS BOARD MEETING

STAFF GOVERNANCE COMMITTEE – 10 MAY 2019

B/19/69

Issues & Risks for the Board's Attention

- Nothing to report.

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

- Committee welcomed the new approach for end of year reporting on workforce. Discussion focused on workforce issues (e.g. sickness absence) and proactive measures NSS had taken to address these and future plans.

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

- Ongoing focus by the Committee on the impact of upstream activity on downstream results and how success would be measured. The Committees' 2019/20 Annual Report would reflect the relationship of upstream and downstream in reporting to provide additional assurance to the NSS Board.
- Management information to be presented in Statistical Process Control (SPC) format for reports to the Committee.

Other Matters of Interest

- The Workforce Strategy for 2019/2024 was endorsed by the Committee subject to some amendments e.g. greater clarity upfront to contextualise why the need for change and what decisions might need to come to the Board to deliver the Strategy. There was an acceptance that NSS would change. This change would come through people and be in partnership.
- Committee recognised that much of what it discussed connected with the work of the NSS Board and other Committees (e.g. digital transformation) and provided an additional level of scrutiny and assurance.

HIGHLIGHTS FROM NSS BOARD COMMITTEES SINCE APRIL 2019 NSS BOARD MEETING

INFORMATION GOVERNANCE COMMITTEE – 14 MAY 2019

Issues & Risks for the Board's Attention

- The Common Law Duty of Confidentiality Statement has been agreed with CLO and ready to go on website. It reflects current legislation but out of kilter with current Government operating policy which needs updating.
- Implementation timetable for Office 365 in NSS was unclear as focus has been on the national programme.
- Slow progress in getting signed MoUs for the Local Intelligence Support Team (LIST) analysts' work, particularly for Health and Social Care Partnerships – doubt exists whether H&SCP's could sign as a legal identity.

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

- Importance of including information governance and data protection consideration at the outset of any new project.
- Migration of services to public cloud as integral part of the digital transformation strategy. Cloud no less secure than non-cloud based systems provided appropriate controls are in place.

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

- Inclusion of detailed and focussed presentations on significant projects/risks e.g. cyber security at the May 2019 meeting together with clarity on actions to be taken and by when.

Other Matters of Interest

- Good progress on GDPR compliance.
- ServiceNow system in place now for data protection related requests.

HIGHLIGHTS FROM NSS BOARD SUB-COMMITTEES SINCE <JUNE 2019> NSS BOARD MEETING

Issues & Risks for the Board's Attention

- There were no instances where SFIs had not been followed
- The Committee were updated on the work within National Procurement around the implications of Brexit, and managing the Clinical Waste contingencies, and were assured that NSS had appropriate measures in place. The Committee were further encouraged by the decision to invite KPMG to undertake a review of the actions taken by NSS with regards to clinical waste.
- The Committee were alerted to a new amber risk relating to PHI and the e-coli outbreak in Lanarkshire in 2017.

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

- Following concerns expressed about NSS continuing to provide more than its share of the National Boards' collaborative savings target, Mr Sinclair agreed to go back to the other National Board Chief Executives and get assurances around the development of a more formal strategic plan to deliver this.

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

- The Committee advised that they would like to have spotlight sessions on financial stewardship in different parts of NSS.

Other Matters of Interest

- A proposal would be drafted up for a survey to measure the impact of the mandatory SFI training course on LearnPro.
- The Committee received a presentation on the lessons learned from the eHealth funding issues in the previous year summarising the actions agreed, progress against those actions, what had gone well and what could be done differently in future

Changes during year

Changes since last report to Board

Board Member	Gifts & Hospitality	Remuneration	Related Undertakings	Contracts	House, Land & Buildings	Shares & Securities	Non Financial Interests	Election Expenses
Julie Burgess	Nil	Advisory Board Member (Health) of Interim Partners	Advisory Board Member (Health) of Interim Partners, part of the New Street Group.	Wale King Associates - NHS Elect (England)	Nil	Nil	School Governor for Oathall Community College, Haywards Heath, West Sussex.	Nil
		Director, Wale King Associates	Trustee, St Peter's and St James' Hospice in Mid Sussex				Trustee, St Peter's and St James' Hospice in Mid Sussex	
Ian Cant	Nil	Nil	Nil	Nil	Nil	Nil	Chair Unison Scottish Health Care Branch (wef 26/03/15)	Nil
Jane Davidson	Nil	Chief Executive, NHS Borders	Nil	Nil	Nil	Nil	Member - Institute of Chartered Accountants - Scotland	Nil
John Deffenbaugh	Nil	Director, Frontline Consultants Ltd	Director, Frontline Consultants Ltd	Nil	Nil	Nil	Nil	Nil
Kate Dunlop	Nil	Director, Glasgow Repertory Company	Nil	Nil	Nil	Nil	Nil	Nil
		Chair, Alan Dunlop Architects						
		Non-Executive Director, Education Scotland						
		Non-Executive Director, Accountant in Bankruptcy						
Elizabeth Ireland	Nil	Self Employed Locum GP Part-time salaried GP at Cos Lane Medical Practice, Glenrothes	Nil	Nil	Nil	Nil	NHS Chairs' Representative, CMO task Force - Improving Services for Victims of Rape and Sexual Abuse Member, National Health and Social Care Delivery Plan Board Fellow of Royal College of Physicians Honorary Chair, University of Stirling Member, Medical & Dental Defence Union, Scotland Member, BMA	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) Member, Faculty of Public Health UK Member, Scottish Association of Medical Directors (SAMD) Member, British Medical Association (BMA) Member, Medical and Dental Defence Union of Scotland (MDDUS)	Nil
Alison Rooney	Nil	Chief Executive - Royal College of Surgeons, Edinburgh	Nil	Nil	Nil	Nil	Nil	Nil
Colin Sinclair	Nil	Nil	Nil	Nil	Nil	Nil	Chair, National Infertility Group	Nil
							Member, Data Management Board, Scottish Government	
							Member (representing NHSS CEOs) of Strategic Leaders Group for the Scottish Leaders Forum.	
							Member, Digital Health and Care Strategy Group	
							Member Scottish Medicines Consortium	
							Member, Infrastructure Delivery Group	
Member, Talent Management Board								
Member, Student Mental Health and Wellbeing Group								

minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD ON WEDNESDAY 5 DECEMBER 2018 IN BOARDROOMS 1&2, GYLE SQUARE, EDINBURGH COMMENCING AT 1018HRS

Present: Mr Mark McDavid – Non-Executive Director (Chair)
Mr John Deffenbaugh – Non-Executive Director
Mrs Kate Dunlop – Non-Executive Director
Ms Alison Rooney, Non Executive Director

In Attendance: Ms Inire Evong – Audit Scotland
Mr Troy Hutson – KPMG
Professor Elizabeth Ireland – NSS Chair
Ms Carolyn Low – Director of Finance
Mr James Lucas – Internal Auditor, KPMG
Ms Louise MacLennan – Head of Equality and Engagement [Item 10]
Mrs Mary Morgan – Director of Strategy, Performance and Service Transformation
Mrs Lynn Morrow – Corporate Affairs and Compliance Manager
Mr Andy Shaw – Internal Auditor, KPMG
Mr Colin Sinclair – NSS Chief Executive
Mr Mark Taylor – Audit Scotland
Mrs Marion Walker – Risk Manager Lead [Items 8 and 9]
Mrs Lynsey Bailey – Committee Secretary [Minutes]

Apologies Ms Jane Davidson – Non-Executive Director

ACTION

1. WELCOME AND APOLOGIES

1.1 Mr M McDavid welcomed all to the meeting and noted the apologies received. There were no conflicts of interest declared in respect of any items on the agenda.

2. MINUTES OF THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON 13 SEPTEMBER 2018 AND MATTERS ARISING [papers ARC/18/86 and ARC/18/87 refer]

2.1 Following a brief discussion of the minutes of the NSS Audit and Risk Committee meeting held on 13 September 2018, Members requested correction of the statement in minute 5.1 regarding concerns about papers being written for the person who had asked for them. This was to be changed to say that the Committee would prefer more contextualisation. Pending this correction, Members were content to approve the minutes as a true record.

2.2 Members noted that, in respect of the June 2019 meeting date, there was a risk that the slightly compressed paper production timeline would make it more difficult to meet the given paper deadlines. However, the auditors would be working as best they could to mitigate this. Regarding action 5.2 (payroll services audit and clarification of decision on NHS24), Mr Sinclair agreed to examine more closely the lessons learnt from this for NSS.



Headquarters

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

Chair
Chief Executive

Professor Elizabeth Ireland
Colin Sinclair

- 3. REPORT ON INTERNAL AUDIT STATUS INCLUDING COMPLETED REVIEWS** [paper **ARC/18/88** refers]
- 3.1 Members discussed the paper presented, which summarised the progress against the 2018-19 annual internal audit plan. Members noted that two reviews (digital transformation, and transformation governance) had now merged, and were provided an overview of some updated timelines. Members sought and received assurance about IT capacity and whether NSS could support the strategic plans laid out. They also discussed transformation governance and how NSS would facilitate the necessary changes, recognising the importance of governance, progress and service value.
- 4. IT RISK WORKSHOP** [paper **ARC/18/89** refers]
- 4.1 Members were provided with an overview of the background and structure of this workshop, facilitated by the internal auditors, to review the high risk capability areas for IT. Five specific risks had emerged which the workshop participants agreed would benefit from specific review (listed in priority order):
- IT talent and people management;
 - Vendor and supplier risk management;
 - Solution development;
 - End User Computing;
 - IT infrastructure and architecture.
- 4.2 Cyber security had also been identified as a high-level risk which should remain a priority. Members received assurance of NSS's position in respect of cyber security and were pleased to note that it had been recommended for a recurring annual review. Members were keen to see future-proofing and a "Once for Scotland" approach featuring in future audits/planning in light of NHS Education for Scotland's digital strategy. They were assured that this would be included going forward. Members were reminded that this was not a full, formal audit although it would feed into the audit plan.
- 5. DRAFT 2019/20 INTERNAL AUDIT PLAN** [paper **ARC/18/90** refers]
- 5.1 Members discussed the development of the 2019/20 draft internal audit plan and noted that it was based on an estimate of 200 days (which had some contingency built in). Members received a detailed breakdown of the reviews planned and timescales. GP IT re-provisioning was discussed and there was scope for including Office 365 implementation. Members were assured that these reviews would be a total health check, and that the risks identified at the IT workshops were also being factored in. Members expressed concerns that, as the Community Health Index (CHI) and Child Health transformation programme review was scheduled for Q4, there was potential for identifying any issues too late in the process. However, they were assured regarding the timing. Members discussed whether there could be a way to time the audits of large projects to allow the lessons learned to filter through for other similar projects which were at an earlier stage, to build up expertise and make best use of the audit time.
- 5.2 Members were also keen to avoid duplication of audits for projects which may be better covered through other routes (e.g. NES Digital Strategy). While the need to engage regarding the longer term picture was recognised, Members were advised that accountability would always sit with the organisation best placed to deliver. The IT projects on the list were examples where NSS had a directive from the Scottish Government to deliver and, therefore, the accountability for it. Members asked whether GP IT, CHI and Child Health, and Office 365 could be reviewed as a totality. KPMG advised they would be

ACTION

happy to do so, should they be in the position of holding the internal audit contract. Members asked about the theory of change and behavioural/values work, and how could this be brought in to the planned audits. Again, KPMG agreed to take that on board, should they be in the position of holding the internal audit contract.

- 5.3 Members agreed that there was merit in having something on National Board collaboration work in the plan but that it should be kept under review to avoid any duplication, and monitor whether it would be better covered by external audit. Members had concerns that the service improvement audit sounded like a customer survey but were assured that it would be about assessing the process used. The audit of the new public health body seemed to be scheduled too early in the year and Members agreed that pushing it back to quarter two would be better. Members noted the financial controls audit complemented the equivalent external audit and that the property monitoring audit would only be needed if there was a relevant property transaction. The remaining planned audits seemed to be self-explanatory and Members were content with their proposed scope and timescales.

6. DRAFT ANNUAL AUDIT PLAN (paper ARC/18/91 refers)

- 6.1 Ms Evong spoke to her paper, which laid out the planned scope and timing of the 2018/19 external audit of NSS. Members considered the risks identified, noting that the first two (management override of controls, and fraud) were standard requirements. Members were also provided with an overview of the areas of interest selected to feature in the reports. Members discussed alignment of internal and external plans, and striking a balance between formal reporting and a more discursive approach.

7. NHS OVERVIEW REPORT (paper ARC/18/92 refers)

- 7.1 Members noted the report, which provided an overview of the NHS in Scotland, and made some key observations and recommendations. Members recognised the importance of the statements despite the challenges being laid out and were pleased that this could enable some potentially difficult conversations. The report would be presented at the Scottish Parliament, and the Public Audit Committee would take it forward and decide what report they wished to make on the back of it. Members were advised that there was agreement with what the report said and an appetite to make the necessary changes although there were no straightforward answers.

- 7.2 Members were optimistic that this could enable a different conversation across Scotland and generate the political and public will to make changes. Unpopular decisions may need to be made in future but, as the message was now more urgent, the report provided the rationale for that. Members were supportive of the message in the report and recognised that it was ultimately the responsibility of the Health Boards to act on it. Both Professor Ireland and Mr Sinclair were keen to map the report's recommendations to NSS's strategy as far as possible for discussion at the NSS Board meeting in February 2019.

**E Ireland/
C Sinclair**

8. RISK MANAGEMENT: QUARTERLY UPDATE (paper ARC/18/93 refers)

- 8.1 Members discussed the paper which provided an update on risk management activity since the last report in September 2018. In particular, the report highlighted any red and new amber reputational risks on the register. Members noted that the clinical waste issue had generated three different risks (5230, 5231 and 5232). They were provided with clarification as to why it had been deliberately split at this point, and were assured regarding the mitigations in place. In respect of the risk regarding lack of suitably trained

ACTION

staff for Office 365 implementation, Members sought and received assurance that this risk did not extend to other projects (e.g. Community Health Index and Child Health transformation programme, or GP IT). Members also raised the issue about risk of dependency on a single supplier and were assured that this was taken into consideration.

9. RISK MANAGEMENT: RISK APPETITE (paper **ARC/18/94** refers)

- 9.1 Members were broadly content with the risk appetite. However, they felt that the term “flexible approach” would perhaps be better replaced with “considered and responsive approach”.

10. QUARTERLY FEEDBACK, CONCERNS AND COMPLAINTS REPORT (paper **ARC/18/95** refers)

- 10.1 Ms MacLennan took members through the paper, which summarised the number and nature of feedback received by NSS and how it had been responded to. Particular highlights were the decrease in the number of complaints, the work being done in SNBTS (e.g. donor education programme) and the inclusion of the “you said, we did” section in the report. Members were also updated on the improvements to recording and reporting being developed through the Service Now system and Ms MacLennan agreed to demonstrate this at a future meeting. Members discussed the duplication of reports at committees and agreed this was something that would be worth reviewing in light of the change to Service Now, which could allow reporting by exception more easily. Members also enquired about the provision of feedback from the Non-Executives to the staff providing the information and were assured that this was passed back.

L MacLennan**11. DRAFT TERMS OF REFERENCE** [paper **ARC/18/96** refers]

- 11.1 Members briefly discussed the Committee’s existing Terms of Reference and agreed that, for the next meeting, it would be useful to have a gap analysis in relation to the Scottish Government’s Audit and Assurance Committee handbook. Members also suggested looking at any areas of overlap with the Finance, Procurement and Performance Committee. As the NSS Board’s development session in March 2019 would focus on governance, there may also be updates identified through that. Members discussed paragraph 73 of the NHS Overview report regarding room for improvement in scrutiny arrangements. Consideration of corporate governance would be key, with clear guidance as to what should be covered.

12. SELF ASSESSMENT [paper **ARC/18/97** refers]

- 12.1 Mrs Morrow had completed an initial draft Self Assessment checklist, in conjunction with the Scottish Government’s Audit and Assurance Committee handbook. Members were asked for suggestions of any additions or amendments to be sent to Mrs Morrow following the meeting. They discussed the role of finance teams, the internal audit charter and internal audit staffing, and a number of minor amendments were agreed at this point. Mrs Morgan provided an overview of the informal internal audit and lessons learned work done ahead of regulatory inspections within the Scottish National Blood Transfusion Service. Members were advised that there was lots of this kind of work being done within NSS, which tended not to feature directly in reports at this level. However, Members were assured that it did factor into the Executive Management Team’s discussions on the audit plans. Members were keen that they had more visibility of this in future. Subject to the minor amendments agreed, Members were content with the checklist.

ACTION**13. COMMITTEE HIGHLIGHTS REPORT FOR THE NSS BOARD** [paper **ARC/18/98** refers]

- 13.1 Mrs Bailey agreed to draft up the Sub-Committee Highlights Report and send it to Mr McDavid for approval to issue with the papers for the next formal NSS Board meeting on Friday, 2 February 2019. **Mrs Bailey**

14. ANY OTHER BUSINESS

- 14.1 Mr Sinclair advised Members that there would be a Chief Executive's planning call taking place that afternoon regarding Brexit. However, there were no major issues anticipated to emerge from this call.

15. DATE OF NEXT MEETING

- 15.1 The next NSS Audit and Risk Committee meeting would be held on Friday, 29 March 2019 at 0930hrs.

FOR INFORMATION

There being no further business the meeting finished at 1222hrs

Minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND (NSS)

B/19/72

MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD ON FRIDAY 29 MARCH 2019 IN BOARDROOMS 1&2, GYLE SQUARE, EDINBURGH COMMENCING AT 0940HRS

- Present:** Mark McDavid, Non-Executive Director (Chair)
John Deffenbaugh, Non-Executive Director
Kate Dunlop, Non-Executive Director
- In Attendance:** Fiona Bennett, Internal Auditor, KPMG [Items 1-3.7]
Inire Evong, Audit Scotland
James Hall, Director of IT Operations
Troy Hutson, KPMG [Items 1- 3.4]
Elizabeth Ireland, NSS Chair [via teleconference]
Paul Kelly, Scott Moncrieff [Items 1-4]
Caroline Lang, Board Secretary [Minutes]
Carolyn Low, Director of Finance
James Lucas, Internal Auditor, KPMG [Items 1-3]
Andy McLean - Interim Deputy Director of Finance
Mary Morgan, Director of Strategy, Performance and Service Transformation
Matthew Neilson, Associate Director, Strategy, Performance and Communications [Items 9-10]
Andy North, Incoming Service Auditor, KPMG [Item 5-16]
Andy Shaw, Internal Auditor, KPMG
Colin Sinclair, NSS Chief Executive
Mark Taylor, Audit Scotland
Marion Walker, Risk Manager Lead [Items 9-11]
- Apologies** Jane Davidson, Non-Executive Director
Alison Rooney, Non-Executive Director

ACTION

1. WELCOME AND APOLOGIES

- 1.1 M McDavid welcomed everyone to the meeting and noted the apologies received. Before starting the formal business of the meeting, the Members were asked if they had any interests to declare in the context of the Agenda items to be considered. J Deffenbaugh advised that he was contracted as an advisor through the KPMG/NHS Leadership Academy programmes. He considered his interest was so remote that it did not require him to remove himself from consideration of any Agenda items.

2. MINUTES OF THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON 5 DECEMBER 2018 AND MATTERS ARISING [papers ARC/19/02 and ARC/19/03 refer]

- 2.1 The Minutes of the NSS Audit and Risk Committee meeting held on 5 December 2018 were accepted as a true record with the following amendments.



Headquarters

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

Chair
Chief Executive

Professor Elizabeth Ireland
Colin Sinclair

ACTION

- 2.2 Action 5.2 from Meeting held on 13 September 2018 Re. 2.2, Replace last sentence with “Regarding action 5.2 (payroll services audit and clarification of decisions on NHS24), Mr Sinclair agreed to examine more closely the lessons learnt from this for NSS.” **Board Secretary/
C Sinclair**
- 2.3 Draft 2019/20 Internal Audit Plan Re. 5.2, Members felt that certain wording in this paragraph did not reflect the tone of the meeting and that the last part of the paragraph should be amended to read “Members asked whether GP IT, CHI and Child Health, and Office 365 could be reviewed in totality. KPMG advised they would be happy to do so, should they be in the position of holding the internal audit contract. Members asked about the theory of change and behavioural/values work, and how could this be brought in to the planned audits. Again, KPMG agreed to take that on board, should they be in the position of holding the internal audit contract.” **Board Secretary**
- 2.4 Feedback and Complaints Report Re. 10.1, Record Action as closed. Business as usual and work in progress to improve reporting via dashboard. **Board Secretary**
- 3. REPORT ON INTERNAL AUDIT STATUS INCLUDING COMPLETED REVIEWS [paper ARC/19/04 refers]**
- 3.1 A Shaw reported on progress against the 2018/19 annual internal audit report. He advised that there were no issues of concern and that the workforce planning element would be presented as planned to the June 2019 NSS Audit and Risk Committee meeting.
- 3.2 IT People and Talent Management [paper **ARC/19/05** refers] T Hutson introduced the IT People and Talent Management report related to the delivery of the 2018/19 annual internal audit plan. It was recognised that delivering NHSScotland priorities would require NSS IT to manage and develop the skills and abilities of its workforce. Two High Findings had been found which focused on the operating model i.e. about skill gaps and recruitment. J Hall confirmed that since taking up his role, he was not surprised by the findings which had provided a good historic review of the IT SBU. Leadership was key and leadership style/capabilities needed to be developed and compared with other NSS SBUs. It was recognised that the IT Service Catalogue was changing and NSS needed to develop staff/leadership skills to deliver future services and strategic direction e.g. digital and security. Members were assured that progress continued to be made in strengthening the IT Senior Team and understanding the Business Units key priorities. Consultations were in progress around the IT Strategy which should provide Members with assurance going forward. Members recognised there needed to be a balance between governance, assurance and oversight without stifling innovation. Leadership and direction needed to be visible. C Low explained the governance arrangements in place to support the progress within IT e.g. two portfolio groups – one Chaired by M Morgan to look at internal governance and another on delivery. Overall, the Committee was pleased with the progress being made but questioned how the wider learning from this report could be captured for the rest of NSS i.e. linking into what type of an organisation NSS wanted to be and assurance that there were not similar issues in other SBUs. In response, C Sinclair informed Members about the developments around the NSS Leadership Development Programme and Project LIFT and the lessons learned that would be shared from these. He also recognised there were some areas around this that would continue to prove challenging for NSS.

- 3.3 In response to a comment in relation to the second finding on Career Pathways and Progression, T Hutson confirmed that there were pockets of mentoring taking place but it had not been clear what had been undertaken with regard to talent development. Some staff had also not been clear about their objectives and those of their teams. Members felt that the debate had raised a number of generic HR points in relation to recruitment and qualifications and whether what had been found in IT was similar in other Business Units. C Sinclair commented that the NSS Executive Management Team received regular assurance from Directors in relation to what was happening in this area and he was not surprised by the findings in the report. There were also discussions at the NSS Staff Governance Committee on Personal Development Plans (PDPs) etc and hopefully TURAS would be able to provide additional assurance around the data. Members agreed that further consideration needed to be given to NSS leadership and staff support/development in a rapidly changing environment.
- 3.4 The IT Strategy had been reviewed and regular updates would be provided to the NSS Board. C Sinclair would also arrange for an update on digital strategy and development to be provided to the September 2019 meeting of the NSS Audit and Risk Committee. He would speak to Deryck Mitchelson, Director of IT, about providing the Committee with his personal reflection on IT leadership within NSS. C Sinclair
- 3.5 Financial Controls [paper **ARC/19/06** refers] J Lucas introduced the Financial Controls report related to the delivery of the 2018/19 annual internal audit report. It was agreed this internal audit could support and inform the wider organisational Procure to Pay review that was underway. The approach focused on conducting a walk-through of the way key sub-processes within the accounts payable process for each of the selected SBUs and sample testing the key controls within an agreed period between 1 November 2017 to 31 October 2018. The overall conclusion for this review was partial assurance with improvements. KPMG had identified two 'medium' priority recommendations relating to user access rights on PECOS and the organisational approach to purchasing. Members noted the management responses to these and action taken to date. C Low highlighted the need to introduce an electronic form for procuring goods and services through Service Now. She also commented that the number of people who could requisition goods would be reviewed as part of the process improvements. The system escalation after four hours for approval had raised a number of issues which would need to be considered. Overall, the Committee welcomed the recommendations. C Sinclair
- 3.6 Programme Management Services (PgMS) Review [paper **ARC/19/07** refers] F Bennett introduced the report on the PgMS review (formerly titled "Transformation Governance") related to the delivery of the 2018/19 annual internal audit report. The overall conclusion for this review was significant assurance with minor improvements. All the 'medium' and 'low' level risk recommendations had been accepted and Members noted the management responses. There was one 'high' priority recommendation around enhanced portfolio governance which had been partially accepted by management. There was recognition that work was in progress to shift and strengthen portfolio governance to reflect current strategy and that, at the time of the audit this work was in its infancy and therefore not able to be fully evidenced. Management reflected that the risk was therefore currently medium in nature. Members confirmed they were comfortable with the management response.

3.7 In welcoming the report, the Committee noted that the review had been around efficiency rather than effectiveness of PgMS. Feedback from customers had been positive around the offering and benefit of PgMS. There was strong evidence on its effectiveness but more work would need to be done to ensure this remained the case as PgMS continued to develop. Greater visibility should also be given to evidencing the impact for customers.

4. SERVICE AUDIT PROGRESS UPDATE – IT SERVICE AUDIT HIGH LEVEL FINDINGS [paper **ARC/19/08** refers]

4.1 P Kelly introduced the National IT Services audit progress report. The programme of service audit testing for 2018/19 was in line with the agreed work schedule and Scott-Moncrieff would be onsite next week to do final testing. No control weaknesses had been identified from what had been completed so far. Members noted that the final reports for all three service audits would be presented to the May 2019 NSS Audit and Risk Committee meeting. P Kelly highlighted the external service audit testing. The field work for this had been completed and a number of issues had been identified but none were significant.

4.2 Section 4 in the report provided Members with a summary of the issues arising from the 2018/19 service audit. There were a total of 11 control weaknesses. Eight of these were rated as moderate risk and three as limited risk. These related to issues in the areas of security and configuration management. The Committee expressed concern around the issues identified in the report and agreed that J Hall should use regular meetings with Atos and NHS Boards to pick up the issues around security patching servers and the need for Atos to tighten up process for gaining agreement from customers for downtime to do patching. C Sinclair would ask Deryck Mitchelson, Director of IT, to explain to the EMT what NSS was doing around the Atos security patching issues and associated risks. P Kelly would reflect the mood of the Committee around the results of the IT Service Audit testing in the final service audit report to be presented to the ARC in May 2019.

J Hall

C Sinclair

P Kelly

5. EXTERNAL AUDIT PROGRESS UPDATE – INTERIM MANAGEMENT REPORT [paper **ARC/19/09** refers]

5.1 I Evong presented the findings of the 2018/19 interim external audit work. This work included testing of key controls within financial systems to gain assurance over the processes and systems used in preparing the financial statements and pre-year end testing of income and non-payroll expenditure transactions. The testing had provided Audit Scotland with assurance that key controls were operating as expected during 2018/19. Audit Scotland would be taking the planned assurances from NSS financial systems for its financial statements audit. Members noted the short action plan which had been agreed with management. C Low highlighted the audit findings in relation to eESS HR/Payroll system reconciliations. Going forward the reconciliation would be carried out independently of the HR and Payroll functions. A standard report to be produced from April 2019. Members discussed the findings around the changes to supplier bank details. The absence of segregation of duties between the processing and approval of changes to supplier bank details increased the risk of fraudulent payments. C Low commented that she provide an updated management response with clear action dates in relation to this particular finding.

C Low

6. INTERNAL AUDIT STRATEGIC PLAN FOR 2019-2020 [paper **ARC/19/10** refers]

6.1 The draft internal audit plans which had been presented to the NSS Audit and Risk Committee in December 2018 had been updated following further consultation with management after KPMG had been reappointed as internal audit provider. Three internal audits had been removed from the original plan. This had left some additional contingency days and details on how these would be used by the end of Q2 (September 2019) would be provided in the report that was due to be presented to the September 2019 NSS Audit and Risk Committee meeting.

**A Shaw
[KPMG]**

6.2 In response to a request from J Deffenbaugh, C Sinclair agreed to consider including in future years an internal audit on the impact of the investment NSS was making on leadership style, development and culture e.g. were activities the right ones and best practice, and providing the results NSS wanted. This would be considered in next year's internal audit planning.

C Sinclair

6.3 The Committee confirmed it was content with the revised audit plan, indicative scopes and proposed timings for the 2019/20 period.

7. INTERNAL AUDIT CHARTER [paper **ARC/19/11** refers]

7.1 A Shaw introduced the Internal Audit Charter which, in line with good practice, was considered by the NSS Audit and Risk Committee on an annual basis. There had been no material changes to the Charter since the previous year, and Members were satisfied that it continued to meet the needs of NSS and the Committee.

8. SERVICE AUDIT PLAN FOR 2019-2020 [paper **ARC/19/12** refers]

8.1 The Committee received an update from KPMG on the status of planning and next steps for the 2019/20 Service Audit contract. In taking over this contract from Scott-Moncrieff, KPMG would set out its thinking on what it might do differently and strategic direction. Conversations had already started with key individuals and a desk based review on the existing service control framework had been undertaken. Members' attention was drawn to the overall timeline in the update which would be firmed up in due course. Approval of the service audit coverage would be sought at the May 2019 meeting of the NSS Audit and Risk Committee. Phase 1 work would start in the autumn with interim results coming to the December 2019 meeting. A North was asked to consider how the audit could be extrapolated and used to inform other areas of NSS e.g. around leadership themes. Following on from the earlier discussions, he was also asked to examine the contractual aspects around Atos with regard to where responsibilities lie.

A North

A North

9. INTERNAL AUDIT ACTIONS REPORT [paper **ARC/19/13** refers]

9.1 M Neilson introduced the routine report providing an overview of internal audit reports actions. Members were taken through the items where extensions had been requested and M Neilson acknowledged that it was not clear from the report what actions had been taken. He would speak to Lynn Morrow, Corporate Affairs and Compliance Manager, about ensuring that the next report detailed the issues surrounding the extension requests to 31 August 2019 for the six actions relating to the information security management system and what was being done to address these. C Low would be provided with an update on the status of all six actions and associated risks. Members agreed there also needed to be appropriate governance around this at the Executive Management Team (EMT) level. M Neilson would pick this up with

M Neilson

Deryck Mitchelson, Director of IT and bring it back to the EMT following further discussions around whether the new extension of 31 August 2019 was still appropriate.

M Neilson

- 9.2 In response to Members' comments, M Neilson would arrange for a summary to be included in the next report to explain what the information being presented was telling Committee Members i.e. analysis highlighting trends, any governance concerns, actions for consideration.

M Neilson

10. QUARTERLY FEEDBACK AND COMPLAINTS REPORT [paper **ARC/19/16** refers]

- 10.1 This item was brought forward on the Agenda. M Neilson presented the Q3 (1 October 2018 – 31 December 2018) Feedback and Complaints Report and advised there was nothing of exception to note. There had been a very slight increase in the number of complaints received since the previous quarter and M Neilson would continue to work with Louise MacLennan, Head of Equality and Engagement, to address this. The Committee was assured that SBUs continued to improve their approach to collecting and reporting on feedback and complaints.

- 10.2 M Neilson highlighted the number of outstanding complaints in the Procurement, Commissioning and Facilities (PCF) Business Unit. These related directly to the National Distribution Centre. He had requested more detail on these and also whether any extensions had been agreed with complainants.

- 10.3 M Neilson would arrange for a summary to be included in the next report to explain what the information being presented was telling Committee Members i.e. analysis highlighting trends, any governance concerns, actions for consideration.

M Neilson

11. RISK MANAGEMENT UPDATE [paper **ARC/19/14** refers]

- 11.1 M Walker introduced the routine report providing an update on Risk Management activity for the period 31 October 2018 to 28 February 2019. The Committee noted there had been no new Amber Reputational risks raised within the period. There had been one new Red Reputational risk and Members were assured that all risks were being managed appropriately by risk owners. To assist debate on mitigation, the Committee asked for future reports to include details of mitigations taken and movement on risk within period, for Red strategic risks.

M Walker

- 11.2 In the light of earlier discussions in the meeting around security patching, Members asked for the Amber status of Risk 1155 (IT Security Infrastructure) to be reviewed.

J Hall

12. FRAUD UPDATE [paper **ARC/19/15** refers]

- 12.1 A McLean provided an update on the National Fraud Initiative (NFI) and a Q3 status report covering Fraud Prevention, Detection and Investigations across NHSScotland to 31 December 2018. The timetable for completion of the NFI exercise was 30 June 2019 and Members were assured there was no issue in terms of meeting this deadline. C Low commented that NSS would have its annual review with Counter Fraud Services week commencing 1 April 2019 and this would provide an opportunity to discuss what more NSS could do to do proactively around fraud prevention.

13. COMMITTEE HIGHLIGHTS REPORT FOR THE NSS BOARD [paper **ARC/19/17** refers]

13.1 The Members agreed the following highlights from their discussion which should be brought to the attention of the NSS Board meeting on 5 April 2019.

- Findings in Internal Audit report on IT People and Talent Management and the need for further consideration to NSS leadership and staff support/development in a rapidly changing environment..
- Assurance to the Committee around management responses.

14. ANY OTHER BUSINESS

14.1 There was no other competent business.

15. DATE OF NEXT MEETING

15.1 The next NSS Audit and Risk Committee meeting would be held on Thursday, 23 May 2019 at 0930hrs. An in-camera session would be held at 0900hrs between the Auditors and Non-Executive Members.

16. FOR INFORMATION

16.1 NSS Audit and Risk Committee Forward Programme for 2019 [paper **ARC/19/18** refers]

There being no further business the meeting finished at 1220hrs

Minutes (APPROVED)

B/19/73

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD ON THURSDAY 23 MAY 2019 IN BOARDROOM 1, GYLE SQUARE, EDINBURGH COMMENCING AT 0930HRS

- Present:** Mr Mark McDavid – Non-Executive Director (Chair)
Mr John Deffenbaugh – Non-Executive Director
Mrs Kate Dunlop – Non-Executive Director
Mrs Alison Rooney – Non-Executive Director
- In Attendance:** Ms Rachel Browne – External Auditor, Audit Scotland
Ms Laura Howard – Interim Associate Director of Finance
Mr Paul Kelly – Service Auditor, Scott Moncrieff [Items 1-9]
Mrs Carolyn Low – Director of Finance
Mr James Lucas – Internal Auditor, KPMG
Mr Deryck Mitchelson – Director of National Digital [Items 1 – 7, via videoconference]
Mrs Lynn Morrow – Corporate Affairs & Compliance Manager
Mr Andy North – Service Auditor, KPMG [Items 10-19]
Mr Colin Sinclair – NSS Chief Executive
Mrs Lynsey Bailey – Committee Secretary [Minutes]
- Apologies** Elizabeth Ireland, NSS Chair

ACTION

1. **WELCOME AND APOLOGIES**
 - 1.1 Mr McDavid welcomed everyone to the meeting and noted the apologies received. Before starting the formal business of the meeting, the Members were asked if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.
2. **MINUTES OF THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON 29 March 2019 [paper ARC/19/20 refers]**
 - 2.1 The minutes of the previous NSS Audit and Risk Committee meeting, held on Friday 29 March 2019, were accepted as a true and accurate record.
3. **MATTERS ARISING [paper ARC/19/21 refers]**
 - 3.1 Members noted that the majority of actions were completed, covered by agenda or scheduled for a future meeting.
 - 3.2 Regarding action 2.2 (following up lessons learned from payroll audit and clarification on NHS 24 decision), Mr Sinclair provided an overview of the identified lessons learned and how the feedback from this was being used to inform the shared services work for Public Health Scotland. In the ensuing discussion, Members agreed that they felt the requirement to use shared services should be mandated somehow. However, they also recognised that this would need to be supported by ensuring shared service providers achieved a level of service quality and cost efficiency which would mean that no-one would actively want to look elsewhere.



Headquarters

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

Chair
Chief Executive

Professor Elizabeth Ireland
Mr Colin Sinclair

ACTION

- 3.3 Mr Mitchelson provided an update in relation to the Atos security patching issues. Members were given assurance that contact with Atos had taken place to manage these issues more proactively. This would be reported through the Executive Management Team and the NSS Information Governance Committee. Mr Mitchelson advised that he was also looking at prioritisation of the patching schedule as different systems would have different requirements, service impacts, and risk levels.

4. INFORMATION SECURITY MANAGEMENT SYSTEM - UPDATE ON AUDIT ACTIONS

- 4.1 Members noted that the Information Security Management System (ISMS) was a critical part of the Network and Information Systems (NIS Directive) Act 2018, and had been discussed at the NSS Information Governance Committee the previous week. Following an audit for Cyber Essentials taking place in early June 2019, there would be a need to review this risk and what it meant. Members were provided with an overview of the plan to achieve a minimum level of compliance by end of June 2020 and then progress to achieving national maturity by end of March 2023. However, Members recognised that even reaching a level of national maturity would not eliminate cyber security risks entirely. NSS was further ahead than most Boards, and probably in the top three best prepared, but Members were assured this would not lead to complacency.

[**SECRETARY'S NOTE:** The following 5 items were taken out of order and brought forward]

5. FOLLOW-UP ON IT HIGH LEVEL FINDINGS [paper ARC/19/24 refers]

- 5.1 Members were updated on work done around the high risk findings from the IT Project Benefits and Change report. The risks were not yet fully mitigated – the required structure and governance had been developed but was still being embedded. This would be revisited in six months' time when it was anticipated the actions could be closed. Members were also keen to ensure the lessons learned could be shared and applied elsewhere. Members enquired about the "Once for Scotland" potential and were advised there was a National Governance Group which would set policy, and where governance challenges could be raised. It had a good base level of expertise but had only been in place a year so was still working towards a level of maturity.

6. SERVICE AUDIT REPORT – NATIONAL IT SERVICES CONTRACT [paper ARC/19/25 refers]

- 6.1 The key issue emerging from this report had been security patching and Members were pleased to note the improved and updated management response. Of the 12 control weaknesses identified, nine were classified as moderate risk exposure and three were classified as limited risk exposure. Members were given an overview of the plan to achieve real-time reporting of security patching. Members sought and received clarity about actions relating to previous financial years, noting the challenges in getting the necessary information reconciled, and were glad it had been captured in the audit to provide leverage for future years.

7. INTERNAL AUDIT ACTIONS REPORT [paper ARC/19/30 refers]

- 7.1 Members noted the following recommendations for approval: handover of reporting on the ISMS audit actions to the NSS Information Governance Committee; extending the IT People and Talent Management Audit; and closure of the action relating to Public Health Scotland corporate/shared services. After

ACTION

a discussion, and receiving assurances regarding the requested extensions, Members were content to give their approval.

8. SERVICE AUDIT REPORT – PAYROLL SERVICES [paper ARC/19/26 refers]

8.1 Members were pleased to note that no issues had been identified, and were content with the actions and controls identified. They were updated on the systems put in place to allow better monitoring. However, Members sought further assurances around the alignment between finance and people systems. Mrs Low advised that an interface existed between the HR system and Payroll, bridging the two systems. However, it was reliant on line managers updating the HR systems on a timely basis, and KPI reports from HR systems also needed to synchronise with the date of payroll runs to ensure complete alignment of HR and financial information. Mrs Low advised that she was working with Mrs Jacqui Jones, Director of HR, on ways to improve this reporting.

C Low**9. SERVICE AUDIT REPORT – PRACTITIONER SERVICES [paper ARC/19/27 refers]**

9.1 Mr Kelly spoke to the paper and Members were advised that there were no matters requiring attention. Members discussed how the data for payments was used for engagement purposes and identifying efficiencies, as well as how it could be better used in areas like health inequalities, frequently prescribed medicines, fraud monitoring etc. With regard to variation in automation across the various payment streams within Practitioner Services, Members were keen to invite Mr M Bell, Director of Primary Care and Counter Fraud Services, to a future meeting to discuss his strategic plan to address this. Members commended the good points raised within the report, and the vision for the future. They wished to formally record their thanks to Mr Kelly and his colleagues at Scott Moncrieff for their work during their time as Service Auditors. Mr Kelly also wished to record his thanks for the level of engagement NSS had with the service audit process.

**L Bailey/
M Bell****10. INTERNAL AUDIT STATUS REPORT [paper ARC/19/22 refers]**

10.1 Members were updated on the progress against the internal audit plan, noting that it was on track. Members discussed whether the clinical waste contingency audit should be brought forward, and, following a brief overview of the work being done, noted that it was likely to be completed earlier. They also discussed the audit for the work around Public Health Scotland in light of the new vesting date, and whether its timescales should be reviewed. Members were advised that there was potential merit in two different views within the audit: one for assurance regarding the separation of the budgets, movement of staff etc; and another, overall view of the service itself once it had been established.

11. ANNUAL ACCOUNTS 2018-19 – PART A: REPORTS AND CERTIFICATES [paper ARC/19/28 refers]

11.1 Ms Howard spoke to the early draft of the main section of NSS's annual accounts which had been provided. There had been no major change to the format, but more content had been included around strategic direction and risks. Members were pleased to note that it had been a successful year for NSS and were particularly pleased to see the inclusion of lessons learned from the eHealth funding issues in 2017/18. Noting that it was also with the EMT for review, and that additional proof reading and editing would take place ahead of submitting the final draft, Members confirmed that they were satisfied with the content of the paper. Following a discussion, Members were keen that, across all committees, draft submissions were as close to the final version as possible.

12. ANNUAL ACCOUNTS 2018-19 – PART B: ACCOUNTING POLICIES [paper

ARC/19/29 refers]

- 12.1 Ms Howard highlighted the changes from 2017/18 but advised Members that there was nothing which had a material impact. Following this assurance, Members were content to approve this section of the Annual Accounts.

13. PROGRESS ON ANNUAL ACCOUNTS

- 13.1 Ms Browne briefly updated on the progress of the annual accounts audit and highlighted that timescales for finalising a paper for the next NSS Audit and Risk Committee meeting on Friday, 14 June 2019 would be tight. However, Members were assured that the work was progressing as planned. Members noted that, while the audit would not be fully complete by 14 June 2019, Audit Scotland would be in a position to provide the relevant assurances.

[**SECRETARY'S NOTE:** The following item was brought forward]

14. ANNUAL REVIEW OF NSS'S STANDING ORDERS

- 14.1 Members briefly discussed paper **ARC/19/31**, which collated all the previously discussed and agreed updates to NSS's Standing Orders. They also noted the caveat that further updates may be required following publication of the finalised Corporate Governance Blueprint from the Scottish Government. Subject to this, Members were content with the proposed updates.

15. SERVICE AUDIT PLANS AND TIMESCALES FOR 2019-2020 [paper ARC/19/34 refers]

- 15.1 Mr North reminded Members of the work he had undertaken to understand NSS and its Service Audit needs. This initial stage was now complete and Members were given an overview of the timescales for the next stage and more detail on the plans for each area – IT, Practitioner Services and Payroll. Members were given assurance that KPMG would have access to look back and monitor patterns and trends from previous years as part of the work they would be doing. Mr North confirmed that the next progress update would be in December 2019 and that he would ensure the NSS Information Governance Committee would have visibility of the updates relating to the IT Service Audit.

16. COMMITTEE HIGHLIGHTS REPORT FOR THE NSS BOARD [paper ARC/19/32 refers]

- 16.1 Mrs Bailey agreed to pull together an initial draft of the Sub-Committee Highlights report to be included with highlights from the next NSS Audit and Risk Committee for the next NSS Board meeting on Friday 28 June 2019. **L Bailey**

17. ANY OTHER BUSINESS

- 17.1 Members had no further business to raise.

18. DATE OF NEXT MEETING

- 18.1 Friday, 14 June 2019 at 0930hrs in Boardrooms 1 & 2, Gyle Square, Edinburgh.

19. FOR INFORMATION

- 19.1 NSS Audit and Risk Committee Forward Programme for 2019 [paper **ARC/19/33** refers]

There being no further business the meeting finished at 1235hrs

minutes (APPROVED)

B/19/74

NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF MEETING OF THE FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE HELD IN ROOM 030, GYLE SQUARE, EDINBURGH COMMENCING AT 1000HRS ON THURSDAY 14 FEBRUARY 2019

Present: Kate Dunlop, Non Executive Director (in the Chair)
Elizabeth Ireland, NSS Chair

In Attendance: Mary Morgan, Director Strategy, Performance and Transformation
Martin Bell, Strategy, Performance and Service Transformation
Karen Nicholls, Acting Board Secretary (Minutes)
Carolyn Low, Director, Finance and Business Services
Colin Sinclair, Chief Executive
Martin Street, Strategic Sourcing Director (Item 5)
Marion Walker, Risk Manager Lead (Item 9)
Caroline McDermott, Head of Planning (Items 11, 12 & 13)

Apologies: Ian Cant, Non-Executive Director
Julie Burgess, Non Executive Director

ACTION

1. INTRODUCTION AND APOLOGIES FOR ABSENCE

1.1 Ms K Dunlop welcomed everyone to the meeting and apologies were noted as above. Members were asked if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.

2. MINUTES OF THE MEETING HELD ON 23 NOVEMBER 2019, MINUTES 5 SEPTEMBER 2019 (second reading) AND MATTERS ARISING [papers FPP/19/02, FPP/19/03 and FPP/19/04 refer]

2.1 Members noted that the minutes from the NSS Finance, Procurement and Performance meeting held on 5 September 2018 had been returned to the committee as material changes had been required. This was necessary as the minutes had needed to be produced by someone other than the original note taker and, as a direct result of this, some of the interpretations had required updating after further consultation. Members noted the issues and thanked the Board Services Team for their support during this period. The minutes were then approved with the recommended changes.

2.2 Members approved the minutes of the meeting held on 23 November 2019 and noted that the actions were either complete or an integral part of the agenda for the current meeting.

3. DRAFT NSS INTERNAL AUDIT PLAN 2019/20 – Feedback on any additional areas to be included [paper FPP/19/05 refers]

3.1 Mr Bell took members through the paper and informed them that the contract for Internal Audit had now been awarded to KPMG after a tender exercise. Mr Bell continued that the draft internal audit plan was now open for discussion, and that so far an additional 22 days audit time had been

ACTION

identified. He advised that prioritisation was now required to determine whether this extra resource was appropriate, or whether some of the work could be moved to further years.

3.2 Members discussed the list in full and made the following observations:

1. National Boards Collaboration – it was decided that this was not best value as work was already being done by another auditor at the request of the National Boards themselves. **Action: Reduce audit time to 5 days for this item. To be discussed further at next NSS Audit & Risk Committee meeting.** **M Bell Board Secretary**
2. CHI and GPIT – members recommended that the amount of days allocate by reduced as this was an audit of the programme management not the programme itself. **Action: Review audit time for this item.** **M Bell**
3. Clinical Waste – Mr Bell advised that this audit should take place in the current year but agreed to review the time allocated. **Action: Review timing of this audit.** **M Bell**
4. NSS Brand – review of whether this audit was necessary. **Action: Mr Bell to review with Mrs Morgan.** **M Bell/ M Morgan**
5. Screening Review – sponsor to be Dr Lorna Ramsay, NSS Medical Director.
6. Members asked that Mrs Low look at the scope of the action plan to ensure that a financial risk aspect was a focus to ensure appropriate balance and include customer views. **Action: Mrs Low/Mrs Morgan and Mr Bell to revisit scope for audit plan and provide update to NSS Audit and Risk Committee.** **C Low/ M Morgan/ M Bell**

3.3 Members thanked Mr Bell for his update and welcomed the level of detail provided.

4. FINANCE PAPER UPDATE 2018-19 [paper FPPC/19/06 refers]

4.1 Mrs Low took Members through the finance paper and advised that it had already been presented to the full Board. Members discussed the following items in detail:

1. Members noted that Scottish Government colleagues were supportive and Professor Ireland advised that the help NSS had been providing around Brexit and Clinical Waste was very much appreciated by our relevant sponsors.
2. Some funds had been released for developments and were being managed effectively.
3. Contingency – Clinical Waste – Scottish Government had confirmed that they would be providing funding for the 2018-2019 year end associated with clinical waste, but that Boards would be responsible for the costs for quarter 1 2019-2020. Mr Bell advised that work was underway to ensure that any costs were allocated fairly and would keep the committee up to date on this issue. **Action: Mr Bell to update committee as appropriate.**
4. Property Asset Management – Ellens Glen Road (EGR) – Members noted that EGR had now been fully vacated and NSS would be focusing on making the facility ready for sale, liaising with NHS Lothian as this was a shared site. Mrs Low confirmed that Scottish Government had confirmed that any monies raised by the sale of this site would not be reclaimed. Mrs Low advised that the NSS Property Asset Management (PAMs) team would be considering these funds as part of the new PAM for NSS.

ACTION

- 5. Narrative – Members asked that some thought be given to the narrative within the paper to ensure it was person centred. **Action: Mrs Low to consider for future reports.** **C Low**
- 6. National Boards – Mrs Low to prepare a briefing document on the fair allocation of savings between National Boards in time for the next Chairs/Chief Executives meeting on 26 March 2019. Thought should also be given on the impact of the creation of Public Health Scotland. It was noted that the Board would not approve any additional funding above those already agreed levels at this time. **Action: Mrs Low to produce briefing document.** **C Low**
- 7. Members also noted and welcomed the progress against the actions identified during the eHealth review within NSS finance teams.

4.2 Members thanked Mrs Low for her informative report.

5. NSS DRAFT FINANCE AND WORKFORCE PLAN [paper FPP/19/07 refers - presentation]

5.1 Mrs Low took Members through a presentation on the NSS Draft Finance and Workforce Plan and focused on the budgets for 2019-2020. Members noted that formal guidance had not yet been received from Scottish Government on budgets and required savings.

5.2 After a detailed discussion Members asked that an updated paper be provided for the August 2019 meeting. Mrs Dunlop added that she would welcome details on how NSS will measure productivity to support this work. **Action: Board Secretary to add to forward programme.**

Board Secretary

6. OCCURENCES WHERE STANDING FINANCIAL INSTRUCTIONS HAVE NOT BEEN FOLLOWED

6.1 Members noted that there had been no instances where the NSS Standing Finance Instructions had not been followed.

7. NATIONAL PROCUREMENT CONTRACT SCHEDULE [paper FFP/19/08 refers]

7.1 Mr Martin Street took Members through his paper. It was noted that at this stage of the year NSS had already demonstrated a very strong position on savings and it was expected that this would secure £48 million at the half year point, compared to the £7.9 million reported in November 2018. He continued that this had resulted from a focus on pharmacy ordering and that the £50 million target for Health Board savings at year end had already been achieved.

7.2 Mr Street asked Members to note the draft workplan for 2019-2020, and advised that this was similar to the previous year. However, preparations for Brexit would also feed into the plan.

7.3 Members thanked Mr Street for his report and were pleased to see the excellent work NSS was doing in this arena.

8. BREXIT [paper FPP/19/09 refers]

8.1 Mr Street went through the update paper on NSS preparations for Brexit. He advised that there was currently a 3 pronged approach to planning including:

1. UK level – weekly calls – to ensure Scotland have clarity on joint suppliers
2. What do we do with the National Distribution Centre and stocks that NSS hold to ensure continuity of supply.
3. Advice and preparation provided by NSS around existing contracts e.g. National suppliers in Scotland that cover significant number of NHSS Boards.

8.2 Members noted that there were growing concerns around primary and social care, particularly levels of resource and staffing. There had already been a significant number of staff leaving the social care sector. Professor Ireland passed on her thanks to the Procurement Teams and advised that there was recognition from the Cabinet Secretary around the very significant contribution the team was making. Further discussion around prescribing took place and Professor Ireland asked that Dr Katharine Ross from the NSS Clinical Directorate be included in discussions going forward. **Action: M Street to meet with K Ross outwith committee.**

8.3 Mrs Low asked whether sufficient NSS resources (staff) were in place to cope with this extra ask and Mr Street advised that there was as shortfall. Members discussed this further and the NSS Chair and Vice Chair gave formal permission for extra resources to be provided. **Action: Mr Street and Mrs Low to discuss further outwith Committee.**

9. CLINICAL WASTE CONTINGENCIES UPDATE [paper FPP/19/10 refers]

9.1 Members noted the content of the paper and that Mr Street would be taking over as lead for clinical waste from 1 March 2019 as Mr Bell would take up a new role as Director of Practitioner and Counter Fraud Services.

9.2 After a detailed discussion Members asked that this now be reported within the risk report and finance report to ensure appropriate levels of governance, as well as the bespoke report to this committee. It was noted that there was considerable extra work around this subject in terms of Freedom of Information requests, press questions and parliamentary questions.

9.3 Members requested that this be a standing item for both the FPP and formal Board whilst the contingency was still in place. **Action: Board Secretary add to forward programmes.**

10. SUSTAINABILITY UPDATE [paper FPP/19/11 refers]

10.1 Members noted the content of the sustainability update report and the actions in place to ensure NSS met the targets required in this area.

11. NSS LDP PERFORMANCE QUARTER 3 REPORT [paper FPP/19/12 refers]

11.1 Miss C McDermott took Members through the paper and it was noted that those currently showing an Amber rating (under the Red/Amber/Green target thresholds) had mitigation in place to ensure they were met at year end.

- 11.2 Members asked for further clarity on Whole System Modelling (WSM) and Miss McDermott agreed to report back to the next meeting. **Action: Miss C McDermott to provide update on WSM for next meeting.** **C McDermott**
- 12. NSS DRAFT OPERATIONAL DELIVERY PLAN 2019/20 [paper FPP/19/13 refers]**
- 12.1 Miss McDermott took Members through the paper and advised that this had been updated with the comments made by the Board at the meeting held on 1 February 2019.
- 12.2 After a short discussion Members advised that they were content with the draft and that further work would be done to ensure measures were SMART and measurable. Members would also welcome focus on the cross cutting themes and how these fitted into this workplan and what would be put in place to measure them. The paper would now be forwarded to Scottish Government colleagues in draft format with final approval from the NSS Board at the April 2019 meeting. **Action: Board Secretary add to forward programme for formal Board meeting.** **Board Secretary**
- 13. RESILIENCE UPDATE [paper FPP/19/14 refers]**
- 13.1 Members noted the content of the report and the discussions that had already taken place around Brexit and clinical waste.
- 14. REVIEW OF BUSINESS RISKS ON RISK REGISTER [paper FPP/19/15 refers]**
- 14.1 Mrs Walker took Members through the Risk management update paper and advised that there were currently 2 remaining Red business being managed under the Integrated Risk Management approach.
- 14.2 Members asked for further information around Risk 5107 – IT Lack of suitably trained staff be provided as a matter of urgency. **Action: Mr D Mitchelson, Director of IT to provide urgent update. Board Secretary to circulate update once received.** **D Mitchelson Board Secretary**
- 14.3 Members noted the report in full.
- 15. FPPC TERMS OF REFERENCE UPDATE [paper FPP/19/16 refers]**
- 15.1 Members noted the Terms of Reference and agreed that the focus remained the same. Mrs Nicholls advised that the TORs of all NSS Board and Sub-Committees would be reviewed and updated once the outcome of the new Scottish Government Corporate Governance Blueprint had been completed. This would then dictate what was included. The next NSS Board development session, taking place on 1 March 2019 would focus on this work, including timing of meetings going forward, reporting timelines etc.
- 15.2 Members asked that Mrs Nicholls provide and update to the committee once this work had been completed. **Action: Board Secretary to provide updated TORs once governance review had been completed.** **Board Secretary**

16 FEEDBACK FROM RELEVANT SUB COMMITTEE CHAIRS ON GOVERNANCE ISSUES

- 16.1 Professor Ireland ask that it be noted that the Board meeting had looked at similar issues to those included on the agenda for the meeting, specifically Brexit and clinical waste. She added that there had been no issues from the Information Governance Committee. Mrs Dunlop would feed back to the next Board meeting on the discussions that had taken place at this meeting. There had been no other Board sub-committee meetings since the formal board meeting to report on.

17. BOARD HIGHLIGHTS REPORT [paper FPP/19/17 refers]

- 17.1 This item was discussed under item 16 of these minutes.

18. ANY OTHER BUSINESS

- 18.1 There was no other competent business discussed.

19. DATE OF NEXT MEETING

- 19.1 Monday, 13 May 2019, GS 1.1, Gyle Square, Edinburgh EH12 9EB, commencing 0900 hours.

There being no further business, the meeting finished at 1315 hrs.

minutes (DRAFT)

B/19/75

NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF MEETING OF THE FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE (FPPC) HELD IN ROOM 030, GYLE SQUARE, EDINBURGH COMMENCING AT 0930HRS ON MONDAY 13 MAY 2019

- Present:** Ms Julie Burgess, Non Executive Director (in the Chair)
Mr Ian Cant, Non-Executive Director
Professor Elizabeth Ireland, NSS Chair
- In Attendance:** Mrs Carolyn Low, Director, Finance and Business Services
Mr Colin Sinclair, Chief Executive
Mr Martin Street, Strategic Sourcing Director (Item --)
Mrs Marion Walker, Risk Manager Lead (Item --)
Mrs Lynsey Bailey, Committee Secretary [Minutes]
- Apologies:** Mrs Kate Dunlop, Non Executive Director
Mrs Mary Morgan, Director of Strategy, Performance and Transformation

ACTION

- 1. INTRODUCTION AND APOLOGIES FOR ABSENCE**
 - 1.1 Ms Burgess welcomed everyone to the meeting and apologies were noted as above. Members were asked if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared.
- 2. MINUTES OF THE MEETING HELD ON 14 FEBRUARY 2019 AND MATTERS ARISING [papers FPP/19/20 and FPP/19/21 refer]**
 - 2.1 Following a brief discussion, Members approved the minutes of the meeting held on 14 February 2019, subject to minute 2.1 being reworded to remove reference to specific names. Members also asked Mrs Bailey to check the wording was consistent with references to other sets of minutes which had been drafted by someone other than the original note taker. **L Bailey**
 - 2.2 Members noted that all the actions were completed, covered by the agenda, or covered by an update provided on the action list. However, Members asked for the updated Terms of Reference to be put onto the next agenda, **L Bailey**
- 3. DRAFT ANNUAL REPORT TO THE BOARD [paper FPP/19/22 refers]**
 - 3.1 Members felt that the Annual Report needed to be updated to capture the assurance aspect of the items under the Procurement heading. They wished to expand on the existing paragraph by highlighting the assurance provided over the whole procurement cycle, from setting strategy to approval of contracts. Members also suggested the inclusion of an audit on Procurement to be added to the 2020/21 Audit Plan **L Bailey**
- 4. REVISIONS TO NSS'S STANDING FINANCIAL INSTRUCTIONS [paper FPP/19/23 refers]**
 - 4.1 Members noted that no changes were being proposed to NSS's Standing Financial Instructions (SFIs) at this time due to the substantial revisions undertaken in 2018, and the lack of new legislation or any issues since then. Mrs Low advised that was also felt it would also be beneficial to allow time for the SFI training to roll out and look at its impact one year on. Members were assured that NSS was as up to date as it could be and the existing SFIs aligned with all current governance requirements. Members discussed how the

ACTION

effectiveness of the SFI training could be measured (e.g. more effective budgetary control due to budget holders being better informed and equipped to do their job). They also recognised that a sense of shared ownership and accountability, alongside a supportive approach would also be vital. Mrs Low agreed to prepare a proposal to take to a future NSS Partnership Forum on developing a survey to measure the impact of the mandatory SFI training course on LearnPro.

C Low**5. FINANCIAL PERFORMANCE [paper FPPC/19/24 refers]**

5.1 Mrs Low spoke to the paper, highlighting NSS's £6m contribution to the £15m National Board savings, and that £2m had been returned to NHS Boards through procurement savings in the National Specialist and Screening Directorate. Members noted that the biggest challenge was accurate budget forecasting and were provided with an overview of how this was being addressed. Budget allocations were well-managed overall and returns tended to be the results of slippage, and often for reasons not directly within NSS's control. Members were also updated on the status of the transformational change fund programmes. Members expressed concerns about NSS continuing to provide more than its share of the National Boards' collaborative savings target and felt that NSS should look to articulate the impact of that (e.g. what additional services NSS could have provided instead) and challenge the other National Boards more. Mr Sinclair provided assurance that he, along with other Board CEs, had made the point that all Boards needed to contribute. Following a discussion about the methodology for achieving the £15m savings more collaboratively, Mr Sinclair agreed to go back to the other National Board Chief Executives and get assurances around the development of a more formal strategic plan to deliver this.

C Sinclair

5.2 Mrs Low spoke to a presentation on the lessons learned from the eHealth funding issues in the previous year. The presentation provided an overview of the actions agreed, progress against those actions, what had gone well and what could be done differently in future. One of the main points highlighted was that the right technology was in use but working practices had not changed sufficiently to take full advantage of its capabilities. Members were also given an overview of the "quick wins" already achieved, and the proposed five-year roadmap to move Finance from its current guardian role and more towards that of business advocate or strategic partner. Members were assured by this and commended the approach taken to this issue, as it illustrated NSS's organisational values – focussing on what needed to improve rather than "who was to blame". Members advised that they would like to hear more about the relationship with Scottish Government Finance, and also have spotlight sessions on financial stewardship in different parts of NSS - particularly the National Specialist and Screening Directorate. Members also asked for Mrs Low to provide a slightly abbreviated version of her eHealth Lessons Learned presentation to the NSS Board meeting and for an update on finance transformation at the next NSS Finance, Procurement and Performance Committee meeting on Thursday, 29 August 2019.

L Bailey**C Low****C Low****6. OCCURENCES WHERE STANDING FINANCIAL INSTRUCTIONS HAVE NOT BEEN FOLLOWED**

6.1 Members were assured that there had been no instances where the NSS Standing Finance Instructions had not been followed.

7. NATIONAL PROCUREMENT UPDATE [paper FPP/19/25 refers]

7.1 Mr Street took Members through his paper, highlighting the 2018/19 year-end secured and delivered savings figures of £52.3m and £85.4m respectively. The savings figure being forecast for the 2019/20 Strategic Sourcing Workplan

was slightly down on previous years. This was due to both the anticipated cost pressures arising from Britain's EU exit, and usual cost saving measures having a lesser impact than before. In respect of preparations for EU Exit, National Procurement was looking to hold a higher level of stock than usual until the practicalities of the exit terms were known. The triage service previously put in place was also on hold in the meantime, but could be reactivated as necessary ahead of 31 October 2019. Currently, support was being directed to better understanding the Social Care sector's supply chain and its vulnerabilities. Work on innovation was progressing well, but there was still work to be done to promote the message of Procurement as an enabler to innovation, rather than a blocker.

- 7.2 Issues in respect of clinical waste were still ongoing. Members were given a high level overview of the previous supplier's current status and noted that there had been some recent negativity in the press regarding the contingency arrangements in place. Members were briefed on some of the recent challenges which had arisen around the treatment of waste and subsequently assured regarding agreements put in place to address them. Members noted the proposed, future clinical waste procurement structure would be similar to the contingency arrangements – a range of logistics suppliers, a range of treatment suppliers, with a central co-ordination point. Members were also provided with an overview of the plans to clear any backlogs without damaging the day to day operations. Members suggested that undertaking some form of lessons learned exercise would be useful and were advised that KPMG was being approached to assist with a review along these lines.

8. **NSS OPERATIONAL DELIVERY PLAN PERFORMANCE REPORT [paper FPP/19/26 refers]**

- 8.1 Members discussed the contents of the report. They were pleased to note that NSS was well positioned and were assured regarding the few "amber" measures.

9. **RESILIENCE UPDATE [paper FPP/19/27 refers]**

- 9.1 Members noted the contents of the paper and were assured regarding resilience arrangements and planning,

10. **REVIEW OF BUSINESS RISKS ON RISK REGISTER**

- 10.1 Mrs Walker spoke to paper **FPP/19/28**, highlighting that there were currently no Red business risks being managed under the Integrated Risk Management approach. One new Amber business risk had been raised (5432) which related to Health Protection Scotland and possible legal action following challenge to an incident management report. Members were provided with further context to this risk and agreed it should be brought to the attention of the Board through the Committee's Highlights report due to the potential reputational element it had. Members looked for some more detail about risk 3394 (Practitioner and Counter Fraud Services (PCFS) Bespoke Systems – End of Life and Applications Compliance) and Mrs Walker agreed to get specific feedback for the next meeting in August 2019, including a view from Mr M Bell on this and any other PCFS business risks. Members asked if there were any risks relating to the infected blood inquiry on the register. They were advised that there was a risk on the register and, as a primarily reputational risk, it would be reviewed and monitored by NSS's Audit and Risk Committee. However, the EMT would consider if there was a need to ensure visibility at other committees. Members wished to ensure that the EU exit, and its potential economic impact, was also fully covered within the risk register. Mrs Walker agreed to check the existing entries relating to this and provide that assurance at the next meeting.

**M Walker/
M Bell**

11. SUSTAINABILITY UPDATE

- 11.1 Mr Hiemann spoke to his presentation about the work and progress on sustainability initiatives. Members were pleased with what had been achieved so far, noting there were some opportunities still to be exploited. Members were also pleased to note NSS had achieved a Good Corporate Citizenship score of 81%, exceeding the target NSS had set itself. Members were updated on the future plans to continue this momentum and acknowledged that filtering down the message that everyone can have an impact would be key. Members also raised the possibility of doing this through publicising the impact of some of the existing initiatives.

12. FEEDBACK FROM RELEVANT SUB COMMITTEE CHAIRS ON GOVERNANCE ISSUES

- 12.1 Members were given a high level overview of two sessions held at the recent NSS Staff Governance Committee - the interactive development session for the Annual Report and a spotlight session on culture and transformation.

13. BOARD HIGHLIGHTS REPORT [paper FPP/19/29 refers]

- 13.1 Members agreed the key points for the Sub-Committee Highlights report to the next formal NSS Board meeting on Friday, 28 June 2019. Mrs L Bailey agreed to send a draft of the report to Mrs J Burgess and Mrs K Dunlop as soon as possible **L Bailey**

14. ANY OTHER BUSINESS

- 14.1 Members asked Mrs Bailey to add an item on Trackcare to the Forward Programme. **L Bailey**
- 14.2 As it was Professor Ireland's last Finance Procurement and Performance Committee meeting, she wished to commend the progress made and record her thanks to all those who had contributed to the Committee's work. In turn, Members also wished to record their thanks to Professor Ireland for her work.

15. DATE OF NEXT MEETING

- 15.1 Thursday, 29 August 2019, GS 1.1, Gyle Square, Edinburgh EH12 9EB, commencing 0930 hours.

There being no further business, the meeting finished at 1230hrs.

Minutes (APPROVED)

B/19/76

NHS NATIONAL SERVICES SCOTLAND CLINICAL GOVERNANCE COMMITTEE

MINUTES OF NSS CLINICAL GOVERNANCE COMMITTEE MEETING, HELD ON WEDNESDAY, 5 DECEMBER 2018 IN ROOM 030, GYLE SQUARE, EDINBURGH, COMMENCING AT 1400 HRS

- Present:** Ms Julie Burgess – Non-Executive Director [Chair]
 Ms Jane Davidson – Non-Executive Director [Teleconference]
 Professor Elizabeth Ireland – Chair of NSS
- In Attendance:** Ms Manira Ahmad – Head of Local Intelligence, PHI [Observer]
 Dr Paul Campbell – Clinical eHealth Lead, IT
 Mr Paul Cushley – Director of Dentistry [Item 8]
 Mr Deryck Mitchelson – Director of National Digital
 Mr Martin Morrison – Associate Director, P&CFS [Item 8]
 Dr Lorna Ramsay – Medical Director
 Professor Jacqui Reilly – Interim Nurse Director & Executive Lead for Clinical Governance
 Dr Alex Stirling – Consultant in Public Health Medicine [Item 4]
 Mr Colin Sinclair – NSS Chief Executive
 Professor Marc Turner – Medical Director, SNBTS [Teleconference – Item 6]
 Dr Mike Winter – Medical Director, PCF
 Ms Anne Ferguson – Committee Secretary [Minutes]
- Apologies:** Mr Mark McDavid – Non-Executive Director

ACTION

1. WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

- 1.1 Ms J Burgess welcomed all to the meeting, introductions were made and the apologies above noted. The Chair stated that the Clinical Governance Committee (CGC) was quorate. Members were asked to declare any interests in the context of the agenda items. None were declared.

2. MINUTES OF CLINICAL GOVERNANCE COMMITTEE MEETING HELD ON THURSDAY, 13 SEPTEMBER 2018 [paper CG/18/50]

- 2.1 Members approved the minutes of the meeting held on Thursday, 13 September 2018.

3. MATTERS ARISING AND ACTION LIST [paper CG/18/51]

- 3.1 The outstanding items on the action list were reviewed and the following points noted:
- Ref 4.1 was marked as closed
 - Ref 5.1 was expected to be completed by teleconference on 19 December 2018. Any further reporting was to take place through the Finance, Procurement & Performance Committee.
 - Ref 6.1 the paper requested had been submitted (ref 18/54) thereby completing this action point. The matter was to be discussed on the agenda under item 8.
 - Ref 8.1 to be discussed under item 7 of the agenda.
 - Ref 10.1 a short paper was requested on the governance of all legacy shared services and its location within NSS for the March meeting. The governance and accountability of radiographers in the pilot currently being undertaken was still unanswered but was dependent upon the pilot outcome. If successful and



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Chair Professor Elizabeth Ireland
 Chief Executive Colin Sinclair

ACTION

radiographers were to be employed by NSS then potentially there would be an increased clinical risk as it was a new area of activity. The Committee also asked to be briefed by Dr L Ramsay and Professor J Reilly in due course on any issues from the implementation model in the event of this new service being introduced after the pilot.

LR/JR

4. SPOTLIGHT SESSION: REALISTIC MEDICINE

- 4.1 Dr A Stirling gave a presentation on realistic medicine (RM). The CGC was particularly interested to hear how it could contribute to NSS strategy and the connection to quality and governance from a NSS perspective. Dr A Stirling had been asked to speak about realistic medicine at the NSS Board and the Committee suggested using examples where this was already being implemented to help the board engage with this agenda. All members were invited to the RM event arranged for 20 March 2019 dedicated to shaping realistic medicine for NSS. This was to assist in articulating to members the value of NSS delivering realistic medicine. In addition to Dr A Stirling, NSS had a finance lead for realistic medicine and champions were being sought from the SBUs to embed this strategy into its usual business. Professor E Ireland recognised the balcony view opportunity for NSS to think strategically about the best way to capture realistic medicine decision making and communication learning in order to enable its future retrieval in a useful manner. Ms J Burgess enquired how realistic medicine linked into the NSS transformation agenda. Digital transformation would aid information sharing downwards with patients and clinicians to support shared decision making. Realistic medicine had a user focus and was useful for NSS in identifying work priorities. Dr A Stirling was asked to include the NSS posters in the realistic medicine presentation at the February NSS Board meeting.

AS

5. IT SBU UPDATE

Over the last year or so, the CGC had been increasingly interested in national IT systems led by NSS because of the implications on clinical practice and associated risks. Dr P Campbell gave an overview of the IT/ Digital SBU national adverse events in the last year, an update on the CHI and Child Health Transformation Programme and a presentation on PACS and RIS systems in the Scottish Radiology Transformation programme (SRTP).

- Clinical Governance Monitoring Systems - Complaint information was currently collated manually from a number of spreadsheets for the NSS Audit and Risk Committee and the CG Committee. There were also a number of adverse event monitoring systems in use e.g. Q pulse in NSS and other systems such as Datix in territorial boards. However there had been high level discussions lately in NSS about using a single platform across the whole of NSS and potentially NHS Scotland for this purpose and using a single system to record this information i.e. Service Now. Service Now offered the potential for real time reporting in a standardised format for NSS. There was some debate as to whether Office 365 would eventually replace Service Now although assurance had been received at the Executive Management Team meeting that both would work in tandem. Mr C Sinclair confirmed that NSS would use whichever system was deemed best for this purpose.
- CHI & Child Health Transformation Programme – governance of the new CHI and Child Health systems together with GP IT re-provisioning was taking place at Scottish Government level. The Scottish Government was to sign off these programmes and give NSS assurance to progress with these programmes in due course. Progress should be fed back at the next CGC meeting.
- Scottish Radiology Transformation programme – Dr L Ramsay confirmed that NSS was examining the required clinical governance responsibilities and accountabilities for reallocating radiology work across the NHS boards. It was noted that the premise of the SRTP pilot was to ensure radiographer resource was in the right place for the work needed for NHS Scotland. Demand optimisation was being deployed therein. Artificial Intelligence may also have a

PC

ACTION

role in the future to ensure efficiencies in the radiography and radiology resource. SRTP governance arrangements were outlined in the presentation. These underpinned the SRTP along with quality assurance and clinical pathways. Professor J Reilly suggested that feedback from the pilot should inform the legacy Business As Usual work for NSS and the boards and be presented to a future meeting by Mr Jim Cannon.

JC

- Quality Assurance in relation to medical devices changed in May 2017 from Directives to Regulations. The Medical Devices Regulations (MDR) required any software that manipulated data to be classed as a medical device. These regulations were to be implemented by May 2020 and work was currently being done on the implications for NSS software. Dr P Campbell agreed to contact the NSS Incident Reporting and Investigation Centre in HFS (PCF) as much work had already been done by this team on MDR. NSS work on MDR needed to be joined up across SBUs. This was a growth area in which NSS had a lot of expertise and would be followed up at the NSS board March Development Session when proposals about the NSS offer in this regard were to be discussed.

PC**6. UPDATE ON BLOOD AND TISSUE SAFETY MEASURES [paper CG/18/52]**

6.1 Professor M Turner teleconferenced into the meeting but unfortunately the connection was insufficient to hold a meaningful discussion. It was therefore agreed that the following questions would be sent to Professor M Turner for a written response:

**AF/
MT**

- i. IT System issues - please clarify the situation
- ii. Out of Hours Provision - Please clarify the impact of the out of hours provision issues
- iii. Infected Blood Inquiry –
 - a. NSS had a Duty of Care to those members of staff who had already gone through the Penrose Inquiry. The CGC would like to know how else NSS could support those involved other than providing support from Human Resources and Healthy Working Lives support.
 - b. What could NSS do to assist with the impact on SNBTS business and existing staff trying to manage the additional workload?
- iv. Human Tissue Bill – what were the issues & risks if this bill was implemented?

6.2 The risk to the reputation of the SNBTS of being involved in another inquiry was noted. It was proposed that Mr C Sinclair and Dr L Ramsay make contact with the Interim Director of SNBTS and Professor M Turner to discuss financing of NSS support to the new inquiry. This proposal was supported by members.

CS/LR**7. NSD SCREENING RISKS [paper CG/18/53]**

7.1 At the previous meeting Dr M Winter had been asked to provide a paper outlining the risks associated with the various screening programmes to ensure NSD had the appropriate processes in place for these to be managed. Paper [CG/18/53] submitted by Dr M Winter was discussed and the following actions/points were noted:

- The CGC requested a copy of the National Screening Review document that had just been published **MW**
- The scope and terms of reference for the Scottish Breast Programme Review (SBSS) which had recently been submitted to SGHSCD were to be circulated to the CGC **MW**
- The Scottish Screening Committee was delegated to take responsibility for the screening programmes in the 14 territorial boards. NSS had a supportive role having responsibility and accountability for ensuring that the screening programmes were delivered, monitored and reviewed in light of best practice.
- The CGC accepted the governance of the risks, issues and processes with the screening programmes outlined in paper CG/18/53. However further assurance was requested by the CGC for the Scottish Breast Screening Service. A paper specifically addressing SBSS risks, issues and NSD processes for managing those risks was requested for the next meeting. **MW**

8. DENTAL UPDATE [paper CG/18/54]

8.1 Mr P Cushley gave an update on developments concerning the transfer of the functions of the Scottish Dental Practice Board to NSS since the update to the last CGC meeting in September. It was explained to the committee that the Scottish Government was of the view that the governance arrangements for this in the future were solely a matter for NSS. Given the information contained within paper CG/18/54, the CGC was asked to make a decision on the model to be adopted for the new dental governance arrangements. The CGC decided to take an approach consistent with other clinical areas e.g. the SNBTS as it had been found to be robust. The new dental governance arrangements were to involve:

- A standing item for dental governance on the CGC agenda for the next 12 months
- Submission of a clinical governance report on dental matters to the CGC for each meeting
- Creation of a clinical governance group within P&CFS. Membership was to include key stakeholders. Minutes from these meetings were to be submitted to the CGC with the dental governance report.
- The Chair of the P&CFS Clinical Governance Committee was to attend the NSS CGC.
- Verification of dental payments was to be overseen by the audit and risk or finance and performance NSS Board sub-committee as appropriate.

8.2 The necessity for dental governance to be discussed at every CGC meeting was to be reviewed after 12 months with a view to a reduction in frequency.

ALL

8.3 On a practical level it was recommended that Mr P Cushley met with Professor J Reilly and Ms Carolyn Low to examine previous SDPB papers and ensure that all aspects of dental governance currently carried out by the SDPB had been taken into account in the new arrangements. Professor J Reilly and Dr L Ramsay were asked to produce an outline proposal for NSS dental governance for the February NSS Board meeting. The Terms of Reference for each of the NSS Board sub-committees taking on these new functions also needed to be updated. These papers should also come to the March NSS CGC.

PC/JR

JR/LR

8.4 The Scottish Government was working to an end date for the SDPB of 1 March 2019. NSS had been formally asked to take over the functions of the SDPB in a letter to Mr C Sinclair. A reply to that letter was required from NSS. It was apparent that the Regulations were unlikely to be amended to allocate the functions of the SDPB to NSS in time for 1 March especially if delayed because of Brexit. In this event a letter of comfort was required from the Scottish Government.

9. NSS CLINICAL GOVERNANCE AND QUALITY STRATEGY

9.1 Professor J Reilly gave a presentation on Quality Management and linking quality improvement to the existing quality assurance and control in place in NSS. It was proposed to adopt the NHSScotland HIS model of Quality Management Systems within the NSS Clinical Directorate. NSS therefore needed a strategy for quality and clinical governance and an annual workplan in order to ensure QI was embedded into the ways of working. The importance of linking it to the overarching NSS Board strategy was noted by Professor E Ireland. Professor J Reilly and Dr L Ramsay agreed to draft this and make a presentation to the NSS Board in May 2019.

JR/LR

10. NSS CLINICAL ADVERSE EVENTS, RISKS AND COMPLAINTS QUARTERLY UPDATE [paper CG/18/55]

10.1 Professor J Reilly gave an account of the number of adverse events, risks and complaints received last quarter. It was noted that the Duty of Candour policy had been used for the first time after an adverse event within the SNBTS. The NSS Board was to be notified that the first Duty of Candour procedure had been triggered. An update on how this process had gone from SNBTS was to be provided at the next CGC meeting.

JR/MT

- 10.2 Dr L Ramsay pointed out that it would be useful to have a denominator for the number of complaints to give this figure some context. Professor E Ireland stated that information reported to all the sub-committees of the NHS Board needed to be reviewed to ensure work was not being duplicated. Professor J Reilly indicated that one of the areas for improvement in the proposed clinical governance and quality new annual work plan was the reporting. The importance of being able to identify special cause from random variation in reporting was noted. Professor J Reilly suggested that statistical process control charts should be used for reporting. Professor E Ireland agreed and noted this should also be considered by other board sub committees.

JR

11. MEDICAL STAFF APPRAISAL [paper CG/18/56]

- 11.1 Members received an overview from Dr L Ramsay on the position regarding medical staff appraisal and revalidation documented in paper CG/18/56. The CGC was assured that all medical staff had been appraised, that all doctors working within NSS had been revalidated and that there had been no referrals to the GMC/GDC for conduct issues.

12. CLINICAL STAFF REVALIDATION [paper CG/18/57]

- 12.1 Professor J Reilly provided assurance that policies and processes were now in place to ensure all non-medical clinical staff working within NSS that required revalidation and re-registration had completed the process. The eESS system and regulator data had been checked and reported on for the first time to the committee. It was also noted that there was now a policy (Appendix one of the checking professional registration policy) within NSS to enable those that did not need a professional qualification for their current role but held such qualifications to maintain re-registration. It was noted that once the first three year cycle of revalidation for nurses ended, the percentage of NSS nurses that had been revalidated would be shown as 100% in the report.

13. CLINICAL DIRECTORATE REPORT [paper CG/18/58]

- 13.1 Members were pleased to note the Clinical Directorate report, which detailed the work undertaken by the Clinical Directorate since the last NSS Clinical Governance Committee meeting on 13 September 2018.

14. OTHER NSS GOVERNANCE COMMITTEE ISSUES

14.1 Audit & Risk Committee

- part of the internal audit plan for next year was to review the breast screening service
- the CGC recommended use of Service Now to capture issues and complaints and improve analysis of this information

14.2 NSS Board Development Session

- review the Terms of Reference for all the NSS governance committees and update these to include dental governance

14.3 Staff Governance Committee

- data and statistics reported to this committee were to be reviewed.

14.4 Finance, Performance & Procurement

- virtual meeting of Scottish Government's newly formed governance oversight committee, the Digital Strategy Board, on 19 December to sign off GP IT Re-provisioning as well as the new CHI and Child Health systems. The approval of the DSB, plus confirmation of full funding will enable NSS to sign 5e contracts on behalf of SG.

15. ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT TO THE BOARD

15.1 These items were as follows:

- The new Medical Devices Regulations and its implications for software
- The new dental governance arrangements and the next steps for implementation
- The Duty of Candour Procedure had been activated for the first time

ACTION

- Assurance could be provided to the NSS Board about revalidation and registration of NSS clinical professionals
- The CGC would like the Executive Management Team to develop a strategy around clinical governance and quality.

16. ANY OTHER BUSINESS

- 16.1 Following a meeting the previous day which had been held in response to questions in parliament about a neurosurgeon in NHS Tayside, Professor E Ireland reminded all about the importance of openness and transparency within NSS and the learning that could be gained from complaints. This was particularly relevant to the Clinical Governance Committee.
- 16.2 Ms J Davidson highlighted the importance of communicating the message correctly around the positive assurances received during these meetings. Positive assurance did not mean that all was well but that the CGC was aware of the current situation.
- 16.3 The Royal College of Physicians had begun writing articles on quality improvement and quality governance. Ms J Burgess had responded to an article and had been subsequently invited to a meeting. The Royal College of Physicians had established a quality collaborative, were well connected to thought leaders in governance and were shortly to run a quality governance fellowship. There were already eleven or twelve candidates for the course starting in February 2019. There were opportunities for NSS to link with this collaborative. It was noted that there were many organisations and Royal Colleges making similar offerings so NSS may need to consider its position in this regard.

17. DATE OF NEXT MEETING

- 17.1 Members noted the next meeting was scheduled for Wednesday, 21 March 2019 in Room G2, Meridian Court, Glasgow at 1400hrs.

There being no further business, the meeting finished at 1710hrs.

Minutes (DRAFT FOR APPROVAL)

NHS NATIONAL SERVICES SCOTLAND CLINICAL GOVERNANCE COMMITTEE

MINUTES OF NSS CLINICAL GOVERNANCE COMMITTEE MEETING, HELD ON THURSDAY, 21 MARCH 2019 IN ROOM G2, MERIDIAN COURT, GLASGOW, COMMENCING AT 1400 HRS

Present: Ms Julie Burgess – Non-Executive Director [Chair]
Ms Jane Davidson – Non-Executive Director
Professor Elizabeth Ireland – Chair of NSS

B/19/77

In Attendance: Mr Paul Cushley – Director of Dentistry [Item 8]
Dr Lorna Ramsay – Medical Director
Professor Jacqui Reilly – Nurse Director & Executive Lead for Clinical Governance
Mr Colin Sinclair – NSS Chief Executive
Dr Mike Winter – Medical Director, PCF
Mrs Karen Nicholls – Acting secretary to the board [minutes]
Miss Mariska Pellens – Business Support Assistant [Shadowing Mrs K Nicholls]

Apologies: Mr Mark McDavid – Non-Executive Director
Professor Marc Turner – Medical Director, SNBTS

ACTION

1. WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

- 1.1 Ms J Burgess welcomed all to the meeting, introductions were made and the apologies were noted as above. At request of Mrs K Nicholls, Ms J Burgess provided members with a brief overview of the Meridian Court housekeeping rules. Members were asked to declare any interests in the context of the agenda items. None were declared.

2. MINUTES OF CLINICAL GOVERNANCE COMMITTEE MEETING HELD ON THURSDAY, 13 SEPTEMBER 2018 [paper CG/19/02 refers]

- 2.1 Members were content to approve the minutes of the meeting held on Wednesday, 5 December 2018 following a change in page 3, paragraph 7.1, 2nd bullet. **Action: Board Secretary to add the words 'programme review' following Scottish breast screening.**

3. MATTERS ARISING AND ACTION LIST [paper CG/19/03 refers]

- 3.1 The items on the action list were either in progress, scheduled for a future meeting, closed or covered within the agenda and papers for this meeting.
- 3.2 With regard to the Quality Strategy Dr L Ramsay advised that this would come to the June Committee meeting prior to submission to the NSS Board in September 2019.



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Chair Professor Elizabeth Ireland
Chief Executive Colin Sinclair

4. **DRAFT TERMS OF REFERENCE [CG/19/04a]**

4.1 Members discussed the terms of reference for the Committee and identified the following changes/updates to be made:

- In attendance to be updated to include all Medical Directors and Dental Director.
- Review of work schedule to be carried out similar to the work done at Board level against the Corporate Governance Blueprint. This will become particularly important as NSS becomes more externally focused or where NSS has an interest in the workings/supporting another Board. **Action: Board Secretary to look at options for a development session for the Committee.**

Board Secretary

4.2 Members asked that a further review of the TORs took place after the recommendations from the overarching work on Corporate Governance Blueprint were available from Scottish Government. **Action: Board Secretary to update TORs once final templates/details were available.**

Board Secretary

5. **UPDATE ON BLOOD & TISSUE SAFETY MEASURES (INCLUDING HAIR QUARTERLY REPORT [paper CONFIDENTIAL CG/19/05 refers])**

5.1 Members noted that Professor M Turner was an apology for this meeting of the Committee. Members were advised that any questions or issues relating to the Blood & Tissue Safety Measures update would be collated by the Board Secretary and sent to Ms Pamela Mills, SNBTS for answer. These answers would then be incorporated in the minutes or if necessary circulated out with the meeting.

5.2 Members discussed the paper and the following points were noted;

2. Regulatory and professional inspections and audits

- Members asked for further clarification on the wider NSS role within blood banking, specifically for the smaller health boards and whether future provision might sit within NSS. Members asked for a strategic update to the next meeting of the Committee. **Action: Professor Turner to report back to next meeting.**

M Turner

5.3 **3. Tissue manufacturing**

- Questions were raised around the sustainability of on call out-of-hours services and whether this had been raised at the Resource Allocation Meetings (RAM). Dr L Ramsay advised this had not been the case. However Professor Turner had included information relating to the reasons for this in the paper, which provided details of the mitigating actions being taken. Members noted that Professor Turner would now therefore update the committee by exception only.

5.4 **4. UK Infected Blood Inquiry**

- Professor E Ireland expressed some concern around any possible additional pressure on the staff impacted by the inquiry. Mr C Sinclair advised members that he had spoken to Mr Richard McCallum, Deputy Director - Health Finance and Infrastructure around additional resource, and funding was being sought. Members were reassured by this approach.

5.5 **7. Scottish blood bank sustainability**

- Members commended the good work that had been completed and asked that Mr Calum Thomson, Head of Clinical Professional Development be approached to write a case study based on this work. **Action: Professor J Reilly to liaise with Mr C Thomson regarding a possible case study.**

J Reilly

- 5.6 **10. Unlicensed Medicines Regulations**
- Members discussed the impact of unlicensed medicines. Mr C Sinclair advised that no contracts had been signed and agreed to provide an update to the next meeting. **Action: Mr Sinclair to update next meeting.** C Sinclair
- 5.7 **11. Duty of Candor (DoC) with respect to islet cells**
- Members requested an update on DoC particularly in relation to islets cells and delayed transplant and the agreed position within the DOC guidance. **Action: Professor Turner to update for next meeting.** M Turner
6. **CLINICAL WASTE - NSS ASSURANCE [paper CG/19/06 refers]**
- 6.1 Members noted the content of the paper and thanked Professor J Reilly for her update. One point of clarity was advised – the incumbent waste disposal contractor had not ceased trading, but had ceased to supply the services. **Action: Professor Reilly to update paper accordingly.** J Reilly
- 6.2 Ms J Davidson asked that thanks be passed to the NSS team that had worked on this particular project.
7. **ORGAN RECONDITIONING HUB PROPOSAL [paper CG/19/07 refers]**
- 7.1 Dr M Winter took Members through an out proposal relating to an Organ Reconditioning Hub. He advised that this had been produced by Professor Turner and Gabriel Oniscu Consultant Transplant Surgeon, NHS Lothian.
- 7.2 Dr M Winter added that discussions had already taken place with Scottish Government who had confirmed that they would co-fund, along with others, an investment in standard profusion in relation to transplants. The aim would be to roll out a programme to use the service to prolong the life of organs offered for transplant. This would involve SNBTS who were currently required to complete work on the organs over night. Using these devices to the lengthen the lifespan of the organs, would lead to better quality outcomes for patients and a reduction in the number of staff required over night when organs became available. The Jack Copland Centre is able to do this work and the paper had been brought to the Committee for their discussion. Mr C Sinclair advised that this was at a very early stage and if Members were supportive a more detailed report/business case would come to a future meeting.
- 7.3 Members discussed the document further and advised that in principal they were supportive, but this would depend on the full proposal coming to a future meeting, sources of funding, and details on any staff impact. All noted that this was cutting edge technology and the JCC was the right place to do it. Dr M Winter agreed to work with Professor M Turner and provide a full proposal to the next meeting of the Committee. **Action: Dr Winter/Prof Turner to provide updated proposal to next meeting.** M Winter/
M Turner
8. **MEDICINE PREPARATIONS FOR A NO-DEAL EU EXIT [Item taken out of agenda order]**
- 8.1 Mr Ewan Morrison, NSS Director of Pharmacy, provided an update to Members on the NSS preparations within relation to medicines, should there be a no-deal EU exit. He reminded Members that medicines were a devolved issue and currently the United Kingdom as a whole was looking at a 6 week stock. He continued that discussions were being held with all relevant pharmaceutical organisations and if necessary the UK Government had already approved air-freighting of medicines if needed. It was noted that a standardised process had been put in place, and discussions around the communications and the escalation process would follow on 22 March 2019.

8.2 Mr E Morrison raised a possible issue for Practitioner Services Division, as they could potentially be most exposed in the event of an increase in volume around manual changes for charging etc. However, NSS processes would remain the same in these circumstances.

8.3 There was debate around the clinical risks relating to a possible no-deal and Professor J Reilly advised that any risks with a clinical impact would become visible in the corporate risk register. Members discussed risk and were advised that those relating to the EU issues were currently flagged at a corporate level, but it may be worth revisiting SBU level ones as well to ensure they were updated with the latest information. **Action: J Reilly to update as appropriate for next meeting.**

J Reilly

8.4 After additional discussion Mr C Sinclair added that NSS would have a broader role and a process was currently being developed to allow clinicians in Scotland to contact a central NSS team for access to the UK stocks of not just medical consumables, but also medicines. Members were reassured by the update provided and were content that any changes to process or requirements would be communicated to them if required.

9. **MEDICINES STRATEGIC THEME PROPOSITION [Item taken out of agenda order]**

9.1 Mr E Morrison took Members through his presentation providing an update on Medicines Strategic Themes. He advised that the Group was working towards realistic medicine principles, including monthly meetings looking at.

- The main programme work streams were:
- Optimise and align existing work
- Enabling prescribing pathways
- Medicines data
- New and Innovative uses
- Medicines – Value

9.2 Dr L Ramsay added that by doing this work it had become clear that for both medicines and pharmaceuticals in general there was a much higher, and growing ask, particularly around authorising repeat prescriptions.

9.3 Members thanked Mr E Morrison for his informative presentation and asked for any issues of concern, or that required escalation to come back to Committee as and when required. **Action: Medicines Strategic Themes to be added to forward programme when required.**

E Morrison

10. **DENTAL/SCOTTISH DENTAL PRACTICE BOARD (SDPB)/PRACTITIONER & COUNTER FRAUD SERVICES (P&CFS) CLINICAL GOVERNANCE GROUP [Item taken out of agenda order]**

10.1 Mr Paul Cushley, Dental Director, provided an update to members on the work that had been carried out on the Dental/SDPB/PCFS Clinical Governance Group. Members discussed the requirement for independent scrutiny and where this would sit within current structures but outside of P&CFS. This would cover the role and remit of the SDPB, although this also included some powers around IT use in dental. Mrs J Burgess clarified as follows: there was a requirement for 3 distinct functions: SDPB functions; Clinical Assurance; Payments Assurance. Dr L Ramsay added that this group would be chaired by Mr P Cushley and required to produce an Annual Report on their work.

10.2 Members noted that currently NSS only dealt with the approvals and payments process, but the requirement would also include holding dentists and Practitioner Services Division to account. Members asked for further clarity on the risks to NSS around this and where the Board scrutiny would be provided. After further discussion Members did not feel in a position of reassurance around this subject

and recommended further review by the NSS Executive Team and a further paper to be provided for the next Committee meeting. **Action: Mr Cushley to provide an update to the next meeting.**

PC

11. **BREAST SCREENING REVIEW [paper CG/19/08 refers]**

11.1 Dr M Winter took Members through the paper and provided a brief background on the review and asked that the mitigating actions be noted. Members were reassured by the actions taken and reported and advised that this could now be removed from the forward programme for the Committee and the Committee updated by exception. **Action: Board secretary to remove from forward programme.**

Board
Secretary

12. **NSS OUTLINE PROPOSITION RE NATIONAL SCREENING EXECUTIVE [paper CG/19/**

12.1 Dr L Ramsay took Members through the paper outlining the NSS proposition regarding the National Screening Executive which would oversee the national screening programme for Scotland. Mr Gareth Brown - Policy and Programme Director, Public Health Reform had asked NSS to put together this proposal on how this could be run, if NSS was chosen as the lead for National Screening programme. Members noted that although we had been asked to put this proposal together, it may not, in the end, sit within the NSS remit in the longer term. She added that if NSS were to take on this role, it would need to sit separately from the National Services Division, and this was reflected in the paper.

12.2 Members noted that this group would sit above the programme level governance, and that this would focus on all screening programmes in Scotland. They thanked Dr L Ramsey for her paper, and welcomed future updates on this project.

13. **NSS CLINICAL ADVERSE EVENTS, RISKS AND COMPLAINTS [paper CG/19/11 refers]**

13.1 Professor J Reilly took Members through the report and the following points were highlighted

- 51 clinical adverse events had been reported.
- 14 of these events were clinical risks.
- NSS had received 50 donor complaints.
- The Clinical adverse events for SNBTS were reported as 5, however following research this was reduced to 3.
- 2 Duty of Candour procedures had been reported, both incidents went to IRAC.
- The annual report on Duty of Candour would be presented at the next meeting.
- Work had been carried out to make the Duty of Candour learnpro course mandatory

13.2 Members thanked Professor J Reilly for her update and noted the contents in full.

14. **PICTURE ARCHIVING AND COMMUNICATIONS SYSTEM (PACS) UPDATE [paper CG/19/12 refers]**

14.1 Dr L Ramsay presented the group with an update on PACS, commending the incredible work that had been carried out to ensure resilience. Members were assured by the update and Dr Ramsay could now close this risk on the NSS Risk register. **Action: L Ramsay to close related risk**

L Ramsay

15. **COMMUNITY HEALTH INDEX & CHILD HEALTH SYSTEMS [paper CG/19/113 refers]**

- 15.1 Dr L Ramsay took Members through a brief update on the CHI and Child health programme, highlighting the changes that had been made. After a brief discussion Members agreed that whilst progress was being made, it was necessary to keep this item on the forward programme for future updates for the foreseeable future.

16. **ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT TO THE BOARD**

- 16.1 Mrs K Nicholls explained to Members that the Remuneration and Succession Planning Committee had change the format of their annual report to the board to better reflect the Terms of Reference and providing evidence that these items had been subject to review and appropriate challenge. Members asked that this format also be used for this Committee. **Action: Board Secretary to reformat report and bring back to next meeting.**

Board
Secretary

17. **OTHER NSS GOVERNANCE COMMITTEE ISSUES**

- 17.1 There were no other relevant governance issues discussed.

18. **ANY OTHER BUSINESS**

- 18.1 Professor J Reilly updated the Committee on the current issues at the Queen Elizabeth Hospital and the work that had been carried out between HFS and HPS along with Governance HAI inspectors. Scottish Government were now asking for performance management, following HAI recommendations. Mr C Sinclair and Professor J Reilly, alongside other health boards, had completed a framework within the last 2 weeks and papers regarding this would be presented to the June Board meeting.

- 18.2 Ms J Burgess thanked Mrs J Davidson for all the work she had carried out as a Non-Executive Director as well as a member of the Clinical Governance committee and wished her well for her future.

19. **DATE OF NEXT MEETING**

- 19.1 Members noted the next meeting was scheduled for 30 June 2019 in Room 2.12, Gyle Square, Edinburgh at 1400hrs.

There being no further business, the meeting finished at 1710hrs.

Minutes

B/19/78

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF INFORMATION GOVERNANCE COMMITTEE MEETING HELD ON WEDNESDAY 20 FEBRUARY 2019 IN ROOM 030, GYLE SQUARE, EDINBURGH COMMENCING AT 0930HRS

Present: Ms Alison Rooney – Non-Executive Director (Committee Chair)
Mrs Kate Dunlop – Non-Executive Director

Apologies Ms Julie Burgess – Non-Executive Director
Professor Elizabeth Ireland – Chair of NSS
Mr Deryck Mitchelson – Director of National Digital (and Senior Information Risk Owner)

In Attendance: Dr Eleanor Anderson - Information Governance Lead & Caldicott Guardian, Public Health and Intelligence [Items 4 & 5]
Mr Martin Bell - Associate Director of Planning, Performance & Service Delivery [Items 5-13]
Mr Scott Heald - Head of Profession for Statistics [Items 4 & 5]
Mrs Mary Morgan – Director of Strategy, Planning and Service Transformation
Mr James Hall – Director of IT Operations (deputising for Mr Deryck Mitchelson)
Ms Trish Ruddy – NSS Head of Data Protection/Data Protection Officer
Dr Lorna Ramsay – Medical Director
Mr Colin Sinclair – Chief Executive
Mrs Lynsey Bailey – Committee Secretary (Minutes)

ACTION

1. CHAIR'S INTRODUCTION

- 1.1 Ms A Rooney welcomed everyone present to the meeting and noted apologies as above.
- 1.2 Members confirmed that they had no interests to declare in the context of the agenda items to be considered.

2. MINUTES OF THE NSS INFORMATION GOVERNANCE COMMITTEE MEETING HELD ON 19 SEPTEMBER 2018 [paper IG/19/02 refers]

- 2.1. Following a brief discussion, Members identified some corrections to the "In Attendance" list (Mr Sinclair and Dr Ramsay should be included) and some minor typos in the date and paper number references. They also suggested a wording change at minute 11.1 - from "finding appropriate measures" to "evidencing the appropriate measures". Pending these updates, Members were content to approve the minutes as an accurate reflection.

L Bailey

3. MATTERS ARISING FROM THE NSS INFORMATION GOVERNANCE COMMITTEE MEETING OF 19 SEPTEMBER 2018 [Paper IG/19/03 refers]

- 3.1 Members noted that the actions were completed, covered by the agenda, or ongoing. Members agreed that the action at 14.1 about providing context for presentations should refer to a general short summary paper rather than specifically an SBAR. Members also noted that discussions had been held at other committees around consistency of the Committee paper cover sheet format in respect of the information to be provided.



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Chair Professor Elizabeth Ireland
Chief Executive Colin Sinclair

ACTION

- 3.2. Looking at other matters arising from the minutes, Members requested an update on whistleblowing and received an overview of the national position regarding the Non-Executive role. They were assured that NSS had appropriate arrangements in place, and the policy review would now be progressed. Members were keen to include matters like this on the action list for visibility. Members discussed points raised in minute 4.2 around Public Health and Intelligence (PHI) research data linkage and were assured that this was covered within the Information Governance Report later in the agenda but noted there would also be the opportunity to ask Mr Heald for a specific update. Regarding the Adverse Events Action Plan mentioned at minute 4.3, Members requested that it be presented at their next meeting.

L Bailey**L Bailey/S Moffat**

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

4. NATIONAL STRATEGIC AND OPERATIONAL GOVERNANCE UPDATE [Paper IG/19/05 refers]

- 4.1. Dr Anderson spoke to the paper, which provided an update on the national picture of health and social care related information governance in Scotland, including the information governance challenges of major strategies and developments. Members noted that the information governance around the Digital Health and Social Care Strategy was still at early stages while the data flow in respect of Public Health Scotland (PHS) was being established. They were provided with an overview of the meetings held around this and progress made so far. Members sought assurances regarding the risk relating to Caldicott Guardian resilience in light of PHI staff moves to PHS. They were advised that it had been raised to ensure adequate arrangements were in place to provide Dr Ramsay with sufficient support following the PHI moves. Members asked about the level of Caldicott Guardian activity required and noted that this was still being established. Mrs Morgan agreed to bring a paper to a future meeting, which would outline answers to Members' questions once the overall landscape had been clarified.

M Morgan**E Anderson**

Service. Members asked for more of this kind of context in future and suggested introducing KPIs. They were assured that the information governance strand of the digital Health and Care strategy would be looking at processes like PBPP with a view to how best to manage people's expectations of them, provide better guidance for users and identify where other improvements could be made. Members were also provided with assurance regarding IT engagement and support for the upcoming projects around Community Health Index and Child Health systems, and Office 365.

5. CORPORATE DATA WAREHOUSE [Paper IG/19/09 refers]

- 5.1. Mr Heald provided members with an overview of the opportunities available through investment in the corporate data warehouse (CDW) and virtual data platform. Members noted how principles of data minimisation (accessing only the information required for the specific analysis being done) and automation (reducing the number of steps from data analysis to publication of statistics) were being applied to use of the CDW. They were also given a brief overview of the ongoing programme of work to move off legacy systems and embed the new practices throughout all statistical publications. Members were updated on an encrypted version of the Community Health Index (i.e. removing personal identifiers to enable the use of its information in legacy systems) and the sharing of code to provide transparency about the data and the analysis undertaken. Members were assured regarding the robustness of the information governance protocols being applied in relation to this and noted that it was also positive for Caldicott Guardians as it provided them with assurance on the process.
- 5.2. Mr Heald noted that the paper was more focussed around PHI as that was where the largest proportion of the work took place, but it could still be applied to the wider NSS. Members recognised the statistical analysis expertise in PHI and the need to ensure this was shared more widely. In discussing how the accountability principle would be evidenced, Members were given an overview of the audit mechanism within the warehouse which could identify instances of inappropriate data access, and the action which would be taken if this was raised. Members asked about the governance arrangements for the CDW once PHI moved to Public Health Scotland and were assured that this would be similar to existing arrangements with other Health Boards. With access to the CDW now settled, the work could begin towards minimising the data being captured. Members asked whether other public bodies (e.g. police) were looking at adopting this. They were advised that the Scottish Government were currently undertaking some work around data and there was an opportunity to help them understand how NSS could support that. Members wished to record their thanks to all who helped to reach this point. They felt assured regarding information governance around the CDW, recognising this was a step change for NSS, and wished to encourage the team look at how NSS could be leading by example.

6. NSS INFORMATION GOVERNANCE REPORT (INCLUDING ADVERSE EVENTS AND COMPLAINTS) [Paper IG/19/04 refers]

- 6.1. Members were pleased to note that there had been no Category 1 events (i.e. events that may have contributed to or resulted in permanent harm). However, there had been three Category 2 events (i.e. events that may have contributed to or resulted in temporary harm) and Members were assured by the details of the responses. While the adverse event reviews indicated improved data and reporting, there was still room to improve the articulation of lessons identified and lessons learned. Members also noted the update and assurances around the information governance related complaint which had been raised and the adverse finding by the Information Commissioner's Office. Members were

ACTION

advised that volume of Freedom of Information requests had increased, mainly relating to Brexit, clinical waste and the UK infected blood inquiry. Members also noted, and were assured by, the updates on key actions identified in relation to the information governance strategy. Members expressed concerns about the caveat in the report about absence of routine contributors and were keen to get assurances around what was being done to build resilience.

S Moffat

- 6.2. Members discussed the mention of NSS's continued use of fax and were keen to understand the justification for it and see a plan for how to move away from it. For future reports, they also requested to see more trend analysis and were advised that statistical process control would be used going forward. Members also discussed moving towards improved and more consistent sharing of lessons learned. Members expressed concerns about the mention of issues with handing of documents (e.g. payslips) being transferred between sites. They were advised that it was partly the result of a breakdown in communications regarding the delegation of responsibilities, and were assured it only comprised a small proportion of transactions. However, Members were keen to understand more about this, and also get an overview of the uptake of ePayslips, at their next meeting on Tuesday, 14 May 2019.

S Moffat

- 6.3. In respect of the complaint regarding the sharing of GP details, Members were assured that the improvement actions from the Information Commissioner's Office investigation were on track and being completed. Members noted that e-mail handling errors (e.g. incorrect recipients, content or attachments not checked) remained the most frequent type of information governance error. They briefly discussed whether there was any good practice from elsewhere that could be introduced and were assured that Information Governance Leads were being proactive in considering this. There was also recognition of the need to consider more forms of electronic communications than just e-mail. Members confirmed they were content with the updated format of the report.

7. INFORMATION GOVERNANCE RISKS [Paper IG/19/06 refers]

- 7.1. Members noted the contents of the paper, which provided details of the Corporate Information Governance risks on the NSS Risk Register. The report specifically highlighted risks outwith the agreed risk appetite, and Members received assurance that the mitigations were in place. However, some still remained above the tolerance level. Members recognised that there were potentially general risks, which had an information governance element, but the information governance element itself was potentially not beyond the risk appetite. Members discussed the information being provided and how to establish the level of detail required to assure the committee. Members suggested simplifying the statement to remove reference to the risk appetite and replace with a short statement of assurance in relation to the information governance elements of the risks highlighted. Mrs Morgan and Mr Bell agreed to discuss the best way forward to provide the necessary assurance.

**M Morgan/
M Bell****8. CYBER SECURITY**

- 8.1 Members noted the contents of paper **IG/19/07**, which provided assurance on NSS's position in respect of Cyber Essentials. There had been only one failure, which had since been addressed and NSS was now awaiting certification on the back of that. The report also provided assurance on NSS's overall Information Security programme. Members received a brief overview of how the next steps were being prioritised to achieve Cyber Essentials Plus certification and maintain NSS's reputation as an exemplar organisation. For the next update Members requested a gap analysis against the Network and Information Systems (NIS Directive) Act 2018. Members were pleased by the progress made since the update to the last meeting in September 2018.

D Mitchelson

ACTION**9. DATA PROTECTION OFFICER (DPO) UPDATE [Paper IG/19/08 refers]**

- 9.1. Members were advised that NSS was making progress, although slower than hoped. However, this was a universal theme across the whole of the public sector and NSS was in a comparatively good position. Mrs Ruddy provided an overview of her ongoing work, as well as the identified arrangements for DPO resilience. Members requested assurance regarding implementation of these resilience arrangements going forward. Members noted the slight slippage in the closure date for the General Data Protection Regulations (GDPR) action plan. They were updated on progress to date, noting that there were no major concerns and that NSS was not an outlier in comparison with other public sector bodies. Members also discussed the previously mentioned move towards a culture of data minimisation. Overall, Members were assured that NSS was making good progress towards full GDPR compliance and that processes were in place to ensure NSS understood any compliance gaps, with appropriate mitigations in place as necessary. The timescale for this work was also being monitored. Members noted the requirements for evidence of compliance and how capturing this was now becoming part of processes and procedures by design and default.

T Ruddy**10. NSS INFORMATION GOVERNANCE COMMITTEE TERMS OF REFERENCE**

- 10.1. Members briefly discussed the draft terms of reference provided (paper **IG/19/10** refers). They agreed that the list of attendees needed to be updated but nothing further was required at this point. Mrs Bailey agreed to circulate a finalised updated version outwith the meeting.

L Bailey**11. BOARD HIGHLIGHTS REPORT [Paper IG/19/11 refers]**

- 11.1. Mrs L Bailey agreed to compile the highlights report and pass to Ms A Rooney for comment before submission to the Board Secretary for the next NSS Board Meeting on Friday, 5 April 2019.

L Bailey**12. ANY OTHER BUSINESS**

- 12.1. Members asked to have visibility of the 2019/20 Adverse Events Action Plan at an early stage.

S Moffat**13. DATE OF NEXT MEETING**

- 13.1. The next NSS Information Governance Committee Meeting was scheduled for Tuesday, 14 May 2019.

14. DOCUMENTS CIRCULATED FOR INFORMATION/GENERAL UPDATE ONLY

- 14.1. NSS Freedom of Information, Environmental Information Request and Re-Use of Public Sector Information Policy [Paper **IG/18/12** refers]
- 14.2. NSS Information Governance Policy [Paper **IG/18/13** refers]
- 14.3. NSS Information Governance Committee Forward Programme [Paper **IG/18/14** refers]

There being no further business, the meeting finished at 1248hrs

Minutes (DRAFT FOR APPROVAL)

B/19/79

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF INFORMATION GOVERNANCE COMMITTEE MEETING HELD ON TUESDAY 14 MAY 2019 IN THE CHIEF EXECUTIVE'S OFFICE, GYLE SQUARE, EDINBURGH COMMENCING AT 1330HRS

Present: Ms Alison Rooney – Non-Executive Director (Committee Chair)
Ms Julie Burgess – Non-Executive Director
Professor Elizabeth Ireland – Chair of NSS (videoconference)

Apologies Dr Eleanor Anderson - Information Governance Lead & Caldicott Guardian, Public Health and Intelligence
Mrs Kate Dunlop – Non-Executive Director
Mrs Mary Morgan – Director of Strategy, Planning and Service Transformation
Dr Lorna Ramsay – Medical Director/Caldicott Guardian

In Attendance: Mr Deryck Mitchelson – Director of National Digital (and Senior Information Risk Owner)
Ms Stacey Moffat – Information and Clinical Governance Manager
Dr Maria Rossi – Consultant in Public Health Medicine/Deputy Caldicott Guardian (Deputising for Drs Anderson and Ramsay)
Ms Trish Ruddy – NSS Head of Data Protection/Data Protection Officer
Mr Colin Sinclair – Chief Executive
Ms Anne Ferguson – Committee Secretary (Minutes)

ACTION

1. CHAIR'S INTRODUCTION

- 1.1. Ms A Rooney welcomed all to the meeting, noted the apologies above and apologised for the confusion about the start time of this meeting. Introductions were made.
- 1.2. No interests were declared by members regarding the agenda items being considered.

2. MINUTES OF THE NSS INFORMATION GOVERNANCE COMMITTEE MEETING HELD ON 20 FEBRUARY 2019 [papers IG/19/16 & IG/19/17]

- 2.1. These minutes were accepted as an accurate record of the meeting.

The committee reviewed the action list and the following points were noted:

- **Ref 4.1 National Strategic and Operational Update** – Mrs M Morgan's paper on the Caldicott Guardian arrangements post-Public Health Scotland (PHS) was not expected to be available until September 2019. This timescale was accepted by the committee given that the vesting date for PHS had been pushed back to 1 April 2020.
- **Ref 4.2 National Strategic and Operational Update** – the Common Law Duty of Confidentiality statement was to be discussed under item 5 thereby closing this action point.
- **Ref 8 Cyber Security** – Mr D Mitchelson was to give a presentation



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Chair Professor Elizabeth Ireland
Chief Executive Colin Sinclair

ACTION

on the gap analysis of the Network and Information Systems (NIS Directive) Act 2018 at this meeting to complete this action. It was intimated that Mr C Sinclair and Mr D Mitchelson were to produce a governance report in relation to the Microsoft Office 365 project. This paper was not only to be shared with this committee but Board Chief Executives.

**C Sinclair/
D Mitchelson**

3. INFORMATION GOVERNANCE COMMITTEE ANNUAL REPORT [IG/19/18]

3.1. Ms A Rooney explained that the purpose of the IGC Annual Report was to provide assurance to the NSS Board about work done as a committee during the previous financial year.

3.2. The following amendments were to be made to the report [IG/19/18]:

**Committee
Secretary
[L Bailey]**

1. Introduction

- Committee Members - add Non-Executive Director against Julie Burgess
- Attendees – add Caldicott Guardian against Lorna Ramsay as well as Medical Director

2.i. Constitution – change subcommittee to committee

2.ii. Membership and Attendees –

- remove “of” in the heading “Membership of the IGC comprises of”
- correct the first line of the second bullet point as some of the narrative was missing
- Include the Caldicott Guardian in the list of attendees required at each meeting

3. Meetings in 2018/19 - Terms of Reference

- 5c and 5d – add adverse events and complaints reports as evidence
- 5f – replace ?? with minutes of May 2019 IGC meeting

3.3. Subject to the amendments noted above the IGC was content for Ms A Rooney to submit this Annual Report to the NSS Board on behalf of this committee.

4. REVIEW INFORMATION GOVERNANCE COMMITTEE TERMS OF REFERENCE [IG/19/19]

4.1. The committee agreed that the membership and attendees should be listed in the same format as the IGC Annual Report [IG/19/18] stating those required for each meeting and those invited as appropriate. The Director of Strategy, Performance and Service Transformation and the Executive Lead for Information Governance were to be reinstated.

**Committee
Secretary
[L Bailey]**

4.2. The IGC accepted this document subject to the changes noted above.

5. NATIONAL STRATEGIC AND OPERATIONAL GOVERNANCE UPDATE [Paper IG/19/20]

5.1. Dr M Rossi spoke about paper IG/19/20 and highlighted that the Common Law Duty of Confidentiality Statement (Annex 1) had now been agreed with Central Legal Office (CLO) and was ready to be uploaded to the NSS website. Although it reflected current legislation it was out of kilter with the existing Scottish Government operating policy which needed updating. This brought a reputational risk to NSS in the event of an incident or national enquiry and so was to be added to the risk register. Dr M Rossi had already contacted the

**M Rossi/
L Ramsay**

ACTION

Scottish Government to advise that the NSS Confidentiality Statement had been updated, sought permission for its publication and highlighted the discrepancy. An audit trail was available should it be required. In the event that absolute confirmation that the Scottish Government was content for the updated NSS Confidentiality Statement to be published in the next few days, then a joint communication from the NSS Caldicott Guardian and Chief Executive was to follow informing the Scottish Government that this statement would be published on the NSS website unless advised to the contrary. Dr E Ireland commented that the updated NSS Confidentiality statement was excellent and asked for all board members to be given a copy once it had been published on the NSS website. Ms A Rooney thanked all involved in this work.

**L Ramsay/
C Sinclair**

**Committee
Secretary
[L Bailey]**

5.2. Dr M Rossi advised that the eDRIS adverse event incident reported at the last meeting had now closed but work was progressing to implement the action plan that had been produced.

5.3. Implementation of Microsoft Office 365 (O365) was discussed. Dr M Rossi stated that the timescale for its implementation in NSS was unclear and that nationally, Caldicott Guardians were still to be engaged to assess information governance risks. Mr C Sinclair explained that work was currently focussed on the national programme but eventually a local team would be working on this within NSS at which time the flow of information would be improved. Microsoft O365 was to be implemented within NSS as early as possible. Mr D Mitchelson thought that a Data Protection Impact Assessment (DPIA) had been completed at a national level and shared with the Scottish Government but had not personally seen the document. It was agreed to find out if this was the case and, if so, the DPIA was to be shared with the IGC.

D Mitchelson

5.4. Dr E Ireland wanted to understand the issues causing slow progress in obtaining signed Memorandae of Understanding (MOUs) for the Local Intelligence Support Team (LIST) analysts' work. Dr M Rossi thought that around a fifth of MOUs for GP Clusters had been signed but none were signed for the Health & Social Care Partnerships (H&SC) as the H&SC Partnership MOU had not yet been finalised. A draft had been sent to one of the partnerships but there seemed to be a lack of understanding as to whether it could be signed as a legal body or not. Mr C Sinclair agreed to assist with customer relations in this regard through the Executive Management Team (EMT). In order to do this, Dr M Rossi agreed to provide the Chief Executive with more information on the numbers and coverage of MoUs signed by practices and Health & Social Care Partnerships. The IGC was uncomfortable pushing ahead with LIST analysts' work without obtaining customer agreement and assurance of customers' understanding of the LIST role. In order to obtain an update this matter was to be an agenda item at the next IGC meeting. If the difficulties in obtaining signed MOUs remained then the matter was to be escalated to the NSS Board.

C Sinclair

M Rossi

**M Rossi
[IGC – 19.09.19]**

6. NSS INFORMATION GOVERNANCE REPORT (INCLUDING ADVERSE EVENTS AND COMPLAINTS) [Paper IG/19/21]

6.1. The intention of this report was to give the IGC assurance on the effective management of adverse events and complaints. Ms Moffat had amended the reporting period to include information from July 2018 to March 2019 in order to ensure consistent reporting of all quarters throughout 2018/19. The 2018/19 adverse events action plan was 85% complete as there were several actions no longer deemed relevant or needed to be carried forward by the end of the financial year.

6.2. Although it was agreed at the last meeting that an adverse events action plan for 2019/20 was to be discussed at this meeting, this document had not been prepared. Ms S Moffat explained that the previous plan had been an

ACTION

operational plan between Mrs E McLaughlin and herself. Although no plan had been formulated for this year, Ms S Moffat's focus would be on the new adverse events management system (as part of ENABLE) and updating the policy once the national adverse events framework had been published by HIS. This would be reflected in future reports to the Committee.

S Moffat

- 6.3. The information contained within the NSS Information Governance Report was discussed. It was agreed that the content of this report be reviewed to minimise operational detail whilst providing assurance that adverse events and complaints were being handled effectively within NSS. This report was also to contain information to support the IGC's role in the escalation of such issues. It was suggested that commentary be included on the front page summarising key issues and providing an assessment of the current situation. The report provided to the Clinical Governance Committee was to be used as an example of good practice on which to base the revised report.

S Moffat

- 6.4. Assurance was given by Mrs T Ruddy that the detail of every adverse event was scrutinised on a monthly basis and stated that it was an onerous task for all involved. The IGC recognised all the work taking place within NSS in relation to adverse events and complaints but the question was whether it had the desired impact and effect. This was the assurance required by the IGC.
- 6.5. In relation to the Adverse Events and Complaints report Appendix 5: Faxing in NSS, Dr Rossi had been asked by Dr Ramsay to highlight that faxes should not be used in the organisation.

7. INFORMATION GOVERNANCE RISKS [Paper IG/19/22]

- 7.1. Members noted the contents of paper IG/19/22, which provided details of the Corporate Information Governance risks on the NSS Risk Register. There had been little change since the last report and no serious issues.
- 7.2. All risks on the register had recently been reviewed by Ms Moffat and had been referred to the appropriate Information Governance Risk Champion for monitoring. A corporate risk review was to take place every quarter.
- 7.3. Ms J Burgess had Chaired the Finance, Procurement and Performance Committee the previous day on behalf of Mrs K Dunlop. It had become apparent when discussing the changing risks associated with the Blood Inquiry that several risks were of concern to more than one NSS Board committee. It was agreed that where there was overlap, the Chairs of the committees involved would decide which committee was to take the lead.
- 7.4. The Committee noted that no further update had been recorded against risk 4947 Cyber Resilience. Mr D Mitchelson reported that a fix was put in place in April. Further rescans took place prior to recertification which resulted in other issues being identified. All issues were now fixed and a new certification test arranged for June 2019.
- 7.5. Ms S Moffat was thanked for producing a clear and comprehensive paper. Ms A Rooney stated that the IGC was reassured that risks were being managed effectively within the organisation.

8. DIGITAL TRANSFORMATION UPDATE

- 8.1. Mr D Mitchelson stated that a programme was in place to support the work on service transformation that was being delivered by Mrs M Morgan. This programme had been broken down into three workstreams i.e.
- i. Cyber Security – discussed under item 9.
 - ii. Migration of services to the public cloud – discussions had taken place with PHI about moving data from the data warehouse to the cloud.

ACTION

Following introduction of the Health and Care Digital Strategy the new CHI and Child Health Transformation System was also to be cloud based.

iii. Management of data and data driven intelligence

8.2. Work was continuing on the Digital Workplace. This involved upgrading NSS operating systems in order to take advantage of the tools available from O365. The underlying infrastructure also needed to be upgraded to support working digitally. This work placed huge demand on the team and many difficult decisions needed to be taken for it to progress.

8.3. Dr M Rossi questioned where Information Governance was being discussed in relation to this work and assumed that Dr L Ramsay had been fully briefed. Assurance was given that such discussions were taking place at the relevant programme boards.

8.4. The IGC was interested in receiving future papers from Mr D Mitchelson on Digital Transformation's second and third workstreams. Migration of services to the public cloud was of particular interest for the IGC in order to provide assurance to the NSS Board.

D Mitchelson

9. CYBER SECURITY UPDATE [PRESENTATION]

9.1. Mr D Mitchelson gave a shortened version of the presentation on the NSS Security Programme which had been given to the NSS Board in March 2019. The following points were noted.

- Health data was valuable and at high risk if controls were not in place.
- 43% of breaches worldwide had some dependency on the UK health sector.
- All public sector organisations were required to achieve Cyber Essentials to meet government endorsed standards of cyber security
- The Cloud was no less secure than non cloud based systems provided appropriate controls were in place. However if done incorrectly then sensitive data and NSS systems would be openly accessible.
- Perfect protection did not exist – there was a need to balance higher risk against levels of programme maturity and cost.
- The EMT had prioritised a security programme for NSS and agreed to fund the 2019 development requests.
- The target for NSS at the end of the three year programme was managed security controls (level 4).
- It was anticipated that NSS would become compliant during year 2 of the programme.
- The Digital & Security SBU had a dual focus – to accelerate programme maturity/controls and to establish a national security operations centre to share best practice
- A gap analysis was presented of the current NSS network and cyber security control compliance with the NIS Directive.
- Security controls were categorised as foundation, good and advanced.
- The vast majority of elements within the NSS network required work to become compliant with the NIS Directive.
- This rigorous exercise had provided a level of comfort as the precise situation within NSS was now known.
- The individual risks identified on slide 17 of the presentation were to be added to the Corporate Risk Register for management purposes.
- A Digital Report was to be included in the IGC Chairs Report for the NSS Board meetings twice a year and the NSS Security Programme was to be a standing item on the IGC agenda.

A Rooney**L Bailey**

ACTION

- 9.2. The IGC was comfortable that the exact starting position was known, that NSS had been transparent in this regard and that a programme was in place to address the security issues and attain compliance.

10. DATA PROTECTION OFFICER (DPO) UPDATE [Paper IG/19/22]

- 10.1. Mrs T Ruddy reported that progress had been made on GDPR compliance. The DPO and colleagues had attended a training day on the Data Protection Act 2018 and GDPR run by CLO and were all now adequately trained.
- 10.2. Information was being captured about the level of demand for data protection work within NSS. The new regulations required more work to be done and discussions were taking place with SBU Directors about data protection resource particularly to build in resilience.
- 10.3. There was now a requirement to provide evidence to demonstrate the organisation's compliance with the Data Protection Act 2018. This was being looked at corporately and progress was being made within SBUs.
- 10.4. Mrs T Ruddy explained that GDPR brought with it changes to the rights of individuals which required different procedures and systems to manage. Current information security management systems were often mature. An assessment was being made of the changes required.
- 10.5. The IGC noted that functionality of the ServiceNow system used for data protection related requests was being considered after its transfer from Change point rather than before. The NHS Scotland new national recruitment system was also launched without a DPIA which was being completed retrospectively. A key theme had emerged during this meeting about the importance of considering information governance at the outset. This was to be added to the IGC highlight report for the NSS Board.

A Rooney

[Post Meeting Note: It was clarified that the functionality of ServiceNow had been considered pre-transfer with the Enable project team having been told it would meet their needs. What was reflected in the report was that this assurance was misplaced and that this was now being managed. The report had also highlighted that the implementation of the new national recruitment system had not fully considered information governance at the outset.]

11. RELEVANT UPDATES FROM OTHER BOARD SUB-COMMITTEES

- 11.1. These were discussed as relevant points arose during the meeting.

12. BOARD HIGHLIGHTS REPORT [Paper IG/19/24]

- 12.1. Ms A Rooney and Ms A Ferguson were to compile the Board Highlights Report for the next NSS Board Meeting on Friday 28 June 2019.

**A Rooney/
A Ferguson****13. ANY OTHER BUSINESS**

- 13.1. Given that this was the last IGC attended by Dr E Ireland before leaving the organisation, Ms A Rooney acknowledged the contribution she had made to Information Governance within NSS and thanked her for her support.
- 13.2. Dr M Rossi advised that a review of Information Governance training within NSS was to take place before the summer particularly at intermediate level.

M Rossi**14. DATE OF NEXT MEETING**

- 14.1. The next NSS Information Governance Committee Meeting was scheduled for Wednesday, 19 September 2019.

15. DOCUMENTS CIRCULATED FOR INFORMATION

- 15.1. NSS Data Protection Policy [Paper IG/19/25]

ACTION

- 15.2. NSS Information Governance Committee Forward Programme [Paper **IG/18/26**]

Minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON FRIDAY, 15 FEBRUARY 2019 IN ROOM 030, GYLE SQUARE EDINBURGH, COMMENCING 0950 HOURS

B/19/80

Present: Mr John Deffenbaugh – Non-Executive Director [Chair]
 Professor Elizabeth Ireland – NSS Chair
 Mr Gerry McAteer – UNISON

In Attendance: Ms Kirstie Brady – Organisational Development and Learning Manager
 Mrs Mairi Gaffney – Head of Healthy Working Lives
 Mrs Jacqui Jones – Director of HR & Workforce Development
 Mrs Mary Morgan – Director of Strategy, Performance and Service Transformation
 Ms Angela Paton – HR Workforce Information and Systems Team Leader
 Mr Neil Redhead – Head of Operations
 Mr Colin Sinclair – Chief Executive
 Ms Aileen Stewart – Interim Associate Director of HR
 Mrs Lynsey Bailey – Committee Secretary [Minutes]

Apologies: Mr Ian Cant – Employee Director
 Mrs Susan Cook – UNISON
 Mr Tam Hiddleston – UNISON
 Mr Mark McDavid – Non-Executive Director

Observers: Ms Fiona McClean – HR Business Officer
 Ms Amy McIntyre – Business Support Officer

ACTION

1. APOLOGIES AND INTRODUCTIONS

1.1 Mr J Deffenbaugh welcomed all to the meeting and noted apologies as above. Members were asked to declare any interests in the context of the agenda items to be considered. No interests were declared.

2. MINUTES AND MATTERS ARISING FROM STAFF GOVERNANCE COMMITTEE MEETING HELD ON 30 NOVEMBER 2018 [papers SG/19/03 & SG/19/03 refer]

2.1 Following a brief discussion, Members approved the minutes of the meeting held on 30 November 2018.

2.2 In addition to the updates provided on the action list, Members noted the following:

- Members were assured that the Aroma rebranding lessons learned had been approached from the point of view of “what could have been done better” rather than “what went wrong”; the action would be amended accordingly;
- Members were updated on changes to the Public Health Scotland HR steering group following Mr Kenny Small’s departure and Mrs Jones suggested it might be useful to invite Health Scotland’s Employee Director, Mr Michael Craig, to a future meeting of the NSS Staff Governance Committee;
- Members noted that, in respect of the Equality and Diversity Service Now demonstration, Mrs Jones and Ms MacLennan had been working on this and would pick it up for a future meeting.

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Chair: Professor Elizabeth Ireland
 Chief Executive: Mr Colin Sinclair

3. TERMS OF REFERENCE [paper SG/19/04 refers]

- 3.1 Members discussed the current terms of reference and agreed they required no significant updates. However, the following observations were made:
- Following a query about how anonymous complaints were handled, Members received an overview and assurance around the discussions between the Director of HR and the Chief Executive;
 - Members were reminded that these draft Terms of Reference may need to be updated following the review of governance due to take place at the March 2019 Board Development Session.

4. SPOTLIGHT SESSION: INDUCTION [paper SG/19/15 refers]

- 4.1 Ms Brady spoke to her presentation, which summarised the improvements made to the process for new employees joining NSS:
- Members discussed IT and suggested an action should be looking into providing new starts with access to an NHS e-mail address before their official start date. This would have the benefit of providing a secure means of sending out pre-employment information;
 - Members were pleased to note the proposals for tailoring the induction programme to specific groups of staff, (e.g clinical/professional groups) and further detail would be considered around what these users would like included;
 - Members suggested that a refresh of a previously produced video which explained the work of NSS would be useful for new starts;
 - Members discussed setting up a method for attendees of each corporate induction session to keep in contact after the session and maintain the networks, and enthusiasm, generated in the room, building a community;
 - Members were pleased to see the focus move beyond the corporate induction to a more holistic approach being proposed with an end to end process;
 - However, Members were keen to see consideration was given to the logistics of the corporate induction sessions and getting commitment from Executive Management Team (EMT) to attend as it was an essential and effective method of engagement;
 - Members suggested it implementing some form of survey or interview of new starts, perhaps three or four months into their employment, about how NSS had met their expectations. HR agreed to discuss and engage with the NSS Partnership Forum and EMT to look into this;
 - Members discussed providing the option of providing induction for those who may have inadvertently been missed or would simply like a refresh;
 - Members were advised that a parallel piece of work on a Non-Executive Director induction programme was being considered once this work was completed.

Ms Brady agreed to give consideration to how to implement these suggestions.

K Brady

5. HR PEOPLE REPORT [papers SG/19/05 refers]

- 5.1 Ms A Paton spoke to the workforce information dashboards on the Tableau system:
- There had been a slight increase in the sickness absence figures, which is now at 4.2%. It was expected that by year-end this would even out and be on target as the contributory issues had been identified and appropriate interventions had been taken;
 - Members discussed the need to introduce more statistical process control (SPC) data to provide longer term trends to illustrate the key messages being provided within the narrative;
 - Members acknowledged that the dashboard information was useful from an EMT and senior management perspective, but they were more interested in getting assurance around how it was being used and feedback on the support being provided to staff on sickness absence;

ACTION

- Members were assured the workforce information in Tableau was being used proactively within Senior Teams;
- NSS was in a positive overall position with no major concerns, and HR were working to align the Workforce Strategy with the Great Place To Work and Staff Governance Action Plans;
- Members discussed the possibility of having a deep dive session on stress and anxiety-related sickness absence at a future meeting.

HR**6. RESOURCING OVERVIEW [paper SG/19/06 refers]**

6.1 Mrs Jones took members through the paper which provided an update on the workforce resource team and redeployment figures:

- NSS was in a positive position in respect of redeployment and the numbers were reducing;
- Staff who had been on redeployment for longer than 12 months were being actively supported;
- Sickness absence levels were low across all Redeployment groupings;
- HR anticipated that there would be more staff coming on to redeployment over the coming years as the organisation would be transforming;
- Temporary work assignment matching had improved, along with better managing of line managers' expectations, which had contributed to the current, positive position;
- Members felt it was worth restating the focus on identifying the required skills, knowledge and expertise profile to better inform workforce planning.

7. NSS STAFF RISKS – RED AND AMBER [paper SG/19/07 refers]

7.1 Members noted the contents of the paper:

- There had been little movement in the risk profile, although Brexit had been added and Members were provided with an overview of the specific risks related to that (and the mitigations in place);
- Members received assurances about the mitigations in place for the risks relating to the UK infected blood inquiry and clinical waste;
- Discussions had taken place at the Finance, Procurement and Performance Committee regarding the consistency of committee paper formatting and the information provided;
- Members were keen to consider how to capture risks that may have a tangential or indirect staff impact (possibly through a similar method to the clinical flag);
- Members also discussed the sustainability of the workforce and how to mitigate any associated risks appropriately.

8. OCCUPATIONAL HEALTH, SAFETY, WELLBEING AND FIRE QUARTERLY REPORT [paper SG/19/08 refers]

8.1 Members discussed the paper provided and noted the key highlights:

- Members were pleased to note it had been a busy and productive quarter;
- There had been one new incident to report under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), which took the year to date total up to three. Members were updated and assured regarding the actions taken in response;
- Members were provided with an update on the review of the Occupational Health and Safety Advisory Committee's terms of reference and membership;
- Flu vaccination uptake had increased by 13.4% this winter and it was hoped to build on that for next winter;

ACTION

- Members noted the progress made in the purchase of the new Health and Safety monitoring system and that Healthy Working Lives hoped to have this completed and delivered quickly;
- A health and safety dashboard (similar to the workforce information in Tableau) was in development and Members were assured that this would include visibility of RIDDORs and other incident rates;
- Members were assured regarding NSS's resilience from a fire risk assessment perspective and were provided with an overview of the risk assessments undertaken to date (which had no adverse findings);
- Fire safety awareness training was on target and Members were provided with an overview of the recent fire alarm activations and exercises;
- Members were updated on the progress of the fire safety policy review and noted the expected timelines for sign-off;
- Members commended the Canderside health and safety YouTube video, which had been circulated to the NSS Board for information;
- Members requested, for future reports, more trend data to allow better focus on the problem areas;
- Members were provided with an overview of questions asked by Scottish Government following the Queen Elizabeth University Hospital infection issues and NSS's responses. Members were assured regarding NSS's own estates and that NSS had the relevant assurances in respect of shared estates.

9. WORKFORCE STRATEGY

9.1 Ms Stewart spoke to a presentation on the workforce strategy which covered pay spend analyses, workforce demographics and potential attraction strategies, what type of organisation NSS wanted to be, and an overall statement of intent. Members noted the update, along with the proposed next steps, and made the following observations:

- In respect of training and support for progression, Members supported increasing the recognition that career moves may not always be linear;
- Members were assured that these plans linked in with plans already discussed in respect of the induction process, managing sickness absence etc.;
- Members sought and received assurances regarding consistency in how policy was being applied. They acknowledged that staff perception also contributed in this respect and noted the work being done to address this;
- Members suggested re-wording the bullet point that begins "Trains and supports all employees to do their current role..." to instead say "Trains and supports all employees to flourish within their current role" or "...be successful in their current role...".

9.2 Mr Sinclair spoke to his presentation which gave a high level overview of the overall NSS strategy:

- The gist of the strategy was focusing on NSS's strengths such as infrastructure support, underpinning service delivery and subject matter expertise;
- Members focussed on the workforce and payroll elements of the financial plan and noted the National Boards' collaborative savings target, along with the potential financial challenges in future years;
- Members discussed the need to look at the pace of change and how organisational change would need to be managed in future. In light of this, Members acknowledged the importance of finding ways to allow staff to flourish and thrive in times of uncertainty;
- Members also discussed the need for NSS to be an exemplar transformational change organisation within the NHS, recognising that adopting an "Own House in Order" (OHIO) model, the work being done by the EMT on cross-cutting themes, and effective engagement with staff would be key to this;

ACTION

- Members were given an overview of the workstreams to deliver financial sustainability, focussing on the workforce effectiveness element, which they found re-assuring;
- Members also discussed partnership working principles in relation to the agile methodology proposed for progressing these plans and were keen to ensure that unions were still provided with the space to consult with their members.

10. QUARTERLY FEEDBACK REPORT [paper SG/19/09 refers]

10.1 Members noted the paper, which summarised the number and nature of feedback received relating to staff and how it had been responded to:

- Members were pleased to note there were no significant concerns;
- Members asked about the timescales for completing the roll-out of the Model Complaints Handling Procedure training and Mrs Morgan agreed to find that out from Ms MacLennan;
- Members were also pleased to note the introduction of an electronic method for reporting which was helping with the data collation;
- Going back to the discussion on anonymous complaints, Mr Sinclair, Mrs Jones, and Mr McAteer agreed to discuss, reflect, and report back. While the volume of anonymous complaints was not statistically significant, Members acknowledged that they could have a disproportionate impact.

M Morgan**C Sinclair/
J Jones/
G McAteer****11. EQUALITY AND DIVERSITY UPDATE**

11.1 This item was deferred in Ms MacLennan's absence.

12. WHISTLEBLOWING – CURRENT AND FUTURE ARRANGEMENTS

12.1 Members discussed and noted paper **SG/19/10**, which provided background and context to the Non-Executive and Executive Whistleblowing Roles, and an overview of the proposed future arrangements. However, some of the finer detail of the future arrangements at a national level was still to be finalised and this was expected in due course. Members would receive further updates as this emerged.

13. NSS PARTNERSHIP FORUM UPDATE [SG/19/11 refers]

13.1 Members noted the content of the NSS Partnership Forum update. Follow-up work on strategy would be the main focus over the coming months.

14. PUBLIC HEALTH BODY

14.1 Members were provided with and noted the following updates on the work regarding Public Health Scotland:

- Mrs Jones had been appointed as chair of the HR Project Steering Group;
- In respect of the work ongoing around staff transfer, the Steering Group was trying to keep the consultation at the simplest level;
- Workforce metrics were being looked into and there were some differences in the approach used but Health Scotland was adopting NSS's approach;
- In respect of other HR systems, there was also a need to align delivery of payroll services;
- Members noted that the People workstream in the Corporate Services project potentially overlapped with the HR project and conversations had taken place to manage this;
- Members also noted proposals for inviting leads of the Public Health Scotland project strands to the NSS EMT;
- Members were assured that the issues were highlighted, being appropriately managed and would also be discussed by the NSS Board.

ACTION**15. DRAFT ANNUAL REPORT [paper SG/19/12 refers]**

- 15.1 Members briefly discussed the draft report of the Committee's activities in 2018/19. They were invited to feed back any updates to Mrs Bailey in time to allow a finalised version to be brought to the next meeting scheduled for May 2019. Mrs Jones and Mrs Bailey would also liaise to agree some further updates.

All**16. OTHER RELEVANT COMMITTEE GOVERNANCE ISSUES**

- 16.1 Members were updated on the Finance, Procurement and Performance Committee's discussions regarding the finance aspects of the service transformation plan, and the NSS strategy.

17. ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT [paper SG/19/13 refers]

- 17.1 Members agreed that the following should be covered within the highlights report:
- the provision of Statistical Process Control (SPC) data for assurance;
 - the focus on staff contributions to performance;
 - the spotlight session on the revamped induction programme;
 - progress of the workforce strategy, and its links to the overall NSS strategy;
 - the pivotal role of staff in achieving the long-term plans being proposed.

Mrs Bailey agreed to draft this up for Mr Deffenbaugh's approval ahead of submitting to the April 2019 NSS Board.

L Bailey**18. REVIEW OF MEETING [paper SG/19/14 refers]**

- 18.1 Members made the following observations about the meeting:
- There had been lots to discuss, which led to the timing being tight so some consideration would need to be given to how to focus reporting;
 - Members were impressed by the work done so far on wellbeing and were keen to see it being taken further;
 - Mrs Gaffney and Mrs Jones agreed to look at distilling the information required from the Occupational Health, Safety, Wellbeing, and Fire Report and how it could then be merged into the People Report, presenting both upstream and downstream information to show cause and effect;
 - Members were keen to find ways to free up time for more of the transformational change discussions and how to balance the agenda to allow for this. It was hoped that the governance discussions at the next Board development session, scheduled for 1 March 2019, would provide a good starting point.

19 ANY OTHER COMPETENT BUSINESS

- 19.1 Members had no further business to raise at this point.

There being no further business, the meeting finished at 1315hrs.

Minutes (DRAFT FOR APPROVAL)

B/19/81

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF STAFF GOVERNANCE COMMITTEE MEETING HELD ON FRIDAY, 10 MAY 2019 IN BOARDROOM 2, GYLE SQUARE, EDINBURGH, COMMENCING 0930HRS

Present: Ian Cant, Employee Director
 Susan Cook, UNISON
 John Deffenbaugh, Non-Executive Director [Chair]
 Tam Hiddleston, UNISON
 Elizabeth Ireland, NSS Chair
 Gerry McAteer, UNISON

In Attendance: Kirstie Brady, Organisational Development and Learning Manager
 Jane Fewsdale, HR Workforce Information, Systems & Business Manager
 Mairi Gaffney, Head of Healthy Working Lives
 Jacqui Jones, Director of HR & Workforce Development
 Caroline Lang, Board Secretary [Minutes]
 Mary Morgan, Director of Strategy, Performance and Service Transformation
 Neil Redhead, Head of Operations, Estates and Facilities Management
 Aileen Stewart, Interim Associate Director of HR

Apologies: Mark McDavid, Non-Executive Director
 Colin Sinclair, Chief Executive

Observers: None

ACTION

1. APOLOGIES AND INTRODUCTION

1.1 J Deffenbaugh welcomed all to the meeting and noted apologies as above. By way of introduction:-

- Members' attention was drawn to the publication of the independent review report by John Sturrock, QC, looking at cultural issues related to allegations of bullying and harassment in NHS Highland and the response from Scottish Government.
- E Ireland declared an interest in the context of this report for the following reason. She was a salaried GP in NHS Highland until 2016 and had some understanding through personal experience of some of the issues the report highlighted.
- Both the Sturrock report and response from Scottish Government had reflections on the role of all members of the Board and senior management and E Ireland had drafted an email to go out to the NSS Board and Executive Management Team to ask them to read the relevant chapters. A copy of the email would be shared with the Committee and Members were encouraged to read the report and reflect on it.
- The report would be brought to the June 2019 NSS Board meeting and I Cant had been asked, as Employee Director, to lead the discussion.
- No other interests were declared.

C Lang

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Chair: Professor Elizabeth Ireland
 Chief Executive: Mr Colin Sinclair

2. MINUTES AND MATTERS ARISING FROM NSS STAFF GOVERNANCE COMMITTEE MEETING HELD ON 15 FEBRUARY 2019 [papers SG/19/19 & SG/19/20 refer]

- 2.1 Members approved the Minutes of the meeting held on 15 February 2019.
- 2.2 In addition to the updates provided on the Action List, Members noted the following:
- Re. 10.1(b) Assurances around anonymous complaints – J Jones had discussed with C Sinclair and I Cant. Action now closed. It had been agreed to look at substantive issues raised from anonymous complaints and share report with NSS Chair, Chief Executive and Employee Director. A more Organisational Development (OD) approach was needed to assisting with interventions. Template to be developed going forward for anonymous complaints.
 - It was acknowledged that the meeting now scheduled for 7 June 2019 to discuss anonymous complaints and how to best provide assurances regarding these should have been held prior to today's meeting. Actions from Committee meetings needed to be transacted before the next meeting.

3. PUBLIC HEALTH BODY – UPDATE ON HR ACTIONS

- 3.1 This item was brought forward on the Agenda. Members were provided with and noted the following updates on the work regarding Public Health Scotland (PHS):
- Vesting day confirmed as delayed from December 2019 to 1 April 2020. However, public consultation on legislation was still not open, staff consultation was on hold and recruitment for Chair and Chief Executive had not yet started. Interim arrangements for these posts were due to be announced shortly. Members highlighted the need to maintain momentum despite the delay.
 - The Programme Board had agreed the senior leadership roles for HPS. This focused on main public health functions with specific leadership roles on data, digital and innovation as well as a clinical and scientific director role. It had also agreed the process for job matching senior roles in HPS to these posts. The HR project would undertake further work to develop approach and progress. J Jones would be preparing job descriptions for the senior manager posts.
 - Work to be undertaken with HM Revenue and Customs with regard to setting up of payroll for HPS.
 - Employee engagement had been good and was being led by OD. Encouraging number of questions being raised by staff and looking at values for the new organisation.
 - HR working closely with Health Scotland on impact of corporate shared services.
 - TUPE consultation ready and would last 45 days which Members felt was a pragmatic approach. However, this may need to be revisited in the light of the delay. Important that lessons learned from other TUPE transfers and to reflect on what had gone well.

4. TERMS OF REFERENCE [paper SG/19/21 refers]

- 4.1 Subject to the removal of the extra word 'to' at certain parts of section 5, the Committee approved its terms of reference.

C Lang

5. NSS STAFF GOVERNANCE COMMITTEE 2018/19 ANNUAL REPORT TO THE BOARD [paper SG/19/22 refers]

- 5.1 A copy of the Committee's draft Annual Report to the NSS Board had been circulated. This provided assurance to the Board that the Committee had fulfilled its remit and that NSS had in place plans and actions which ensured that NSS complied with the Staff Governance Standard. An interactive session was held with Members to support the conversation around the impact of upstream activity on downstream results as illustrated in section 3.2 of the report. A number of examples of were

played out to show the relationship of upstream activity to downstream results:

- Sickness absence (promoting attendance):
 - training/mentoring managers to give them the necessary skills, training and confidence
 - empowering managers to make full use of available tools to promote attendance and to use flexibility around fit to work under certain conditions
 - early engagement with Trade Unions
 - overarching leadership – how values are displayed – lead from the front
- Staff development – provide good experience – staff ability and capability to do job well – fit for the future and understand what the future looks like. Measured by retention:
 - healthy turnover suggesting opportunities for succession planning.
- Workforce strategy – help staff feel a bigger part of NSS. Recognition that some staff may feel stressed by vacancies not being filled if it resulted in more work for remaining staff.

5.2 The NSS Great Place to Work Plan was made up of four key Staff Governance Objectives. Members agreed that next year's discussions around these objectives should link more to the five Staff Governance Standards.

5.3 The Committee approved the report for submission to the June 2019 NSS Board meeting subject to the following actions being completed:

- Copy of missing Appendix from paper **SG/19/22** to be circulated to Members.
- Ask L Bailey, Committee Secretary to populate section in report marked with question mark and circulate final copy.

C Lang
C Lang
[L Bailey]

5.4 The Committee Chair, with the help of the Board Services Team, would ensure that next year's Annual Report reflected the relationship of upstream and downstream in reporting.

SGC Chair/
Board Services

6. YEAR-END WORKFORCE REPORT 2018/19 [paper SG/19/23 refers]

6.1 At the request of the Committee, the various end of year reports that would normally have been presented, had been combined into a single report providing a summary as at 31 March 2019 of progress against a range of workforce targets to provide assurance to the Committee. Members were taken through a number of key elements in the report:

- iMatter – Fully implemented staff survey retaining a high level of employee participation and engagement. Outcomes continued to be monitored through the NSS Partnership Forum and reported to the NSS Staff Governance Committee. There was room for improvement in a number of areas and NSS would continue to build on results.
- Sickness Absence Management – Trend analysis showed for 2016/17 a sharp increase in sickness absence over the first three quarters. This had caused a level of concern and HR commenced a programme of additional absence management support for NSS which began to impact in a positive reduction in sickness absence. April 2018 saw the lowest sickness absence rate throughout the last three years at 3.67%. In respect of 2018/19, the rate had increased and further analysis and work was being carried out with SBU Directors to try and address this e.g. ensuring absence was being managed under policies.
- RIDDORS – 2018/19 finished with four RIDDOR reportable accidents. All of these had been within the Scottish National Blood Transfusion Service (SNBTS) and were all unrelated, with the exception of those related to colleague

behaviours.

- Redeployment – 2018/19 saw the development and roll out of the workforce support programme and one to one sessions being offered by OD and Learning and Development (L&D) teams.
- Occupational Health, Safety, Wellbeing and Fire – Key targets had been embedded into the NSS Great Place to Work Plan and key achievements had been delivered during 2018/19.
- Mandatory for All Training – Met the target of 90% compliance at the end of the three year period.

6.2 J Deffenbaugh welcomed the new approach for end of year reporting. The report highlighted a number of areas where work was needed and he invited any comments/questions, which are summarised below:

- A frank report which highlighted a number of areas the NSS Partnership Forum wanted to focus on e.g. actions around sickness absence. At its meeting on 21 May 2019, the Forum had discussed the need to maintain HR interventions and to actively manage staff back to work. NSS had the ability to identify and home in on areas where sickness absence was not being appropriately managed. Important to recognise the proactive measures NSS had taken around absence management and that the organisation was in a good position compared with other NHSScotland Boards. Need to ensure Managers were aware of the support and guidance that HR could provide and ensure early engagement.
- A pilot of a new near miss reporting procedure had been undertaken which had produced an increase in the number of near misses that had been reported. This had allowed NSS an opportunity to address potential hazards before they resulted in accidents. Focus next year on increasing incident reporting rate.
- Looking across a number of the papers presented to the Committee, the observation was made that bullying and harassment was not mentioned in this report but appeared in the Annual Monitoring Return to the Scottish Government. It was agreed to include trend analysis/commentary on bullying and harassment in next year's Workforce End of Year Report.
- J Deffenbaugh requested that workforce data be presented in Statistical Process Control (SPC) format for reports to the Committee e.g. similar to the sickness absence chart in paper **SG/19/23**.

A Stewart

A Stewart/
J Jones

7. SCOTTISH GOVERNMENT NATIONAL ANNUAL MONITORING RETURN 2018/19 [paper SG/19/24 refers]

7.1 Committee approval was sought for NSS to submit the Scottish Government National Annual Monitoring Return for 2018/19 in time to meet the 31 May 2019 deadline. All Health Boards were asked to complete the Return, on an annual basis, as evidence of compliance with the Staff Governance Standard. In considering the content of the report, the following was noted:-

- The Return had been circulated to the NSS Partnership Forum on a number of occasions and approved, subject to some rewording, at the meeting on 16 April 2019.
- The summary information on iMatter action planning data provided by the Scottish Government was incorrect. Action plans completed within 12 weeks was 76% for NSS and not 84% as stated. The Scottish Government was aware of this error and the figure had been corrected.
- HR provided the responses to the questions and A Stewart co-ordinated finalising the Return.
- The Committee needed to be content that the report provided an accurate reflection of NSS performance and progress towards the Staff Governance Standard.

7.2 Members requested a couple of amendments to Section 5 (Treated Fairly and

Consistently):

- Add in missing figure as at 6 March 2019.
- Bring paragraph on values relaunch to the top of section

J Jones

7.3 The Committee appreciated the huge amount of effort that went into preparing the Return but, as presented, there were a number of points that needed to be addressed before it could be approved:

- A number of the answers did not appear to respond to the question being asked.
- Some of the answers unintentionally showed NSS in a bad light.
- Presentationally, it needed to be made more personal and the flow of writing needed to be improved.

7.4 With the assistance of K Brady, J Jones would rewrite the document to take account of these comments.

**J Jones/
K Brady**

8. SPOTLIGHT SESSION: CULTURE AND TRANSFORMATION

8.1 K Brady spoke to her presentation (referenced as **SG/19/25**), which had been prepared to help discuss whether the right interventions were being created to bring about change, how change happened, how success could be measured and the role of the Committee in supporting culture and transformation. The slide deck covered:

- The drivers for change (Why was NSS doing this?)
- Model for transformation
- Service transformation lifecycle
- Transformation: what work sits where (Led by M Morgan)
- Transformation and HR: what foundations were in place (Committee received assurance that the majority of projects had collective leadership embedded.)
- HR/OD approach (How NSS responded to change at pace.)
- Governance of Change
- Service transformation – a proposed prioritisation approach

8.2 The Committee was asked for its thoughts on what it would want to see around culture and transformation. In summary:

- Win the hearts and minds of workforce across NSS. Foundations were there but need to build at pace.
- From a partnership perspective, how did it feel for those on the receiving end of the expectation of change? Clear communications to staff would be vital and additional support offered – everyone copes with change differently. Staff should feel comfortable to go to their line manager for information as not all employees were members of a Trade Union.
- Individuals were expected to engage with transformation and help drive it forward (e.g. digital) while still delivering business as usual. Need to be conscious of workloads and capacity.
- Start developing staff for what was to come.
- Mentoring important. Consider peer mentoring across NHS Boards.
- Lack of people management skills at senior level. Should form greater part of personal development.
- Need to be mindful of terminology when talking about change – service redesign was not organisational change.
- Conscious of workforce demographics – all need to be taken on the journey.
- Think about how training budgets would be handled from a practical point of view.
- Overall it was about people and being realistic about what change meant in an uncertain future.

- 8.3 The Committee was satisfied that it could provide assurance to the NSS Board that there was an acceptance that change would happen in partnership. More work would be needed on raising managerial awareness of change and how best to support themselves and others.

9. NSS WORKFORCE STRATEGY [paper SG/19/26 refers]

- 9.1 The Committee had been circulated with the draft NSS Workforce Strategy 2019-2024 for feedback. This was a joint piece of work between J Jones and A Stewart. The purpose of the Strategy was in two parts. The first part set out the type of organisation NSS wanted to be as an employer and the other part set out the NSS Workforce Plan. This tried to paint a picture of the workforce challenges NSS would face over the coming years. Members noted that the Strategy:

- was the first one for some time and set out strategic intention;
- had been drafted with engagement from the NSS Partnership Forum and Executive Management Team; and
- highlighted the need for greater workforce planning. Formal workforce projections would not be available until the end of June 2019 and would be added in as an addendum.

- 9.2 Members provided the following feedback on the draft:

- It was clear on why and what NSS was going to do but not on the how.
- Recognised that NSS had financial bottom line.
- Linked to the NSS Strategy.
- It would be helpful to have summary slide deck to accompany the main Strategy document.
- Values should underpin the Strategy and be up-front.

- 9.3 Subject to the following amendments, the Committee endorsed the draft Strategy for submission to the June 2019 NSS Board meeting:

- Provide greater clarity upfront in order to contextualise why the need for change and what decisions might need to come to the NSS Board to deliver the Strategy. **J Jones/
A Stewart**
- Page 6 – move section on Occupational Health, Safety and Wellbeing to before Sickness Absence. **J Jones/
A Stewart**
- Page 6 (Sickness Absence)
 - Rewrite section to be more strategic and include reference to ‘may be fit to work note if reasonable adjustments’.
 - Change wording to reflect that the Reasonable Adjustment Passport would be in place. **J Jones/
A Stewart**

10. PLANNING FOR 2019/20

- 10.1 Great Place to Work Plan 2019-2022 [paper **SG/19/27** refers] The draft Plan was presented for the Committee’s approval. It had been developed in partnership by the NSS Partnership Forum and had also been endorsed by the NSS Executive Management Team. Members discussed the content and noted the following:

- The majority of measures in the Plan were based on the NSS iMatter results. NSS aspired to improve the overall staff experience through delivery of specific actions and measures over a three year period. These would be prioritised on the basis of service delivery needs.
- There had been health debates on the draft Plan at the NSS Partnership Forum and this had supported stretch target for iMatter action plans.
- iMatter was a temperature gauge and achieving a 100% response rate would

never be achieved as some individuals did not want to engage. However, that did not mean they would not contribute at team level. NSS response rate was healthy compared to some other NHSScotland Boards. Key was the number of action plans completed. Members acknowledged that not all staff had access to PC etc to complete survey.

The Committee approved the draft Plan.

10.2 Occupational Health, Safety, Wellbeing and Fire [paper **SG/19/28** refers] Members noted:-

- the 2019/20 status of the Occupational Health, Safety, Wellbeing and Fire Plan 2017-2021;
- that the 2018/19 actions had been delivered and the 2019/20 plan had been developed and agreed by the NSS Occupational Health and Safety Advisory Committee on 18 April 2019;
- that Statutory Fire Safety Awareness Training was 83% compliant at the year-end (target 90%). Lessons learned from smoke detector issues. Three fire risk assessment programmes had been missed but were picked up and completed by end of April 2019; and
- that the Health Working Lives (HWL) team was focusing on how it managed the provision of service within the wider environment that wasn't building based. Looking at upgrading health and safety systems.

The Committee agreed the Plan for 2019/20.

11. NSS STAFF RISKS – RED AND AMBER [paper SG/19/29 refers]

11.1 Members were provided with an end of year summary on staff risks as at 31 March 2019. The following key points were highlighted:

- During 2018/19 there had been little movement in terms of the number of staff risks added to the register.
- A number of mitigating actions had been closed in relation to the red risk previously reported (risk 5252 around clinical waste), and following a review it had been reduced to amber.
- Brexit was still on the register so that it was visible, managed and mitigated. NSS continued to support staff who might be impacted by the UK's withdrawal from the European Union. HR to look at risk in relation to recruitment and retention.
- During March 2019, NSS Risk Lead and Risk Champions met to review staff risks at both a corporate and local level to ensure a clear understanding of the difference between a risk and business as usual as well as ensuring the staff impact was being considered when scoring risks.
- A "staff impact" flag similar to the "clinical impact" flag would be introduced during May 2019 to the NSS Risk Register to highlight further that the staff impact was being considered. The Committee welcomed this addition which would increase visibility.
- The guidance within the staff impact column of the Integrated Risk Management Approach (IRMA) would be reviewed during IRMA's annual review in light of the volume of change and impact of service transformation on staff.
- There would be a review of how the future risk papers were presented to the NSS Staff Governance Committee ensuring consistency across all relevant Board Committees.

12. NSS PARTNERSHIP FORUM UPDATE [paper SG/19/30 refers]

- 12.1 Members noted the content of the NSS Partnership Forum update which provided a summary of matters considered by the Forum since the last NSS Staff Governance Committee meeting. The Joint Chairs regularly reflected on the Forum's maturity and there would be an opportunity at the next meeting on 21 May 2019 to discuss its effectiveness and any suggested improvements. Members were reminded that engagement with staff during times of change was a two-way process regardless of whether they were members of a Trade Union.

13. OTHER RELEVANT COMMITTEE GOVERNANCE ISSUES

- 13.1 Members received updates on the work of the following NSS Board Committees:
- NSS Finance, Procurement and Performance Committee – Looked at annual operation plan and performance in year and over the past year. Picked up significant pieces of work (e.g. clinical waste, Brexit) and there was a real recognition that NSS through its staff had delivered over and above. Members applauded staff for their efforts.
 - NSS Clinical Governance Committee – Significant ask on dental. Scottish Dental Practice Board (SDPB) to be replaced. Recognition of the pressures on screening staff due to breast screening review and scrutiny. L Ramsay, NSS Medical Director, was leading the work on innovation.
 - NSS Audit and Risk Committee – Risk emerging on national IT programmes.
 - NSS Remuneration and Succession Planning Committee – Meeting at end of June 2019 to discuss end of year performance appraisals and objectives for Executive and Senior Management Cohort.
 - NSS Information Governance Committee – Digital transformation was placing pressure on SBUs. Recognition of the opportunities, challenges and risks that this programme of work would bring. Need to consider support for SBUs/staff going forward.

14. ITEMS FOR THE BOARD COMMITTEE HIGHLIGHTS REPORT [paper SG/19/31 refers]

- 14.1 Members agreed that the following should be covered within the highlights report:
- Ongoing focus by the Committee on the impact of upstream activity on downstream results and how success would be measured.
 - Ongoing focus on workforce issues e.g. sickness absence.
 - Committee's discussion on Workforce Strategy, the acceptance that NSS would change and that change comes through people.
 - Much of what the Committee discusses connects with what the NSS Board and other Committees discuss e.g. digital transformation.

C Lang agreed to draft this up for J Deffenbaugh's approval ahead of submitting to the June 2019 NSS Board.

C Lang

15. ANY OTHER BUSINESS

- 15.1 As this was E Ireland's last NSS Staff Governance Committee meeting before she stood down as NSS Chair at the end of July 2019, the Members took the opportunity to record their appreciation for her support and the significant contribution she had made to the work of the Committee.

16. REVIEW OF MEETING [paper SG/19/14 refers]

- 16.1 This item was facilitated by S Cook. Members made the following observations about the meeting:-
- Agenda items had been relevant and enlightening.
 - Interactive session had initially been uncomfortable for some Members but the concept had been interesting and helped the Committee to think differently. Members did not support the suggestion that Committee

discussions should be filmed.

- There should have perhaps been more discussion around bullying and harassment and how a 'listening' space for staff could be created by Trade Unions to attend to any whispers and if appropriate, report to management.
- Feedback on one of the reports had initiated a valuable conversation around the importance of language and the need to use constructive challenge in line with NSS values.

17. DATE OF NEXT MEETING

17.1 Friday, 27 September 2019 at 0930hrs in Boardroom 2, Gyle Square, Edinburgh.

18. FOR INFORMATION

18.1 NSS Staff Governance Committee Forward Programme for 2019 [paper **SG/19/33** refers]. Members were reminded that any updates to the Programme should be submitted to the Board Services Team.

There being no further business, the meeting finished at 1250hrs.

DRAFT

B/19/84b

NSS Board Meeting – Friday, 28 June 2019

NSS Response to the Sturrock Report

Purpose

To update the NSS Board on the actions we have already taken, together with further actions that we propose to take, to prevent and tackle bullying and harassment.

While NSS has many examples of good practice and multiple routes are in place for staff to raise concerns, in light of the recommendations in the Sturrock Review, we recognise that there is more that we can do.

Recommendation

The Board are asked to approve the actions listed in the plan which focus on our five key themes for improvement; Supporting our Workforce; HR Processes; Leadership and Management; Governance and Board; and Trade Unions and Partnership Working.

Timing

The action plan requires to be submitted to the Scottish Government following Board approval on 28 June 2019.

Background

In response to the letter from the Health Secretary to all NHS boards, NHS National Services Scotland has had an opportunity to reflect on and learn from the findings of the John Sturrock QC Report to the Cabinet Secretary for Health and Sport into Cultural Issues related to allegations of Bullying and Harassment in NHS Highland (April 2019).

Engagement

A working group was constituted in partnership from the NSS Partnership Forum to formulate the plan.

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Introduction

In response to the letter from the Health Secretary to all NHS boards, NHS National Services Scotland (NSS) has had an opportunity to reflect on and learn from the findings of the Sturrock Review, and has developed the plan below detailing the actions we have already taken together with further actions that we propose to take. The action plan will be owned and governed by the NSS Partnership Forum with reporting and assurance provided to the Staff Governance Committee.

While NSS has many examples of good practice and multiple routes are in place for staff to raise concerns, in light of the recommendations in the Sturrock Review, we recognise that there is more that we can do to drive greater improvements, address challenges and ensure we build on the work that we've already done to create a safe place where people feel listened to, respected and able to raise concerns – and indeed feel supported to do so. NSS has had in place a 'Great Place to Work Plan' for a number of years which is based on the outcomes of the iMatter survey and is aimed at continuously improving the experience of our staff at work. We also have a workforce strategy the overall aims of which are to:-

- Increase the diversity of the workforce
- Build a workplace culture that employees want to engage with
- Create great employee experiences
- Provide opportunities for employees to grow, develop and contribute
- Recognise employee contribution and show appreciation for a good job and celebrate and share success
- Provide feedback on performance
- Improve the wellbeing of the workforce through focusing on physical, emotional and social wellness.

We need to work together to bring out the best in each other and when issues arise, deal with them in a timely manner, recognising that early intervention and respectful challenge can often prevent issues from escalating.

How we're preventing and tackling bullying and harassment

After the publication of the Dignity at Work results in 2018, it was acknowledged by the NSS Partnership Forum (20 March 2018) and the NSS Staff Governance Committee (11 May 2018) that, while our bullying and harassment figures were generally positive, we needed to be sure they truly reflect the experiences of staff. The principle concern related to how NSS supports staff to 'speak up', especially as the formal process was acknowledged as being daunting and difficult.

A short life working group, jointly chaired by a director and a trade union representative, was established to look at this area of concern. This led to the re-launch of our values and the delivery of sessions across the organisation inviting staff to bring fresh commitment and energy to help create a culture of collaboration, innovation and compassion. Sessions, which provide a safe place for teams to explore behaviours, consider how that may impact others and to develop a values action plan, have been delivered throughout NSS over the last 12 months and including sessions with all Board members, the Executive Management Team and all Senior Management Teams.

Trade Unions currently recognised by NSS work together through the Joint Shop Stewards Committee and Lead Representatives Meetings and have done so effectively for many years. The current arrangements have proven to be successful in ensuring a series of significant organisational change projects have concluded as well as the day to day application of Partnership Working in the organisation. That said, in an organisation involved in a range of complex activities in the challenging economic and political environment that we face there are often issues that arise which weren't anticipated or where lessons have failed to be learned from previous experiences.

The Employee Director role is central to the current arrangements and this should continue. For line management purposes the Employee Director reports to the Board Chair for appraisal and for administrative aspects to the Director of Strategy Performance and Service Transformation. With the role necessitating the close working relationship with the Director of HR and other senior HR staff as well as other Chief Executive and SBU Directors, this can on occasion create the wrong perception. While the role of the Employee Director is explained at Corporate Induction, further awareness needs to be raised to communicate this important role.

In addition, we have developed and agreed with our Trade Union colleagues a process for handling any anonymous letters we receive to ensure that these are fully investigated and, where appropriate, the results published so that staff can see that we take issues of inappropriate behaviour or bullying seriously.

We intend reviewing, refining and strengthening our workforce policy processes to ensure that there is visibility in HR of all grievances, including informal ones and that they are dealt with in a timely manner. This will enable us to monitor them and ensure they are dealt with appropriately and, where necessary, escalate to a higher level of management.

To support disabled employees and support managers to ensure adjustments are put in place in the workplace to accommodate staff with disability, we have developed and agreed a Reasonable Adjustment Passport which can be agreed between the individual employee and the line manager and transferred, where appropriate, when line management changes. This is being developed with the NSS (Dis)Ability Staff Network Group, trade unions, managers and HR staff. It has been piloted in a number of areas within the organisation and we expect to be rolling this out across NSS during the summer of 2019.

We recently raised awareness of the confidential channels available to our staff if they have concerns or issues they wish to raise and provided reassurance that all approaches would be treated in confidence and a way forward agreed. This included contact details for the Employee Director who will support any member of NSS staff whether they are a Trade Union member or not.

Our future approach

In developing our action plan, we are focusing on five key themes for improvement:

- Supporting our workforce – through education and a variety of communication methods to reach as many individual staff groups as possible, ensuring feedback mechanisms are in place
- HR processes – review of existing policies, how they can be improved and promote staff awareness

- Leadership and management – appropriate training to reinforce the importance of relationships to build a strong working culture and how to maintain them during difficult times, including Project Lift
- Governance and NSS Board – to ensure positive behaviours and an open culture is ingrained across the whole organisation
- Trade unions and Partnership working – to support staff as appropriate

To achieve our desired outcomes for these areas of focus, we will use best practice approaches, including face to face sessions and industry standard tools – such as the SAID feedback tool, the ACE Trauma model and models for brief intervention. We will reinforce the importance of employee run networks and encourage greater involvement, and will develop a communications plan to support staff in having the confidence to “speak up”.

Throughout our approach, two way communication and engagement will play a vital role in continuing to build on a culture of openness and transparency. A variety of communication methods will be used including a greater focus on face to face communications and providing training and support for our managers to ensure they have the appropriate communication skills in place.

NSS Action Plan

SUPPORTING OUR WORKFORCE	
<p>Desired outcomes</p> <ul style="list-style-type: none"> • Ensure staff continue to be treated fairly and consistently in a safe environment • Culture of openness, transparency and enhanced engagement with employees • Increased awareness of the impact of inappropriate behaviour and bullying • Embed a culture of compassion and kindness across our workforce and organisation • Embed a culture for employees where feedback on their work experience is used positively to improve the working environment and continue to make NSS a Great Place to Work 	
Where We Are Now	Proposed Further Actions
<p>Feedback on employee experience is received through iMatter with some Business Units undertaking focus groups to obtain more detail.</p> <p>Re-launch of NSS values is underway.</p>	<p>Action 1 Develop a mechanism which creates a safe place for staff to speak up and provide feedback on their work experience without entering formal process and where they can be listened to. NSS Partnership Forum to develop this mechanism and to engage with staff to receive the feedback and to develop actions to improve the working environment. Reporting and assurance through the EMT and the Staff Governance Committee.</p> <p>Action 2 Introduce values questions and exploration at recruitment. Include information on NSS values in pre-induction and a major session in the corporate induction programme.</p> <p>Connect and exhibit NSS values in objectives for all staff but initially managers and senior leaders across NSS to make them more accountable.</p>

Staff road shows with Chief Executive have taken place and these will continue.

'Ask Colin' – an internal channel for staff to directly ask the Chief Executive questions.

Face-to-face equality and diversity awareness sessions being delivered across NSS.

A range of activities across Business Units based on values behaviours and 'Don't be a bystander' material to encourage and support the challenge of inappropriate behaviours in the workplace. Opportunities are available for learning and real investment in leadership capability.

Employee run networks and activities such as the NSS (Dis)Ability Staff Network Group, LGBTI Group and Health Promotion Group.

Cohort of staff trained in mental health first aid.

Enhanced monitoring and review of 'Ask Colin' questions for trends across NSS and report into EMT.

Implement the Reasonable Adjustment Passport which has been developed for staff with a disability and provide more support to the existing "employee run networks".

Action 3

Implement awareness sessions/workshops so that all staff are aware of the impact of inappropriate behaviour and bullying and on how to constructively challenge inappropriate behaviours using best practice feedback tools and brief interventions.

Action 4

Implement the revised 'Once for Scotland Whistleblowing Policy' process and training when the new policy is launched along with a campaign to encourage staff to 'speak out'.

Action 5

Taking a prevention focus, work with OHSAC on an approach to support staff mental wellbeing and resilience. Nurturing a culture of caring, compassion and kindness as colleagues toward each other.

HUMAN RESOURCES PROCESSES

Desired outcomes

- All HR Cases to be addressed in a timely, objective, person centred and professional way.

Where We Are Now

Cases are dealt with in line with NSS policies and are supported by HR. However, there are cases that are prolonged for legitimate and specific reasons related to the individual case.

A review of end to end business process, including the escalation process within HR and within the SBU, is being carried out by the HR Workforce Systems team.

Case reviews and continuous improvement processes are in place in HR Services together with ongoing work around consistency of approach in providing support to managers.

Dialogue and facilitation skills training for HR staff to enable them to have coaching conversations with managers and skills to support managers in managing people issues.

Proposed Further Actions

Action 6

Complete the end-to-end business process review, including identifying escalation points and timescales within HR and within each Strategic Business Unit. Implement the revised business process and put in place monitoring of case management timescales.

This will include a review of the process for informal grievances so that these are all logged, and HR can monitor and ensure that informal grievances are dealt with and brought to a satisfactory conclusion.

LEADERSHIP AND MANAGEMENT

Desired outcomes

- Strong leadership and management of people in line with Staff Governance Standard and NSS values and which support an open and honest workplace culture
- Embed a culture of compassion and kindness through effective leadership and modelling NSS values at all levels of management

Where We Are Now

Relaunched leadership programme.

Promoting Project Lift and supporting people on project.

Twice yearly senior manager forums and wide range of all staff /town hall and team meetings across our operating units.

282 line managers attended new essential line manager programme.

More workforce/people management focus on senior manager. Professor Michael West to deliver a session at the 2019 Autumn senior manager forum on 'people and conversations and why these are important in a digital age'.

Proposed Further Actions

Action 7

Developing line managers capability and leadership capacity

Refine leadership and essential line manager programmes to incorporate training on 'dialogue/coaching conversation' skills and facilitation skills.

Set standards expected of all line managers:

- Facilitated (by line manager) team meetings in order to provide a safe place to brief and debrief
- Regular team meetings
- Regular one-to-one meetings
- Encourage the use of 'huddles'
- PDP appraisal discussions
- Participation in Senior Manager Forums

Put in place a mentorship scheme to provide practice in support of theoretical/classroom training for newly promoted managers or supervisors/team leaders. This also gives a point of escalation when issues become challenging. Experienced senior managers will be expected to provide this support.

GOVERNANCE AND BOARD

Desired outcomes

- The Board has the information it needs for effective and informed decision-making
- The Board is alert to risks/issues and can act decisively at an earlier stage

Where We Are Now

The Board and its committees receive regular reports and have access to historical information through the Board App - AdminControl.

Corporate risks reported to the Board every six months.

Each Board committee reviews all corporate risks and new risks for their areas of responsibility. Corporate issues are reviewed bimonthly by the Executive Management Team (EMT) and any key issues are reported to the Board or an appropriate committee.

People Dashboard in place using Tableau, with access granted to a wide range of people, Non Executive Directors, Business Unit Directors and the Trade Unions. This brings together a range of information and multiple measures/ indicators and shows a broader picture of trends across NSS.

Proposed Further Actions

Action 8

Review reporting approach with the Board. Two development sessions (March and May 2019) have already been held focusing on timing and relevance of content of Board/Committee papers.

- Full review of forward programmes currently taking place prior to appointment of new NSS Chair.
- Formal action plan agreed by Board members in response to the Corporate Governance Blueprint with deadlines for completion. This will now be incorporated into all forward programmes.

Action 9

Continue to develop the information available through the People Dashboard and actively use it to aid identification of early signs of a potential problem, direct informed discussion and intelligent action.

TRADE UNIONS AND PARTNERSHIP WORKING

Desired outcomes

- Role of Employee Director is clearly understood
- Trade Unions are recognised and engage with NSS in effective Partnership working, especially around issues of Dignity at Work (DaW).
- Definition of 'staff risks' at SBU level to be explored to ensure the definition is properly understood by managers and trade union representatives locally
- A clearer position in terms of processes and reporting around the organisation's handling of instances of DaW complaints including where an employee is subject to multiple informal and/or formal DaW complaints

Where We Are Now

The Employee Director role reports for line management purposes to the Board Chair for appraisal and for administrative aspects to the Director of Strategy Performance and Service Transformation. The role necessitates the close working relationship with the Director of HR and other senior HR staff as well as other Chief Executive and SBU Directors. The Employee Director role is central to effective partnership working and should continue to be.

The role of the Employee Director is explained at Corporate Induction in a presentation by the Employee Director and the Director of HR and this will continue to be delivered.

Proposed Further Actions

Action 10

Corporate websites to be reviewed to ensure that the role of Employee Director is explained in relation to all employees, especially in relation to issues of Dignity at Work. Develop a communications plan to promote the role of Employee Director to all staff.

B/19/85

NSS Formal Board Meeting – Friday, 28 June 2019

Risk Management Update

Purpose

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

Recommendation

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

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

Timing

There are no time constraints associated with this paper.

Background

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

1. Risks are being managed appropriately by risk owners;
2. As at 31 May 2019 there was one Red risk;
3. Our Red and new Amber risks have been reviewed and challenged according to IRMA guidance;
4. The Risk and Resilience eLearning training awareness module has been completed by 83% of our staff. This mandatory training is completed on a rolling three yearly basis; and
5. Our risk scoring matrix, likelihood and impact descriptions are provided at Appendix 3 for reference.

Engagement

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

Marion Walker

Risk Manager Lead

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RISK MANAGEMENT UPDATE

1. NSS Risk Register

1.1 Summary

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

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

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

The table below summarises the movements since the last report to the Board in November 2018. This covers the period from 30 September 2018 to 31 May 2019.

Risk Rating	Sept '18 No of risks	Movements				May '18 No of risks
		New risks	Closed risks	Transfers in	Transfers out	
HIGH	4	3	(2)	2	(6)	1
MEDIUM	65	9	(24)	12	(11)	51
LOW	46	4	(16)	10	(6)	38
Total	115	16	(42)	24	(23)	90

As at 31 May 2019 there were 90 corporate risks held on the NSS Risk Register, a net decrease of twenty five in the period. While a number of new risks were identified they have been managed effectively, closed or mitigated down to an Amber or Green risk rating.

A summary of the Corporate Red risks on the NSS Risk Register as at 31 May 2019 is provided in Appendix 1. In summary:

- Our overall exposure to corporate Red risks has decreased from four to one in the period.
- Three new Red risks were raised around clinical waste, 5252 Contingency Plan - Business Continuity, 5231 Management Contingency Failure and 5230 Management Contingency. Risk 5252 Contingency Plan - Business Continuity was raised as a Red risk, mitigated to Amber then closed during the period. Following the completion of the majority of the actions to address risk 5231 Management Contingency Failure, this risk was closed and the residual risk covered by risk 5230. Risk 5230 Management Contingency continues to be managed as a Red risk.

- Following the approval of the funding for the programmes, risk 4885 CHI and Child Health Transformation Programmes was closed.
- Risk 5322 Brexit risk to supply chain, was raised as a Red risk then classified as a corporate risk. During the period the impact of the risk was reduced to 4 “major” due to Scottish Government having reduced their EU Exit activity to a holding phase. This reduced the risk to an Amber risk and it continues to be managed as such.
- The likelihood of risk 4561 Brexit was increased from 2 “unlikely” to “3 “possible” by the risk owner increasing the risk from an Amber to Red rating. The impact remains 5 “catastrophic”. This risk continues to be managed as a Red risk.
- Five risks were mitigated from Red to Amber, 5179 Delay / failure by NSS to deliver new GP IT Managed Services, 5252 Business Continuity Plan, 5230 Management Contingency, 4577 Information Governance Legislation Breach, and 5322 Brexit risk to supply chain. Risk 5179 Delay / failure by NSS to deliver new GP IT Managed Services have been closed following the approval of the Full Business Case in December 2019. Business risk 4577 Information Governance Legislation Breach was reduced from Red to Amber during the period following a review by the EMT. Risks 4577, 5322 and 5230 continue to be managed as Amber risks.
- One risk 5107 IT Lack of suitably trained staff to support the successful deployment of O365 within NSS, was mitigated from Red to Green then closed within the period, following the successful training of NSS IT staff.

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

1.2 Risks by Category

The corporate risks on the NSS Risk Register as at 31 May 2019 are summarised below by Risk Category.

Risk Rating	Risk Category				May '19 No. of Risks	% of total
	Business	Staff	Clinical	Reputational		
HIGH	0	0	0	1	1	1%
MEDIUM	24	3	6	18	51	57%
LOW	21	0	9	8	38	42%
Total	45	3	15	27	90	100%
<i>Total Sept'18</i>	63	5	12	35	115	

The number of risks in Clinical category has increased in the period with the number of Business, Reputational and Staff risks decreasing.

1.3 Risk Profile

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

		Score	Likelihood					Total	Sept '18
			Rare	Unlikely	Possible	Likely	Almost Certain		
			1	2	3	4	5		
Impact	Catastrophic	5	1	3	1	0	0	5	9
	Major	4	1	14	27	0	0	42	46
	Moderate	3	0	16	15	6	0	37	48
	Minor	2	1	2	1	1	0	5	11
	Negligible	1	0	0	1	0	0	1	1
Total			3	35	45	7	0	90	
		Sept '18	6	37	56	16	0		115

The changes to our risk profile (increase or decrease in number of risks) in the period from 30 September 2018 to 31 May 2019 are summarised in the heat map below.

		Score	Likelihood					Total Change
			Rare	Unlikely	Possible	Likely	Almost Certain	
			1	2	3	4	5	
Impact	Catastrophic	5	(2)	0	(1)	(1)	0	(4)
	Major	4	0	(2)	(1)	(1)	0	(4)
	Moderate	3	0	2	(8)	(5)	0	(11)
	Minor	2	(1)	(2)	(1)	(2)	0	(6)
	Negligible	1	0	0	0	0	0	0
Total change			(3)	(2)	(11)	(9)	0	(25)

Key points to note from the above heat maps are:

- Risks have reduced in all three, Red, Amber and Green, rating categories.
- In terms of likelihood no Red risks have been classified as “Almost Certain”.
- In terms of impact risk 4561 Brexit have been classified as “Catastrophic”.

2. Risk Challenge & Review

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

- Business risks – Finance, Procurement & Performance Committee on 13 May 2019;
- Staff risks - Staff Governance Committee on 10 May 2019;
- Reputational risks – Audit & Risk Committee on 14 June 2019; and
- Clinical risks - Clinical Governance Committee on 10 June 2019.

Information Governance risks across all of the above categories were also reviewed during the period with the most recent Information Governance Committee meeting held on 14 May 2019. The Information Governance Group continues to review fully all risks with an information governance impact.

3. Strategic Risks Challenge & Review

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

During the period risks 4870 EDISON Retiral, 4885 CHI and Child Health Transformation Programmes and 2943 SWAN Failure to Deliver Commercial Value were closed and removed from the strategic 'watch- list'. Risks 5322 Brexit risk to supply chain and 5230 Clinical Waste Management Contingency were raised as new risks within the period and added to the strategic 'watch-list'.

Details of the strategic risks have been included as Appendix 4.

5. Further Development of the Risk Management Application

The Risk Register application is continually updated to ensure that it fulfils the needs of the Risk Champions and business users. The risk application forms a later part of a Strategy, Performance and Service Transformation Project to bring the range of corporate governance and performance applications into an ecosystem of related services that make the process automated, reducing bureaucracy, and providing greater governance and compliance. The current focus of the project is on adverse events and resilience incident management and includes the linkages these applications have with risk management.

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

Decision Support Tool

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

Integrated Risk Management Approach (IRMA) guidance

The Risk and Resilience Group approved the revised IRMA which was presented, for information, to the December 2018 Audit & Risk Committee.

Risk Appetite Statement

The NSS Risk Appetite Statement was approved at the 1 February 2019 formal Board meeting.

7. Risk Champions Group Meetings

Risk Champion meetings continue to be held quarterly with meetings being held on 22 November 2018, 5 March and 22 May 2019. The November and May meetings were joint meetings between Risk Champions and Resilience Leads. The risk elements focused on:

- a. IRMA Approval
- b. Recording project risks pan NSS – outcome from SLWG
- c. A demonstration of a new application for managing programme and project risks
- d. How risks identified from adverse events are recorded
- e. Staff risks, how they are identified and scored
- f. The introduction of a “Staff Impact” flag to identify risks which are not primary or secondary category staff, but risks which have an impact on staff
- g. Information governance (IG) risks including information security risks
- h. Update on review of IG risks by IG Leads
- i. Update on Enable Project in relation to resilience and adverse events and discussion on the linkages these have with risk
- j. Shared Risks across NSS
- k. Low Probability/High Impact Risks
- l. Risk and Resilience eLearning figures
- m. Progress on updating Risk and Resilience eLearning module
- n. Approval of revised Risk and Resilience Group Terms of Reference
- o. Quarterly Risk & Resilience Newsletter.

8. Risk Management Training

The Risk and Resilience (R&R) eLearning awareness module forms part of the mandatory training for all NSS staff. All staff are required to complete this training on a rolling three yearly basis. Below are details of the mandatory R&R eLearning undertaken by SBU's as at 30 May 2019.

SBU	% Completed
Clinical Directorate	66.67%
Central Legal Office	88.52%
Finance	72.06%
HR & Workforce Development	93.24%
Digital and Security	77.19%
Practitioner & Counter Fraud Services	86.47%
Procurement Commissioning & Facilities	87.46%
Public Health & Intelligence	81.25%
SNBTS	89.44%
Strategy Performance and Service Transformation	88.12%
TOTAL	83.04%

Appendix 1: Summary of Red Risk as at 31 May 2019

Reputational (Red/High)

ID	Date Raised	SBU	Title	Risk Description	Last Update	Risk Rating	Residual RAG	Movement on prior period	Secondary Category	Health Impact		Financial Impact
										Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	
4561	15/05/2017	NSS	Brexit	There is a risk that the UK's exit from the European Union impacts on the way that NSS operates due to resultant change in membership/access to EU organisations and institutions in which NSS SBUs participate	09/04/2019	15	10	↑	Business	500,000-5,000,000	2	>£1,000K

Appendix 2: Health Impact

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

Appendix 3: NSS INTEGRATED RISK MANAGEMENT APPROACH v1.4

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

KEY

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

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

NSS INTEGRATED RISK MANAGEMENT APPROACH v1.4

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

Appendix 4 Strategic Risks as at 31 May 2019

Reputational (Red/High)

Date Raised	SBU	Title and ID	Risk Description	Last Update	Risk Rating	Residual RAG	Movement on prior period	Secondary Category	Health Impact		
									Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
15/05/2017	NSS	Brexit (4561)	There is a risk that the UK's exit from the European Union impacts on the way that NSS operates due to resultant change in membership/access to EU organisations and institutions in which NSS SBUs participate	09/04/2019	15	10	↑	Business	500,000-5,000,000	2	>£1,000K

Reputational (Amber/Medium)

Date Raised	SBU	Title and ID	Risk Description	Last Update	Risk Rating	Residual RAG	Movement on prior period	Secondary Category	Health Impact		
									Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
11/12/2018	PCF	Brexit risk to supply chain (5322)	There is a risk that the UKs exit from the EU impacts on the availability of goods and services to NSS, due to port short sea crossing disruption	04/06/2019	12	4	New	Business	50,000-500,000	2	>£1,000K
17/07/2018	SNBTS	UK Infected Blood (Langstaff) Inquiry (5114)	There is a risk the UK Infected Blood (Langstaff) Inquiry may lead to additional cost and adverse reputational impact for SNBTS/NSS.	30/04/2019	12	8	↔	Business	<5,000	Nil	£100-£250K
15/02/2018	IT	PACs IT Replacement (4895)	There is a risk that NSS IT is unable to deliver the PACs national system infrastructure replacement due to technology, supplier and service management issues.	31/05/2019	12	8	↔	Business	<5,000	2	£250K-£1,000K

Reputational (Amber/Medium)

Date Raised	SBU	Title and ID	Risk Description	Last Update	Risk Rating	Residual RAG	Movement on prior period	Secondary Category	Health Impact		
									Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
22/05/2008	IT	IT Security Infrastructure (1155)	There is a risk that -The IT security infrastructure within NSS could be compromised by unforeseen events (Ransomware, malware, DoS, intrusion etc.) as the rate of change of threats is increasing due to the involvement of organised crime. 24/4/18 following Cyber Essentials pre-assessment a significant volume of unpatched vulnerabilities have been identified in Internet facing infrastructure increasing likelihood of compromise	31/05/2019	12	12	↔	Business	5,000-50,000	2	£>1,000K
13/10/2017	NSS	Decision Makers (4766)	There is a risk that the value NSS creates is not fully realised because senior decision makers and key opinion formers in health and care are unclear about the services and capabilities we offer.	29/03/2019	9	6	↔	Business	5,000-50,000	0	£100K-£250K

Business (Amber/Medium)

									Health Impact		
Date Raised	SBU	Title and ID	Risk Description	Last Update	Risk Rating	Residual RAG	Movement on prior period	Secondary Category	Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
15/01/2014	P&CFS	P&CFS Bespoke Systems - End of Life & Applications Compliance (3394)	A number of components of P&CFS bespoke systems (e.g. DCVP, Midas, Optix, PMSPS, Medex, EDI, Pharmacy Adjustments system and up to 40 other applications) utilise software components that are out of support (e.g. Oracle 9, Oracle 10) or run on operating systems that are no longer supported, e.g. Windows 2000, Windows XP and some systems are nearing end of life and may become unsupported. Whilst assessments of the necessary remedial work is underway on how they could be re-engineered, there is a risk that neither PCFS nor the Scottish Government will have funding to deliver the required re-engineering work.	27/05/2019	12	12	↔	Reputational	0	2	>£1,000K
17/10/2018	NSS	Clinical Waste Management Contingency (5230)	There is a risk that NSS, in its urgency to secure clinical waste disposal capacity, enter into legally binding arrangements with suppliers at additional cost.	30/04/2019	10	10	New	Reputational	0	0	>£1,000K
10/04/2014	NSS	Volume of Change and Workload Prioritisation (3474)	There is a risk that NSS senior management do not prioritise effectively and the volume of change that NSS requires to undergo over the next 5 years impacts on our service delivery, and causes reputational damage and possible staff unrest.	08/03/2019	12	8	↔	Reputational	<5,000	2	£250K-£1,000K

Clinical (Amber/Medium)

Health Impact

Date Raised	SBU	Title and ID	Risk Description	Last Update	Risk Rating	Residual RAG	Movement on prior month	Secondary Category	Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
08/10/2015	SNBTS	Islet Cell Service (3987)	There is a risk to the sustainability of the current islet cell service due to pressures on staff, increasing workload and the need for process development in advance of the move to the new National Centre	07/03/2019	8	8	↔	Business	<5,000	2	N/A

B/19/86

NSS Board Meeting – Friday 28th June 2019

Office 365 Implementation

Purpose

Present the National Office 365 Implementation Plan

Recommendation

The board is asked to note the contents of the report

Timing

N/A

Background

NSS has been commissioned to deliver the national Office 365 programme. The programme team have developed the attached implementation team following discussion with NHS health boards and stakeholders.

Engagement

This report has been produced by the Office 365 Programme Director, Steve Woods and will be updated monthly prior to the Office 365 Programme Board.

Deryck Mitchelson

Director of Digital and Security

24th June 2019

Microsoft Cloud Computing Programme – NSS Board Update June 2019

The purpose of this report is to highlight progress and identify any challenges associated to the deployment of Windows 10 and Office 365 as part of the Microsoft Cloud Computing Programme. The current license requirements for Year 2 have been completed, and all commercials are now in place. *[The Table below sets out the agreed Year 2 position including agreed costs]*

Year 2 Commitment for Office 365 & Windows 10. [All Commercials have now been completed]

Item	Committed [Approved]	Yr. 2 [Approved Order]
	110,000	£4,168,678 [*Including E3 -E5 Upgrade]
WIN10 committed ex VAT		
O365 Sub Total ext. VAT	32,200 E3, 48,300 E1, 80,500 F1.	£5,365,164
Total Order ex VAT		£9,533,842*

- **This figure is as per the agreed budget**

We have now also been able to complete the modelling exercise for Year 3, part of the work done to date has been to develop a license calculator which we have issued to all NHS Boards, this has allowed the Boards to input their requirements and the Calculator has provided them with the total number of licences required as well as the type of licenses required. To date all NHS Boards have provided license requirements for Year 3, we will now be asking NHS Boards to sign off their license requirements for Year 3 and start the work for Years 4 & 5. This is an important step forward, as we will be able to measure the requirements for Year 3 from the feedback from the Year 2 implementation. We will also be able to map that to the information provided from the license calculator; this will give us a baseline position Year-on-Year. This work will also allow the Programme to have a stable negotiating position with Microsoft as to the on-going license requirements not just for Year 3 but Years 4 and 5. The table below sets out the provisional Year 3,4,5 requirements.

Provisional License Costs for O365 & Windows 10 Ex VAT

	2018/19	2019/20	2020/21	2021/22	2022/23
Contract Value per Year Ex VAT	£8,871,193	£9,533,800	£14,739,607	£14,739,607	£14,739,607
O365 Licences	161,000	161,000	181,000	181,000	181,000
Windows 10 Licences	110,000	110,000	110,000	110,000	110,000

This agreement creates a foundation for the implementation of O365. It is planned, subject to Programme Board approval in June 2019, to start the implementation phase in August 2019. At present we plan to migrate 5 boards by December 2019, a further 2 boards by March 2020, which will include GG&C [*Greater Glasgow & Clyde*] with the remaining boards being migrated no later than August 2020. [*A high-level plan is attached for information*]

Part of the migration to O365, is the requirement to move approx. 110,000 users from the current Accenture NHSmail2 platform, to the Microsoft “Cloud”. Work has been ongoing to define the scope of this work. NHS Scotland currently has over 161,000 users consuming email from two different email platforms [a combination of *on-premise email and NHSmail2*]. This number is the basis for the current license agreement and as referenced above, we will see that number increase through growth over the next few years.

Each of these platforms currently needs to be supported, administered, upgraded and monitored - incurring significant financial and resource overheads. The move to Office 365 gives NHS Boards the opportunity to consolidate all current email onto one single platform, which in turn will drive costs down and provide a more cohesive environment to provide email services, support, security and administration. In conjunction with Microsoft and other partners [Accenture] for the migration, NHS Scotland can save time, risk and resource As the O365 Programme moves through the implementation phase the benefits will be refined and a quarterly report will be provided for information and discussion.

As it is highly desirable to maximise the take-up of Office 365 licences by the NHS Boards user base, it must be remembered it is not a straightforward migration path due to the dependencies on identity management for the NHSmail2 users. In consultation with Microsoft, we propose to start migration to O365 focussing on identity and email migration for the NHS Boards that have on-premise email platforms. Focussing on the on-premise email boards first, the NHSmail2 boards will be migrated in Phase 2, a key dependency being the availability of an Identity Management Solution [EMS] in order to tie the NHSmail2 mailbox to a user’s synchronised identity. This migration approach is detailed in the High-Level Plan attached.

We plan to migrate 5 boards by December 2019, a further 2 boards by March 2020. With the remaining boards being migrated no later than August 2020 to complete all aspects of the Programme [Mail, SharePoint, One Drive, One Note, Teams]

Following discussions at the May Programme Board it was agreed that there is a requirement for additional identity software [*Enterprise Mobility Suite or EMS*]. As reported last month, NSS National Procurement Team have been in discussions with Microsoft with regards to this requirement. Following on-going discussions, it has been agreed that 65,000 EMS licenses would be procured. This will meet the current requirement to support the migration of 7 NHS Boards in this fiscal Year. Discussions are on-going but it is hoped an agreement for the procurement of EMS licenses can be in place no later than June 2019. Further negotiations are ongoing with Microsoft as to the type of integration services that will be required to support the O365 Programme during the Implementation Phase, discussions are ongoing, with a proposal being available for Programme Board review no later than June 2019.

Current Planned EMS Costs to meet Year 2 requirements

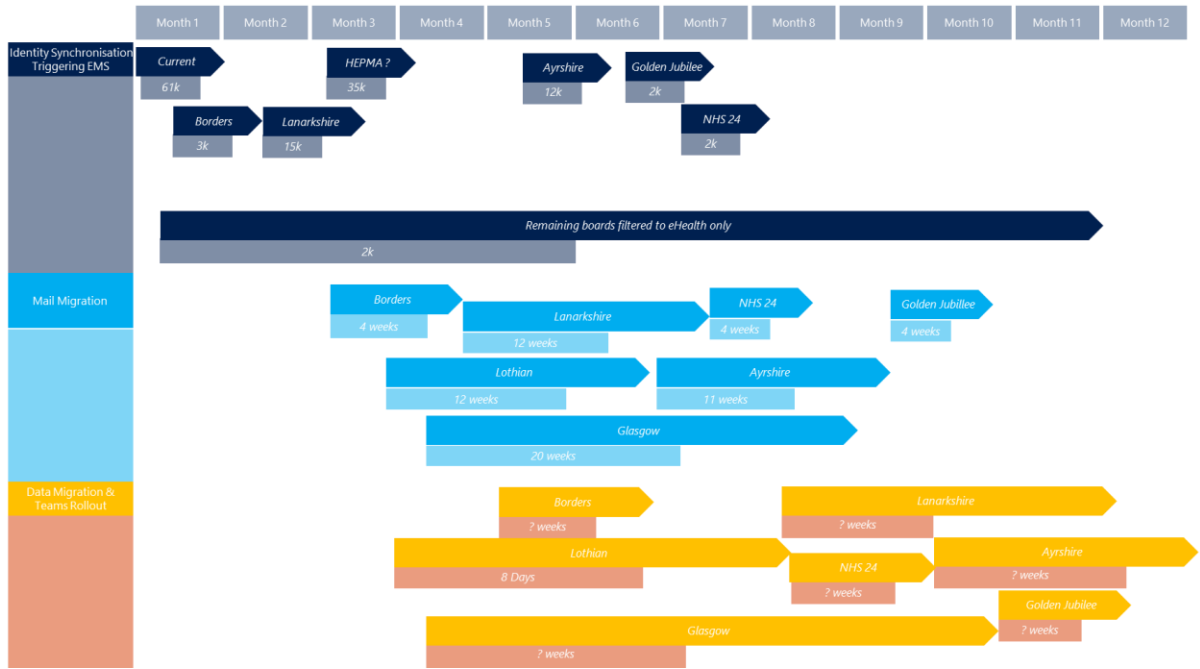
*EM&S	Volume	Unit cost per month	Total per Month	Total per Annum
For F1 users	32,500	£1.67	£54,275	£651,300
For E3 and E1 users	32,500	£3.33	£108,225	£1,298,700
Total ex VAT	65,000			£1,950,000

Further progress has been made with Boards with regard to their current Windows 7 to Windows 10 Hardware replacement programmes, with all Boards now confirming that they have allocated funds to this Programme. The implementation phase is now taking place. Boards are now drawing down the required number of Windows 10 licences to be able to mitigate the risk of having a Windows 7 estate that would be out of extended support by January 2020. Part of the discussions taking place with Microsoft include the need to have a “support mechanism” in place post January 2020 to provide a basis of support for Boards that will not have completed their hardware replacement programmes by then. In terms of the nature of the support needed, the emphasis will be directed towards ‘Patching & Technical Support’. The O365 Programme are working with each board to understand their progress to date. Part of this work has been to request details of GP practises and within each practise, what the current state of the hardware replacement programme is. This information is being shared with a number of Programmes [GPIT, PAC’S] as there is a requirement for these applications to be Windows 10 ready. It is planned to have a further detailed update available no later than the end of June 2019. This update will include progress to date by board, the number of total devices that are needed to be upgraded by device. The report will also include GP practises, by Board. A full report will be included in the next reporting cycle. This report will also include the baseline figures that were reported last quarter, so progress can be measured against the original baseline.

Microsoft have now completed their Discovery Workshops. As the O365 Programme moves into the implementation phase, discussions have been on-going with Microsoft as to what support services they can offer the Programme. A detailed workshop has already taken place with Microsoft and a joint proposal was discussed at a joint workshop with NHS Boards on June 3rd, 2019. The output of these workshops will be discussed at the June O365 Programme Board.

Provisional funding for the Programme has been agreed in principle, further discussions are on-going between Scottish Government, and NSS as to the funding model for the Programme. A detailed finance paper is being worked up on a number of funding options.

The Migration Timeline



B/19/87

NSS Board Meeting – Friday 28th June 2019

Digital and Security Update

Purpose

Report on delivery of digital portfolio, namely CHI/ Child Health, GPIT and Office 365, and progress on digital strategy.

Recommendation

The board is asked to note the contents of the report

Timing

N/A

Background

NSS has been commissioned to deliver a digital portfolio comprising CHI/ Child Health, GPIT and Office 365.

The Digital and Security SBU is delivering against its strategy across 3 themes; Security, Public Cloud and Analytics and Business Intelligence

Engagement

This report is produced monthly following consultation with programme directors and Associate Directors within Digital and Security SBU>

Deryck Mitchelson
Director of Digital and Security
24th June 2019

Digital and Security Update – June 2019

Transforming our Service – Securely and Digitally



Agenda

Transforming our Service – Securely & Digitally

1. Digital Portfolio

a) CHI/ Child Health




















b) GPIT













c) Office 365

2. Security













3. Public Cloud

4. Analytics and Business Intelligence

PROGRAMME REPORT						
Programme	CHI & CHILD HEALTH TRANSFORMATION		Phase (Tranche)	3 & 4 (Implementation & Roll-out)		
Programme Mgr	Rob Pengilley, NSS		SRO	Susan Goldsmith, NHS Lothian		
Date	31/05/2019		Chief Exec Sponsor	Colin Sinclair, NSS		
RAG STATUS	Overall	Milestone Progress Against Plan	Risks, Issues, Dependencies	Cost	Resources	Benefits
Current	 	 		 	 	
Previous	 	 			 	
OVERALL PROJECT STATUS						
<p>Overall Programme Status is Green/Amber – “Successful delivery appears probable. However, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.” Overall status is expected to improve to ‘Green’ by late July 2019.</p> <p>The programme is mobilising following the recent ‘pause’. Various activities are underway including:</p> <ul style="list-style-type: none"> Recruiting key resources; Co-ordinating and baselining supplier implementation plans, milestone payment plans, project plans and local (Board) implementation plans; Finalising Variation Agreements and Contract Change Notices, which are expected to be signed by late July to allow Implementation Start Notices to be issued; Verifying previously elicited requirements with Board representatives; Preparing for the Programme Board (6th June) where a decision regarding moving from on-premises to public cloud hosting will be sought; Risk identification – a number of candidate risks have been identified and analysis is underway. 						
ACHIEVEMENTS AND HIGHLIGHTS FOR THE LAST PERIOD				EXCEPTIONS TO PLAN (Reasons for Red/Ambers and Path to Green)		
<ul style="list-style-type: none"> Programme Manager recruited. Good progress being made with programme definition/foundations. Good engagement with Board representatives allowing requirements to be verified. Good progress with supplier detailed implementation plans and cutover/roll-back considerations. Project Boards convened and first Project Board meetings held. 				<ul style="list-style-type: none"> Plan. Approved hosting solution is for Atos on-premises, with a lead time of c.18 weeks. This has not been initiated due to consideration re switching to public cloud (a lead time of c.8 weeks and financially favourable). Programme Board decision (6th June) will provide clear direction. Also, ongoing detailed planning with various delivery partners needs to conclude. Anticipate ‘Green’ by late July. Risks/Issues/Dependencies. Planning (see above) will clarify dependencies allowing an improvement to ‘Green’. Risks and Issues are currently being identified and analysed as part of ‘Definition’. This will provide clarity regarding risk profile and action required. Current ‘Amber’ reflects the fact this work needs to conclude, as well as a number of candidate risks that appear significant at this time. Cost. Annual spend profiles will be clearer once planning and commercial discussions have concluded (incl. payment milestones). Front-loading capital costs needs to be reflected in the spend plan and confirmed against available budget. Resources. Conclude recruitment of key resources (c. mid-July) and confirm, through baselined plans, the resource profile and spend profile align with delivery activity. Risks associated with the scaled-back resource profile need to be articulated. 		
PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD						
<ul style="list-style-type: none"> Programme decision regarding hosting – Atos on-premise or public cloud. Progress with Environments build, in line with hosting decision. Continue with programme definition activities. Progress towards Implementation Supplier Start Date (ISSD) c. late July 2019. Liaise with providers of Independent Assurance regarding the programme’s Integrated Assurance and Approvals Plan (IAAP). Increase engagement with BLOs regarding implementation planning. Review Benefit Potential, particularly the plan to realise cashable benefits and ensure any dis-benefits are identified and appropriately managed. 						

IT PROGRESS REPORT						
Project	GP IT Re-Provisioning – Phase Three - Implementation		Phase	Execution		
Project Manager	Robert Hutton		Implementation Date	February 2023 (Phase Three)		
Date	24/05/19		Sponsor	Jenny Bodie/ Deryck Mitchelson		
RAG STATUS	Overall	Milestone Progress Against Plan	Risks, Issues, Dependencies	Cost	Resources	Benefits
Current						
Previous						
OVERALL PROJECT STATUS						
<p>Overall project status is Green. GP IT Re-Provisioning Project has appointed three suppliers to a Framework and they now have until 1 Feb 2020 to develop their GP IT systems to deliver Tranche 1 of the Scottish requirements, and pass Accreditation Testing. The choice of GP system will be made using Mini Competitions held by Cohorts using the contractual Criteria & Weighting Table customised by each Cohort. Provisional Cohorts are anticipated to be formed by end September 2019. It is estimated that the earliest date at which a new GP IT system will go live in a GP Practice will be June 2020 with the new systems then being rolled out across Scotland over the following 30 months.</p>						

ACHIEVEMENTS AND HIGHLIGHTS FOR THE LAST PERIOD	EXCEPTIONS TO PLAN (Reasons for Red/Ambers and Path to Green)
<ul style="list-style-type: none"> Governance – the second meeting of the GP IT Service Management Board was held on 24 April 2019. Next meeting will be on 26 June. Recruitment – Test Manager interviews are currently underway. The new Senior Service Manager will join the team in June 2019. The new Deployment Manager will join the team mid August 2019. Cohort Sub Group – the second meeting took place on 14 May. Process has been agreed & documentation for NHS Boards & GP practices is being finalised. No further meetings planned. Project is asking NHS Boards to aim to form Provisional Cohorts by the end of September. Supplier Engagement – Meeting took place with Vision on 7 May 2019 and development is underway. Microtest is expected to kick-off engagement from June. EMIS has confirmed their intentions to deliver an alternative, freshly developed solution (EMIS-X), which has not been previously deployed in the UK market, as an alternative to what was proposed in their Final Bid. The acceptability of their proposal will need to be agreed by a formal CCN. Stakeholder Engagement & Communications – Design work complete to create an identity for GP IT Scotland and the necessary templates. 	<ul style="list-style-type: none"> Recruitment for key roles taking longer than anticipated Slower Supplier progress than anticipated with development now commencing circa. June 2019. This is believed, in part, to reflect their ongoing development commitments in Wales, which are expected to be relevant to the Scottish requirements.
PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD	
<ul style="list-style-type: none"> Project Preparation to end Phase 3 Stage 1 (Initiation) and begin Stage 2 (Development) at the end of May. Recruitment – ongoing recruitment of the implementation team is planned. Supplier Engagement – will continue to support Vision system development. The Project Team will meet EMIS on 30th May to further explore the EMIS intentions re EMIS-X as an alternative to what was agreed in their Final Bid. High level project management meeting planned for early June with Microtest & Vision. Stakeholder Engagement & Communications - Ongoing work on Phase Three Communications Plan. Cohort documentation will be shared with NHS Boards and GP practices. 	

PROGRAMME REPORT						
Programme	Office 365		Phase	3. Implementation		
Programme Mgr	Steve Woods, NSS		SRO	Deryck Mitchelson, NSS		
Date	30/05/2019		Chief Exec Sponsor	Colin Sinclair, NSS		
RAG STATUS	Overall	Milestone Progress Against Plan	Risks, Issues, Dependencies	Cost	Resources	Benefits
Current						
Previous						
OVERALL PROJECT STATUS						
<p>The O365 Programme RAG remains Amber, there has been a significant move in activities although the Programme still has resource limitations and further work required to define and progress Milestones against baselined timelines.</p> <p>Strong Governance improvements continue with a High Level Plan in progress, timeline agreed with Microsoft and Service Management agreement due to be signed off w/e 07/06.</p> <p>The main focus for the next reporting period will be for us to define and agree the Accenture Support, Microsoft Service agreed and signed off and finally have Risks, Issues and Programme Dependencies agreed.</p>						
ACHIEVEMENTS AND HIGHLIGHTS FOR THE LAST PERIOD				EXCEPTIONS TO PLAN (Reasons for Red/Ambers and Path to Green)		
<ul style="list-style-type: none"> Programme Team continue to progress the Business Readiness / Engagement pack for upcoming implementations Collaboration Framework Agreement for the Programme Team, Boards and Microsoft complete and ready to be approved at the O365 Programme Board 07/06 Key high level dependencies have been recorded and visible within the MSP Plan Programme Benefits are in progress – will also be presented at the Programme Board Meeting held with Deloitte to discuss Business Case improvements – further work progressing to define exactly what we need Scottish Government meeting has been pushed back until the steps for the Business Case have been agreed First technical Change Authority Board (CAB) took place 29/05 – great response from attendees 				<ul style="list-style-type: none"> Resourcing: Programme Team have highlighted resource constraints. Resource requirements to hire a short term Data Analyst and Business Analyst have been escalated Progress Against Plan: PMO Planner continues to define plan and key dependencies. Microsoft proposal, timeline and roles and responsibilities agreed. Collaboration Framework to be agreed and shared with the Boards alongside the Engagement Pack Benefits piece to be complete and prepared to be submitted to the next Board for approval 05/07 Programme Risks and Issues defined and escalated to the Corporate Risks Register – where applicable Accenture Support agreed 		
PLANNED ACTIVITIES FOR NEXT REPORTING PERIOD						
<ul style="list-style-type: none"> Service Enablement Plan / Service Agreement to be complete and signed off First Technical Change Authority Board (CAB) Progress programme resource requirements Information Security and Governance piece shared at the next O365 Board – 7th June 2019 Continue with Stakeholder Engagement & Comms Progress Governance – PSO working to establish Governance and Reporting framework for the Programme Identify the key risks and issues – major risks of the programme Further planning sessions to improve Programme Plan and agree Migration Timescales 						

Security Programme

- Status: Green:
- Job Descriptions developed for new roles
- Cyber Essentials compliance re-audit completed. Results due 1st week in July
- Work continuing on Information Security Management Systems documentation (ISMS)
- Pre-audit completed for NIS Directive. SG audit to be scheduled
- SG sponsored Gartner approach to National Security Operations Centre (SOC) published in draft with NSS proposed as National agent for Health.
- Detailed proposed for National SOC to be completed in July

Public Cloud Programme

- Status: Green:
- NSS Public Cloud in MS Azure production ready
- Service Management and Support Plan to be finalised.
This will include move to 24/7 support
- CHI/Child Health proposal to move to public cloud delivered to programme board for consideration
- Working group is being established to identify candidate systems and prioritise migration of Atos services to public cloud. Reporting up into contract management board
- Migration roadmap for NSS migration of services to public cloud underway
- Service will support NSS Service and Digital Transformation

Analytics and Business Intelligence

- Status: Green:
- Police Scotland Vizathon – held successful event around modelling custody suite data to produce dashboards. Presents opportunity to start delivery of data virtualisation to Justice
- Recruitment of PHD student to develop adverse childhood interventions data dashboards
- Finance dashboard due to go live end of July. This will be rolled out 16 boards. All health boards will use the data platform
- MSc student in place to evaluate automated tools for developing predictive models
- Discussions continuing with PHI around candidate for public cloud opportunity in BI