NHS National Services Scotland

NSS Board

29 June 2018, 09:30 to 14:50
Boardrooms 1&2, Gyle Square, Edinburgh

Agenda [B/18/63]

1.	**Apologies for Absence**	

Jane Davidson, Non-Executive Director
Lorna Ramsay, Interim Medical Director

2. **In Attendance**

Martin Bell, Interim Director, Strategy and Governance
Rachel Browne, Audit Scotland
Mairi Gaffney, Head of Healthy Working Lives [Item 22]
Jacqui Jones, Director, HR and Workforce Development
Caroline Lang, Board Secretary
Eilidh McLaughlin, Assoc. Dir., Corporate Affairs and Compliance

3. **Observers**

4.	**INTRODUCTION**	30 minutes
4.1.	**Chair's Introduction and Report [B/18/64 to follow]**	
		Elizabeth Ireland
4.2.	**Chief Executive's Update [B/18/65]**	
		Colin Sinclair

FOR APPROVAL

5.	**NSS Audit and Risk Committee Annual Report [B/18/66]**	10 minutes
		Mark McDavid
6.	**NSS Directors' Report and Accounts 2017/18 [Members' Only Paper B/18/67]**	25 minutes
		Carolyn Low
7.	**Minutes of the NSS Board Meeting held on 6 April 2018 and Matters Arising [B/18/68 & B/18/69]**	5 minutes
		Elizabeth Ireland

8.	**Changes to NSS Board Committee Membership [B/18/70]**	5 minutes
		Elizabeth Ireland
9.	**NSS Standing Financial Instructions [B/18/71]**	10 minutes
		Carolyn Low
10.	**NSS Standing Orders [B/18/72]**	10 minutes
		Eilidh McLaughlin
11.	**NSS Staff Governance Committee Annual Report [B/18/73 to follow]**	10 minutes
		John Deffenbaugh
12.	**NSS Clinical Governance Committee Annual Report [B/18/74]**	10 minutes
		Julie Burgess
13.	**NSS Performance and Finance Committee Annual Report [B/18/75 to follow]**	10 minutes
		Kate Dunlop
14.	**NSS Information Governance Committee Annual Report [B/18/76]**	10 minutes
		Ian Cant
15.	**NSS Remuneration and Succession Planning Committee Annual Report [B/18/77 to follow]**	10 minutes
		John Deffenbaugh
	FOR CONSIDERATION	
16.	**End of Year Performance and Finance Reports 2017/18 [B/18/78 and B/18/79]**	15 minutes
		Martin Bell / Carolyn Low
17.	**Finance Report: Period 1 April to 31 May 2018 [B/18/80 to follow]**	10 minutes
		Carolyn Low
18.	**Performance and Finance Committee eHealth Action Plan [B/18/81 to follow]**	15 minutes
		Kate Dunlop / Carolyn Low
	LUNCH	30 minutes
19.	**Update on Public Health Body [B/18/82]**	10 minutes
		Colin Sinclair

20.	**EU Withdrawal [B/18/83]**	10 minutes
		Martin Bell
21.	**General Update on IT (including eHealth)**	15 minutes
		Colin Sinclair / Martin Bell
22.	**NSS Workforce End of Year Report [B/18/84]**	20 minutes
		Jacqui Jones
23.	**People Report as at 31 May 2018 [B/18/85]**	10 minutes
		Jacqui Jones
24.	**End of Year Report on Feedback, Comments, Concerns and Complaints [B/18/86]**	15 minutes
		Eilidh McLaughlin
25.	**Highlights from NSS Audit and Risk Committee [B/18/87 to follow]**	5 minutes
		Mark McDavid
26.	**Highlights from NSS Board Committees [B/18/88]**	10 minutes
		Committee Chairs
27.	**Update on Register of Interests [B/18/89]**	5 minutes
		Elizabeth Ireland

FOR INFORMATION / NOTING

28. **NSS Audit and Risk Committee**

28.1. **Meeting held on 21 June 2018 [see item 25]**

28.2. **Meeting held on 23 May 2018 - Approved Minutes [B/18/90]**

28.3. **Meeting held on 28 March 2018 - Approved Minutes [B/18/91]**

29. **NSS Performance and Finance Committee**

29.1. **Meeting held on 30 May 2018 [see item 26]**

29.2. **Meeting held on 23 February 2018 - Approved Minutes [B/18/92]**

30. **NSS Clinical Governance Committee**

30.1. **Meeting held on 11 June 2018 [see item 26]**

30.2. **Meeting held on 22 March 2018 - Approved Minutes [B/18/93]**

31.   **NSS Information Governance Committee**

31.1.   **Meeting held on 25 April 2018 [see item 26]**

31.2.   **Meeting held on 25 January 2018 - Approved Minutes [B/18/94]**

32.   **NSS Staff Governance Committee**

32.1.   **Meeting held on 11 May 2018 [see item 26]**

32.2.   **Meeting held on 16 February 2018 - Approved Minutes [B/18/95]**

33.   **NSS Remuneration and Succession Planning Committee**

33.1.   **Meeting held on 25 June 2018 [see item 26]**

34.   **NSS Policies**

Working at Home and Working from Home [B/18/96]
Maternity [B/18/97]
Adoptions and Fostering [B/18/98]
Team-Based Self-Rostering [B/18/99]
Career Break [B/18/100]
Relocation [B/18/101]
Data Protection [B/18/102]

35.   **Any Other Business**   5 minutes

36.   **Date of Next Meeting**

Friday, 7 September 2018 at 0930hrs

Minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND BOARD

**MINUTES OF FORMAL BOARD MEETING HELD ON FRIDAY, 6 APRIL 2018
IN BOARDROOMS 1 &2, GYLE SQUARE, EDINBURGH, COMMENCING AT 0930HRS**

Present:	Elizabeth Ireland, NSS Chair
	Julie Burgess, Non-Executive Director
	Ian Cant, Employee Director
	Jane Davidson, Non-Executive Director
	Kate Dunlop, 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
In Attendance:	Martin Bell, Interim Director, Strategy and Governance
	Caroline Lang, Board Secretary
	Lorna Ramsay, Joint Interim Medical Director
	Aileen Stewart, Interim Associate Director, Human Resources
Apologies:	John Deffenbaugh, Non-Executive Director
Observer:	Stuart Aitken, Directorate of Health Finance, Scottish Government
	Rachel Browne, Audit Scotland

ACTION

1. INTRODUCTION

1.1 E Ireland welcomed members, attendees and observers to the meeting. Apologies were noted for J Deffenbaugh. He had, however, emailed comments to E Ireland in relation to the Agenda items and reference would be made to a number of these during the discussion.

1.2 Before starting the formal business of the meeting, E Ireland asked the Board Members if they had any interests to declare in the context of the Agenda items to be considered. No interests were declared. Members' attention was drawn to the Standards Commission for Scotland website where there was guidance on how and when to declare an interest at meetings. This also suggested wording that members may wish to consider using when declaring and interest. C Lang would circulate the website link.   **C Lang**

2. CHAIR'S REPORT

2.1 The Members noted a report from E Ireland on her main activities and discussions since the last Board meeting (paper **B/18/36** refers). This included documents around the issues identified in the management of

disability confident COMMITTED

eHealth funds (papers **B/18/37** and **B/18/61** refer). E Ireland advised that she wanted to focus in on this part of her report and asked key individuals to contribute to the Board discussion. This would help inform the report she would submit to Paul Gray, Director-General Health & Social Care and Chief Executive NHSScotland, ahead of the forthcoming Public Audit and Post-legislative Scrutiny Committee (PAPLS), Scottish Parliament.

2.2 C Sinclair explained that governance weaknesses had come to light in March 2018 relating to eHealth funds held by NSS on behalf of the NHS Boards and designed to manage and deliver major eHealth multi-year programmes. E Ireland and C Sinclair put immediate measures into place to improve governance and weak practices identified which included commissioning the Board's internal auditors, KPMG, to conduct a formal review. Early engagement had taken place with the Chair of the NSS Audit and Risk Committee, M McDavid, and Chair of the NSS Performance and Finance Committee, K Dunlop, to ensure oversight and challenge. The subsequent KPMG report was shared with Scottish Government and informed Scottish Government's broader eHealth investigation via Grant Thornton LLP. NSS had committed to implement in full all recommendations made by both KPMG and Grant Thornton LLP. An action plan was in place and had been submitted to the Scottish Government. All Board Members had access to the key documents discussed by the NSS Audit and Risk Committee on 28 March 2018. A summary of the actions, together with responsible officers and due date for completion, were listed as part of paper **B/18/37**. Progress would be reported to Scottish Government, the NSS Executive Management Team as part of the monthly Finance update, and periodically to the NSS Audit and Risk Committee. The key challenge on the back of this issue was to maintain confidence in NSS to manage large scale funding on behalf of Scottish Government.

2.3 C Low took Members through the action plan in detail and highlighted in particular the improved governance and reporting arrangements that NSS was adopting to provide a greater level of accountability, financial scrutiny and assurance to the Board. There would be a fundamental rewrite of NSS's Standing Financial Instructions which would be considered at the May 2018 meeting of the NSS Performance and Finance Committee. Members noted paper **B/8/61** which described existing governance and reporting arrangements in place to manage "pass through" expenditure and funds managed by NSS on behalf of NHSScotland. Members were invited to identify any enhanced governance and reporting required to provide assurance to the Board in respect of the discharge of NSS's obligations in line with professional and legislative requirement and the management of risk. The NSS Performance and Finance Committee would produce a suggested format for the Finance Report going forward.

2.4 The Members were invited to raise any questions and received clarification from C Low. Points were raised in relation to the following areas:-

- Decision making and good governance.
- Culture and training of staff / experience to understand principles of public sector financial practices.
- Time available for appropriate scrutiny at Board and Committee meetings and level of detail minuted.
- Regular rotation of Committee Membership.

2.5   E Ireland thanked Members for their contribution to what had been a very full discussion and provided the following summary.

- Agreement of immediate actions as outlined.

- Lack of clarity still remained around some decisions taken and might benefit from further internal examination.

- Any further questions to be raised with E Ireland and/or C Sinclair.

- Assurance to all staff that any concerns or issues they raised would be looked at.

- Thanks to the executives for their response and ongoing interactions with Scottish Government to work through the issues raised.

- Some learning to be shared with Paul Gray, Scottish Government.

- eHealth Actions update to be reported on at June 2018 NSS Board meeting.   **Board – 29.06.18**

2.6   In returning to other matters reported on in the Chair's update, Members were delighted to learn that M McDavid had been reappointed as a Member of the NSS Board for a second term of office until 31 August 2020. E Ireland drew Members' attention to the Scottish Government's letter dated 5 April 2018 on the use of NHS Endowment Funds (paper **B/18/62**). As Chair of the Trinity Park Foundation, M McDavid would respond to the questions raised in the letter and provide the necessary assurances.   **M McDavid**

3.   CHIEF EXECUTIVE'S UPDATE

3.1   C Sinclair introduced paper **B/18/38** which updated the Board on his key activities and a number of matters for noting. In particular, he drew Members' attention to the last two months which had seen continually strong operational and financial performance.   He expected all of NSS's key targets to be met by the year end and work was continuing to secure that position.   He reported on the NSS Executive Management Team's Development Session held at the end of March 2018. This had included a session which focused on individual and team effectiveness in managing NSS's large agenda and how techniques could be used to create space and reflective time for individuals as well as teams. In relation to the Public Health Body, the Executive Management Team would continue to develop its thinking on what this could mean for NSS e.g. its future shape. Further engagement would take place with Board Members over the summer and autumn months in relation to this. Members noted the demand for data and intelligence support continued to grow and NSS was responding to these welcomed requests. C Sinclair drew Members' attention to the section in his report on the Jack Copland Centre and on behalf of the Board, E Ireland thanked all those involved for the tremendous effort they had shown in reaching this stage in the project.

4.   MINUTES OF THE NSS BOARD MEETING HELD ON 2 FEBRUARY 2018

4.1   The Minutes of the NSS Board meeting held on 2 February 2018 were accepted as a true record (paper **B/18/39** refers).

5.   **MATTERS ARISING FROM THE NSS BOARD MEETING HELD ON 2 FEBRUARY 2018 AND PREVIOUS MEETINGS [papers B/18/39 and B/18/40 refer]**

5.1   The Members noted progress on actions from previous meetings and that the majority had been completed, programmed into a future meeting or were covered in the main Agenda.

6.   **NATIONAL DELIVERY PLAN**

6.1   Members had been circulated with a summary paper prepared for Board meetings to give an update position and highlight the direction of travel set out in the emerging National Boards' Delivery Plan (paper **B/18/41** refers). The finalised full documents had been submitted to Scottish Government for review.   Further work would follow to bring together workstreams with collaborative teams to implement the Plan.   C Sinclair took Members through some of the key points from the presentation given to the NHS Chairs on the contribution from the National Boards on building a sustainable health and care system for Scotland (paper **B/18/42** refers). He highlighted a number of the key challenges, including ensuring the National Boards had an appropriate overall transformation support offering.   The delivery of the £15m savings target for next year remained challenging as while there was some collaborative work underway in specific areas, the National Boards did not have a financial model that would clearly show cause and effect and how any changes collectively would flow through to delivering the required savings.

6.2   In supporting the general principles and direction of travel set out in the summary of the emerging plan, the Board highlighted the need for clarity around governance and decision making.   Members would have an opportunity at the Board Development Session on 4 May 2018 to explore some of these questions and challenges in more detail. E Ireland advised that Phil Raines, Programme Director, National Health and Social Care Transformation Plan, Scottish Government, had been invited to take part in the session.

7.   **NSS OPERATIONAL DELIVERY PLAN**

7.1   <u>Draft Operational Delivery Plan</u> M Bell introduced paper **B/18/43** which sought the Board's approval for the NSS Operational Delivery Plan (ODP) 2018-2019 to be submitted to the Scottish Government as a final document. Members noted that guidance recently issued from the Scottish Government had changed the focus from a strategic Local Delivery Plan to a request for an annual ODP, which showed relevant performance measures. This had previously been considered in draft at the February 2018 NSS Board meeting and comments had been received from the Scottish Government in relation to that draft which had been taken into account when preparing the final version.   Members noted there was no significant change to the text they had previously seen and approved the current version for submission to Scottish Government. C Sinclair commented that the targets would help inform the performance objectives for the Executive Cohort. Members also noted that work was ongoing with the other National Boards to develop a collaborative Delivery Plan, which would set out how the National Boards would develop a transformation service to support the regions and Territorial Boards.

7.2   Members noted that work was ongoing with the National Boards to develop a collaborative Delivery Plan, which would set out how the National Boards would develop a transformation service to support the regions and Territorial Boards. Targets and milestones contained within the NSS ODP showed initiatives which were primarily managed by NSS and therefore were separate the National Boards' Plan.

7.3   <u>Finance and Workforce Plan</u> C Low introduced paper **B/18/44** which summarised the financial and workforce plans for FY2019 to FY2023. The Board was reminded that it had reviewed a previous draft of the plan at its February 2018 meeting as had the NSS Performance and Finance Committee. The current version incorporated NSS's response to comments raised by sponsors in the Scottish Government. A Stewart confirmed that that the workforce element of the Plan was in line with the previous version. In response to Members' questions, C Low confirmed that NSS remained mindful of the impact of the new Public Health Body to the workforce plans for NSS and once there was greater clarity around the transfer of staff to the new Body, the Plan would be refined to reflect this. E Ireland requested that the move to the new Public Health Body be reflected in the Finance and People reports prepared for future Board meetings. A Stewart reassured Members that HR were already working against a number of assumptions with regard to staff in NSS that may be in scope and the Board would receive updates as appropriate. Risks to delivering the Plan would be incorporated into the Corporate Risk Register when the targets were agreed with sponsors, if they were not already on the Register.

**C Low /
A Stewart**

7.4   With the above comments, the Board approved the ODP and associated Finance and Workforce Plan for submission to the Scottish Government.

8.   **STRATEGIC SCORECARD**

8.1   M Bell introduced the strategic scorecard which had been established as a framework to allow the NSS Board to consider NSS strategy and direction (paper **B/18/45** refers). RIDDORs and Resilience/Business Continuity were currently showing as Red and were reported separately through other formal reports to the Board e.g. the impact of the severe weather incident (paper **B/18/55** later on the Agenda). M Bell referred Members to the section on the strategic position (5 year horizon) and the improved position for staff, public health and regulatory compliance. The five-year financial position remained Red and challenging given the current economic environment.

8.2   M Bell updated Members on the position with regard to the Board's watch list of Strategic Risks.   The following points were noted during the discussion:-

        (i)   Risk 4885 (CHI and Child Health Transformation Programmes) - This risk had been rescored by Directors since the report had been prepared and had reduced from Red to Amber. This would be discussed later on the Agenda and it was recognised that the Board may have a different view on the rescoring of this risk.

        (ii)   Risk 4574 (Tolerance of Clinical Risk) – All actions had been completed and the risk had been rescored as Green. As Chair of the NSS Clinical Governance Committee, J Burgess confirmed she was content for this risk to be managed through that Committee going forward and for it to be removed from the Board's watch list.

M Bell

(iii)   A number of the risks felt more operational than strategic and financial governance should be added. MBe advised that support had been offered to Finance to prepare a Risk Jotter on this.

8.3   M Bell advised that the narrative that accompanied the Strategic Scorecard had been updated by Directors and would be reviewed in the light of Members' comments in relation to Strategic Risks for the Boards' watch list. It would be made available should Members wish to view it.   **M Bell**

9.   NSS BIANNUAL RISK MANAGEMENT UPDATE

9.1   This item was brought forward on the Agenda. The Board received an update on risk management in line with the reporting requirements set out in NSS's Integrated Risk Management Approach (IRMA) for review and comment (paper **B/18/48** refers). The Members noted the risk profile for NSS, the current key risks being addressed and the improvements NSS had made to its risk management approach. The movements since the last report to the Board in November 2017 (covering the period 30 September 2017 to 28 February 2018) provide the Board with the assurance that the register was being used as a 'live' system and risks were being identified, recorded and managed effectively across NSS. As at 28 February 2017, there were 116 risks held on the register, a net decrease of four in the period. While a number of new risks were identified, they had been managed effectively, closed or mitigated to an Amber or Green risk rating. While a number of new risks were identified, they had been managed effectively, closed or mitigated down to an Amber or Green risk rating.

9.2   E Ireland outlined J Deffenbaugh's emailed comments in relation to significant risks that had been dealt with by the Board over the last year which had not been fully captured on the risk register and the need to identify such risks in future. The Board was satisfied that NSS had a robust risk register but there should be continued open reflection and learning from such cases. The question of how to predict future risks on the basis of what already existed on the register would continue to be explored.

10.   FINANCE REPORT

10.1   The Members were provided with an update on NSS's financial performance as at 28 February 2018 (paper **B/18/46** refers). NSS expected to meet all its key financial targets for 2017/18 within an increasingly challenging environment. Following discussions with the Scottish Government, they had confirmed that an under spend of up to £0.8m arising from the delayed transition to the Jack Copland Centre would be reinstated next year. The minimal spend on the Digital Transformation Programme was being closely monitored. There had been appropriate reasons for the slippage in spend on national Information Technology Programmes and this had been formally reported to the Scottish Government.

10.2   In addition to the actions underway to enhance governance and reporting arrangements that had been discussed earlier as part of the Chair's report (papers **B/18/37** and **B/18/61** refer), it was suggested that future Finance Reports to the Board might include key challenges and views from the NSS Performance and Finance Committee in the engagement section of the front cover. Consideration could also be given to including some form of self declaration from the business units on their financial practices. The timing of reporting to Committee's and then to the Board would also be considered to ensure any movements in what had been reported could be appropriately challenged. Work would continue on how best to extract intelligence from reports to help inform operational and strategic thinking.

10.3   The Board discussed the need for a clear written governance framework around National Boards' collaboration and in particular for the Savings Target. This would be discussed at the next meeting with NSS's sponsor.

10.4   With the above comments, Members noted the Finance Report and that NSS's financial position would continue to be closely monitored to ensure targets were achieved.

11.   REVIEW OF SEVERE WEATHER INCIDENT

11.1   This item was brought forward on the Agenda. The Board was updated on the review of the severe weather incident due to snowy conditions at the end of February/early March 2018 (paper **B/18/55** refers). Views had been gathered from Resilience Leads and the Executive Management Team on how the incident went in terms of what went well, and what could be improved. Service delivery had been maintained for essential services during the incident and no issues had been reported from other Health Boards in terms of NSS's service delivery. NSS had completed a lessons learned report and a number of recommendations had been identified which would be considered with Scottish Government colleagues. The perseverance and commitment of staff during the bad weather was to be applauded and it had been decided to share some of the 'snow heroes' stories with all staff. On behalf of the Board, E Ireland thanked all staff for the effort and commitment that they had made to keep NSS services running despite the weather.

12.   PEOPLE REPORT

12.1   The Members had been circulated with a copy of the People Report for the financial year as at 28 February 2018 (paper **B/18/47** refers). A Stewart took Members through the key elements in the report. In considering the positions relating to iMatter, Dignity at Work and the reduction in sickness absence, along with all measures against NSS's corporate responsibility, it could be shown that NSS had a positive position in respect to the engagement of its workforce and commitment to staff governance.

12.2   Areas of concern related to the number of RIDDORs and Fire Safety Training which specific SBUs were addressing through action plans locally. Members were advised that although there had been a slight increase from January 2018 relating to sickness absence, which had subsequently decreased in February 2018, when compared against previous year's information the overall trend of absence was down and in line with seasonal trends over the past three years. Work was continuing to address sickness absence levels and the NSS Executive Management Team had requested some further work to be undertaken in respect of Other Unknown reasons for sickness absence with breakdown information being issued out to each SBU. This would continue to be monitored going forward. Members were comfortable that NSS would meet the 4 per cent target by the year end and thanked all those involved for their hard work over the past year in addressing sickness absence levels.

12.3   There had been a significant reduction in formal cases logged with HR Services in February 2018 compared to the previous month. The possible reasons for this had been detailed in the report. Although there had been no formal bullying and harassment cases in the last quarter, the Dignity at Work survey had indicated there had been some bullying and harassment. This had been discussed by the NSS Partnership Forum and the Executive

Management Team. A short life working group was to be established to look at this in more depth. The group would hopefully report back to the NSS Partnership Forum at its June 2018 meeting.

12.4   In response to the reported increase in lost hours to stress and mental health, A Stewart advised that support continued to be provided to managers in order to ensure anxiety at work was managed effectively as part of the absence management requirements. A lot of work was going on in Healthy Working Lives in relation to this and action plans were in place which had been discussed in partnership. Outputs suggested that it was not just work related for those staff experiencing stress and mental health. However, this needed to be evaluated and A Stewart would be examining the impact and trends for discussion by the Executive Management Team.

13.   UPDATE ON DIGITAL TRANSFORMATION

13.1   This item was brought forward on the Agenda. A brief update on the NSS Digital Transformation programme had been circulated for information (paper **B/18/52** refers). The document was received without further discussion.

14.   UPDATE ON PUBLIC HEALTH BODY

14.1   This item was brought forward on the Agenda. Members noted the update on progress with the creation of a new public health body (paper **B/18/54** refers). A page on the NSS intranet, geNSS, had been established to share news with staff about the new body; this included the recently released newsletter from the Public Health Reform team.

15.   NSS AUDIT AND RISK COMMITTEE UPDATE

15.1   M McDavid highlighted the work of the Audit and Risk Committee (paper **B/18/49** refers). The Committee's discussions on eHealth funds had been covered earlier on the Agenda. Members noted the progress with service audits and the governance process for the extension of service and internal audit contracts.

16.   HIGHLIGHTS FROM NSS BOARD COMMITTEES

16.1   The Members noted the report from the Chairs of the NSS Board Committees which highlighted key issues and risks for the Board's attention, emerging themes for Board awareness, governance improvements, and any other matters of interest since the last Board meeting (papers **B/18/50** and **B/18/50a** refer). E Ireland referred to J Deffenbaugh's emailed comments and highlighted the discussion the NSS Staff and Governance Committee had had around equality and diversity at its February 2018 meeting. This had raised a number of issues which management had addressed and would be picked up at the NSS Board Development Session. J Burgess referred Members to the Adverse Events Management (including Duty of Candour) Policy and the decision of the NSS Clinical Governance Committee for this to be submitted to the May 2018 meeting of the NSS Staff Governance Committee in order to gain a balanced view from patients and staff. Members noted that NSS was working to ensure the policy was aligned with the Whisleblowing Policy. No necessary changes to that policy had been identified so far.

17.   UPDATE ON REGISTER OF INTERESTS

17.1   The Members noted the updated Register of Interests for NSS Board Members and were reminded that they should provide the Board Secretary with any updates (paper **B/18/51** refers).

18.   UPDATE ON COMMUNITY HEALTH INDEX (CHI) AND CHILD HEALTH SYSTEMS

18.1   Members had been circulated with a copy of the slide deck for the presentation on CHI and Child Health Transformation Programme to the April 2018 meeting of the Health Board Chief Executives (paper **B/18/53** refers). M Bell updated Members on progress and the complex decision still to be taken around this programme. The business case would be discussed by the April 2018 meeting of the NHS Board Chief Executive's and thereafter by the NHS Chairs at their meeting in May 2018. Once a decision had been taken on CHI and Child Health systems, Members asked for the issue to be revisited by the NSS Audit and Risk Committee and for clarity to be sought on accountability for discussion by the NSS Board. M Bell would inform James Hall, Interim Director of Information Technology of the Board's request.

M Bell/J Hall [Future ARC and Board]

19.   NSS BOARD SUB-COMMITTEE MINUTES

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

(i)   Approved Minutes of the NSS Audit and Risk Committee meeting held on 1 December 2017 (paper **B/18/56** refers).

(ii)   Approved Minutes of the NSS Performance and Finance Committee meeting held on 25 October 2017 (paper **B/18/57** refers).

(iii)   Approved Minutes of the NSS Clinical Governance Committee meeting held on 1 December 2017 (paper **B/18/58** refers).

(iv)   Approved Minutes of the NSS Staff Governance Committee meeting held on 30 November 2017 (paper **B/18/59** refers).

(v)   Report on the NSS Remuneration and Succession Planning Committee meeting held on 1 March 2018 (paper **B/18/60** refers).

20.   ANY OTHER BUSINESS

20.1   There was no other competent business.

21.   DATE OF N EXT MEETING

21.1   The next Public NSS Board Meeting would be held on Friday, 29 June 2018.

There being no further business, the meeting finished at 1310hrs.

NSS Career Break Policy

Date Published: March 2018
 Version: V2.0
Owner/Author: Employee Relations and Reward Team

DOCUMENT CONTROL SHEET

Key Information:

Title:	*NSS Career Break Policy*
Date Published/Issued:	
Date Effective From:	
Version/Issue Number:	V2.1
Document Type:	Policy
Document status:	Final
Author:	Employee Relations and Rewards Team
Owner:	HR
Approver:	NSS Partnership Forum
Approved by and Date:	
Contact:	HR Services
File Location:	HRBCS/HR/Employee Engagement/Policy Design and Development/HR Policies

Revision History:

Version:	Date:	Summary of Changes:
V.1.0	01/14	Updated on receipt of PIN guidance
V.2.0	08/17	Review and Update on receipt of Framework PIN Policy under Supporting Worklife Balance PIN

Contents   **Page Number**

1. Introduction

NSS is committed to equal opportunities and the promotion of flexible, employee-friendly work practice opportunities for all members of staff.

By implementing this career break policy the organisation aims to create an environment which will allow all employees to utilise their skills, talents and expertise and thereby allow it to both recruit and retain a well-motivated and committed workforce.

The purpose of the career break policy is to provide a methodology in appropriate circumstances for staff to leave their employment on a long-term basis (for example, two years).

Some examples of where applications could apply are in the context of:

- Caring for a dependent relative;
- Continuing childcare following a period of maternity leave; or
- Undergoing further education and training of mutual benefit to employee and employer.
- Long term overseas Travel

However, the policy is not intended as a means of dealing with short-term emergencies for which other forms of leave would be more appropriate.

This policy will enable staff to keep up to date with the workplace during their career break and assist them where possible with affecting a return to work at the end of the agreed break.

Should members of staff have any difficulties with understanding any aspect of this policy, or require further information in respect of accessibility, interpretation or application of the policy, they should contact HR, their Line Manager or Trade Union Representative.

2. General Principles

- A career break is a variation in contract for a specified period of time. The member of staff applying for a career break should understand that , depending on the length of the career break, it may impact on their pension rights. They should check the terms of the pension scheme they are a member of as they will be subject to the rules of that scheme.

- The policy is designed to enable staff to take an unpaid break from work but who would like to return to the NHS at a later date, e.g. after a course of further education, bringing up children or having cared for a dependent relative. A career break will not be allowed for the purpose of taking up alternative employment.

- Where a career break has been agreed the employee will be issued with a career break agreement, this will cover the agreed amount of hours to be worked within a career break, being no less than 15 hours per annum. These will be recorded as Keeping in Touch Days in SSTS.

- For the procedure on how to apply for a career break, see Appendix A Application procedure.

- Key responsibilities held under this policy can be found in the Responsibility Matrix found under Appendix B.

2.1 Eligibility

- All staff must have at least 12 months' service with the organisation to be eligible to take a career break. Each application will be considered on the merits of the individual case and, where possible, a decision made within 14 calendar days following receipt of a formal application.

   Full details should be provided in writing to the employee if an application has been rejected or delayed, clearly explaining the reasons for doing so.

- The applicant has a right to appeal where a request has been refused. The mechanism for doing so is left to the discretion of the organisation.

2.2 Duration of Career Break

The maximum period for a career break is two years. A member of staff may, however, take a number of breaks throughout their employment provided that the total periods of absence do not exceed five years. Once a Career Break has been agreed it cannot be extended. A new application must be made for each break requested.

3. Terms and Conditions of Employment

3.1 General Conditions

Any periods of paid NHS employment during the break (as agreed at the outset of the break with the employer) will however count as reckonable service.

The period of the career break will not count as a break in service for NHS continuous service purposes, although the break will not itself count as reckonable service.

3.2 Superannuation

The NHS scheme provides for members of both the 1995 and 2008 sections (excluding locum practitioners) who are on an authorised break (including a career break), to choose to continue to pay contributions towards membership for a limited period. This is provided that their contract of employment is retained. Members who choose to continue to pay contributions to the scheme can do so for a period of six months. During this period, contributions also remain payable by the employer.

The member can choose to extend the period for a further 18 months. However, if this

option is taken, the member would be responsible for payment of both employee and employer contributions. **Please note** that contributions must be paid for the first six months to allow the member the option to extend for a further 18 months if required.

Contributions should be submitted by employers in the same way each month as for all other active members. These should not be paid as arrears on return to work. The employer should make arrangements with the member before the leave begins, to collect the contributions due and pay promptly to Scottish Public Pensions Agency (SPPA). It is not compulsory for a member to
continue to pay contributions during an authorised break. If a member chooses not to continue with their membership of the scheme, employers must submit leaver information to SPPA in the normal way.

Members of the scheme should check their positions with SPPA in respect of pension before embarking on a career break.

This is advisable as changes to the scheme may affect which scheme or section of the scheme the member is able to join on return to employment if there has been a break in payment of contributions. Those who hold "Special Class" or "MHO" status should especially check whether this can be retained. A new Scheme is being introduced in 1 April 2015. However, members who were within 10 years of their scheme pension age as at 1 April 2012 and have less than a five-year break in pensionable employment will retain a right to re-join their original section of the scheme. Full details of the changes are published in the SPPA website at www.sppa.gov.uk

3.3 Lease Cars

A member of staff who is provided with a lease car will be required to return the car to the Car Leasing Section for the period of their career break.

The full leasing cost of the vehicle will be borne by the employee if it is retained during a career break. The individual is advised to discuss the matter with a member of the Car Leasing Team prior to embarking upon such a break.

In the event of a lease vehicle being returned, a termination fee may apply.

3.4 Organisational Change

The Organisational Change policy will apply equally to employees on career break and, consequently, where redeployment attempts are unsuccessful normal redundancy procedures will apply. Redundancy payments will be calculated in accordance with NHS Terms and Conditions.

3.5 Sick Leave

As there is a contract of employment in place for the duration of a career break, there is an entitlement to provisions under NHS Sickness Benefits scheme.

3.6 Annual Leave

As there is a contract of employment in place this will influence the provision of Annual Leave. Annual Leave entitlement will be accrued during Keeping in Touch (KIT) days.

3.7 Maternity, Parental, Paternity provisions

As there is a contract of employment in place this will influence the provision. Entitlement should be discussed with your Line Manager.

4. Returning to work following Career Break

4.1 While no guarantee of re-engagement into previous post can be given for career breaks that span across more than two years, every effort will be made to place individuals in posts of a similar grade and responsibility to that held prior to the break, taking into account the employee's experience, achievements and qualifications.

Consideration must be given to NSS's Organisational Change toolkit and Redeployment policy, as applicable.

4.2 The individual on a career break should provide three months' notice to the designated manager as to their intention to return to the organisation following their career break. For career breaks that span more than two years and re-engagement into previous post cannot be guaranteed, guidance will be given to employees on how to access the internal vacancies bulletin.

4.3 If, before starting a career break, an employee works in a part-time/job share arrangement every effort will be made to allow the employee to be re-engaged on that basis. In normal circumstances the provisions available through the NSS Redeployment policy would apply. However, should the employer become involved with organisational change this may have a significant bearing on the employer's ability to make any role available. As such the employer is unable to provide any firm guarantee as to re-engagementat the end of any career break in an organisational change situation..

4.4 In the event of any organisational change, any individual on a career break will be notified as soon as is reasonably practicable in order to make them aware of any proposed changes and the effects this may have on them.

4.5 To ease the transition back to work, and if a vacancy exists for which the individual is suited, it may be possible to offer re-employment on a part-time basis for up to three months before returning to the normal hours for the role. This must be discussed with the relevant line manager at the time of notifying the employer of their wish to return to work.

5. Useful Information

Other policies/guidance that you may find useful include:

- NSS Flexible Working Policy
- NSS Parental Leave Policy
- NSS Maternity Leave Policy
- NSS Redeployment Policy

The following websites may also be of interest:

- geNSS NSS Values page

- Staff Governance – www.staffgovernance.scot.nhs.uk
- Department of Business Innovation and Skills- www.bis.gov.uk
- Scottish Public Pensions Agency-www.sppa.gov.uk

6. POLICY REVIEW

This policy will be reviewed two years from its effective date to ensure that arrangements put in place are appropriate to the operating requirements of National Services Scotland (NSS).

Date Policy is effective:

Reviewed by:
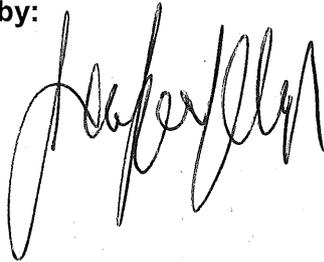
Agreed by: Date: *16 5.18*

Appendix A: Application Procedure

Employees who are considering making application for the scheme should arrange to discuss the matter with their line manager in the first instance. They should also contact their pension scheme contact.

The line manager should:

• Ensure that the employee has the necessary information with which to make an informed decision as to the appropriateness or otherwise of making an application for a career break;

• Gain an understanding of the circumstances involved and discuss the options available to the employee and where relevant, the duration of any career break required;

• Ensure, by providing a copy of the career break policy, that the employee is appraised of the process involved in making an application; the resultant loss of contractual rights for the duration of the career break; the requirements placed upon them while on a career break; the management commitment; and the process involved in effecting a return to work at the end of the career break.

1. The Application Form available on HR Connect should be used to progress any application formally allowing at least three months before the start of the proposed break.

2. If the application is approved, the employee will be issued with appropriate documentation by the HR department which requires an agreement to abide by the terms and conditions of the career break. The employee will be issued with an alternative annual hour's contract. This contract should enable the member of staff to keep in touch and remain up to date with their required continuous professional development. The hours to be worked within the career break agreement should be mutually agreed between the member of staff and their manager. It is however recommended that these should not be less than 15 hours per annum.

   Managers will be reminded by the HR department at the end of each financial year of their need to ensure that staff on career breaks have complied with the terms and conditions outlined in the career break agreement.

3. Where an application for a career break is refused the employee should be advised in writing as to the reasons for refusal, and be provided with detail as to the mechanism for lodging an appeal.

Appendix B: NHS National Services Scotland

NSS Career Break Policy

Responsibility Matrix

Member of staff	Line Manager	SBU Director	Human Resources
Employees are required to have fully considered the implications and potential loss of any contractual or pension rights **before** committing to a career break. Employees are also expected to fulfil the following requirements whilst on a career break: - Maintain any professional membership or state registration where this is required for employment purposes. It is the responsibility of the employee to ensure they maintain practice to the relevant regulatory standard required to continue practice;	The organisation is committed to ensuring that, as far as is reasonably practicable, employees returning from a career break shall be considered for any vacant post at the same grade and undertaking the same type of work as that undertaken prior to the career break. However, it may be that the organisation finds itself in a position where it is unable to identify any suitable vacancy. As the organisation cannot provide any firm guarantee of re-employment at the end of any agreed break, the employee should take full cognisance of this before making any decision to embark upon a career break.	To review Requests for Requests from within SBU and determine, based on NSS Policy guidelines and service requirements, whether or not to approve.	Review requests (approved and rejected) to ensure compliance with NSS policy. Ensure that the managers are aware at the end of the financial year that employees should have completed the minimum amount of hours worked set out in their Career Break Agreement. These will be recorded as Keeping in Touch days in SSTS.

- Keep their knowledge updated by reading relevant professional journals and attend professional meetings, journal clubs, etc.; and - Any other additional measures agreed with their Line Manager at the outset of the career break with a view to maintaining/updating/refreshing their knowledge and skills. - Advise their manager of any change in circumstances e.g. change of address during their leave.	The employer and employee will agree at the outset of any career break an appropriate level and method of maintaining communication with a view to ensuring that the individual is kept informed as to any relevant factors relating to the workplace.		

RELOCATION POLICY

DOCUMENT CONTROL SHEET

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David Knowles	Director P&CFS	06.11.17	V2.0
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NSS Partnership Forum		February 2018	V2.0

Contents   **Page Number**

1. INTRODUCTION

In providing an effective service staffed by appropriately experienced and qualified people, NSS may require to recruit staff from out with the area, or to transfer existing staff to new operationally determined locations. These situations may result in a need for these individuals to move home.

NSS will facilitate such moves of home by providing financial assistance towards certain expenses commonly incurred. It is in the interests of employees and the organisation that such moves be completed with minimum disruption to both personal and working life and NSS is committed to ensuring the fair and equitable implementation of this policy.

Should members of staff have any difficulties with understanding any aspect of this policy, or require further information in respect of accessibility, interpretation or application of the policy, they should contact HR, their Line Manager or Staff side Representative.

2. GENERAL PRINCIPLES

2.1 Eligibility

Assistance with certain relocation costs may be made available to employees who, on taking up employment with NSS require to move home in order to fulfil the requirements of the role.

Assistance with certain relocation costs may also be afforded to employees who as a result of a compulsory transfer within NSS are required to move home in order to fulfil a contractual or operational commitment of their role. This will apply where the employee is occupying a permanent rather than a secondment or fixed term post.

To qualify for assistance such moves, must be to within one hour's travelling time of the proposed new home address, at peak times, of the employee's recognised base, or to meet some other criterion specified by NSS. Criteria such as role requirements and travel options will be considered in a discussion with the Line Manager. Claims should be submitted through completion of the Relocation Expenses Claim Form. Evidence of expenses incurred (receipts or invoices) must be provided. Relocation expenses agreed will be confirmed in writing to the employee.

2.2 Partners

Employees are required to declare at the outset if a partner or other member of their household is eligible to claim relocation expenses from another employer/source (or same employer) in respect of the same move. No payment will be made by NSS for any expense that is being paid from another source. Efforts will be made to reach agreement on the level of assistance offered but the Director of HR and Workforce Development has discretion to modify the package as considered appropriate in the circumstances

2.3 Time Limit

All aspects of the removal should normally be concluded within a period of twenty six weeks effective from the commencement date in the post or new location to which the relocation expenses relate. The SBU Director may agree to extend this period to take account of special circumstances/difficulties. Such extensions will normally be up to a maximum period of thirty nine weeks. Requests to extend the period to up to one year may only be considered by the Director of HR and Workforce Development on receipt of a full stated case.

3. RELOCATION EXPENSES COVERED BY THE POLICY

A maximum of £8000 (including VAT) can be claimed within the terms of this policy. NSS will reimburse reasonable relocation costs in respect of the following elements of relocation:
- Legal and Related Expenses
- Furniture Removal
- Subsistence

It is the individual's responsibility to co-ordinate all aspects of the removal.

3.1 Legal and Related expenses

NSS will consider reimbursement of reasonable legal conveyancing and estate agency services costs in connection with one house sale and/or one house purchase. Legal and related expenses are only included in respect of property within Great Britain and Northern Ireland.

The employee will be responsible for any additional costs such as Mortgage Insurance, any additional advertising and/or marketing costs agreed with the selling agents, more detailed survey reports than those contained in the home report.

Where an employee is not purchasing a house in the new area, these provisions may be extended to cover certain initial legal/administrative expenses associated with leasing a home in the new area.

Similarly, where an employee presently owns a property and decides to lease it as an alternative to selling, reasonable initial administrative/legal costs may be met, in addition to reasonable expenses in connection with house purchase in the new area. It should be noted that no expenses will be met in respect of the subsequent sale of the old property unless it is completed within the agreed timescales specified above. Where such expenses are met, previously paid leasing costs will be offset against them and the employee will be liable to pay the difference.

3.2 Furniture Removal

NSS will consider reimbursement of reasonable costs associated with household removal, storage and standard indemnity insurance cover. Furniture removal expenses would only apply within Great Britain and Northern Ireland or from port of entry if moving from abroad. Employees are responsible for the cost of removal,

insurance and storage of unusual or specialised or dangerous items or furniture or equipment owned by an organisation other than NSS.

Employees must obtain three written quotations for furniture removal and although they may choose which organisation to use, will only be reimbursed the equivalent of the lowest quotation including standard insurance.

3.3 Subsistence Allowance

Where an employee necessarily occupies temporary accommodation in the new area, a subsistence allowance for a period up to the date of removal into the permanent new accommodation may be payable, for a maximum period of thirteen weeks. The rate payable will be in accordance with that set out in the NHS Agenda for Change Terms and Conditions of Employment Handbook. Payment for medical staff will be in accordance with the appropriate terms and conditions for medical staff and will be confirmed on a case by case basis.

If it can be demonstrated that it is no more expensive to obtain a short term furnished let for the same period, rent may be reimbursed for a maximum period of thirteen weeks as an alternative to subsistence allowance.

4. TERMS AND CONDITIONS OF EMPLOYMENT

4.1 Employees Leaving NSS

With the exception of cases of redundancy, ill-health or age retirement, or death in service or TUPE situation all or part of the costs and allowances paid to an employee in respect of the relocation will require to be repaid should that employee leave the employment of NSS **within two years** of the date of commencement in the post or new location to which the relocation expenses relate. In such cases repayment on a pro-rata basis equal to the unexpired portion of the two year period will be required.

4.2 Tax Implications

Employees should note that in some circumstances the receipt of the relocation package may result in a tax liability and that they have a duty to satisfy themselves on the nature and scope of such liability. As the relocation is job related, the first £8,000 is exempt from tax provided that certain conditions are met, including that the new property is the employee's main residence.

5. USEFUL INFORMATION

Other policies/guidance which you may find useful include:
- NSS Recruitment and Selection Policy
- NSS Working at Home and Working from Home Policy
- NSS Standard for Allowances

The following websites may also be of interest:

- Staff Governance - www.staffgovernance.scot.nhs.uk
- Department for Business, Energy and Industrial Strategy
https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy
- ACAS - www.acas.org.uk

- NHS Agenda for Change Terms and Conditions of Employment - http://www.msg.scot.nhs.uk/pay/agenda-for-change
- Inland Revenue - www.hmrc.gov.uk

6. POLICY REVIEW

This policy will be reviewed two years from its effective date to ensure that arrangements put in place are appropriate to the operating requirements of National Services Scotland (NSS).

Date Policy is effective:

Reviewed by:
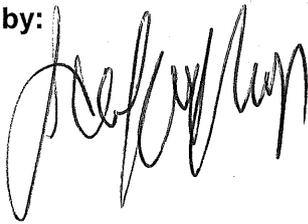
Agreed by:

Date: *[signature]*

Data Protection Policy

Date Published: May 2018
Version: V 2.1
Owner: Associate Director of Corporate Affairs and Compliance/ Acting Senior Information
Risk Owner (SIRO)
Author: Patricia Ruddy, NSS Head of Data Protection / Data Protection Officer

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1.2 draft	14.12.15	Review and revision of policy and transfer to new policy template – IGG review	NSS Privacy Advisor	No
1.3	January 2016	Review and revision of policy and transfer to new policy template – IGG revisions included, for consideration by Corporate Policy Group	NSS Privacy Advisor	No
2.0 draft	2018	Review and revision of policy – preparation for GDPR	NSS Privacy Advisor	No
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1.   **SUMMARY**

NHS National Services Scotland (NSS) is required to comply with data protection law. Data protection law balances the need of organisations to collect and use personal data for clearly defined purposes with the right of individuals to privacy.

From 25 May 2018, the EU General Data Protection Regulation (GDPR) introduces new data protection law which extends the rights of, and protections for, all living individuals' personal data. The UK is also enacting a new Data Protection Act in 2018, which implements the GDPR and other related European privacy law.

Until then, the Data Protection Act 1998 (DPA 1998) applies. The DPA came into force on 1 March 2000 and was set up to establish a framework of rights and duties in order to protect all living individuals' personal data.

This policy sets out the NSS approach to the handling of personal data in compliance with data protection law. It applies to all services provided and supported by NSS and all staff who work for or under contract to NSS, including contractors, students, agency, bank staff and volunteers.

2.   **AIM OF THE POLICY**

NSS uses patient and donor data for a variety of administrative, research and medical purposes. In addition, NSS needs to collect, process and keep a variety of sensitive and personal data about people in order to carry out its functions as a public authority and perform business operations in support of these. This includes data on employees, suppliers, contractors, donors, patients, clients/ customers and others with whom it communicates. The aim of the policy is to help ensure that all such personal data is dealt with lawfully, properly and securely no matter how it is collected, recorded and used – whether on paper, on electronic devices such as a computer or laptop, or recorded in other ways.

Should members of staff have any difficulties with understanding any aspect of this policy, or its application, they should discuss this with their Line Manager and if necessary seek further advice from Strategic Business Unit (SBU)/ Directorate data protection/ information governance leads or organisational information governance leads e.g. NSS Data Protection Officer.

3. SCOPE OF THE POLICY

The policy covers:

- All services provided and supported by NSS
- All staff who work for or under contract to NSS, including contractors, students, agency, bank staff and volunteers

All staff must meet the standards of practice outlined in this document as well as those included within their terms of employment. Those who are registered healthcare professionals must also keep to their own regulatory organisation's standards of conduct and practice.

4. DEFINITIONS OF PERSONAL DATA

Data protection law applies to 'personal data'. It applies to both automated personal data and to manual filing systems where personal data are accessible according to specific criteria. This could include time- ordered sets of manual records containing personal data.

From 25 May 2018, 'personal data' means information relating to an identifiable, living person who can be directly or indirectly identified, in particular by reference to an identifier. A wide range of personal identifiers meet the definition of personal data, including name, identification number, location data or online identifier.

Stricter conditions apply to the use of 'special categories' of personal data. These are defined as personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, and the use of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health and or data concerning a natural person's sex life or sexual orientation. Similar, stricter conditions also apply to personal data relating to criminal convictions and offences.

The relevant definitions set out in the DPA 1998, which applies until 25 May 2018, are included in Appendix 1.

Directly and indirectly identifiable

Some items of information about people, for example 'name', identify them directly, and are therefore personal data and protected by data protection law. Other items of information, such as date of birth and full postcode, may lead to the indirect identification of a person, and must therefore be treated with care. Where statistics are derived from a small number of individuals, indirect identification of individuals may also become possible.

When questions arise on the risk of indirect identification, an assessment needs to be made on the information and the risk of disclosure of an individual's identity. This includes a review, informed by senior staff, such as the Caldicott Guardian, within the Strategic Business Unit (SBU) or Directorate, and the application of statistical disclosure controls where appropriate. This enables a decision to be made on how the information is to be handled.

5. DATA PROTECTION PRINCIPLES

NSS must carry out its functions as a public authority, and its business operations in support of these, in compliance with the following principles. From 25 May 2018 these state that personal data must be:

(a) Processed lawfully, fairly and in a transparent manner in relation to individuals;

(b) Collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes shall not be considered to be incompatible with those purposes;

(c) Adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;

(d) Accurate, and where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed are erased or rectified without delay;

(e) Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to the implementation of the appropriate technical and organisational measures required by the GDPR in order to safeguard the rights and freedoms of individuals;

(f) Processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.

Data protection law also requires that compliance with these principles can be demonstrated through evidence such as policies, procedures and relevant documentation of processing activities.

The principles set out in the DPA 1998, which applies until 25 May 2018, are included in Appendix 1.

6. **POLICY STATEMENT AND COMMITMENT**

In order to fulfil its obligations under data protection law NSS is committed to:

- Making people aware when collecting personal data about them, and outlining the ways in which that information will be used;

- Observing fully conditions regarding the fair collection and use of personal data; in particular ensuring that in its publication and release of information, adequate steps- including an assessment of risks, record-keeping of considerations and techniques such as redaction and anonymisation - are taken to minimise the risks to individuals' privacy;

- Meeting its legal obligations to specify the purposes for which personal data are used;

- Collecting and processing appropriate personal data, only to the extent that it is needed to carry out our functions as a public authority, fulfil operational needs or to comply with any legal requirements;

- Retaining personal data only for as long as needed;

- Ensuring that people about whom it holds personal data can exercise their rights fully under data protection law;

- Taking appropriate technical and organisational measures to safeguard personal data;

- Ensuring that personal data are not transferred abroad without suitable safeguards.

This is achieved through:

- The use of privacy notices to inform people about the collection and use of their personal data, detailing all of the information to which they are entitled under data protection law.

- Until 25 May 2018, notification with the Information Commissioner of all processing of personal data within NSS. The notification number for NSS is *Z5801192*.

- The identification of a designated Data Protection Officer (DPO), responsible for advising on and monitoring data protection practice in the organisation. NSS is required to ensure that the DPO is resourced adequately, operates independently and reports to the highest management level of NSS i.e. board level.

- Training for all NSS staff in information handling, information security, information governance and compliance, to ensure that everyone understands their responsibility under data protection law.

- In accordance with NSS Records Management and Information Security policies, the appropriate retention, and thereafter disposal, of personal data that is out of

date and of no essential value to the legitimate operation of the organisation.

- The implementation of procedures to safeguard the rights conferred on people by data protection law.

- The maintenance of relevant documentation about the processing of personal data by NSS, including keeping an up to date Information Asset Register (IAR), appropriate data sharing agreements and contractual documentation.

- The appropriate integration of data protection into processing activities, including the conduct of data protection impact assessments (DPIAs) where appropriate, helping to ensure privacy by design.

- The notification of the Information Commissioner's Office, and in some cases the person/ people affected, when certain types of personal data breach have occurred. A personal data breach means a breach of security leading to the destruction, loss, alternation, unauthorised disclosure of, or access to, personal data.

- The regular monitoring, review and audit of the way in which personal data are collected, stored and used by NSS.

7.   SPECIFIC RESPONSIBILITIES

Chief Executive

The Chief Executive has overall accountability for NSS's compliance with data protection law, the common law duty of confidentiality and associated regulations.

Directors

The Chief Executive delegates day-to-day responsibility for NSS`s operational compliance to his direct reports. They are responsible for the day-to-day management of the risks associated with the processing of personal data, and for ensuring the development of specific operational procedures required for the proper processing of personal data in their area. Directors must ensure there are clear procedures in their

area for enabling safe, appropriate access to personal data and that the Data
Protection Leads in their SBU/ Directorate undertake the training required for their role.

NSS Information Governance Committee

The NSS Information Governance Committee, a Board sub-Committee, monitors the
compliance of NSS with its data protection obligations, along with the other information
governance regulatory and policy obligations that are monitored as part of its remit.

NSS Senior Information Risk Owner (SIRO)

The NSS SIRO ensures that NSS information assets and risks are managed such that
data protection compliance obligations are considered appropriately.

NSS Associate Director of Corporate Affairs and Compliance

The NSS Associate Director of Corporate Affairs and Compliance ensures that all
policies and procedures concerning compliance with information governance and data
protection law are produced, approved, implemented and monitored.

Information Asset Owners (IAOs)

NSS Information Asset Owners, identified in our Information Asset Register (IAR),
ensure that those information assets which comprise personal data for which they are
responsible are managed in compliance with data protection law.

NSS Head of Data Protection/ Data Protection Officer (DPO)

The Data Protection Officer (DPO) has specific responsibility for:

- Informing and advising NSS and its staff about their obligations to comply with data
  protection law
- Monitoring compliance with data protection law
- Being the first point of contact for the Information Commissioner's Office (ICO) and
  people whose personal data are processed by NSS.

SBU and Directorate Data Protection Leads

The SBU and Directorate Data Protection Leads support and inform the work of the
NSS Head of Data Protection/ Data Protection Officer (DPO). They are responsible for
the promotion of data protection good practice in their area and assisting with any
investigations and reviews concerning NSS`s compliance with data protection law.
They also help to ensure adequate training is provided to relevant personnel and a

general awareness is given to all NSS staff.

Line Managers

Managers at all levels are responsible for ensuring they understand this Policy and that the staff for whom they are responsible are aware of, understand and adhere to it. They are also responsible for ensuring staff are updated and supported in regard to understanding and implementing any changes in this policy.

All NSS staff and individuals engaged to work on its behalf

All staff who work for or under contract to NSS, including contractors, students, agency, bank staff and volunteers are responsible for ensuring that they are aware of and understand the requirements incumbent upon them and for ensuring that they comply with these on a day to day basis, seeking support when necessary.

All staff have a duty to report any suspected or actual adverse events associated with the processing of personal data, as specified in the NSS Adverse Events Management Policy. Adverse events include, but are not limited to, the loss or non-delivery of a document containing personal data in the post, or via e-mail, and a mistaken disclosure of personal data to an individual or organisation not entitled to receive it.

Breaches of this policy, and therefore data protection law, may lead to disciplinary action, in line with the NSS Management of Employee Conduct Policy

8. MONITORING OF THIS POLICY

The NSS Associate Director of Corporate Affairs and Compliance will monitor this policy and any associated procedures. It is also assumed that both internal and external audit will review this and associated policies and procedures, when appropriate.

9. POLICY REVIEW

This policy will be reviewed ***one year*** from its effective date to ensure it supports adequately compliance with the new data protection law which comes into force on 25th May 2018, and thereafter every two years to ensure that arrangements remain appropriate to the operating requirements of National Services Scotland.

Date policy is effective:

Reviewed by:

Agreed by: Date:

[signature]
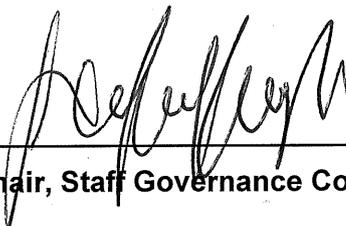
11.9.18
_____
Chair, Staff Governance Committee

APPENDIX 1: Data Protection Act 1998 (DPA 1998)

The Data Protection Act 1998 (DPA 1998) is superseded from 25 May 2018. Until that time the Data Protection Act 1998 (DPA) is the data protection law that applies to our use of personal data. Relevant details of the DPA 1998 are given below.

DPA 1998 Definitions of Personal Data

Under the DPA "personal data" are defined as "data which relate to a living individual who can be identified:

(a) from those data, or

(b) from those data and other information which is in the possession of, or is likely to come into the possession, of the data controller"

This includes any expression of opinion about the individual and any indication of the intentions of the data controller or any other person in respect of the individual.

Stricter conditions apply to the processing of 'sensitive personal data'. Under section 2 of the DPA, "sensitive personal data" are defined as personal data consisting of information as to –

(a) the racial or ethnic origin of the data subject;

(b) his political opinions;

(c) his religious beliefs or other beliefs of a similar nature;

(d) whether he is a member of a trade union;

(e) his physical or mental health or condition;

(f) his sexual life;

(g) the commission or alleged commission by him of any offence;

(h) any proceedings for any offence committed or alleged to have been committed by him, the disposal of such proceedings or the sentence of any court in such proceedings.

DPA 1998 Data Protection Principles

Schedule 1 of the DPA outlines eight principles which underpin the handling of personal data. In order to achieve compliance NSS must ensure that its use of personal data meets the standards set out in these principles which are:

Principle 1 Personal data shall be processed fairly and lawfully.

Principle 2 Personal data shall be obtained only for one or more specified and lawful purposes, and shall not be further processed in any manner incompatible with that purpose or those purposes.

Principle 3 Personal data shall be adequate, relevant and not excessive in relation to the purpose or purposes for which they are processed.

Principle 4 Personal data shall be accurate and, where necessary, kept up to date.

Principle 5 Personal data shall not be kept for longer than is necessary for that purpose or those purposes.

Principle 6 Personal data shall be processed in accordance with the rights of data subjects under the Act.

Principle 7 Appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.

Principle 8 Personal data shall not be transferred to a country or territory outside the European Economic Area unless that country or territory ensures an adequate level of protection for the rights and freedoms of data subjects in relation to the processing of personal data.

APPENDIX 2: USEFUL POLICIES, GUIDANCE AND WEB SITES

Information Governance Policy

Confidentiality Policy

NSS Adverse Events Management Policy

Information Security Policy

IT Acceptable Use Policy and Guidelines

Document Storage, Retention and Disposal Policy

NSS Data Protection Subject Access Request Form and Guidance to Staff

NSS Employee Data Handling within Human Resources

NSS Data Protection/ Privacy Impact Assessment Guidance

NSS Statistical Disclosure Control Protocol

NSS Data Processing Undertakings

NSS CCTV Policy

NSS Data Protection Information Notice

NSS Data Sharing Good Practice Guide

The following website may also be of interest:

Information Commissioner's Office

B/18/103

Minutes (DRAFT FOR APPROVAL)

NHS National Services Scotland

NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

MINUTES OF NSS STAFF GOVERNANCE COMMITTEE MEETING HELD ON FRIDAY, 11 MAY 2018 IN BOARDROOM 2, GYLE SQUARE, EDINBURGH, COMMENCING 0930 HOURS

Present:	Mr John Deffenbaugh - Non-Executive Director [Chair]
	Mr Ian Cant - Employee Director
	Mr Tam Hiddleston - UNISON
	Professor Elizabeth Ireland - NSS Chair
	Mr Gerry McAteer - UNISON
In Attendance:	Mr Bill Connolly, National Fire Safety Officer [Item 10]
	Ms Lesley McNeil - Healthy Working Lives [Item 10] (Depute for Ms Mairi Gaffney – Head of Healthy Working Lives)
	Mrs Jacqui Jones – Director of HR and Workforce Development
	Ms Louise MacLennan - Head of Equality and Engagement [Item 9]
	Ms Hazel Mackay, HR Services Manager
	Mrs K Nicholls – Interim Business Intelligence and Performance Monitoring Lead [Minutes]
	Mr Colin Sinclair - Chief Executive
	Ms Aileen Stewart, Head of Organisational Effectiveness
Apologies:	Mr Mark McDavid - Non-Executive Director

ACTION

1. APOLOGIES AND INTRODUCTIONS

1.1 Mr J Deffenbaugh welcomed all to the meeting and noted apologies as above. Prior to starting the formal business of the meeting, Members were asked to declare any interests in the context of the Agenda items to be considered. No interests were declared.

1.2 Mr J Deffenbaugh advised that for future meetings all those who were presenting a paper should plan on attending the whole meeting so that they could understand how their papers fit into the work of the Committee and see the bigger picture. Also authors of papers to present their paper, which will include a summary at the start which will form the basis of presentation.

2. MINUTES AND MATTERS ARISING FROM STAFF GOVERNANCE COMMITTEE MEETING HELD ON 16 FEBRUARY 2018 [papers SG/18/22 & SG/18/23 refer]

2.1 Following a brief discussion, Members approved the minutes of the meeting held on 16 February 2018. Members noted the updates provided on the action list, and that all outstanding actions were either being taken forward or were covered by the agenda and papers.

2.2 Members also discussed the range of papers received and the amount of overlap between items. For future meetings it may become necessary to combine items so that this duplication was eliminated, e.g.updates on RIDDORs etc.

2.3 Mr J Deffenbaugh asked for clarification on item 4.1 relating to a short narrative on the Great Place To Work Plan (GPTW). Mrs J Jones advised that work on

this was being undertaken by herself and Ms Aileen Stewart and would be reported back to a future meeting as part of the GPTW report. Members also discussed the iMatter review and Mrs J Jones advised that all SBU Directors were looking in detail at this and the results of the Dignity At Work (DAW) survey to complete their action plans.

2.4   Mr J Deffenbaugh asked that the sickness absence figures be broken down further by SBU and a paper prepared on this for the next meeting. **Action: Ms A Stewart to provide paper to next meeting.**   Ms A Stewart

3.   GREAT PLACE TO WORK PLAN 2017-18 END OF YEAR PROGRESS REPORT[paper SG/18/24 refers]

3.1   Ms A Stewart took Members through the content of the paper.
- They noted the progress made, but requested further information in relation to the iMatter and Dignity at Work report.
- Mr T Hiddleston commented that the Bullying and Harassment figures may not truly reflect the experiences of staff. He continued that there were still people who did not feel safe to formally report their experiences.
- Members then discussed how to rectify this and support staff to speak up. Ms E Ireland asked that further work be done around this rather than relying on the two surveys to provide information. She added that staff should be made aware that the Senior Teams and the Board are open to hearing about such things, and all acknowledged that going through the formal process was daunting and difficult. Mr G McAteer added that more work was required in the background to ensure NSS was able to meet the Zero tolerance targets.
- All agreed that none of this truly met the NSS Values to encourage a cultural change and whether it was possible to review the policies. Mrs J Jones replied that this was an NHSScotland policy so would have to be done via the formal route. However, more work could focus on the process/guidelines around this subject and to encourage staff to speak out. She added that there would shortly be a refresh/re-launch of the NSS Values and this would feed into cultural behaviours in NSS. **Action: Mrs J Jones and Mr I Cant to review guidelines etc and report back to a future meeting.**

Mrs J Jones/ Mr I Cant

4.   SCOTTISH GOVERNMENT NATIONAL ANNUAL MONITORING RETURN 2017-18 [paper SG/18/25 refers]

4.1   Members noted the content of the paper and approved it for submission to Scottish Government to meet the deadline of 31st May 2018. It was also noted that much of the information contained had already been discussed under item 4 of these minutes.

5.   NSS STAFF GOVERNANCE 2017/18 ANNUAL REPORT TO THE BOARD [paper SG/18/26 refers]

5.1   Members noted the content of the paper and approved it in full. After a short discussion Mr J Deffenbaugh asked for more reporting on the background and cause unpinning the information contained in the report for future meetings. Members also noted the positive work that was being done.

6.   TERMS OF REFERENCE [paper SG/18/27 refers]

6.1   Members noted the changes made to the Terms of Reference (TOR) they had requested at the previous meeting and approved them as is.

ACTION

7. HR PEOPLE REPORT [paper SG/18/28 refers]

7.1 Members noted the content of the report and asked that for future years this paper and paper SG/18/24 and SG/18/25 be merged into one as there was a lot of repetition and cross over between them. With this in mind Members were content to approve the paper. **Action: Mrs J Jones to ensure that the HR PEOPLE REPORT/ GREAT PLACE TO WORK PLAN 2017-18 END OF YEAR PROGRESS REPORT to be merged for next sessions.**

A Stewart

7.2 Members continued through the paper and asked that their thanks be passed to all staff for their dedication and willingness to go the extra mile during the Red weather warning and subsequent disruption. The Members were also reassured that all staff had been able to access special leave during this period.

7.3 Mr J Deffenbaugh asked for further clarity on the sickness absence figures, particularly those relating to the 'other' category and why this was so high in some SBUs.

- Mr C Sinclair commented that the EMT had already discussed this and it appeared there were no systemic issues relating to this. He continued that the main issue seemed to be incorrect reporting.

A Stewart

- Ms E Ireland asked that Ms A Stewart provide further research around the figures for IT and CEAD and report these back to next meeting. **Action: A Stewart to do further work on IT and CEAD sickness absence trends/reasons for absence.**

8. RESOURCES OVERVIEW – 2017/18 YEAR END [paper SG/18/29 refers]

8.1 Ms A Stewart took members through the paper and noted that year on year there had been an 18% increase of employees within the NSS Redeployment Workforce Resource programme but many had been successful in finding substantive roles.

- Members discussed whether there was enough resource in HR to cope if more people came into the programme.

- Ms A Stewart continued that 15 people on redeployment had left the organisation through voluntary redundancy or voluntary early retirement.   Mr J Deffenbaugh asked what the financial implications of this were, and would they be in year or run over into the next financial year. He continued that this detail should include any anticipated demand from PHI SBU as part of the creation of the new Public Health Body.

A Stewart

- Ms A Stewart confirmed that there had been some slippage and she would report further on these criteria to the next meeting. **Action: Ms A Stewart to provide detail on financial and resource implications around the Redeployment Workforce Resource Programme to next meeting.**

8.2 Members thanked Ms A Stewart and were happy to endorse the paper as is.

9. OCCUPATIONAL HEALTH, SAFETY, WELLBEING AND FIRE 2017/18 ANNUAL REPORT [paper SG/18/30 refers]

9.1 Ms L McNeil and Mr B Connolly took members through the paper and noted the contents. Mr J Deffenbaugh asked that for future meetings a summary be added to the cover sheet highlighting items of interest.   [See note above]

10. HEALTHY WORKING LIVES QUARTER 4 UPDATE [paper SG/18/31 refers]

10.1 Members noted the content of this paper and acknowledged that there was a cross over with previous items so no further discussion was necessary.

ACTION

11. ANNUAL WHISTLEBLOWING REPORT 2017/18 [paper SG/18/32 refers]

11.1 Mrs L Morrow took members through the paper and welcomed any comments.

- She advised that due to the retirement of Ms Noreen Kent (NSS Nurse Director) Ms Jacqueline Reilly would take over as the Whistleblowing Champion for NSS. Members noted that the communications around this change may raise the profile and result in more activity in this area.
- Ms E Ireland added that it was important that staff knew where to go and that the Board were visible to all on this subject matter.
- Mr J Deffenbaugh asked for further clarity on his role as the Whistleblowing champion on the Board. Ms J Jones agreed to circulate this information to him and also to Ms E Ireland for their info. **Action: Ms J Jones to forward role description/guidelines to Mr J Deffenbaugh and Ms E Ireland outwith the meeting.**

J Jones

12. SBU SPOTLIGHT – CLO PRESENTATION

12.1 Ms Norma Shippin, Director CLO took members through a 'spotlight' on the NSS Central Legal Office. Members thanked her for the very informative presentation. This is now a regular feature for the Committee and the next session could focus on the NSS Essential Line Manager Training and NSS Leadership Programme. **Action: Add to agenda for next meeting.**

Committee
Secretary

13. UPDATE ON LESSONS LEARNED FROM SICKNESS ABSENCE PROJECT AND BAU MODEL [item taken out of agenda order]

13.1 Ms H Mackay took members through a short presentation/document that had been prepared in light of the recent NSS Sickness Absence Lessons Learned project and the subsequent internal audit findings.

- It was felt that this was a timely project. Items highlighted included a real focus on Mental Health in the workplace and how this fed into the Great Place to Work programme and the general well-being of staff.
- Members also discussed the high level of absence within SNBTS/P&CFS and BS SBUs.
- Members also noted that the audit had been very positive and work would now focus on the four main areas identified: Data (cleansing and validation); absence targets per SBU; What do these figures mean for NSS, keeping the momentum going in the SBUs as part of business as usual.
- Other items of interest included: supporting work/life balance, mental health in the workplace; diversity of the workforce; gender equality.
- Members thanked Ms Mackay for her informative presentation and look forward to receiving future reports on progress

14. DEVELOPMENT OF GREAT PLACE TO WORK PLAN 2018/19 [paper SG/18/33 refers]

14.1 Ms A Stewart took Members through the paper and advised that it was still in draft as the Dignity at Work data had only just become available and this has been required to feed into future planning. She advised that a short life working group had been established to complete the final plan and Mrs Mary Morgan, Director SNBTS, who was on the group, had already started to engage with the other participants. This was important as the group would not just be HR staff, but would encompass the wider NSS.

14.2 Members noted the content of the draft plan and asked for further updates to be provided at the next meeting. **Action: AS to provide update to next meeting.**

A Stewart

ACTION

15.   **REVIEW OF OCCUPATIONAL HEALTH, SAFETY, WELLBEING AND FIRE PLAN 2018/19 [paper SG/18/31 refers]**

15.1   Members noted the content of the paper and that the topic had already been covered in detail as part of previous items.

16.   **NSS STAFF RISKS – RED AND AMBER [paper SG/18/34 refers]**

16.1   Mrs J Jones took members through the paper and noted that there had not been much movement since the last quarter.   After a short discussion, focusing on the risk around redeployment programme and the fact that this risk reflected the availability of HR resource to support the programme, rather than numbers going through it, Members noted the paper in full.

16.2   Mr J Deffenbaugh and Ms E Ireland asked that HR make sure that all possible risks had been identified and bring more detail to the next meeting. **Action: Mrs J Jones to review all HR risks and update at next meeting.**

J Jones

17.   **EQUALITY AND DIVERSITY UPDATE**

17.1   Ms L Maclennan provided members with a short update on equality and diversity. She advised that following the last SGC meeting an equality action plan was developed collaboratively presented to EMT and endorsed by them.

17.2   She continued that the immediate access issues had been addressed and work was ongoing with key colleagues to carry out an access audit of the NSS buildings, starting with Gyle and Meridian. The NSS ability network had also been contacted directly by the staff at the new SNBTS National Centre in relation to access to the clocking machine which was very encouraging.

17.3   Members noted that Mr C Sinclair and Mr Martin Bell, Interim Director Strategy & Governance Directorate had both attended one of the NSS ability staff network events. They had received firsthand accounts from staff on their experience of disability within NSS.

17.4   Additional items discussed were:

- The next NSS Senior Management Forums would have an equality focus and would reach about 200 senior managers in NSS.
- The short life working group had met to develop the British Sign Language plan for NSS.
- The short life working group had met to scope out the reasonable adjustment passport project and how this would work in practice across NSS.
- The Transgender guide for staff was nearing completion. Work was now being done to look at how this would be implemented.
- A train the trainer pilot had been delivered to 12 staff in PCF. These 12 staff would then rollout across the whole of PCF in 2018-19
- Ms L Maclennan, TU and staff networks delivered an equality session at the NSS board development day.

c

17.5   Members thanked Ms L Maclennan for her informative update and asked that an update on the NSS Reasonable Adjustment Passport (RAP) be provided by her and Mrs J Jones to the next meeting with timelines for implementation. **Action:**

L Maclennan/

Ms L Maclennan and Mrs J Jones to report on the RAP at the next meeting.   J Jones

17.6   It was agreed that Ms L Maclennan should be invited to all future meetings of the Committee, and Equality & Diversity was to be a standing item going forward.
Action: Ms L Maclennan to be added to attendees for all future meetings   Board
and Equality & Diversity was to be a standing item.   secretariat

18.   QUARTERLY FEEDBACK REPORT [paper SG/18/35 refers]

18.1   Members noted the content of the report in full.

19.   PUBLIC HEALTH BODY – UPDATE ON HR ACTIONS

19.1   Mrs J Jones advised that she was able to provide reassurance to the Committee that HR was prepared for any increase in workload that could be associated with the new Public Health Body and what the implications could be for staff within NSS. She continued that as the programme progressed she would provide more detailed updates to the Committee at the next available meeting.

20.   ANNUAL REPORT FROM THE REMUNERATION AND SUCCESSION PLANNING COMMITTEE TO THE NSS BOARD

20.1   This item was not discussed at the meeting.

21.   NSS PARTNERSHIP FORUM UPDATE [SG/18/36 refers]

21.1   Members noted the content of the NSS Partnership Forum update.

22.   OTHER RELEVANT COMMITTEE GOVERNANCE ISSUES

22.1   Members received updates on items of relevance discussed at recent meetings of the other NSS Sub-Committees;

- NSS Clinical Governance Committee focused on blood safety and the transfer arrangements between Ms Noreen Kent (retirement) and Ms Jacqueline Reilly who would be her interim replacement.

- NSS Audit & Risk Committee focused on eHealth recommendations and annual reports as appropriate. There was in depth discussion on how this had affected NSS reputation.

23.   ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT

23.1   Members agreed that the following items should be highlighted:

- The re-launch of the NSS Values
- Conversations – making sure all know that their voices would be heard and to encourage conversations before use of formal policy. Focus on the individual not just the process.
- Spotlight on Essential Line Manager and Leadership Programme for next meeting.
- Focus on the upstream work i.e. feedback on the conversations that take place and other activity that impacts downstream results

24.   ANY OTHER COMPETENT BUSINESS

24.1   Ms E Ireland advised that there had been a question raised by an MSP that there were two different ways of treating staff and senior managers. Mrs J Jones was able to reassure the Committee that this was not the case and

agreed to provide this reassurance in writing to the Committee. **Action: Mrs J Jones to provide reassurance in writing.**

24.2   Mr J Deffenbaugh asked that for future meetings there was an agenda item on meeting closure which would look at what went well, what could have gone better and the quality of papers. **Action: Board Secretariat to programme this in for future meetings.**

Committee
Secretary

25.   POLICIES FOR OVERSIGHT [paper SG/18/17 refers]

25.1   Members noted the content of the NSS Adverse Events Management Policy.

26.   DATE OF NEXT MEETING

26.1   The next meeting was scheduled for 28th September 2018 with the venue to be confirmed, Gyle Square, Edinburgh at 0930hrs.

 There being no further business, the meeting finished at 1300 hrs.

B/18/64

NSS Formal Board Meeting – Friday, 29th June 2018

Chair's Update

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

I am delighted that as we come to review and sign off our annual accounts for 2017-2018 we can reflect on the many ways in which the staff, services and expertise we provide underpin, enable and assist improved outcomes in wellbeing in Scotland. That being said, this few months has required proportionate considered responses into Government – both around the eHealth issues and learning but also on the progress on the Health and Social Care Transformation Plan. I note the views of our CEO and the scale and sense of challenge that is both real and perceived. The way in which the Board – leads, supports and engages with Scottish Government, colleagues in the National Boards and across the care system is critical in keeping a focus on our purpose – which is about improving outcomes – both for people across Scotland – and for all our staff.

I would like to highlight the launch of the National Performance Framework for Scotland and the link to the website as well as the high level schematic that is attached to your papers. I would like to engage with this approach as we move into future strategic discussions for NSS with focus on wellbeing – outcomes and inequalities. http://nationalperformance.gov.scot/

Summary of activities

1. e health
   1. Action plan – on agenda today
   2. Responding to requests for information and comment from SG in preparation for PAPLS. – PAPLS was cancelled on 21.6.18
   3. Board communication and support for letter to Paul Gray
   4. Meeting with Paul Gray and Colin Brown –
   5. Dialogue with SBU directors
2. Transformation Programme Board
   1. The national transformation programme board has had site of the regional and national board plans. These are to be published in June 2018 as position papers. Alongside this the financial framework for health and social care will be published.
   2. At the NSS Board development session in May 2018 we had Phil Raines (Policy Support Manager for Directorate of Strategic Change) to present on the national transformation plan. The CEO continues to engage with the CEO implementation leads and there is a planned meeting for Chairs and CEOs of the National Boards in July 2018.
   3. Digital Strategy – and developments – verbal update from Chair and CEO
3. Board development and Non executive appraisals
4. Scotland national Performance Framework Conference. 11.6.18
5. National Non executive day on Governance
6. Carnegie UK Trust – Kindness Innovation Network

7. Networks – e.g. Church of Scotland : Clyde Gateway;
8. NHS Board Chairs meeting – Julie Burgess as observer
    1. Homelessness
    2. Governance
    3. eHealth
    4. Financial framework for Health and Social Care
9. CMO task force
    1. Formal options appraisal for service model and configuration
    2. Responding to HMICS
10. Board Chairs mentoring
11. Internal
    1. Dental
    2. PFC, A+R, SGC,
    3. Follow up from Board development session on Equality and Disability
    4. Board champions – for decision
    5. Board committee composition – to be agreed
    6. Nurse engagement event – thanks to Noreen Kent
    7. Interviewed for research on Big data
    8. Meetings with Lorna Ramsay
    9. KPMG meeting

Regular meetings and phone calls with CEO.

Professor Elizabeth Ireland
NSS Chair
25.6.18

See attached documents:
   (i)   Letter from Paul Gray – Reducing Health Inequalities
   (ii)   National Performance Framework
   (iii)   Letter from Cabinet Secretary to Health and Sport Committee

Director-General Health & Social Care and
Chief Executive NHSScotland
Paul Gray

T: 0131-244 2790
E: dghsc@gov.scot

Scottish Government
Riaghaltas na h-Alba
gov.scot

NHS Board Chief Executives

    Copy: NHS Board Chairs

Our reference: A21018639

24 May 2018

Dear Colleague

The role of Health and Social Care Partnerships in reducing health inequalities

In my letter dated 19 June 2017 I said that NHS Health Scotland would be bringing out further guidance for Health and Social Care Partnerships.

I am delighted to welcome the publication of *The role of Health and Social Care Partnerships in reducing health inequalities*. It sets out clearly and effectively the role of Health and Social Care Partnerships (HSCPs) and the steps they can take in delivering services in ways which address inequalities in health outcomes and reduce the gap in health and wellbeing across Scotland.

I would therefore be very grateful if you and your delivery partners would agree how best to implement the practical actions identified in ways which will be effective for the people we serve. I am sure that some of this will build on actions already in hand.

You have a duty to contribute to reducing health inequalities as one of the National Health and Wellbeing outcomes. This will require the sort of leadership and momentum which is challenging to create and sustain, but is nevertheless at the heart of what we seek to achieve in addressing Scotland's health inequalities.

NHS Health Scotland, who produced this resource with partners in Health and Social Care and the voluntary sector, are happy to provide further support and guidance on the implementation of the actions.

Yours sincerely

Paul Gray

INVESTOR IN PEOPLE

POSITIVE ABOUT DISABLED PEOPLE

Director-General Health & Social Care and
Chief Executive NHSScotland
Paul Gray

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Scottish Government
Riaghaltas na h-Alba
gov.scot
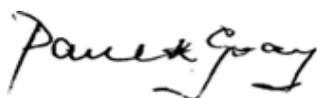
NHS Board Chief Executives

Copy: NHS Board Chairs

19 June 2017

Dear Colleague

Maximising the role of NHSScotland in reducing health inequalities

I am delighted to see NHS Health Scotland's Statement on Maximising the role of NHSScotland in reducing health inequalities. It sets out clearly and effectively the role of NHS Boards, and the steps you can take in delivering NHS services in ways which address inequalities in health outcomes and reduce the gap in health and wellbeing across Scotland.

As you know, reducing health inequalities remains one of my top priorities. I would therefore be very grateful if you and your Board would consider the statement carefully, with a view to agreeing how best to implement the practical actions identified in ways which will be effective for the people we serve. I am sure that some of this will build on actions already in hand.

I am copying this letter to NHS Board Chairs, as Board governance structures will be important in supporting this. I know that this is not something that NHS Scotland can do on its own, and engagement with partners will be crucial – NHS Health Scotland will be bringing out further guidance for Health and Social Care Partnerships by October this year.

I plan to bring this to a meeting of NHS leaders towards the end of this year, and it would be good to have examples to share by then.

Yours sincerely

Paul Gray

INVESTOR IN PEOPLE   POSITIVE ABOUT DISABLED PEOPLE

National Performance Framework

National Performance Framework

www.nationalperformance.gov.scot

Central wheel

OUR PURPOSE
To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth

OUR VALUES
We are a society which treats all our people with kindness, dignity and compassion, respects the rule of law, and acts in an open and transparent way

Outcomes (petals)

- We respect, protect and fulfil human rights and live free from discrimination
- We have a globally competitive, entrepreneurial, inclusive and sustainable economy
- We are open, connected and make a positive contribution internationally
- We tackle poverty by sharing opportunities, wealth and power more equally
- We live in communities that are inclusive, empowered, resilient and safe
- We grow up loved, safe and respected so that we realise our full potential
- We are well educated, skilled and able to contribute to society
- We have thriving and innovative businesses, with quality jobs and fair work for everyone
- We are healthy and active
- We value, enjoy, protect and enhance our environment
- We are creative and our vibrant and diverse cultures are expressed and enjoyed widely

---

National Outcome

National Indicators
- Public services treat people with dignity and respect
- Quality of public services
- Influence over local decisions
- Access to justice

Sustainable Development Goals
- Gender equality
- Reduced inequalities
- Peace, justice and strong institutions
- Partnerships for the goals

National Outcome

National Indicators
- Attendance at cultural events or places of culture
- Participation in a cultural activity
- Growth in cultural economy
- People working in arts and culture

Sustainable Development Goals
- Gender equality
- Reduced inequalities
- Sustainable cities and communities

National Outcome

National Indicators
- Visits to the outdoors
- State of historic sites
- Condition of protected nature sites
- Energy from renewable sources
- Waste generated
- Sustainability of fish stocks
- Biodiversity
- Marine environment

Sustainable Development Goals
- Gender equality
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Responsible consumption and production
- Clean water and sanitation
- Climate action
- Life below water
- Life on land

National Outcome

National Indicators
- Healthy life expectancy
- Mental wellbeing
- Healthy weight
- Health risk behaviours
- Physical activity
- Journeys by active travel
- Quality of care experience
- Work related ill health
- Premature mortality

Sustainable Development Goals
- Gender equality
- Reduced inequalities
- Responsible consumption and production
- Good health and well-being

National Outcome

National Indicators
- The number of businesses
- High growth businesses
- Innovative businesses
- Economic participation
- Employees on the living wage
- Pay gap
- Contractually secure work
- Employee voice
- Gender balance in organisations

Sustainable Development Goals
- Quality education
- Gender equality
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Reduced inequalities
- Responsible consumption and production

National Outcome

National Indicators
- Educational attainment
- Confidence of children and young people
- Resilience of children and young people
- Work place learning
- Engagement in extra-curricular activities
- Young people's participation
- Skill profile of the population
- Skill shortage vacancies
- Skills under-utilisation

Sustainable Development Goals
- Quality education
- Gender equality
- Reduced inequalities
- No poverty
- Zero hunger
- Good health and well-being

National Outcome

National Indicators
- Child social and physical development
- Child wellbeing and happiness
- Children's voices
- Healthy start
- Quality of children's services
- Children have positive relationships
- Children's material deprivation

Sustainable Development Goals
- Quality education
- Gender equality
- Affordable and clean energy
- Reduced inequalities
- No poverty
- Zero hunger
- Clean water and sanitation
- Good health and well-being

National Outcome

National Indicators
- Productivity
- International exporting
- Economic growth
- Carbon footprint
- Natural Capital
- Greenhouse gas emissions
- Access to superfast broadband
- Spend on research and development
- Income inequalities
- Entrepreneurial activity

Sustainable Development Goals
- Quality education
- Gender equality
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Reduced inequalities
- Responsible consumption and production

National Outcome

National Indicators
- A positive experience for people coming to Scotland
- Scotland's reputation
- Scotland's population
- Trust in public organisations
- International networks
- Contribution of development support to other nations

Sustainable Development Goals
- Gender equality
- Industry, innovation and infrastructure
- Reduced inequalities
- Peace, justice and strong institutions
- Partnerships for the goals

National Outcome

National Indicators
- Relative poverty after housing costs
- Wealth inequalities
- Cost of living
- Unmanageable debt
- Persistent poverty
- Satisfaction with housing
- Food insecurity

Sustainable Development Goals
- Gender equality
- Affordable and clean energy
- Reduced inequalities
- Responsible consumption and production
- No poverty
- Zero hunger

National Outcome

National Indicators
- Perceptions of local area
- Loneliness
- Perceptions of local crime rate
- Community land ownership
- Crime victimisation
- Access to green and blue space
- Places to interact
- Social capital

Sustainable Development Goals
- Gender equality
- Affordable and clean energy
- Industry, innovation and infrastructure
- Reduced inequalities
- Clean water and sanitation
- Sustainable cities and communities

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NHS Board Chief Executives,
Directors of Finance,
Integration Authority Chief Officers and
Chief Fianace Officers

By email

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3 May 2018

Dear Colleagues

Letter from Cabinet Secretary to Health and Sport Committee

I attach for your information a letter sent by the Cabinet Secretary for Health and Sport to the Health & Sport Committee yesterday in relation to routine reporting that we will be putting in place from 2018-19.

This includes regular financial reporting of NHS Board and Integration Authorities and updating the Committee on progress on a range of factors relating to Health and Social Care Integration. Once finalised we would also propose that the Medium Term Financial Framework be discussed with the Committee.

It would be helpful to discuss the attached documents with you at our next scheduled meetings.

Yours sincerely
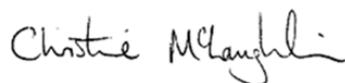
Christine McLaughlin
Director of Health Finance and Infrastructure

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Mr Lewis Macdonald MSP
Convener
Health and Sport Committee
Scottish Parliament

Ref: A20805516
2nd May 2018

Dear Lewis

Thank you for your letter dated 18 April 2018 requesting information to support your budget scrutiny work.

Whilst updating the Committee on the good progress that has been made in consolidating financial reporting of Integration Authorities, I would also like to take the opportunity to provide an update on NHS Boards' financial performance, and the development of a Medium Term Financial Framework for Health and Social Care.

Integration Authorities Consolidated Financial Reporting
Integration Authorities have recently developed a consolidated financial report which relates to delegated responsibilities. This provides useful summary information on areas such as total budget, forecast outturn and total value of set aside budgets. This information will now be provided routinely on a quarterly basis, with this first report produced during March and forecasting the 2017-18 year-end position (see Annex A). For 2017-18, consolidated information shows that Integration Authorities had a total budget of £8.73 billion, including the set aside budget, with the set aside budget representing £0.811 billion of this total (9% of total Integration Authority budgets).

The report represents a positive step forward in setting out the total resource envelope within which Integration Authorities are operating and will allow for greater scrutiny and challenge as a result. Whilst all Integration Authorities produce financial reports which are publically available, this is the first time that a consolidated report has been produced covering all Integration Authorities and the reporting will continue to be refined in order to improve the level of consistency of reporting.

In response to specific concerns raised by the Committee, Integration Authorities have also provided more detailed information about spend on mental health services and spend on Alcohol and Drugs Partnerships (ADPs), which I have also enclosed in this letter for information (Annex B).

For mental health funding, this includes NHS service budgets specifically identified as Mental Health, which are part of Integration Authority budgets. To develop this beyond those core

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budget areas, the Scottish Government and a pilot Integration Authority are now developing a methodology for identifying all mental health related expenditure in Integration Authority budgets, including local authority service spend and all NHS services (including prescribing). This will be used to assess the progress towards achievement of the Scottish Government's target for the share of total resources to support mental health increasing as a proportion of the total health budget.

You asked for an update on progress in providing 800 additional mental health workers between 2018 and 2021-22. This update is being finalised and will be provided to the Committee in advance of the forthcoming evidence sessions.

For Alcohol and Drug Partnerships (ADPs), due to differences in budget structure and monitoring arrangements, some Integration Authorities indicated that separating out ADP funding from other alcohol and drug related services was challenging and could therefore only provide a combined figure. It is nonetheless useful to have this detail and this can be used as the basis for future reporting. This will be particularly key in 2018-19 and beyond, as I would expect a significant increase in spend in 2018-19, reflecting the new investment in this area of £20 million. Letters will be issued to Boards in May setting out allocations and associated Ministerial priorities in relation to the baselined funding for ADPs for delivery of drug and alcohol treatment and support services. Details of additional allocations from the new £20 million investment fund will be set out in due course, following finalisation of the new strategy.

My officials will continue to engage with Integration Authority Chief Finance Officers on the content of these reports and will work to ensure that further updates to the Committee are provided as this detail becomes available. I understand my officials will also discuss in more detail the content of these reports with your Committee clerks and the Scottish Parliament Information Centre (SPICe) and it would be helpful through this to better understand what information the Committee would find useful in support of its work.

It is vitally important that we make progress against our nationally agreed outcomes in relation to Health and Social Integration. That is why I have put in place a comprehensive review of progress against a range of factors, including progress against outcomes, ensuring best use of resources and effective relationships. Progress will be assessed by the Ministerial Strategic Group and I would be happy to share the outputs and any further actions that arise from this, with the Committee.

Medium Term Health and Social Care Financial Framework

During the evidence session on Budget Scrutiny on 9 January we discussed the development of a Medium Term Financial Framework for Health and Social Care. The framework has been developed with contributions from NHS Boards, Integration Authorities and COSLA and provides the financial context in which we will be operating over the next five years. This will set out our understanding of the resources required to meet health and social care needs, our key policy initiatives and how these will influence the future shape of expenditure. It also sets out how the transformation activities of the Health and Social Care Delivery Plan will contribute to delivering sustainable financial balance. Publication of the Health and Social Care Financial Framework will follow the publication of the Scottish Government's forthcoming medium-term financial outlook. The framework not only provides a greater level of transparency on the financial context in which we operate, but also helps to frame the way in which we assess future decisions on the provision of health and social services. I would very much welcome the opportunity to discuss this with the Committee as part of the Budget Scrutiny process.

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Short Term Financial Performance of NHSScotland

The Committee will also be aware, through evidence sessions with individual NHS Boards, that whilst the overall Health and Social Care Portfolio remains in financial balance, we have agreed a level of financial brokerage with three NHS Boards in order to support delivery of safe and effective services. In concluding the financial year 2017-18, I have formally approved requests for brokerage from NHS Ayrshire & Arran (£23 million) and from NHS Highland (£15 million). I expect to receive a formal request for brokerage of £12.7 million from NHS Tayside this week, which takes account of the financial governance review at the Board. The provision of brokerage at the scale outlined (representing less than 0.5% of the overall resource budget) remains within the envelope of our financial planning assumptions and as such, this will be accommodated within the overall Health and Sport portfolio budget, which remains on track to deliver a breakeven position in 2017-18. My overriding concern continues to be the protection of patient care and services.

In 2018-19 NHS Boards will receive funding uplifts of £179 million, with all Territorial Boards receiving a minimum 1.5% uplift, with additional funding for those Boards furthest from NRAC parity. In addition to this there is a further £303 million that will be allocated relating to investment in reform. This will support transformational change, providing additional investment in areas such as primary care and mental health. In addition to this baseline increase, further consequentials arising from the NHS Agenda for Change pay deal in England will also be passed on to Boards.

My officials have recently agreed to provide the Scottish Parliament Information Centre (SPICe) with financial performance returns from NHS Boards on a quarterly basis. These returns show Boards' in-year financial position and a forecast year-end outturn. I am happy to arrange that both the Health and Sport Committee and Public Audit and Post Legislative Committee receive this information monthly. Due to the financial reporting cycle of NHS Boards, the first full set of information is not available until the end of June each year. This will report the position for the first 2 months of April and May 2018 and will be provided to both Committees.

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Integration Authority - Collated Financial Monitoring information 2017/18

Figures in £0.000m

		Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Dumfries & Galloway	Dundee City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	Edinburgh	Eilean Siar	Falkirk	Fife	Glasgow City	Highland
		Grampian NHS	Grampian NHS	Tayside NHS	Highland NHS	Dumfries & Galloway NHS	Tayside NHS	Ayrshire & Arran NHS	Greater Glasgow & Clyde NHS	Lothian NHS	Greater Glasgow & Clyde NHS	Lothian NHS	Eilean Siar NHS	Forth Valley NHS	Fife NHS	Greater Glasgow & Clyde NHS	Highland NHS
	Overview																
	Total Budget (integrated Budget & Set Aside)	308.037	304.812	160.676	262.048	351.469	272.042	243.966	150.914	156.921	127.308	639.868	58.225	208.647	539.343	1,166.457	597.591
	Forecast Out-turn	305.414	309.669	160.102	264.963	352.469	274.236	247.255	152.808	157.420	128.180	645.651	58.140	210.667	553.812	1,162.511	611.134
	Forecast variance (+ = overspend)	(2.623)	4.857	(0.574)	2.915	1.000	2.194	3.289	1.894	0.499	0.872	5.783	(0.085)	2.020	14.469	(3.946)	13.543
F32	Check line			0.000				(0.000)				(0.000)			(0.000)	0.000	
	Forecast variance as % of budget	-0.85%	1.59%	-0.36%	1.11%	0.28%	0.81%	1.35%	1.26%	0.32%	0.68%	0.90%	-0.15%	0.97%	2.68%	-0.34%	2.27%
	Integrated Services (excl Set Aside)																
D19	Integrated Budget (current)	261.337	278.147	148.917	262.048	351.469	250.942	224.700	133.533	135.921	112.747	543.743	52.689	183.601	506.685	1,045.654	597.591
D29	Forecast Out-Turn	264.814	283.004	148.343	264.963	352.469	253.236	227.989	135.427	135.850	113.619	546.779	51.993	185.621	518.843	1,041.708	611.134
D32	Forecast variance (+ = overspend)	3.477	4.857	(0.574)	2.915	1.000	2.294	3.289	1.894	(0.071)	0.872	3.036	(0.696)	2.020	12.158	(3.946)	13.543
	Check line																
	Forecast variance as % of budget	1.33%	1.75%	-0.39%	1.11%	0.28%	0.91%	1.46%	1.42%	-0.05%	0.77%	0.56%	-1.32%	1.10%	2.40%	-0.38%	2.27%
	Funding Impact of Variance (Integrated Budget excl Set Aside)																
D73	NHS Board additional/ (reduced) funding*	0.000	0.000	0.725	1.000	1.000	2.118	0.903	0.000	0.000	0.000	0.000	0.000	0.000	8.754	0.000	13.543
D74	Local authority additional (reduced) funding*	0.000	0.000	0.000	1.915	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.404	0.000	0.000
D75	IJB Reserves to be used (increased)	3.477	0.000	(1.299)	0.000	0.000	0.000	0.000	1.894	0.000	0.872	0.000	0.000	0.000	0.000	(3.946)	0.000
D76	Other	0.000	0.000	0.000	0.000	0.000	0.000	2.386	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
D77	Not yet determined or publicly reported	0.000	4.857	0.000	0.000	0.000	0.176	0.000	0.000	(0.071)	0.000	3.036	(0.696)	2.020	0.000	0.000	0.000
		3.477	4.857	(0.574)	2.915	1.000	2.294	3.289	1.894	(0.071)	0.872	3.036	(0.696)	2.020	12.158	(3.946)	13.543
	Check line																
	Check line																
	Set Aside																
E19	Set Aside Budget	46.700	26.665	11.759	0.000	0.000	21.100	19.266	17.381	21.000	14.561	96.125	5.536	25.046	32.658	120.803	0.000
E29	Forecast Out-turn	40.600	26.665	11.759	0.000	0.000	21.000	19.266	17.381	21.570	14.561	98.872	6.147	25.046	34.969	120.803	0.000
E32	Forecast variance (+ = overspend)	(6.100)	0.000	0.000	0.000	0.000	(0.100)	0.000	0.000	0.570	0.000	2.747	0.611	0.000	2.311	0.000	0.000
	Check line																
	Forecast variance as % of budget	-13.06%					-0.47%			2.71%		2.86%	11.04%		7.08%		
	Funding Impact of Variance (Set Aside)																
E73	NHS Board additional/ (reduced) funding*	(6.100)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2.311	0.000	0.000
E74	Local authority additional (reduced) funding*	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
E75	IJB Reserves to be used (increased)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
E76	Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
E77	Not yet determined or publicly reported	0.000	0.000	0.000	0.000	0.000	(0.100)	0.000	0.000	0.570	0.000	2.747	0.611	0.000	0.000	0.000	0.000
		(6.100)	0.000	0.000	0.000	0.000	(0.100)	0.000	0.000	0.570	0.000	2.747	0.611	0.000	2.311	0.000	0.000
	Check line																
	Balance of Set Aside as % of Total IA Budget																
	Budgeted (Set Aside / Total IA Budget)	15%	9%	7%			8%	8%	12%	13%	11%	15%	10%	12%	6%	10%	
	Forecast (set Aside / Total IA Budget)	13%	9%	7%			8%	8%	11%	14%	11%	15%	11%	12%	6%	10%	

Integration Authority - Collated Financial Monitoring information 2017/18

Figures in £0.000m

		Inverclyde	Midlothian	Moray	North Ayrshire	North Lanarkshire	Orkney	Perth & Kinross	Renfrewshire	Scottish Borders	Shetland	South Ayrshire	South Lanarkshire	Stirling & Clacks	West Dunbartonshire	West Lothian	Scotland Totals
		Greater Glasgow & Clyde NHS	Lothian NHS	Grampian NHS	Ayrshire & Arran NHS	Lanarkshire NHS	Orkney NHS	Tayside NHS	Greater Glasgow & Clyde NHS	Borders NHS	Shetland NHS	Ayrshire & Arran NHS	Lanarkshire NHS	Forth Valley NHS	Greater Glasgow & Clyde NHS	Lothian NHS	
	Overview																
	Total Budget (integrated Budget & Set Aside)	151.004	136.200	132.000	248.553	495.634	48.000	209.891	255.118	166.581	43.579	190.875	531.227	183.570	165.818	225.050	8,731.424
	Forecast Out-turn	150.756	137.100	132.300	253.868	492.101	49.300	209.899	255.731	175.350	46.870	190.718	532.409	187.654	167.095	226.444	8,802.026
	Forecast variance (+ = overspend)	(0.248)	0.900	0.300	5.315	(3.533)	1.300	0.008	0.613	8.769	3.291	(0.157)	1.182	4.084	1.277	1.394	70.602
F32	Check line				(0.000)					(0.000)			(0.000)		0.000		
	Forecast variance as % of budget	-0.16%	0.66%	0.23%	2.14%	-0.71%	2.71%	0.00%	0.24%	5.26%	7.55%	-0.08%	0.22%	2.22%	0.77%	0.62%	0.81%
	Integrated Services (excl Set Aside)																**Int'd (exc set Aside)**
D19	Integrated Budget (current)	134.565	118.300	122.000	225.153	437.080	41.400	192.191	225.518	145.885	39.774	168.459	476.073	163.706	148.752	191.813	7,920.393
D29	Forecast Out-Turn	134.317	118.700	122.300	230.468	433.547	41.900	192.199	226.131	151.187	42.832	168.302	477.255	167.022	150.029	191.654	7,983.635
D32	Forecast variance (+ = overspend)	(0.248)	0.400	0.300	5.315	(3.533)	0.500	0.008	0.613	5.302	3.058	(0.157)	1.182	3.316	1.277	(0.159)	63.242
	Check line																
	Forecast variance as % of budget	-0.18%	0.34%	0.25%	2.36%	-0.81%	1.21%	0.00%	0.27%	3.63%	7.69%	-0.09%	0.25%	2.03%	0.86%	-0.08%	0.80%
	Funding Impact of Variance (Integrated Budget excl Set Aside)																
D73	NHS Board additional/ (reduced) funding*	0.000	0.000	0.000	1.130	0.000	0.500	2.373	0.000	4.859	3.044	0.000	0.164	0.000	0.000	(0.159)	39.954
D74	Local authority additional (reduced) funding*	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.014	0.000	0.982	0.000	0.000	0.000	6.315
D75	IJB Reserves to be used (increased)	(0.248)	0.000	(0.600)	0.000	0.000	0.000	0.000	0.613	0.000	0.000	0.000	0.636	1.145	1.277	0.000	3.821
D76	Other	0.000	0.000	0.900	0.000	0.000	0.000	(2.365)	0.000	0.443	0.000	0.000	(0.600)	0.495	0.000	0.000	1.259
D77	Not yet determined or publicly reported	0.000	0.400	0.000	4.185	(3.533)	0.000	0.000	0.000	0.000	0.000	(0.157)	0.000	1.676	0.000	0.000	11.893
		(0.248)	0.400	0.300	5.315	(3.533)	0.500	0.008	0.613	5.302	3.058	(0.157)	1.182	3.316	1.277	(0.159)	63.242
	Check line																
	Check line																
	Set Aside																**Set Aside**
E19	Set Aside Budget	16.439	17.900	10.000	23.400	58.554	6.600	17.700	29.600	20.696	3.805	22.416	55.154	19.864	17.066	33.237	811.031
E29	Forecast Out-turn	16.439	18.400	10.000	23.400	58.554	7.400	17.700	29.600	24.163	4.038	22.416	55.154	20.632	17.066	34.790	818.391
E32	Forecast variance (+ = overspend)	0.000	0.500	0.000	0.000	0.000	0.800	0.000	0.000	3.467	0.233	0.000	0.000	0.768	0.000	1.553	7.360
	Check line																
	Forecast variance as % of budget		2.79%				12.12%			16.75%	6.12%			3.87%		4.67%	0.91%
	Funding Impact of Variance (Set Aside)																
E73	NHS Board additional/ (reduced) funding*	0.000	0.000	0.000	0.000	0.000	0.800	0.000	0.000	3.467	0.233	0.000	0.000	0.768	0.000	1.553	3.032
E74	Local authority additional (reduced) funding*	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
E75	IJB Reserves to be used (increased)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
E76	Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
E77	Not yet determined or publicly reported	0.000	0.500	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.328
		0.000	0.500	0.000	0.000	0.000	0.800	0.000	0.000	3.467	0.233	0.000	0.000	0.768	0.000	1.553	7.360
	Check line																
	Balance of Set Aside as % of Total IA Budget																**Set Aside as %**
	Budgeted (Set Aside / Total IA Budget)	11%	13%	8%	9%	12%	14%	8%	12%	12%	9%	12%	10%	11%	10%	15%	9%
	Forecast (set Aside / Total IA Budget)	11%	13%	8%	9%	12%	15%	8%	12%	14%	9%	12%	10%	11%	10%	15%	9%

Figures in £0.000m		Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Dumfries & Galloway	Dundee City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	Edinburgh	Eilean Siar	Falkirk	Fife	Glasgow City	Highland
		Grampian NHS	Grampian NHS	Tayside NHS	Highland NHS	Dumfries & Galloway NHS	Tayside NHS	Ayrshire & Arran NHS	Greater Glasgow & Clyde NHS	Lothian NHS	Greater Glasgow & Clyde NHS	Lothian NHS	Eilean Siar NHS	Forth Valley NHS	Fife NHS	Greater Glasgow & Clyde NHS	Highland NHS
Non-Recurring Items : Optional Information (i.e. not all IA's will have provided information)																	
D24	Integrated Budget: Non-recurring budgeted net income		(1.743)	(1.408)								(4.000)		(4.119)			
	As a % of Integrated Budget		-0.6%	-0.9%								-0.7%		-2.2%			
D24	Integd Budget: Non-recurring budgeted net expend									1.800							
	Integrated Budget: Budgeted Savings Target																
D60	Budgeted Savings	(4.315)	(3.550)	0.000	(8.703)	0.000	(5.565)	(1.360)	(5.100)	0.000	(4.380)	(15.872)	(1.593)	0.000	(16.914)	0.000	(39.582)
D62	Forecast savings out-turn	(4.315)	0.000	0.000	(4.660)	0.000	(3.675)	(1.360)	(2.800)	0.000	(3.542)	0.000	(1.466)	0.000	(12.958)	0.000	(30.952)
D64	Variance (+= unfavourable)	0.000	3.550	0.000	4.043	0.000	1.890	0.000	2.300	0.000	0.838	15.872	0.127	0.000	3.956	0.000	8.630
	Check line																
	Variance as a % of Integrated Budget		1.3%		1.5%		0.8%	0.0%	1.7%		0.7%	2.9%	0.2%		0.8%		1.4%
	Integrated Budget: Non-Recurring Savings (included above)																
D67	Budgeted Non-recurring savings (included in out-turn)	0.000	0.000	0.000	0.000	0.000	(1.140)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(16.914)	0.000	0.000
D68	Forecast Non-recurring savings	0.000	0.000	0.000	0.000	0.000	(1.140)	(1.360)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(23.970)
D69	Forecast variance on non-recurring savings	0.000	0.000	0.000	0.000	0.000	0.000	(1.360)	0.000	0.000	0.000	0.000	0.000	0.000	16.914	0.000	(23.970)
	Check line																
	Variance as a % of Integrated Budget							-0.6%							3.3%		-4.0%
D80	Non-recurring funding in current year (separately identified)																
	Integrated Budget: Implied Recurring Savings Targets																
	Budgeted Non-recurring savings (included in out-turn)	(4.315)	(3.550)	0.000	(8.703)	0.000	(4.425)	(1.360)	(5.100)	0.000	(4.380)	(15.872)	(1.593)	0.000	0.000	0.000	(39.582)
	Forecast Non-recurring savings	(4.315)	0.000	0.000	(4.660)	0.000	(2.535)	0.000	(2.800)	0.000	(3.542)	0.000	(1.466)	0.000	(12.958)	0.000	(6.982)
	Forecast variance on non-recurring savings	0.000	3.550	0.000	4.043	0.000	1.890	1.360	2.300	0.000	0.838	15.872	0.127	0.000	(12.958)	0.000	32.600
	Variance as a % of Integrated Budget		1.3%		1.5%		0.8%	0.6%	1.7%		0.7%	2.9%	0.2%		-2.6%		5.5%

Figures in £0.000m		Inverclyde	Midlothian	Moray	North Ayrshire	North Lanarkshire	Orkney	Perth & Kinross	Renfrewshire	Scottish Borders	Shetland	South Ayrshire	South Lanarkshire	Stirling & Clacks	West Dunbartonshire	West Lothian	Scotland Totals
		Greater Glasgow & Clyde NHS	Lothian NHS	Grampian NHS	Ayrshire & Arran NHS	Lanarkshire NHS	Orkney NHS	Tayside NHS	Greater Glasgow & Clyde NHS	Borders NHS	Shetland NHS	Ayrshire & Arran NHS	Lanarkshire NHS	Forth Valley NHS	Greater Glasgow & Clyde NHS	Lothian NHS	

		Inverclyde	Midlothian	Moray	North Ayrshire	North Lanarkshire	Orkney	Perth & Kinross	Renfrewshire	Scottish Borders	Shetland	South Ayrshire	South Lanarkshire	Stirling & Clacks	West Dunbartonshire	West Lothian	Scotland Totals
D24	Integrated Budget: Non-recurring budgeted net income			(2.700)	(1.400)	(3.000)			(1.519)								(19.889)
	As a % of Integrated Budget			-2.2%	-0.6%	-0.7%			-0.7%								
D24	Integd Budget: Non-recurring budgeted net expend		2.300				0.300					0.418				3.258	8.076
	Integrated Budget: Budgeted Savings Target																
D60	Budgeted Savings	(1.557)	0.000	0.000	(6.226)	(3.249)	(0.180)	(4.679)	(1.300)	0.000	(2.079)	(7.469)	(2.625)	0.000	(2.834)	0.000	(139.132)
D62	Forecast savings out-turn	(1.557)	0.000	0.000	(3.742)	(3.249)	0.000	(3.360)	(1.300)	0.000	(0.426)	(6.645)	(2.625)	0.000	(2.554)	0.000	(91.186)
D64	Variance (+= unfavourable)	0.000	0.000	0.000	2.484	0.000	0.180	1.319	0.000	0.000	1.653	0.824	0.000	0.000	0.280	0.000	47.946
	Check line																
	Variance as a % of Integrated Budget				1.1%		0.4%	0.7%			4.2%	0.5%			0.2%		
	Integrated Budget: Non-Recurring Savings (included above)																
D67	Budgeted Non-recurring savings (included in out-turn)	0.000	0.000	0.000	(0.644)	0.000	0.000	0.000	(1.300)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	(19.998)
D68	Forecast Non-recurring savings	0.000	0.000	0.000	(0.644)	0.000	0.000	(1.191)	(1.300)	0.000	0.118	(1.791)	0.000	0.000	0.000	0.000	(31.278)
D69	Forecast variance on non-recurring savings	0.000	0.000	0.000	0.000	0.000	0.000	(1.191)	0.000	0.000	0.118	(1.791)	0.000	0.000	0.000	0.000	(11.280)
	Check line																
	Variance as a % of Integrated Budget							-0.6%			0.3%	-1.1%					
D80	Non-recurring funding in current year (separately identified)				(1.400)										(0.195)		(1.595)
	Integrated Budget: Implied Recurring Savings Targets																
	Budgeted Non-recurring savings (included in out-turn)	(1.557)	0.000	0.000	(5.582)	(3.249)	(0.180)	(4.679)	0.000	0.000	(2.079)	(7.469)	(2.625)	0.000	(2.834)	0.000	(119.134)
	Forecast Non-recurring savings	(1.557)	0.000	0.000	(3.098)	(3.249)	0.000	(2.169)	0.000	0.000	(0.544)	(4.854)	(2.625)	0.000	(2.554)	0.000	(59.908)
	Forecast variance on non-recurring savings	0.000	0.000	0.000	2.484	0.000	0.180	2.510	0.000	0.000	1.535	2.615	0.000	0.000	0.280	0.000	59.226
	Variance as a % of Integrated Budget				1.1%		0.4%	1.3%			3.9%	1.6%			0.2%		0.7%

IJB CFO Section - Mental Health Data (NHS Services only) [See notes below]

Integration Authority	Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Eilean Siar	Edinburgh	Dumfries & Galloway	Dundee City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	Falkirk	Fife
NHS Area	Grampian NHS	Grampian NHS	Tayside NHS	Highland NHS	Eilean Siar NHS	Lothian NHS	Dumfries & Galloway NHS	Tayside NHS	Ayrshire & Arran NHS	Greater Glasgow & Clyde NHS	Lothian NHS	Greater Glasgow & Clyde NHS	Forth Valley NHS	Fife NHS
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m

MENTAL HEALTH

Mental Health Budgets (NHS Services)*

	Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Eilean Siar	Edinburgh	Dumfries & Galloway	Dundee City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	Falkirk	Fife
2016/17	7.999	7.665	2.230	8.895	3.771	41.940	22.570	3.557	4.587	1.859	6.900	1.234	11.221	37.950
2017/18 (budget at completion date)	8.666	8.501	2.256	8.693	3.722	42.827	23.580	3.386	4.779	1.985	7.124	1.245	11.603	38.419
Increase / Decrease in MH Budgets 16/17 to 17/18 (£m)	0.667	0.836	0.026	-0.202	-0.049	0.887	1.010	-0.171	0.192	0.126	0.224	0.011	0.382	0.469
Increase / Decrease in MH Budgets 16/17 to 17/18 (%)	8.3%	10.9%	1.2%	-2.3%	-1.3%	2.1%	4.5%	-4.8%	4.2%	6.8%	3.2%	0.9%	3.4%	1.2%

Memo Item: The following are included in the above budgets:

	Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Eilean Siar	Edinburgh	Dumfries & Galloway	Dundee City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	Falkirk	Fife
2016/17 budget - Children's NHS Mental Health	0.000	0.000		0.592	0.000	0.000	1.420		0.000	0.000	0.000	see note	0.000	2.625
2017/18 (budget at completion date) - Children's NHS Mental Health	0.000	0.000		0.629	0.000	0.000	1.415		0.000	0.000	0.000	see note	0.000	2.930

Mental Health Expenditure (NHS Services)*

	Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Eilean Siar	Edinburgh	Dumfries & Galloway	Dundee City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	Falkirk	Fife
2016/17 (out-turn)	8.310	8.056	2.176	9.229	3.829	40.943	22.084	3.235	4.549	1.859	7.078	1.169	11.193	37.273
2017/18 (forecast out-turn at present)	8.839	8.329	2.288	9.117	4.082	42.064	23.626	3.346	4.567	1.985	7.417	1.221	11.868	39.154
Increase / Decrease in MH Expenditure 16/17 to 17/18 (£m)	0.529	0.273	0.112	-0.112	0.253	1.121	1.542	0.111	0.018	0.126	0.339	0.052	0.675	1.881
Increase / Decrease in MH Expenditure 16/17 to 17/18 (%)	6.4%	3.4%	5.1%	-1.2%	6.6%	2.7%	7.0%	3.4%	0.4%	6.8%	4.8%	4.4%	6.0%	5.0%

Memo Item: The following are included in the above totals:

	Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Eilean Siar	Edinburgh	Dumfries & Galloway	Dundee City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	Falkirk	Fife
2016/17 out-turn - Children's NHS Mental Health	0.000	0.000	N/A	0.571	0.000	0.000	1.379		0.000	0.000	0.000	see note	0.000	2.555
2017/18 (budget at completion date) - Children's NHS Mental Health	0.000	0.000	N/A	0.683	0.000	0.000	1.369		0.000	0.000	0.000	see note	0.000	2.910

Mental Health Variances (NHS Services)

	Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Eilean Siar	Edinburgh	Dumfries & Galloway	Dundee City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	Falkirk	Fife
2016/17 variance (+ = unfavourable, () = favourable)	0.311	0.391	-0.054	0.334	0.058	-0.997	-0.486	-0.322	-0.038	0.000	0.178	-0.065	-0.028	-0.677
2017/18 forecast variance (+ = unfavourable, () = favourable)	0.173	-0.172	0.032	0.424	0.360	-0.763	0.046	-0.040	-0.212	0.000	0.293	-0.024	0.265	0.735

Explanatory Comments

Aberdeen City: Does Not Include Learning Disabilities. Community Mental Heath Delegated. Acute mental health not currently hosted.

Aberdeenshire: The budget figure for 2017/18 includes £379k added by Aberdeenshire IJB from other resources on a non-recurring basis.

Angus: Angus IJB does not manage Children's MH Services; MH Services not devolved to Angus CHP in 2015/16, definition of MH is GAP only.

Dundee City: Dundee IJB does not manage Children's MH Services; Inpatient MH Services are hosted in Perth &Kinross and include GAP, LD and Sustance Misuse beds

East Ayrshire: MH includes LDS, addictions and EMH. Does not include property. North Ayrshire HSCP is the lead partnership for A&A for inpatient services, psychology, CAMHS and psychiatry.

East Lothian: Mental Health Community services only, 17/18 outturn based on forecast from Month 10 figures. Children's MH is a hosted specialist service. MH in-patient beds are also hosted.

Fife: Includes:Addictions (incl ADP funded, Prescribing); CAMHS; Quality Improvement; Forensic Service; Payments to Vol Orgs (2015/16 only)Excludes:Psychology; Estates & Facilities; Costs outwith Fife (private sector/SLAs with other Boards)

* IMPORTANT NOTES:

1 Data relates only to NHS budgets which have been delegated to, and are therefore budgeted for, by Integration Authorities. Local authority MH services are excluded.

2 The above data should not include any non-delegated MH budgets retained by the NHS Board. Some NHS Boards have retained Children's services and in those cases MH spend on children will not generally be included.

2 Typically the above data will exclude NHS budgets which are not specifically labelled as 'Mental Health'. For example prescribing budgets used for mental health will not normally be included.

3 There is no currently absolute uniform or completely standardised specification or identification of what are specifically termed 'Mental Health' budgets in the NHS.

4 Local judgement will therefore have been applied in providing the above data.

5 The Scottish Government and an Integration Authority are currently developing a pilot specification to identify all Mental Health spend in IA budgets.

6 The data above includes presentation on a 'managed basis' e.g. where one IA is hosting (managing) all NHS MH spend for the NHS area it reports the total and therefore the other IA s in the area will not show MH spend.

IJB CFO Section - Mental Health Data (NHS Services only) [See notes below

Integration Authority	Glasgow City	Highland	Inverclyde	Midlothian	Moray	North Ayrshire	North Lanarkshire	Orkney	Perth & Kinross	Renfrewshire	Scottish Borders	Shetland	South Ayrshire
NHS Area	Greater Glasgow & Clyde NHS	Highland NHS	Greater Glasgow & Clyde NHS	Lothian NHS	Grampian NHS	Ayrshire & Arran NHS	Lanarkshire NHS	Orkney NHS	Tayside NHS	Greater Glasgow & Clyde NHS	Borders NHS	Shetland NHS	Ayrshire & Arran NHS
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m

MENTAL HEALTH

Mental Health Budgets (NHS Services)*

2016/17	114.428	33.268	12.493	6.157	5.972	49.483	64.396	0.515	15.815	19.639	14.190	1.347	3.899
2017/18 (budget at completion date)	115.854	35.872	12.511	6.331	6.133	49.956	65.263	0.580	16.060	19.685	13.711	1.398	3.855
Increase / Decrease in MH Budgets 16/17 to 17/18 (£m)	1.426	2.604	0.018	0.174	0.161	0.473	0.867	0.065	0.245	0.046	-0.479	0.051	-0.044
Increase / Decrease in MH Budgets 16/17 to 17/18 (%)	1.2%	7.8%	0.1%	2.8%	2.7%	1.0%	1.3%	12.6%	1.5%	0.2%	-3.4%	3.8%	-1.1%
Memo Item: The following are included in the above budgets:													
2016/17 budget - Children's NHS Mental Health	0.000	0.000	0.000	0.000		2.118	5.143	0.042	0.000	0.718	0.432	0.000	0.000
2017/18 (budget at completion date) - Children's NHS Mental Health	0.000	0.000	0.000	0.000		2.313	5.507	0.046	0.000	0.723	0.404	0.000	0.000

Mental Health Expenditure (NHS Services)*

2016/17 (out-turn)	114.685	32.869	13.311	6.082	6.111	49.597	63.194	0.456	17.549	20.246	14.173	1.267	3.686
2017/18 (forecast out-turn at present)	118.575	36.381	13.175	6.321	6.375	49.900	64.871	0.519	17.593	21.107	13.670	1.633	3.850
Increase / Decrease in MH Expenditure 16/17 to 17/18 (£m)	3.890	3.512	-0.136	0.239	0.264	0.303	1.677	0.063	0.044	0.861	-0.503	0.366	0.164
Increase / Decrease in MH Expenditure 16/17 to 17/18 (%)	3.4%	10.7%	-1.0%	3.9%	4.3%	0.6%	2.7%	13.8%	0.3%	4.3%	-3.5%	28.9%	4.4%
Memo Item: The following are included in the above totals:													
2016/17 out-turn - Children's NHS Mental Health	0.000	0.000	0.000	0.000			4.884	0.025	0.000	0.671	0.408	0.000	0.000
2017/18 (budget at completion date) - Children's NHS Mental Health	0.000	0.000	0.000	0.000			5.086	0.044	0.000	0.741	0.404	0.000	0.000

Mental Health Variances (NHS Services)

2016/17 variance (+ = unfavourable, () = favourable)	0.257	-0.399	0.818	-0.075	0.139	0.114	-1.202	-0.059	1.734	0.607	-0.017	-0.080	-0.213
2017/18 forecast variance (+ = unfavourable, () = favourable)	2.721	0.509	0.664	-0.010	0.242	-0.056	-0.392	-0.061	1.533	1.422	-0.041	0.235	-0.005

Explanatory Comments

Highland: 2017/18 forecasted outturn is an overspend of £2.721m and is as a result of prior year savings which are still being targeted for delivery.

Adult Mental Health Services are delivered by Glasgow City HSCP on behalf of East Dunbartonshire, West Dunbartonshire and East Renfrewshire HSCP's

Older Peoples Mental Health Services are delivered by Glasgow City HSCP on behalf of East Dunbartonshire and East Renfrewshire HSCP's

Budgets prior to 2016/17 included property related costs. In 2016/17 these were transferred to a corporate landlord.

North Ayrshire: MH includes LDS, addictions and EMH. Does not include property. North HSCP is the lead for A&A for inpatient services, psychology, CAMHS and psychiatry. Prior year CRES (i.e. unallocated savings) has still to be allocated to budgets. Children's figures are for CAMHS service.

North Lanarkshire: Mental Health and Learning Disability Services and Children and Adolescent Mental Health Dservices are both hosted by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB.

The above totals do not include the budget or expenditure for NHSL Children's Services which are also a hosted service which is led by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB.

Two earmarked resserves totalling £0.963m were established by the North Lanarkshire IJB for mental health services at the end of 2016/2017.

Perth & Kinross: P&K IJB does not manage Children's MH Services; Inpatient MH Services are hosted in P&K and include GAP, LD and Sustance Misuse beds

Shetland: NHS Mental Health Services commissioned by Shetland IJB

IJB CFO Section - Mental Health Data (NHS Services only) [See notes below

	Integration Authority	South Lanarkshire (see North Lanarkshire)	Stirling & Clackmannanshire	West Dunbartonshire	West Lothian	Scotland
	NHS Area	Lanarkshire NHS	Forth Valley NHS	Greater Glasgow & Clyde NHS	Lothian NHS	
		£m	£m	£m	£m	£m

MENTAL HEALTH					

Mental Health Budgets (NHS Services)*					
2016/17	0.000	7.564	6.930	16.777	535.252
2017/18 (budget at completion date)	0.000	7.760	6.624	17.355	545.734
Increase / Decrease in MH Budgets 16/17 to 17/18 (£m)	0.000	0.196	-0.307	0.578	10.482
Increase / Decrease in MH Budgets 16/17 to 17/18 (%)	#DIV/0!	2.6%	-4.4%	3.4%	2.0%
Memo Item: The following are included in the above budgets:					
2016/17 budget - Children's NHS Mental Health	0.000	0.000	0.471	0.000	13.561
2017/18 (budget at completion date) - Children's NHS Mental Health	0.000	0.000	0.468	0.000	14.434

Mental Health Expenditure (NHS Services)*					
2016/17 (out-turn)	0.000	7.579	6.689	17.405	535.881
2017/18 (forecast out-turn at present)	0.000	8.050	6.583	17.443	553.948
Increase / Decrease in MH Expenditure 16/17 to 17/18 (£m)	0.000	0.471	-0.106	0.038	18.067
Increase / Decrease in MH Expenditure 16/17 to 17/18 (%)	#DIV/0!	6.2%	-1.6%	0.2%	3.4%
Memo Item: The following are included in the above totals:					
2016/17 out-turn - Children's NHS Mental Health	0.000	N/a	0.407	0.000	10.900
2017/18 (budget at completion date) - Children's NHS Mental Health	0.000	N/a	0.427	0.000	11.663

Mental Health Variances (NHS Services)					
2016/17 variance (+ = unfavourable, () = favourable)	0.000	0.015	-0.242	0.628	0.630
2017/18 forecast variance (+ = unfavourable, () = favourable)	0.000	0.290	-0.041	0.088	8.214

Explanatory Comments

Mental Health and Learning Disability Services and Children and Adolescent Mental Health Dservices are both hosted by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB.

The above totals do not include the budget or expenditure for NHSL Children's Services which are also a hosted service which is led by the North Lanarkshire IJB on behalf of the South Lanarkshire IJB.

Two earmarked resserves totalling £0.963m were established by the North Lanarkshire IJB for mental health services at the end of 2016/2017.

Based on Extant FV Wide Budget Model. Mental Health Inpatient Spend includes some Substance Misuse Beds linked to ADP. 15/16 Baseline Assumed Balanced.

Note reduction in MH Budget and Expenditure is partially due to transfer mid 2016/17 of responsibility for Property Costs from IJB's back to Corporate Facilities Directorate at NHS Board. This accounts for £0.319m of budget reduction and related expenditure. Excluding this the 2016/17 budget increased on a recurring basis by £0.151m. In 2017/18 due to Flat Cash Settlement pay awards and other pressures had to be managed by the application on local savings = £0.295m. With regards to expenditure in 2017/18 - the projected break-even position is only possible due to the application of reserves to cover unachieved savings - approx £0.170m.

Integration Authority	Aberdeen City	Aberdeenshire	Angus	Argyll & Bute	Eilean Siar	Edinburgh	Dumfries & Galloway	Dundee City	East Ayrshire	East Dunbartonshire	East Lothian	East Renfrewshire	Falkirk
NHS Area	Grampian NHS	Grampian NHS	Tayside NHS	Highland NHS	Eilean Siar NHS	Lothian NHS	Dumfries & Galloway NHS	Tayside NHS	Ayrshire & Arran NHS	Greater Glasgow & Clyde NHS	Lothian NHS	Greater Glasgow & Clyde NHS	Forth Valley NHS
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
ALCOHOL AND DRUG PARTNERSHIP FUNDING													
Alcohol and Drug Partnership Funding / ADP Spend (Budgeted)*													
2016/17 budget	8.671	1.687	1.130	1.351	0.531	5.487	1.532	1.223	1.646	1.266	0.859	0.529	2.949
2017/18 (budget at completion date)	8.573	1.616	1.865	1.148	0.531	5.199	1.532	1.076	1.618	1.260	0.977	0.529	2.950
Increase / Decrease in ADP funding or spend budgets 16/17 to 17/18 (£m)	-0.098	-0.071	0.735	-0.203	0.000	-0.288	0.000	-0.147	-0.028	-0.006	0.118	0.000	0.001
Increase / Decrease in ADP funding or spend budgets 16/17 to 17/18 (%)	-1.1%	-4.2%	65.0%	-15.0%	0.0%	-5.2%	0.0%	-12.0%	-1.7%	-0.5%	13.7%	0.0%	0.0%
Alcohol and Drug Partnership Funding / ADP Spend (Expenditure)*													
2016/17 (out-turn)	8.370	1.676	1.130	1.351	0.531	5.487	1.776	0.842	1.676	1.363	0.859	0.529	2.737
2017/18 (forecast out-turn at present)	8.384	1.668	1.807	1.148	0.531	5.199	1.532	0.834	1.618	1.205	0.977	0.529	2.875
Increase / Decrease in ADP funding or spend 16/17 to 17/18 (£m)	0.014	-0.008	0.677	-0.203	0.000	-0.288	-0.244	-0.008	-0.058	-0.158	0.118	0.000	0.138
Increase / Decrease in ADP forecast funding or spend 16/17 to 17/18 (%)	0.2%	-0.5%	59.9%	-15.0%	0.0%	-5.2%	-13.7%	-1.0%	-3.5%	-11.6%	13.7%	0.0%	5.0%
ADP Variances													
2016/17 variance (+ = unfavourable, () = favourable)	-0.301	-0.011	0.000	0.000	0.000	0.000	0.244	-0.381	0.030	0.097	0.000	0.000	-0.212
2017/18 forecast variance (+ = unfavourable, () = favourable)	-0.189	0.052	-0.058	0.000	0.000	0.000	0.000	-0.242	0.000	-0.055	0.000	0.000	-0.075
Explanatory Comments													
	Please note this includes NHSG/Council/IJB Expenditure		ADP funding managed within overall Substance Misuse services - For 15/16,16/17 the above represents the ADP funding of those services (hence budget and spend are consistent); 2015/16 are estimates; breadth of resources devolved to ADP widened in 17/18.			In addition to the above, substance misuse budgets delegated to the IJB are approximately £2.4m including further ADP funding					This reflects ADP specific funding. The totality of the ADP resource from all funding sources is £1.35m, £1.31m and £1.21m respectively	ADP funding is not readily split between Partnerships. Figure covers community addiction services provided by NHS only.	

* IMPORTANT NOTES:

1 Data requested related only to funding for Alcohol & Drug Partnership funding provided via Integration Authorities.

2 Due to different budgeting, ledger and monitoring arrangements some IA s have indicated that the data will include additional related ADP service expenditure.

3 Local judgement will therefore have been applied in providing the above data.

4 The data above includes presentation on a 'managed basis' e.g. where one IA is hosting (managing) all ADP funding or spend for the NHS area it reports the total and therefore the other IA s in the area will not show ADP funding or spend.

IJB CFO Section - ADP Funding [See Notes below]

	NHS Area	Fife	Glasgow City	Highland	Inverclyde	Midlothian	Moray	North Ayrshire	North Lanarkshire	Orkney	Perth & Kinross	Renfrewshire
Integration Authority		Fife	Glasgow City	Highland	Inverclyde	Midlothian	Moray	North Ayrshire	North Lanarkshire	Orkney	Perth & Kinross	Renfrewshire
NHS Area		Fife NHS	Greater Glasgow & Clyde NHS	Highland NHS	Greater Glasgow & Clyde NHS	Lothian NHS	Grampian NHS	Ayrshire & Arran NHS	Lanarkshire NHS	Orkney NHS	Tayside NHS	Greater Glasgow & Clyde NHS
		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
ALCOHOL AND DRUG PARTNERSHIP FUNDING												
Alcohol and Drug Partnership Funding / ADP Spend (Budgeted)*												
2016/17 budget		4.241	43.965	4.834	1.240	0.864	0.691	1.667	5.425	0.427	1.524	1.562
2017/18 (budget at completion date)		4.071	42.779	4.725	1.240	0.889	0.658	1.667	5.425	0.427	1.416	1.562
Increase / Decrease in ADP funding or spend budgets 16/17 to 17/18 (£m)		-0.170	-1.186	-0.109	0.000	0.025	-0.033	0.000	0.000	0.000	-0.108	0.000
Increase / Decrease in ADP funding or spend budgets 16/17 to 17/18 (%)		-4.0%	-2.7%	-2.3%	0.0%	2.9%	-4.8%	0.0%	0.0%	0.0%	-7.1%	0.0%
Alcohol and Drug Partnership Funding / ADP Spend (Expenditure)*												
2016/17 (out-turn)		4.072	43.147	4.381	1.240	0.864	0.627	1.667	5.367	0.470	1.524	1.562
2017/18 (forecast out-turn at present)		3.971	41.364	4.712	1.240	0.889	0.648	1.667	5.425	0.425	1.416	1.562
Increase / Decrease in ADP funding or spend 16/17 to 17/18 (£m)		-0.101	-1.784	0.331	0.000	0.025	0.021	0.000	0.058	-0.045	-0.108	0.000
Increase / Decrease in ADP forecast funding or spend 16/17 to 17/18 (%)		-2.5%	-4.1%	7.6%	0.0%	2.9%	3.3%	0.0%	1.1%	-9.6%	-7.1%	0.0%
ADP Variances												
2016/17 variance (+ = unfavourable, () = favourable)		-0.169	-0.818	-0.453	0.000	0.000	-0.064	0.000	-0.058	0.043	0.000	0.000
2017/18 forecast variance (+ = unfavourable, () = favourable)		-0.100	-1.416	-0.013	0.000	0.000	-0.010	0.000	0.000	-0.002	0.000	0.000
Explanatory Comments												

Explanatory Comments:

(Glasgow City) Spending in this area is forecast to underspend by £1.4m. This is as a result of employee turnover and lower than anticipated occupancy levels within residential rehabilitation services.

Please note this reflects the full ADP budget including S Govn funding, HB funding and LA funding.

(North Lanarkshire) A Lanarkshire ADP was established. The lead for this was based in North Lanarkshire but also covered South Lanarkshire. For this reason, all of the ADP budget and expenditure for both North Lanarkshire and South Lanarkshire is included in the North column. Please note also that the budgets included in the North Lanarkshire IA column are the total Scottish Government allocations only and do not include any other funding / expenditure by NHS Lanarkshire, North Lanarkshire Council or South Lanarkshire Council on alcohol and/or substance misuse services.

An earmarked resserve totalling £0.403m were established by the North Lanarkshire ADP Funding at the end of 2016/2017.

An earmarked resserve totalling £0.473m were established by the South Lanarkshire ADP Funding at the end of 2016/2017.

(Orkney) 2015/16 only part of ADP Services included in IJB. Budget is SG Funding only, this was supported by additional NHSO funding in 2016/17 when funding was cut.

IJB CFO Section - ADP Funding [See Notes below]

Integration Authority	Scottish Borders	Shetland	South Ayrshire	South Lanarkshire	Stirling & Clacks	West Dunbartonshire	West Lothian	Scotland
NHS Area	Borders NHS	Shetland NHS	Ayrshire & Arran NHS	Lanarkshire NHS	Forth Valley NHS	Greater Glasgow & Clyde NHS	Lothian NHS	
	£m	£m	£m	£m	£m	£m	£m	£m
ALCOHOL AND DRUG PARTNERSHIP FUNDING								
Alcohol and Drug Partnership Funding / ADP Spend (Budgeted)*								
2016/17 budget	1.386	0.661	1.255		2.636	2.615	1.677	**105.531**
2017/18 (budget at completion date)	1.193	0.625	1.255		2.636	2.575	1.822	**103.839**
Increase / Decrease in ADP funding or spend budgets 16/17 to 17/18 (£m)	-0.193	-0.036	0.000	0.000	0.000	-0.040	0.145	**-1.692**
Increase / Decrease in ADP funding or spend budgets 16/17 to 17/18 (%)	-13.9%	-5.4%	0.0%	0.0%	0.0%	-1.5%	8.6%	**-1.6%**
Alcohol and Drug Partnership Funding / ADP Spend (Expenditure)*								
2016/17 (out-turn)	1.312	0.635	1.255		2.446	2.637	1.677	**103.211**
2017/18 (forecast out-turn at present)	1.181	0.625	1.255		2.647	2.561	1.822	**101.716**
Increase / Decrease in ADP funding or spend 16/17 to 17/18 (£m)	-0.131	-0.010	0.000	0.000	0.201	-0.076	0.145	**-1.494**
Increase / Decrease in ADP forecast funding or spend 16/17 to 17/18 (%)	-10.0%	-1.6%	0.0%	0.0%	8.2%	-2.9%	8.6%	**-1.4%**
ADP Variances								
2016/17 variance (+ = unfavourable, () = favourable)	-0.074	-0.026	0.000	0.000	-0.190	0.022	0.000	**-2.321**
2017/18 forecast variance (+ = unfavourable, () = favourable)	-0.012	0.000	0.000	0.000	0.011	-0.013	0.000	**-2.123**
Explanatory Comments								

Shetland: NHS + LA Alcohol & Drugs Services commissioned by Shetland IJB

South Lanarkshire: A Lanarkshire ADP was established. The lead for this was based in North Lanarkshire but also covered South Lanarkshire. For this reason, all of the ADP budget and expenditure for both North Lanarkshire and South Lanarkshire is included in the North column. Please note also that the budgets included in the North Lanarkshire IA column are the total Scottish Government allocations only and do not include any other funding / expenditure by NHS Lanarkshire, North Lanarkshire Council or South Lanarkshire Council on alcohol and/or substance misuse services.

An earmarked resserve totalling £0.403m were established by the North Lanarkshire ADP Funding at the end of 2016/2017.

An earmarked resserve totalling £0.473m were established by the South Lanarkshire ADP Funding at the end of 2016/2017.

Stirling & Clacks: Budget and Expenditure Figure relate to Function 9 per Integration Scheme and Budget Model not whole ADP Funding. 15/16 Baseline Assumed Balanced.

West Dunbartonshire: ADP budget and expenditure figures updated to include all WDIJB Addictions funding from IA Partners (NHSGGC & WDC) as well as SG Earmarked Allocation via NHS. (Previously only SG Earmarked Allocation was included in Return). SG cut funding to ADPs in 2016/17 & NHSGGC share reduced from £18.6m to £14.5m.

B/18/65

Chief Executive's Update

1   Context

The last three months have been challenging for the organisation with the uncertainty as a result of the Transformation Agenda added to by the eHealth funding issue which has continued to dominate our agenda. Operationally and financially we continue to deliver effectively and results for the first two months of the year are positive.

The eHealth funding issue still has significant focus with SG and particularly through the Public Audit and Post Legislative Scrutiny Committee (PAPLS) where it has been part of the overall discussions surrounding NHS Tayside. We have carried out all the actions both organisationally and with staff involved and have fully delivered on our commitments to date. A further meeting of PAPLS will have taken place on the 21st June 2018 where the Committee will have sight of the report prepared on NSS' behalf by KPMG. This may have led to further detailed discussion on the NSS role but I do not believe at this stage would alter the steps we have taken. This position will be clearer by the time the Board meeting takes place.

Progress on the new Public Health Body (now called Public Health Scotland) continues but the pace is slow. NSS continues to be fully engaged with colleagues in SG and are trying to effectively influence the way forward.

The Transformation Agenda continues with the completion of the Regional and National Boards' discussion documents which are currently being reviewed by SG. The National Board plan has not changed since discussed at the last Board meeting but decisions around how funding will be allocated from the central SG transformation fund are still awaited and inevitably there will not be enough money available to support all the initiatives. National Board collaboration continues but remains on a tactical basis and a long term vision of how we will operate in the future seems further away. This tactical approach to collaboration is a concern and some decisions are having a direct impact on NSS cost base and staff.

The Digital Health and Social Care Strategy was published in April and is designed to set the digital direction for health and care services. Exactly how the agenda will be taken forward lacks clarity but the intention outlined is to establish a Digital Agency within National Education for Scotland who will have the role of developing and implementing the strategy. NSS clearly will have a key role to play in working with NES and other stakeholders to support implementation but detailed governance and the delivery approaches still need to be developed so there is greater clarity across NHSS.

On a positive note, the JCC additional works have been completed and the building will be close to full occupancy by the end of June with a Royal Opening scheduled for 4th July.

The workload across the organisation is significant with a number of major initiatives coming at the same time. This is inevitable during a period of transformation and a key challenge for EMT and the Board to manage over the coming months.

2   Response to Health and Social Care Delivery Plan

NHSS Approach

The Regional discussion documents have been submitted with planning and coordination continuing but at different speeds. NSS is involved in this work across a range of activities, in particular on the provision of an Atlas of Variation which, when complete, will highlight potentially unwarranted variation across the service. The approach to NHS Scotland wide planning has been agreed and will be based in NSD with only the funding issue to be resolved. Recruitment activity is underway on the expectation that this will be approved. We continue to support the regions through areas such as shared services, primary care service offering and working on IT programmes such as Office 365, GP/IT and eRostering systems. We are working with a range of partners and all of these have the potential to deliver significant change.

Public Health

The SG Public Health team have been focussing over the last few months on establishing clear public health priorities. This work has now been completed and generally has support across health and social care. I have attached a summary of these in appendix 1 and the full document is available here.

There is recognition of the need to now really focus on the establishment of Public Health Scotland (PHS) now that the overall priorities for public health have been established. The key from an NSS perspective is a final decision on the exact nature of the new body and if it will be a special health board.   It remains my expectation that this will be the case but other options are being considered given the desire for PHS to be seen as something new and different. The Trade Unions would certainly have more significant concerns if it was not designated as a special health board as this could clearly impact on the terms and conditions of health staff transferring into PHS. It is recognised in SG of the need to make this decision relatively quickly but also an understanding that the April 2019 deadline will not be met. Overall NSS staff are being communicated with effectively but are clearly looking for clarification on the way forward.

National Board Collaboration

The National Boards Plan has been submitted and discussions are underway with Government about available finance from the transformation fund. A process for prioritisation is being developed but more clarity is required around this approach. NSS has a number of projects involved including shared services and national planning and clarity is required quickly so momentum is not lost. HIS and NSS are continuing to work jointly to develop a transformation service offering which brings together the best of continuous improvement and transformation support. This work will conclude over the summer. I do have some concerns over the level of collaboration within national boards as the majority of the projects underway could arguably have happened anyway. Feedback from the territorial boards is still awaited to ensure the focus of the National Plan truly meets their needs. Collaboration on internal national board activity remains tactical and I have been disappointed by the decisions made by some of the other national boards which have been detrimental to NSS. £11m of the £15m savings target has been identified but plans to deliver the remaining £4m are still not concrete. Overall progress is being made but a range of issues still need to be resolved, particularly the balance between current governance structures and new ways of working.

3   Performance Summary

Finance/Operations/People
We have made an effective start to the new financial year. After two periods we have a balanced budget although there is still a lot of detail to be worked through. Operational delivery remains strong and in these challenging times NSS continues to deliver very effective day to day services which are hugely valued by our stakeholders. Sickness absence levels remain positive.

eHealth
NSS has responded constructively to the eHealth issues. An action plan has been developed and approved by the Board to address the governance, process and cultural issues identified and is being implemented to the planned timetable. The process to review any implications for individual members of staff was agreed, implemented and will be concluded within the next week. Full details of our actions have been shared with SG and our KPMG report has now been made available to PAPLS. There have been clear lessons for the organisation to take from this issue and with the appropriate actions in place should stand us in good stead for the future. With the support of internal audit we will also be reviewing other areas where there is significant pass through funding managed by NSS.

Medicines
NSS continues to be involved in an array of medicine initiatives with particular focus on the single national formulary and the PACS Tier 2 access to medicines system for rare conditions. In both areas we are trying to ensure the appropriate level of commercial input to ensure we not only maximise access but also ensure appropriate value for money. NP particularly, both through its commercial and pharmacists, have broad knowledge in this area which can be supportive to these initiatives but we need to ensure our voice is being heard. We continue to be engaged with colleagues in territorial boards as well as SG to try and ensure that medicine costs can be kept down in a situation where the Government is committed to increasing access. This clearly has a significant benefit to patients but can inhibit commercial negotiations.

CHI
NSS has been responsible to the NHSScotland CHI Oversight Board for the delivery of new systems to replace the current CHI and Child Health infrastructure. A final business case was developed and options are available to procure both a CHI and Child Health system from the preferred suppliers. The alternative would be to continue with the current system which should remain operational for potentially up to five years. The FBC recognised a significant number of benefits from the implementation of a new CHI system but there was a funding gap of around £8m over 10 years.

At the same time the launch of the Health and Care Digital Strategy potentially provides an opportunity to ensure the CHI product is truly fit for purpose particularly in the context of a pan Scotland approach covering health and social care with a particular focus on unique patient/citizen identification which would enable cross sectoral information join up. The SG Digital Team have requested a 6 month delay to allow them to explore the CHI specification and understand whether it is fully future proof or if an opportunity exists for an alternative approach. CEs were prepared to grant this delay on the basis that the position would be clarified by September. This would then allow either more work on a different specification or to continue with the preferred suppliers based on the CHI and Child Health Procurement process recently concluded. The suppliers are being managed by the NSS team and are working with us currently but clearly there is a risk that this position would change if there was a longer delay. Engagement is underway with the digital team in SG to try and ensure the necessary work can be completed by September to allow appropriate decisions to be made with clarity of all the options available.

4   Key Issues

Current key operational issues are as follows:

JCC – The notifications of change for the JCC have now been completed and plans are in place to have full occupation by the end of June. This will allow the full decommissioning of Ellen's Glen Road. The building will be formally opened by Prince Edward on 4th July 2018. Relationships with the various providers appear to be settling and the support provided by Interserve Facilities Management has been positive during this process. This is a very positive step forward for SNBTS.

Senior Management Roles – Deryck Mitchelson will join the organisation on 27th August as Head of the IT SBU. Deryck has a background in both public and private sectors and we look forward to him taking up post. Noreen Kent formally leaves NSS at the end of the month and her role as Nurse Director will be taken up on an interim basis by Jacqui Reilly. Across the service there will be a number of CE vacancies as Malcolm Wright, who is currently covering Grampian and Tayside, retires at the end of this year and Jill Young, CE of Golden Jubilee, is also retiring this year.

IT – The demand on the IT SBU remains significant with the position around CHI, GP IT (which will have been discussed at Audit and Risk Committee) and other programmes such as PACS, Office 365 and eRostering. James Hall continues to do an effective job as Interim Director and the recruitment of Deryck Mitchelson will bring the senior team back up to strength.

Digital – following the publication of the Health and Social Care Digital Strategy, Scottish Government are developing their approach to implementation. This would appear to take the form of a Digital Agency which will be based within NES but its exact remit and governance structures are still to be clarified. Its primary role will be to ensure implementation of the strategy. There is clearly a very strong link between our work particularly in IT and also PHI and it will be important that we are working very closely with this new body. There is a real need for clarity of purpose which is also shared across NHSScotland and it is hoped this will emerge over the next 2 or 3 months. The principle of the agency is right and a positive way to drive implementation but it is critical that its remit and governance is established quickly.

Meeting the Challenges – the programme to look at how we will balance the budget in years 2-5 will also impact on our strategic direction. The initial work is being led by Jim Miller and Carolyn Low and will present back to EMT formally in the Autumn and will help inform our Board offsite in October. The work on the outcomes from the Dignity at Work survey continues and this is due to report to Partnership Forum in August.

5   Next Steps

- Deliver recommendations and actions from eHealth reports
- Continue to work with Scottish Government and NES around Digital Strategy implementation
- Continue to support regional development
- Support the development of Public Health Scotland
- Continue to work with SG on medicines access and procurement
- Support IT developments
- Conclude property negotiations on Bridge View

COLIN SINCLAIR
June 2018

Public Health Priorities

- Scotland where we live in vibrant, healthy and safe places and communities.
- A Scotland where we flourish in our early years.
- A Scotland where we have good mental wellbeing.
- A Scotland where we reduce the use of and harm from alcohol, tobacco and other drugs.
- A Scotland where we have a sustainable, inclusive economy with equality of outcomes for all.
- A Scotland where we eat well, have a healthy weight and are physically active.

The priorities do not reflect all of the activities and efforts that contribute to the health of the population in Scotland. There are many important activities undertaken by local government, public health professionals and others in Scotland, which protect and improve the public's health. These include:

- Work to protect the health of the population from serious risks and infectious diseases through vaccination, infection control and incident response (health protection)
- Work to ensure our health and care services are designed and delivered in the best possible way to meet population needs and improve health and wellbeing.
- Work currently underway through community planning and community based organisations on local priorities and local health challenges

The official priorities publication is available here

Meeting: NSS Board of 29/06/2018

Paper Number: B/18/66a

Title of Paper: ARC Annual Report 2017-18

Paper Type:

This is a routine paper highlighting the work of the Committee over the year.

Decisions Required

The Board is asked to approve the report that was tabled and approved by the meeting of the Audit and Risk Committee on 21 June 2018.

Analysis:

The Annual Report provides assurance to the Board that internal controls, reputational risks and the audit framework are being adequately monitored in line with NSS's Standing Orders.

Name(s) of Author(s)   Mark McDavid
Role(s) of Author(s)   Chair of the Audit and Risk Committee

Audit & Risk Committee
Annual Report to Board Members
2017/18

Owner: NSS Strategy & Governance
Contact: 0131 314 1213
Document Date: 05 July 2018
Draft/Final: Final
Document name: ARC Annual Report To The Board 2017-18 (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 2017 is as follows.

Members:

Mr Mark McDavid (Chair)	Non Executive Director
Ms Julie Burgess	Non Executive Director
Ms Jane Davidson	Non Executive Director (effective from 01 July 2017)
Ms Kate Dunlop	Non Executive Director
Ms Alison Rooney	Non Executive Director (effective from 01 July 2017)

In attendance:

Mr Martin Bell	Interim Director of Strategy & Governance (From 1 December 2017)
Mr Colin Sinclair	Chief Executive
Mr John Fox-Davies	Director of Strategy & Governance (to 30 November 2017)
Prof Elizabeth Ireland	NSS Chair
Ms Carolyn Low	Director of Finance and Business Services
Mrs Eilidh McLaughlin	Associate Director Corporate Affairs and Compliance

Auditor representation:

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

The Committee met in May, June, September, December 2017, and March 2018. 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 – 2017/18
Service Audit: Payroll Services	Scott Moncrieff	2015/16 – 2017/18
Service Audit: Practitioner Services	Scott-Moncrieff	2015/16 – 2017/18
Service Audit: National IT Contract	Scott-Moncrieff	2015/16 – 2017/18
External Audit	Audit Scotland	2016/17 – 2020/21

6. Reports Reviewed

6.1 <u>Internal Audit</u>

The Committee approved the Internal Audit Plan for 2017/18 on 8 December 2016. 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 below. In total, 9 audits were completed in the year and 41 findings were raised. Of the 41 findings requiring management action, 3 were categorised as 'high', 17 as 'medium' and 21 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 2017/18 audit cycle. As at 31 March 2018, 95% of all actions due for completion have been fully addressed on time. Due to the timing of audit reports, four actions from the 2017/18 audit will be completed during 2018/19.

Progress with completion of all actions due in 2017/18 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.

Review	Report classification	Number of findings				Total
		Critical	High	Medium	Low	
Procurement Maturity Assessment (from 2016-17)	Significant assurance with minor improvement opportunities			1	5	6
Health and Safety Controls	Partial assurance with improvements required		1	3	1	5
IT Resilience and Disaster Recovery	Partial assurance with improvements required		2	-	1	3
Health Inequalities	Significant assurance with minor improvement			2	3	5
Statutory & Mandatory Training	Significant assurance with minor improvement			1	4	5
Financial Sustainability – Revenue Generation	Significant assurance with minor improvement			3	1	4
Infected Blood Scheme Payments	Significant assurance with minor improvement			2	3	5
Financial Controls	Significant assurance with minor improvement			3	1	4
Information Governance and Data Security	Significant assurance with minor improvement			2	2	4
TOTAL			3	17	21	41

Table 2 shows the report classifications.

Table 2

Report classifications	Number of Reports with this classification
Partial assurance with Improvements required	2
Significant assurance with minor improvement	7
Significant Assurance	-

All actions due by 31st March 2018 were reported as complete.

Table 3

Risk Level	To be completed during 18/19 but audit report presented in 17/18	Implementation date(s)	Report Title
Medium	1	25/05/2018	Health Inequalities
Low	1	30/09/2018	Health Inequalities

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

Table 4 shows the total number of findings raised during 2017/18.

Table 4

Finding rating	Trend between current and prior year	Number of findings			
		2017/18	2016/17	2015/16	2014/15
Critical	⟺	-	-	-	-
High	⬆	3	-	3	1
Medium	⬇	17	19	22	25
Low	⬇	21	24	22	31
Total	⬇	**41**	**43**	**47**	**57**

Internal Audit Annual Report 2017/18

The Internal Audit Annual Report for 2017/18 from KPMG summarises the work carried out in the year. This was approved by the Committee in May 2018. In this report, the Head of Internal Audit reports in the audit opinion that:

Our overall opinion for the period 1 April 2017 to 31 March 2018 is that:

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 our 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.

Special Investigation

Governance weaknesses came to light in March 2018 relating to eHealth funds held by NSS on behalf of NHS Boards and designed to manage and deliver major eHealth multi-year programmes. The Board Chair and Chief Executive put immediate measures into place to improve governance and weak practices identified. This included commissioning the Board's internal auditors, KPMG, to conduct a formal review. The subsequent KPMG report was shared with Scottish Government and informed SG's broader eHealth investigation via Grant Thornton LLP.

NHS NSS has committed to implement in full all recommendations made by both KPMG and Grant Thornton LLP. An action plan is in place and progress reported to Scottish Government.

6.2 Service Audits

The Service Audit reports for 2017/18 were reviewed and approved by the Committee on 23 May 2018**.** 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 2018.

In summary:

- For the National IT Services Contract, a total of 108 control areas were tested and 14 exceptions were reported which were considered to be moderate or limited risk. In the previous year, 120 control areas were tested and 16 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 130 control areas tested, 9 exceptions were reported. In the prior year, 132 controls were

tested and 8 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 3 exceptions have been found and these are deemed to be low risk. In the prior year, 15 controls were tested and 3 exception was 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 2018/19 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 2018, no issues were noted.

The draft Annual Accounts – 'Part A - Reports and certificates' and 'Part B - Accounting Policies' were reviewed by the Committee at its meeting on 23/05/2018.

The Director of Finance attended the clearance meeting for the Annual Accounts with the External Auditors on 05/06/2018. The final Annual Report and Accounts were presented to the Committee on 21/06/2018 for approval and presented to the Board for adoption on 29/06/2018. Once signed, the Annual Report and Accounts will be submitted to the Scottish Government Health & Social Care Directorate (SGHSC) by 30 June 2018 and will then be laid before Parliament.

8. Process Management

The Committee reviewed its effectiveness during the year. On the whole, the questionnaires completed by members of the Committee were positive and in particular there were good comments around the rigour of debate at meetings of the Committee and the interaction with Executive Directors to obtain an understanding of areas of risk. The review suggested that some of the papers presented could be more concise with greater clarity required over some of the decisions required of the Committee, and that management could be more proactive around identifying and reporting on emerging risks.

9. Risk Management

All NHS Bodies are subject to the requirements of the Scottish Public Finance Manual (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

NHS 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, the responsibilities of staff across NHS 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 and through the internal controls assurance checklists. Monthly risk reviews are undertaken by SBUs.

- Management Groups review the risks by risk category for their areas: Business, Staff, Clinical and Reputational and challenged the actions being taken to address them. Information Governance risks across all of the categories were also reviewed by the Information Governance Group.

- The Executive Management Team reviews the risk profile for the organisation, across all categories of risk and challenged key organisational risks monthly. They also engage with management groups and SBUs on key risks.

- The NHS NSS Committees; Performance and Finance, Staff Governance, Clinical Governance, Information Governance and Audit and Risk meet at least three times each year and review and challenge Business, Staff, Clinical, Information and Reputational risks respectively across NHS NSS. This provides a comprehensive review of risks by risk category across the organisation.

- The Audit and Risk Committee receive quarterly reports on risk management across NHS NSS, the improvements being made to our processes and procedures and key risks for the organisation. This has provided the Committee with the assurance that risk management has been operating effectively and that there has been integration between organisational risks and audit activity.

- The Board also 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.

- 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 provided a focus for the five Information Governance disciplines: Caldicott & Confidentiality, Data Protection, Information Security, Records Management and Freedom of Information. The Committee reports directly to the NHS NSS Board.

Risk management developments

The NHS 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 2017-18 risk management was improved through the following assessments and developments:

- The Integrated Risk Management Approach was reviewed to ensure that it continues to be effective and meets the needs of our staff, management groups and governance structures.

- NHS NSS use the 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.

- The Executive Management Team (EMT) has scrutinised the key risks for the organisation using online risk information which is available through our Decision Support Tool which interfaces with our risk register twice a month. The NHS NSS Board, EMT and sub committees monitor changes in our risk profile and consider the risks we face in terms of their likelihood and impact as well as their overall risk rating.

- The NHS NSS Board challenged the organisations strategic risks at formal meetings through the Strategic Scorecard discussions and 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. A paper detailing the suggested revisions to the list of strategic risks was presented to the Board members at their June 2017 meeting. At that meeting it was also suggested that more time be allocated at the Board Sub-Committee meetings to discuss strategic risks. As our strategic risks can be Red, Amber or Green this allows each Committee the opportunity to focus on all strategic risks for their area of responsibility and not just the Red and new Amber risks.

- NHS NSS Risk Champions continued to 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.

- In November 2015 the NSS Board Members, from a best practice governance perspective, approved the formal definition of the risk appetite for NSS, in the form of a Risk Appetite Statement. The NHS NSS Risk Appetite is reviewed annually and following considered at the Board Strategic Development Session in October 2017 and review of the wording by the Audit and Risk Committee in December 2017, the Board Members approved the NSS Risk Appetite Statement at the formal Board meeting in February 2018 with minimal amendments to strengthen the Reputational risk appetite wording. NHS 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, NHS 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 NHS NSS IRMA.

- In addition to regular reviews of existing risks, the EMT also considered areas of potential risks at its development meeting in March 2018.

- The Clinical Governance Committee reviews all NHS NSS primary and secondary category clinical risks and those risks with a clinical dimension. All new and existing corporate risks have been assessed for a clinical dimension, and work is progressing to complete the exercise to assess and appropriately flag all project and programme risks.

During the next financial year ending 31 March 2019 we will continue to seek opportunities to further enhance the Board's system of internal control.

10. Fraud Prevention

The Committee received quarterly fraud update reports during the year from the NSS Fraud Liaison Officer. 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 2017/18 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 2017/18, 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
21.06.2018

NSS FORMAL BOARD
ACTION LIST 2018-2019

	CLOSED	B/18/69

Ref Item	Action	Responsible	Deadline	Status
FROM 6 APRIL 2018 MEETING				
1.2	**Declaring Interests** Circulate link to the Standards Commission for Scotland website page where guidance on declaring interests could be found.	C Lang	Apr'18	[CJL] Completed 26.04.18.
	Chair's Report			
2.5	Prepare update on eHealth Actions for June 2018 NSS Board meeting.	C Low	Board – 29.06.18	Paper circulated for 29.06.18 NSS Board meeting.
2.6	Respond to the letter from Scottish Government on the use of NHS Endowment Funds.	M McDavid	30.04.18	Letter sent 17.04.18.
7.3	**Public Health Body** Move to the new Public Health Body to be reflected in the Finance and People reports prepared for future Board meetings.	C Low / A Stewart	Future Board Meetings	Noted.
	Strategic Scorecard			
8.2 (ii)	Risk 4574 (Tolerance of Clinical Risk) - Remove from Board's watchlist as it would be managed through the NSS Clinical Governance Committee.	M Bell	April 2018	Actioned.
8.3	Review narrative that accompanied the Strategic Scorecard in the light of Members' comments regarding Strategic Risks for the Board's watchlist.	M Bell	April 2018	Actioned.
18.1	**Update on Community Health Index (CHI) and Child Health Systems** Advise James Hall, Interim IT Director of the Board's request that once a decision had been taken on CHI and Child Health Systems, the issue should be revisited by the NSS Audit and Risk Committee and clarity sought on accountability for discussion by the NSS Board.	M Bell [James Hall]	13.04.18	Actioned.

NHS National Services Scotland

B/18/70

NSS Formal Board Meeting – Friday, 29 June 2018

Revised Membership of NSS Board Committees

Purpose

The paper details the outcome of a review by the NSS Chair of the membership of the NSS Board Committees. This took account of the appointment of Jane Davidson and Alison Rooney as new Non-Executives in June 2017, the reappointment of Ian Cant for a further four years until 31 July 2021, and the reappointment of Mark McDavid for a second term of office until 31 August 2020.

Recommendation

The Board is asked to approve the attached revised structure of the Committees. The changes can be summarised as follows:

- ➢ NSS Audit and Risk Committee
    - John Deffenbaugh to replace Julie Burgess

- ➢ NSS Performance and Finance Committee
    - To be renamed the NSS Finance, Procurement and Performance Committee
    - Number of meetings per year to increase from three to four times a year
    - Ian Cant to replace Mark McDavid

- ➢ NSS Clinical Governance Committee
    - Mark McDavid to replace John Deffenbaugh

- ➢ NSS Information Governance Committee
    - Ian Cant to stand down from the Committee
    - Alison Rooney to replace Ian Cant as Chair
    - Julie Burgess to join the Committee

- ➢ NSS Remuneration and Succession Planning Committee
    - No changes proposed

- ➢ NSS Staff Governance Committee
    - No changes proposed

Timing

If approved, the changes will be effective from 1 August 2018.

Background

In reviewing the current Non-Executive membership of the Board Committees, a number of elements were taken into account. These included:

- the membership requirements set out in the NSS Standing Orders (this includes an increase in the frequency of meetings for the NSS Performance and Finance Committee to four times a year;

- the remaining terms of office of members;

- the length of service of members on each of the Committees;

- relevant skills and experience;

- the need to provide sufficient continuity of membership so as to maintain Committee performance levels;

- the need for cross Committee membership to provide appropriate governance links; and

- the need for robust succession planning in terms of both the Chairs and membership.

Engagement

Engagement has included members of the NSS Board and Board Secretary.

Professor Elizabeth Ireland
NSS Chair
Tel: 0131 275 6124
Email: Elizabeth.ireland@nhs.net

Caroline Lang
Board Secretary
Tel: 0131 275 7090
Email: clang@nhs.net

MEMBERSHIP LISTS

(proposed membership from 1 August 2018)

NHS National Services Scotland

NSS BOARD

CHAIR	Elizabeth Ireland, NSS Chair
VICE CHAIR	Kate Dunlop, Non-Executive Director
MEMBERS	Julie Burgess, Non-Executive Director Ian Cant, Employee Director Jane Davidson, Non-Executive 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 Medical Director, Vacancy
IN ATTENDANCE	Eilidh McLaughlin, Associate Director of Corporate Affairs and Compliance Caroline Lang, Board Secretary Lorna Ramsay, Interim Medical Director

NSS BOARD SUB-COMMITTEES

AUDIT & RISK COMMITTEE (At least 3 NXDs) (5 meetings per year)

CHAIR	Mark McDavid, Non-Executive Director
MEMBERS	~~Julie Burgess, Non-Executive Director~~ Jane Davidson, Non-Executive Director John Deffenbaugh, Non-Executive Director Kate Dunlop, Non-Executive Director Alison Rooney, Non-Executive Director
IN ATTENDANCE	Martin Bell, Interim Director of Strategy and Governance Elizabeth Ireland, NSS Chair Carolyn Low, Director of Finance and Business Services Eilidh McLaughlin, Associate Director of Corporate Affairs and Compliance Colin Sinclair, Chief Executive Internal Auditor (and colleagues) – KPMG External Auditor (and colleagues) – Audit Scotland Service Auditor (and colleagues) - Scott-Moncrieff
SECRETARY	Lynsey Bailey, Committee Secretary & Caroline Lang, Board Secretary

~~PERFORMANCE AND~~ FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE (At least 4 NXDs) (4 ~~3~~ meetings per year)

CHAIR	Kate Dunlop, Non-Executive Director
MEMBERS	Julie Burgess, Non-Executive Director Ian Cant, Non-Executive Director Elizabeth Ireland, NSS Chair ~~Mark McDavid, Non-Executive Director~~
IN ATTENDANCE	Martin Bell, Interim Director of Strategy and Governance Carolyn Low, Director of Finance and Business Services Colin Sinclair, Chief Executive
SECRETARY	Lynsey Bailey, Committee Secretary & Caroline Lang, Board Secretary

REMUNERATION AND SUCCESSION PLANNING COMMITTEE (NSS Chair & at least 3 further NXDs)
(3 meetings per year)

CHAIR	John Deffenbaugh, Non-Executive Director
MEMBERS	Ian Cant, Employee Director Elizabeth Ireland, NSS Chair Alison Rooney, Non-Executive Director
IN ATTENDANCE	Jacqui Jones, Director of HR and Workforce Development Colin Sinclair, Chief Executive
SECRETARY	Caroline Lang, Board Secretary

CLINICAL GOVERNANCE COMMITTEE (NSS Chair & at least 3 further NXDs & up to two further members co-opted by the CGC) (4 meetings per year)

CHAIR	Julie Burgess, Non-Executive Director
MEMBERS	Jane Davidson, Non-Executive Director ~~John Deffenbaugh, Non-Executive Director~~ Elizabeth Ireland, NSS Chair Mark McDavid, Non-Executive Director
IN ATTENDANCE	Lorna Ramsay, Interim Medical Director Jacqui Reilly, Interim Nurse Director and Executive Lead for Clinical Governance Colin Sinclair, Chief Executive Marc Turner, SNBTS Medical Director
SECRETARY	Lynsey Bailey, Committee Secretary

STAFF GOVERNANCE COMMITTEE (At least 4 NXDs – one of which Employee Director and at least 3 Trade Union Representatives) (4 meetings per year)

CHAIR	John Deffenbaugh, Non-Executive Director
MEMBERS	Ian Cant, Employee Director Tam Hiddleston, Trade Union Representative Elizabeth Ireland, NSS Chair Gerry McAteer, Trade Union Representative Mark McDavid, Non-Executive Director Trade Union Representative, Vacancy
IN ATTENDANCE:	Jacqui Jones, Director of HR and Workforce Development Colin Sinclair, Chief Executive
SECRETARY	Lynsey Bailey, Committee Secretary

INFORMATION GOVERNANCE COMMITTEE (NSS Chair & at least 3 further NXDs & up to two further members co-opted by the IGC) (3 meetings per year)

CHAIR	Alison Rooney, Non-Executive Director (moved from Member to Chair) ~~Ian Cant, Employee Director~~
MEMBERS	Julie Burgess, Non-Executive Director Kate Dunlop, Non-Executive Director Elizabeth Ireland, NSS Chair ~~Alison Rooney, Non-Executive Director~~ (moved to Chair)
IN ATTENDANCE	Martin Bell, Interim Director of Strategy & Governance Lorna Ramsay, Interim Medical Director Colin Sinclair, Chief Executive
SECRETARY	Lynsey Bailey, Committee Secretary & Caroline Lang, Board Secretary

B/18/71

NSS Board Meeting– Friday 29th June 2018

Annual Revision of Standing Financial Instructions

Purpose

The purpose of this paper is present the 2018/19 Standing Financial Instructions (SFIs) for endorsement.

Recommendation

The Board is asked to endorse the SFIs for 2018-19

Timing

Once endorsed by the NSS Board SFIs will be implemented with effect from 1 July 2018.

Background

Standing Financial Instructions are reviewed annually, and updated where appropriate to ensure compliance with changes in legislation and to address any weaknesses identified in the course of day to day operations and any internal or external audit scrutiny.

Summary of key issues

Governance challenges came to light in our management of the NHS Scotland eHealth portfolio late in the financial year. The Board Chair and Chief Executive put immediate measures in place to stop the practices identified and commissioned the Board's internal auditors, KPMG LLP, to conduct a formal investigation. The subsequent KPMG LLP report was shared with Scottish Government and informed their investigation, via Grant Thornton LLP.

NSS has committed to implement in full all recommendations made by both KPMG LLP and Grant Thornton LLP. A summary of findings / recommendations applicable to NSS is contained within Annex 2.

One of the key commitments made to government was a formal revision of Board Standing Financial Instructions to incorporate the recommendations made by KPMG LLP and Grant Thornton LLP.

This report documents the outcome of that process.

Next Steps

Working with our Customer Engagement & Development (CEAD) business partner we will develop a communications campaign to ensure that all staff understands their responsibilities in respect of financial management, governance and compliance.

Our aim will be to make sure the SFIs are more accessible to staff, and that key messages are tailored to the specific needs of different staff groups.

This work will support the development of mandatory training for budget holders which will be in place by September 2018.

Engagement

The management team in Finance and Heads of Finance and Finance Business partners supporting SBUs and Directorates across NHS NSS have been involved in the review of SFIs. EMT was engaged specifically in relation to delegated authority in respect of Funds Managed on Behalf of NHS Scotland. In addition, a review of each section has been undertaken by an appropriate individual, e.g. procurement sections have been reviewed by the NSS Head of Procurement.

Carolyn Low

Director of Finance & Business Services
Tel: 0131 275 6888
Email: carolynlow@nhs.net
25th May 2018

ANNEX 1

Table of proposed Amendments

Document Reference	Proposed Amendment	Reason for Amendment
1.01	Date for adoption of SFIs updated to 1 July 2018	Annual revision – applicable post Board approval on 29th June 2018.
4.03	Section amended to specifically call out additional allocations received for funds managed on behalf of NHS Scotland: • Defining income • Budget process, including alignment with SGHSCD cycle • Role of EMT, PFC and Board • Role of DOF in securing funding	Grant Thornton Finding 1
4.04(a)	Reflect current practice of 5 year planning	Update to reflect current practice
4.04(b)	Include reference to funds managed on behalf of NHS Scotland	Grant Thornton Finding 1
4.04(e)	Add specific budgeting requirements for funds managed on behalf of NHS Scotland	Grant Thornton Finding 1
4.07	Specification of budget requirements for funds managed on behalf of NHS Scotland	Grant Thornton Finding
4.11.(a)	Specific programme level reporting	KPMG recommendation 2,3
4.11 (b)	Requirement for finance staff to escalate significant variances to both SBU director and DOF	KPMG recommendation 5
4.11 (e)	Return of allocations in year	KPMG recommendation 2,3,4
4.17	Budget limits: specific reference to funds managed on behalf of NHS Scotland	Grant Thornton Finding 1
4.18	Statement that funds revert back to SCHSCD if not required for specific	KPMG recommendation 4

	purpose.	
4.19	Reporting requirements defined	KPMG recommendation 1
4.25 (e)	Clarifying virement rules	KPMG recommendation 1,2,3
6.09	Delegation of authority in respect of funds managed on behalf of NHS Scotland	Grant Thornton finding 1

KPMG recommendation 3 |
8.03	Clarification of different thresholds, and tendering requirements, for public works contracts	Legislative compliance
Section 16	Changes to reflect requirements of GDPR and Data Protection Law	Legislative compliance
16.03	Placing responsibility for maintaining details of computer systems with Director of It rather than Director of Finance	Update to reflect current practice

Note:

The table of contents will be updated once all agreed amendments have been accepted into the document.

ANNEX 2

Summary of Findings / Recommendations applicable to NSS within independent reviews of eHealth Funding by Grant Thornton LLP and KPMG LLP

Finding – Grant Thornton LLP

Finding 1:

There are significant improvements required to the controls over the administration, scrutiny and oversight of funds being administered by NSS on behalf of national programmes. Whilst we recognise that the use of these funds (including eHealth monies) may not be under the direct control of NSS, they are included within the NSS annual SGHSCD allocations and therefore the Board are responsible for ensuring these funds are appropriately held and monitored. In addition there should be clear alignment between NSS monitoring and Scottish Government finance monitoring arrangementswith only one tracker used.

It has been assumed that this finding will be addressed by implementing in full all five recommendations within the KPMG LLP report.

Recommendations – KPMG LLP

Recommendation one

Variations in allocations during the year should require authorisation from Director of Finance prior to being agreed with SG. NSS could determine a deminimis level at which this is not required.

NSS uses an allocations tracker to manage the monitoring of allocations and we recommend that an approval column should be included where authorisation could be documented with support retained within the finance team records

Recommendation two

NSS should implement routine reporting of eHealth expenditure to the finance and performance committee, with escalation of variances to the NSS board. Reporting should be at a disaggregated project leve with visibility of overspends and underspends at a project level.

Changes in funding allocations between projects, which are effectively virements, should adhere to NSS virement rules within the SFIs.

Recommendation three

The NSS SFIs should be updated to set out the authorisation, management and reporting requirements for ehealth activity, and that of other national programmes.

The NSS SFIs should be updated to set out the authorisation requirements for virements between programmes

The risk management and risk escalation processes specific to national programmes should be developed.

Recommendation four

All funding to or from SG or allocations from other health boards which will be reversed in subsequent periods should be retained on a listing held by NSS central finance. A change to amounts due in a financial year should only be made with authorisation from an SBU director and with the araeness of the Director of Finance. A de-minimus level at which changes could be made should be agreed

Changes in allocations set our on M-forms should not be processed unless there is authorisation from the relevant SBU director.

Recommendation five

All finance team members should be reminded of their lines of responsibility and reporting. Specifically, where there are significant changes to income and expenditure, these should be escalated to the Director of Finance as well as to the responsible SBU director.

ANNEX 3

REVISED STANDING FINANCIAL INSTRUCTIONS

STANDING FINANCIAL INSTRUCTIONS

June 2018

Distribution and Review History

Change Record

Date	Author	Version	Change Reference
18/05/17	L Howard/ A McLean / J Connelly / S McLaughlin	0.1	Initial Review and changes in procurement regulations
25/05/17	C Low	0.2	Incorporating C. Low review

Reviewers

Name	Position
Director of Finance	

Distribution

Copy No	Name
0.1	Carolyn Low
0.2	Performance and Finance Committee

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

TABLE OF CONTENTS

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 1 - Introduction

General

1.01   These Standing Financial Instructions ("SFIs") replace all previous instructions and are issued for compliance by all officers of the Common Services Agency, more commonly known as NHS National Services Scotland (and referred to as NHS National Services Scotland or NSS throughout these Standing Financial Instructions) from 24 June 2016 1 July 2018.

1.02   These SFIs and supporting policies and procedures detail the financial responsibilities adopted by NHS National Services Scotland. They are designed to ensure that NHS National Services Scotland's financial and related activities are carried out in accordance with the law and Scottish Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Standing Orders and in particular the Schedule of Decisions Reserved to the Board and the Scheme of Delegation therein.

1.03   These SFIs identify the financial responsibilities that apply to everyone working for NHS National Services Scotland and its constituent organisations, including Trading Units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. The Director of Finance must approve all financial procedures and any consequent amendments.

1.04   Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance MUST BE SOUGHT BEFORE ACTING. The user of these SFIs should also be familiar with, and comply with, the provisions of NSS's Standing Orders.

1.05   FAILURE TO COMPLY WITH STANDING FINANCIAL INSTRUCTIONS AND STANDING ORDERS MAY RESULT IN DISCIPLINARY ACTION BEING TAKEN.

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

Terminology

1.07   The following terminology applies throughout these Standing Financial Instructions:

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

(b) "Board" means the Board of NHS National Services Scotland;

(c) "Budget" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of NSS;

(d) "Budget Holder" means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation;

(e) "Chief Executive" means the chief officer of NSS;

(f) "Contract" means any arrangement giving rise to right and obligations between NSS and any one or more third parties whether legally enforceable or otherwise;

(g) "Director of Finance" means the chief financial officer of NSS;

(h) "Executive Management Team (EMT)" means the committee of executive officers of NSS appointed by the Board and given authority by the Board to act in accordance with its remit;

(i) "Financial Services" means the central finance function of NSS;

(j) "Framework Agreement" means a framework agreement in terms of the Public Contracts (Scotland) Regulations 2015;

(k) "Director of Strategic Business Unit" means the chief officer of a Strategic or Support Business Unit or Directorate of NSS; "Legal Advisor" means the properly qualified person appointed by NSS to provide legal advice;

(l) "Officer" means employee of NSS or any other person holding a paid appointment or office with NSS;

(m) "NSS" means NHS National Services Scotland, the common name of the "Common Services Agency for the Scottish Health Service"; and

(n) "SGHSC" means the Scottish Government Health and Social Care Directorates.

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

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

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

Responsibilities and Delegation

1.11   The Board exercises financial supervision and control by:

(a) formulating the financial strategy;

(b) requiring the submission and approval of budgets within approved allocations/overall income;

(c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and

(d) defining specific responsibilities placed on members of the Board and Executive Management Team and employees as indicated in the Scheme of Delegation

document.

1.12   The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Reservation of Powers to the Board within the Standing Orders.

1.13   The Scheme of Delegation and remit of the Board Sub-committees adopted by NSS within the Standing Orders set out those responsibilities delegated by the Board.

1.14   Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as designated Accountable Officer, to the Scottish Parliament in accordance with Section 17 of the Public Finance and Accountability (Scotland) Act 2000, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for NSS's activities; is responsible to the Chairman and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for NSS's system of internal control.

1.15   The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

1.16   It is a duty of the Chief Executive to ensure that existing members of the Board and Executive Management Team, employees and all new appointees are notified of, and understand, their responsibilities within these SFIs.

1.17   The Director of Finance is responsible for:

(a) implementing NSS's financial policies and for co-ordinating any corrective action necessary to further these policies;

(b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;

(c) ensuring that sufficient records are maintained to show and explain NSS's transactions, in order to disclose, with reasonable accuracy, the financial position of NSS at any time;

and, without prejudice to any other functions of NSS, and employees of NSS, the duties of the Director of Finance include:

(d) the provision of financial advice to other members of the Board, Executive Management Team and employees;

(e) the design, implementation and supervision of systems of internal financial control; and

(f) the preparation and maintenance of such financial accounts, certificates, estimates, records and reports as NSS may require for the purpose of carrying out its statutory duties.

1.18   All members of the Board and Executive Management Team and all NSS employees, severally and collectively, are responsible for:

(a) the security of the property of NSS;

(b) avoiding loss;

(c) exercising economy and efficiency in the use of resources;

(d) conforming with the requirements of Standing Orders and SFIs; and

(e) reporting, on discovery, of any breach or non-compliance with Standing Financial Instructions.

1.19 All staff must be made aware of NSS's Fraud Action Plan and the Whistle blowing Policy. The Counter Fraud Champion is responsible for ensuring that the requirements of the Fraud Action Plan are met and processes followed in all relevant situations.

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

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

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

Variation and revocation

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

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 2 - Code of Conduct

General Principles

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

- Not put themselves in a position where their official and private interests may conflict;
- Have cognisance of the presumption of influence on a potential purchasing decision or strategic decision relating to the business objectives of NSS; and
- Not make use of their official positions to further their private interests.

These guidelines should be read in conjunction with section 2.17 on bribery.

Activities involving the use of official information or experience

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

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

Outside Occupation

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

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

Confidentiality

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

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

Contracts and use of services of NSS contractors

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

2.09   In addition, Executive Directors of NSS will be asked quarterly to confirm their declarable interests.

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

Acceptance of Gifts

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

Employees should not accept gifts. Where gifts are sent to an employee, these should only be accepted when the gift is of minimal or nominal value and in any case where the value is presumed to be less than £5. Articles of low intrinsic value such as diaries, calendars or other "desk top items" with a retail value of less than £5 need not necessarily be refused but, as with all gifts offered, should be entered in the Strategic Business Unit's Hospitality Register. All other gifts should be returned to the sender with the appropriate note of thanks and an explanation of this part of the SFIs. In all cases, even when the gift is returned, the Gift and Hospitality Record should be completed, signed and recorded as detailed below.

It is recognised that, on occasion, a gift may be received from a patient or a donor as a "thank you" for services received. These gifts would be difficult to refuse without causing offence. If they are of low intrinsic value, the principles outlined above should be applied. Should they be expensive, the SBU Director should be consulted for a view on acceptance. In all cases in relation to gifts, it is recognised that it is NSS who is the owner of the received gift and not the individual employee.

2.12   Casual gifts offered by contractors or others eg at Christmas time should be declined. If acceptance of such a gift is being contemplated then advice on this should be sought, prior to acceptance, from the direct line manager. Should the line manager not be available, advice may be sought of the SBU Director or the Associate Director of Corporate Affairs and Compliance. If such a gift is accepted, following receipt of advice, then it must be registered in the Gift and Hospitality Record for the SBU.

Acceptance of Hospitality

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

As a guiding principle, hospitality should be refused. Modest hospitality, provided it is normal and reasonable in the circumstances, eg lunches in the course of working visits, may be acceptable when the scale of hospitality is similar to that which the NHS would be likely to offer in the circumstances. Where hospitality is provided at free events or conferences - where the object is to maintain knowledge or develop networks – this may be accepted, provided the hospitality is proportionate, for example, a sandwich lunch may be proportionate but a drinks reception may not be. Where not proportionate, staff should either refuse the hospitality or declare it on their return to the office. Should the hospitality be offered at a post-contract conclusion event, unless permission has been obtained in advance from the SBU Director, this should be refused or be paid for by the employee. Where this has not been possible, the employee should declare it on their return to the office. Staff should always seek advice in relation to events of this nature as advised in paragraph 2.12 above

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

Procedure for completing and recording forms

2.14   A template form and examples of gifts and hospitality is available on the Strategy and Governance webpages. All gifts and hospitality received should be recorded on the SBU's Gift and Hospitality Register. Where the gift/hospitality received is above £5 or £15 in value respectively, the record should, prior to acceptance, be signed by the SBU Director, or where the recipient is a Director, the form should be signed off by the Chief Executive. Each SBU should nominate a person to hold the Register for that SBU. Annual reporting of the completed Register per financial year should go to the Corporate Compliance Group prior to sign off of the SFIs by the Performance and Finance Committee. A central report will then be submitted to EMT and Audit and Risk Committee for noting.

Use of Official Accommodation, Equipment or Vehicles

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

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

Bribery

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

(a) Active bribery (section 1 of the Act) makes it an offence for a person to offer, give or promise to give a financial or other advantage to another individual in exchange for improperly performing a relevant function or activity.

(b) Passive bribery (section 2 of the Act) makes it an offence for a person to request, accept or agree to accept a financial or other advantage in exchange for improperly performing a relevant function or activity.

(c) Bribery of a foreign public official (section 6 of the Act) makes it an offence to offer, promise or give a financial or other advantage to a foreign public official with the intention of influencing the official in the performance of his or her official function. Previously such payments may have been known as Facilitation Payments.

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

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

2.19   The NSS approach to addressing fraud, which includes bribery, is set out in Section 3.

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 3 - Suspected Theft, Fraud & Other Irregularities

<u>**Introduction**</u>

3.01   NSS staff should be aware of the following publications in relation to fraud which are available on the Scottish Government website:

- Scottish Executive HDL(2002)23 – Financial Control: Procedure where criminal offences are suspected
- Scottish Executive HDL(2005)5 – Tackling Fraud in NHS Scotland – Joint Action Programme, which updates HDL(2002)23;
- Scottish Government CEL 3 (2008) - Strategy to Combat NHS Fraud in Scotland; Scottish Government CEL 33 (2010) – Tackling NHS Fraud Training DVD; and
- The Bribery Act 2010.

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

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

<u>**Theft, Fraud, Embezzlement, Corruption, Bribery and Other Irregularities**</u>

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

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

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

3.05   The Chief Executive has the responsibility to designate an officer, Counter Fraud Champion (CFC), within the Board with specific responsibility for co-ordinating action where there are reasonable grounds for believing that an instance of fraud, theft, embezzlement, corruption, bribery or other financial irregularity has occurred. The CFC will also be supported by a Fraud Liaison Officer (FLO) for NSS.

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

3.07   Where any officer has grounds to suspect any of the above activities has occurred, they should report this to the FLO without delay. The FLO will ensure that there is consultation with CFS as set out in the Fraud Action Plan. It is essential that preliminary enquiries are carried out in strict confidence and with as much speed as possible. If the suspicion involves an executive director the matter should be reported to the Chair of the Audit and Risk Committee, the Chairman of the Board, or to the Head of Internal Audit.

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

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

Remedial action

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

Reporting to SGHSC

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

Responses to Press Enquiries

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

National Fraud Initiative

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

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 4 - Budgets, Projections and Budgetary Control

<u>Introduction</u>

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

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

4.03   NSS's income consists of five elements:

- the NSS baseline allocation which is to be treated as an aggregate sum;
- specific ~~ring-fenced~~ additional allocations of funding for projects and services sponsored by SGHSC and managed by NSS on behalf of NHSScotland;
- bottom sliced allocation from other Health Boards to fund National Services provided by NSS;
- specific ring-fenced funding for commissioning certain national healthcare and screening services through the National Services Division ("NSD earmarked funding"); and
- Income earned from trading with other Health Boards and other third parties.

NSS's budget cycle in respect of its general allocation will be co-ordinated with its business planning arrangements and timetables as approved by the Board. The financial plans will be reviewed in detail by the EMT and the Performance and Finance Committee before being put to the Board for approval. This will include ~~NSD's funding~~ all funding managed by NSS on behalf of NHSScotland.

All requests for additional baseline funding whether capital or revenue should be made using the NSS Business Case process in conjunction with the New and Improved Services process (NISe).

The budget for specific ring-fenced projects will be agreed in advance of the projects commencement with SGHSC and will be supported by an approved business case. The ~~EMT~~ Director of Finance should be notified of any such projects at the earliest opportunity and will be responsible for ensuring funding is secured via additional allocations~~.~~

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

The budget cycle in respect all NSS functions, including projects and services managed by NSS on behalf of NHSScotland ~~of the NSD earmarked funding~~ will be co-ordinated with SGHSC's planning cycle.

<u>Preparation of budgets</u>

4.04   The Director of Finance will:

(a) prepare a ~~3 year or~~ 5 year Financial Plan for NSS in line with SGHSC indications regarding likely levels of future allocation, for presentation to the Performance and Finance Committee prior to being put to the Board for approval;

(b) other than NSD and other projects and services managed by NSS on behalf of NHSScotland, advise the Directors of Strategic Business Units of the funds available for budgetary purposes; and

(c) ensure that Strategic Business Unit's business plans and budgets are in line with NSS's Financial Plan.

(d) ensure that for the NSD earmarked funding,

(i) prepare a 3 year Financial Plan (updated annually) for negotiation and approval by SGHSC for top sliced allocation. In addition, those elements of NSD earmarked allocation relating to NHS Board "risk shares" should be negotiated and approved by NHS Board Chief Executives;

(ii) ensure that funding allocated to NHS Boards by NSD for national services is in line with NSD earmarked funding; and

(iii) these plans should also be included in the NSS financials plans presented to the NSS Board to recognise the accountability that the Board has for these funds.

(e) Ensure that for other projects, programmes and services managed by NSS on behalf of NHSScotland (including eHealth)

(i) prepare a 5 year Financial Plan (updated annually) at project and programme level, outlining funding requirements over the period of the plan to support each approved project or programme of work.

(ii) engage with SGHSC to agree in year and future funding allocations and specific conditions attached, including virement rules; and

(iii) these plans should also be included in the NSS financial plans presented to the NSS Board to recognise the accountability that the Board has for these funds.

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

4.06 Each Director of Strategic Business Unit is responsible for ensuring the preparation, on an annual basis, of a Business Plan in the approved format that will be central to the proper management and control of the Strategic Business Unit and for obtaining the agreement of the Director of Finance and Chief Executive to the plan.

4.07 Prior to the start of the financial year the Director of Strategic Business Unit will prepare and submit budgets to the Director of Finance (and SGHSC in the case of NSD earmarked funding and other projects and programmes managed by NSS on behalf of NHSScotland). Such budgets will:

(a) be prepared within the limits of available funds as advised by the Director of Finance or SGHSC in the case of earmarked funds and additional allocations;

(b) meet any requirements of the Board or SGHSC ~~in the case of earmarked funds~~;

(c) be in accordance with the aims and objectives set out in the Corporate Business Plan and reflected in the Strategic Business Unit's Business Plan and SGHSC policy on national healthcare and screening services;

(d) accord with workload and workforce plans; and

(e) identify potential risks and opportunities.

Systems of budgetary control

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

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

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

4.11 Such systems will incorporate:

(a) monthly financial reports to the Board in a form approved by the Board containing:

    (i) income and expenditure to date showing trends and forecast year-end position;

    (ii) capital project spend and projected outturn against plan on a quarterly basis;

    ~~(ii)~~(iii) specific programme level reporting in respect of projects, programmes and services managed by NSS on behalf of NHSScotland, including eHealth funds, in line with the specific requirements defined by the Performance & Finance Committee from time to time.

    ~~(iii)~~(iv) explanations of any material variance from Strategic Business Unit's Finance Plans (material being defined as the higher of 10% and £100,000). For the purpose of reporting, materiality should be considered in relation to the total income, and the total pay and non-pay expenditure. ~~In the case of NSD materiality should be considered in relation to each national healthcare contract~~; and

    ~~(iv)~~(v) details of corrective action where necessary and the Director of Finance's view of whether such actions are sufficient to correct the situation;

(b) investigation and reporting of variances from financial, workload and workforce budgets, including a requirement for finance staff to escalate any significant changes to income and expenditure to both the Director of Finance and the Director of Strategic Business Unit;

(c) monitoring of management action to correct variances; and

(d) arrangements for the authorisation of budget transfers in the case of NSS's general allocation.

~~(d)~~(e) arrangements for the return of specific additional allocations or proposed virement in line with agreed conditions of funding award for funds managed by

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NSS on behalf of NHSScotland (see section 4.24 for rules of virement within NSD's earmarked allocation).

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

(a) any likely overspending or reduction of income, which is not offset by corresponding reduction in expenditure, which cannot be met by virement is not incurred without the prior consent of the Director of Finance in respect of the general allocation, in addition to SGHSC in respect of ring-fenced funds;

(b) the amount provided in the approved budget is not used in whole or in part for any other purpose other than that specifically authorised subject to the rules of virement;

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

Budget limits

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

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

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

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

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

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

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

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

appropriate.

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

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

Virement

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

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

4.254   Subject to the foregoing rules, planned or fortuitous savings may be redeployed within NSS's general allocation provided that the Director of Strategic Business Unit has verified that:-

(a) they do not arise from major alterations in service provision;

(b) they are not part of an efficiency savings initiative;

(c) the level of service defined in the Business Plan has been or will be achieved;

(d) details of the savings figures have been provided to the Director of Finance;

(e) non-recurring savings are not committed recurrently;

(f) the Budget Centre in total is expected to remain within budget by the end of the year;

(g) the alternative use does not conflict with NSS policy.

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

(a) the level of service defined in National Healthcare and Screening Service Agreements has been or will be achieved;

(b) waiting times are within the limits set by SGHSC;

(c) funding shifts do not generate major service change unless prior approval by SGHSC has been granted;

(d) use or application of savings across the total earmarked funds of NSD (subject to the virement reference above) should be agreed in conjunction with the relevant funding bodies, i.e. SGHSC for top sliced allocation for designated specialist and screening services, and NHS Boards for NHS Scotland financial

risk share arrangements; and

(e) savings against earmarked funds of NSD will not be used to support NSS activity; similarly NSS funds will not be used to support activity funded through NSD.

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

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

Financial consequences of change

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

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 5 - Staff Appointments, Remuneration and related matters

Remuneration Committee

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

Staff appointments

5.02   The Board will delegate responsibility to a manager for:

(a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board; and

(b) dealing with variations to, or termination of, contracts of employment.

both in a form which complies with employment legislation

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

(a) unless within the limit of his approved budget and funded establishment; or

(b) in exceptional circumstances if authorised to do so by the Chief Executive.

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

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

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

Processing of payroll

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

(a) specifying timetables for submission of properly authorised time records, expense claims and other notifications;

(b) the final determination of pay and allowances;

(c) making payment on agreed dates; and

(d) agreeing method of payment.

5.08   The Director of Finance will issue instructions regarding:

(a) verification and documentation of data;

(b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;

(c) maintenance of subsidiary records for superannuation, income tax, national insurance contributions and other authorised deductions from pay;

(d) security and confidentiality of payroll information;

(e) checks to be applied to completed payroll before and after payment;

(f) authority to release payroll data under the provisions of the Data Protection Act and National Fraud Initiative;

(g) methods of payment available to various categories of employees and officers;

(h) procedures for payment by cheque, bank credit, or cash to employees and officers;

(i) procedures for the recall of cheques and bank credits;

(j) pay advances and their recovery;

(k) maintenance of regular and independent reconciliation of pay control accounts;

(l) regular reconciliation of key standing data between the payroll system and the Human Resources Business Systems;

(m) separation of duties of preparing records and handling cash;

(n) a system to ensure the recovery from leavers of sums of money and property due by them to NSS; and

(o) procedures for reclaiming expenses incurred wholly, necessarily and exclusively for business purposes.

5.09   Appropriately nominated managers and EMT members have delegated responsibility for:

(a) completing and authorising time records, and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance;

(b) submitting time records, and other notifications in accordance with agreed timetables; and

(c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil Executive Management Team obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

5.10   Regardless of the arrangements for providing the payroll service, the Director of Finance will ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and timely payment of these to appropriate bodies.

Termination Settlements

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

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

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

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

Ex Gratia Payments

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

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 6 – Non Pay Expenditure - Procurement

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

6.01   All procurement must be undertaken in line with the following;
- Procurement Reform Act (Scotland) 2014
- Public Contracts (Scotland) Regulations 2016
- Public Contracts (Scotland) Regulations 2015
- Utilities Contracts (Scotland) Regulations (2016)
- Concessions Contracts (Scotland)

6.02   All procurement must also incorporate the principles set out in the Scottish Government – Scottish Procurement Policy Handbook 2008; the SG published Procurement Journey or any subsequent revisions to that Handbook or Journey guidance.

6.03   Capital works must be undertaken in line with the requirements set out in the Scottish Government Scottish Capital Investment Manual and the Construction Procurement Manual (December 2005) or any subsequent amendment or revision of those documents issued by Scottish Government.

6.04   All procurements of IT related goods or services are required to be approved by the NSS Corporate Initiative / IT PMG in line with best practice procurement and expenditure limits.

6.05   In addition, the Key Procurement Principles set out in Scottish Government, Directorate for Health Finance and Information, CEL 05 (2012) dated 1 March 2012 should be adhered to.

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

Existing Central Contracts and Frameworks

6.06   Each Director of Strategic Business Unit is required to ascertain, prior to ordering any goods, works or services, whether a central contract or framework exists for these goods, works or services. Where such a central contract or framework exists it must be used unless the Director of Finance or nominee authorises the exception. A central contract or framework may be one established by Procurement, Commissioning and Facilities on behalf of NHSS or by Scottish Government or some other government agency from which NSS can derive benefit. Consideration must be given to the explicit arrangements of central contracts or frameworks to ensure that they are appropriately applied within NSS.

6.07   Advice should be sought from NSS Procurement teams prior to the use of central contracts or frameworks not negotiated by Procurement, Commissioning and Facilities to ensure that the correct interpretation on their use is made and best value is obtained. This may include referral for guidance to NSS legal advisers where

appropriate. Procurement guidance can be located on geNSS NSS Procurement pages under the Procurement, Commissioning and Facilities SBU area.

If no contract or framework currently exists, the procedures set out in Sections 7 and 8 must be followed.

6.08   For the avoidance of doubt, a central contract or framework need not be used if an external customer of an NSS Strategic Business Unit (e.g. a SHSC external customer) specifies a requirement which cannot be met from an existing national contract and, prior to procurement by the NSS Strategic Business Unit on the customer's behalf, has confirmed it is prepared to meet the full cost of the goods or services procured by an NSS Strategic Business Unit on their behalf.

Delegation of authority

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

In relation to funds managed on behalf of NHSScotland, specific delegated authority is as defined in the Scheme of Delegation.

In relation to earmarked funds for national healthcare and screening services, the Director of NSD is empowered to sign Service Agreements with NHS Boards on behalf of SGHSC. The signing of a Service Agreement commits expenditure on behalf of NSS and, following completion of the relevant procedures, the disbursement of NSS funds to the provider of the national service. Steps should be taken to ensure that all NHSS goods and services to be procured to support NSD managed programmes utilise available national contracts and framework agreements where possible.

6.10   Where manual authorisation is required, each Director of Strategic Business Unit will notify the Director of Finance in a prescribed format, on a quarterly basis, of all such officers in his Strategic Business Unit with their defined authorisation limits. The Director of Strategic Business Unit will also advise the Director of Finance immediately any change is made to any of these authorisations. Each Director of Strategic Business Unit will be responsible for ensuring that system based approvals for non pay expenditure are up to date and accurate at all times.

6.11   Each Director of Strategic Business Unit will be responsible for ensuring that all goods, works and services are procured via an agreed best practice purchasing method, such as the raising of a Purchase Order via an approved NSS purchasing system or procured via an authorised Procurement Card.

Choice, requisitioning, ordering, receipt and payment for goods and services

General

6.12   The Director of Finance will:

(a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds will be incorporated in the Standing Financial Instructions and regularly reviewed (see Section 8);

(b) prepare procedural instructions (where not already provided in the Scheme of Delegation or procedure notes for budget holders) on the obtaining of goods,

works and services incorporating the thresholds;

(c) ensure that appropriate arrangements are in place for the prompt payment of all properly authorised accounts and claims, in accordance with the Better Payment Practice Code;

(d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system will provide for:

(i) an electronic list of Executive Management Team members/employees (including specimens of their signatures) authorised to certify non Purchase Order invoices;

(ii) all invoices received from suppliers will be registered on NSS's Accounts Payable System. Invoices that are not a bona fide charge on NSS must be passed to the Director of Finance together with any available explanation within 24 hours of receipt;

(iii) certification that:

- goods have been duly received, examined and are in accordance with specification and the prices, extensions, calculations, trade discount, other allowances, credits and tax are correct;

- work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;

- in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;

- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;

- the account is arithmetically correct;

- appropriate entries have been made in purchasing and payment systems, registers, inventories, stores or similar records as required;

- the appropriate expenditure code numbers are charged with the cost;

- VAT has been appropriately applied; and

- the account is in order for payment.

(e) Ensure that a timetable and system is in place for submission to NSS Financial Services of accounts for payment. Provision will be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.

(f) Ensure that procedures are in place for the handling and payment of accounts within Financial Services.

(g) Ensure that payment for goods, works and services is only made once the goods, works and services are received, (except as below).

6.13 Directors of Strategic Business Units must ensure that they comply fully with the guidance and limits specified by the Director of Finance/ the delegated authority from SGHSC in respect of earmarked funds and that:

(a) the purchase of goods by NSS will be in accordance with extant guidance issued by SGHSC and the Scottish Government Scottish Procurement and Commercial Directorate. In addition, circumstances involving specialist requirements should

be written or adopted by the ordering officer on advice from NSS's Procurement Departments or Central Legal Office;

(b) all leases and tenancy agreements which may result in a liability are notified to the Director of Finance in advance of any commitment being made;

(c) the procedures to be followed when placing an order and invoking competitive quotation or tendering arrangements are outlined in Section 8;

(d) where consultancy advice is being obtained, the procurement of such advice must be in accordance with Section 9;

(e) no contract will be entered into or purchase order issued for any item or items to any organisation or person which has made an offer of gifts, inducement, reward or benefit to directors or employees, other than:

(i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars as outlined at Section 2.11; and

(ii) conventional hospitality, such as lunches in the course of working visits, providing such hospitality is appropriately authorised and properly recorded in line with NSS's procedure as outlined at Section 2.11;

(f) no requisition/order or contract acceptance is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;

(g) all goods, services, or works (except purchases from petty cash) are ordered on an official order form (or, in exceptional circumstances verbally – see 6.10(h) below) prior to receipt of goods/services/works and invoice;

(h) verbal orders may only be issued under exceptional circumstances - by an employee designated by the Director of Strategic Business Unit within their delegated limit, and authorised by the Director of Strategic Business Unit, and only in cases of emergency or urgent necessity for critical goods or services. These must be confirmed by an official order as soon as possible, and clearly marked "Confirmation of verbal Order";

(i) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds contained within these SFIs and/or legal requirements;

(j) goods or services are not purchased, taken on trial or loan in circumstances that could commit NSS to a future non-budgeted expenditure or uncompetitive purchase;

(k) changes to the list of Executive Management Team members/employees and officers authorised to certify non Purchase Order invoices are notified to the Director of Finance;

(l) purchases from cash imprests, including petty cash, are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;

(m) petty cash records are maintained in a form as determined by the Director of Finance; and

(n) official orders will only be placed where an arms-length relationship exists with the supplier.

Choice, requisitioning and ordering of goods and services

6.14 The requisitioner or officer placing the order, in choosing the goods to be supplied (or the service to be performed) and the procurement process to be followed must

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

6.15   The Chief Executive will set out procedures on the seeking of professional advice regarding the supply of goods and services in line with SGHSC guidance and recognised best practice.

6.16   All orders of any kind will only be made on official order forms. The Directors of Strategic Business Units will inform all existing and proposed suppliers of this restriction. All orders, both for stock and non-stock items, will be raised using the Finance system or approved e-Procurement system where the supplier adoption process has been carried out. Orders may be electronically authorised.

6.17   Official Orders must:

(a) be consecutively numbered;

(b) be in a form approved by the Director of Finance;

(c) contain information on goods/service being purchased, volume, costs and prices as necessary; and

(d) incorporate an obligation on the supplier to comply with the applicable NSS or other contract or framework agreement terms and conditions related to the purchase, delivery, carriage, documentation, variations, etc.

6.18   System generated purchase orders can only be input to electronic purchasing systems and authorised by users with adequate authorisation. Once completed, purchase orders are e-mailed, or electronically faxed or transmitted directly from purchasing systems or posted to suppliers and therefore do not require manual authorisation. Directors of Strategic Business Unit should satisfy themselves that authorisation levels for electronic purchasing systems are appropriate and current at all times.

6.19   Directors of Strategic Business Units should satisfy themselves that escalation routes and timescales for escalation and approval of electronic purchasing systems generated purchase orders are appropriate and current at all times, in line with NSS agreed ways of working.

Receipt of goods

6.20   The Director of Finance will specify how the receipt of goods and satisfactory completion of provision of services to NSS is to be recorded.

Directors of Strategic Business Units are responsible for ensuring that goods are receipted accurately and timeously.

6.21   The recording of the receipt of goods, works and the satisfactory completed provision of services must be made by an officer independent of the officer who authorised the relevant Purchase Order where the same officer is to authorise the invoice. Where no separate goods inwards or similar arrangement of internal check is practicable, the budget holder's superior officer or a designated responsible officer must make this authorisation.

6.22   The recording of the receipt of goods, works or services is an essential element in the purchase to pay process. It must be undertaken as soon as possible after the receipt of goods, works or services unless there has been exceptional prior agreement and approval by the Director of Finance for electronic purchasing and payments systems arrangements to be in place to auto-receipt such goods or

services.

6.23   Failure to receipt goods, works or services in a timely manner creates downstream processing problems and reduces the ability of NSS to pay suppliers promptly. The Director of Finance will ensure that mechanisms are in place to monitor the receipting of goods, works or services. Where individual officers continually fail to receipt goods, works or services in a timely manner this will be made known to the relevant Director of Strategic Business Unit and may result in further action.

6.24   The Director of Finance will specify any goods or services which do not require manual receipt input to electronic systems and may be transacted through an electronic auto-receipt facility. An up to date record will be maintained by NSS Financial Services of all such auto receipt commodities.

Payment for goods and services

6.25   The Director of Finance will ensure that appropriate arrangements are in place for the prompt payment of accounts and claims. Payment of contract invoices will be in accordance with contract terms, or otherwise, in accordance with national guidance.

6.26   No officer may authorise a supplier's invoice for clearance through NSS's Accounts Payable system that has been derived from a purchase order physically or electronically signed by him.

6.27   Where the officer providing certification has not himself obtained verification, he will ensure that the officer doing so has not placed the order or negotiated price or terms.

6.28   Payment will not be made on duplicate or photocopy invoices unless the Associate Director of Finance (Financial Services), or other authorised senior official, certifies in writing that the amounts have not been previously passed for payment.

6.29   Any amendments required to payment vouchers/invoices will be noted by Financial Services and the payment voucher/invoice returned to the supplier for alteration and re-presentation.

6.30   All payments will be made within NSS's normal terms of trade although special regard should be given to available prompt payment discounts subject to instructions issued from time to time by the Director of Finance. Under normal circumstances, non-contractual payments will not be made for goods or services in advance of their receipt or performance. Notwithstanding, the Director of Finance may authorise such advance payments where it can be demonstrated to be in the interests of NSS or NHSScotland. All such circumstances will be recorded and presented to the Performance and Finance Committee, annually as appropriate, for review and to confirm appropriateness.

6.31   Overpayments by NSS should be detected (or preferably prevented) and recovery initiated.

6.32   In line with CEL 05 (2012) – Key procurement principles, NSS must implement a policy where no payment shall be made to any supplier where there is no pre-let purchase order. Only if a separately agreed payment mechanism has been pre-arranged and approved by the Director of Finance should direct payments be made. Each supplier should be formally notified of this and the limit of the NSS liability if they proceed with supply without such order cover.

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 7 - Contracting Requirements

7.01 Specific rules for the placing of contracts by Strategic Business Units of NSS are shown at Sections 6 and 8.

7.02 If a new order, contract or contract extension is required, there are five elements to consider ensuring compliance with these SFI's.

1) Early engagement of the NSS Procurement Department
2) The procurement process required – this varies by value and is set out in Section 8.03

3) NSS spend – level of spend dictates authority required as set out below in 7.03.

4) Total spend – if other bodies (e.g. Health Boards) are part of the contract NSS is negotiating, then the total value dictates the NSS authority required as set out in Section 7.05.

5) General requirements – as set out below from 7.06 onwards

For the avoidance of doubt, the rules set out in this section relate to the approval of procurement through contractual and framework agreements and not to the approval of budget. Prior to any contractual/framework agreement being approved appropriate funding should have been identified and approved in line with section 4 above.

NSS Contract/Framework Agreement

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

- less than £100,000 approval is required from the Director of Strategic Business Unit.;

- more than £100,000 but less than £500,000 approval is required as above and the PCF Contracts Approvals Board:

- more than £500,000 but less than £1 million approval is required from PCF Contracts Approvals Board and then from the Chief Executive;

- more than £1 million approval is required from the NSS Board through the Performance and Finance Committee, following approval from the Chief Executive as above.

Wherever practicable, approval for contract extensions should be sought on a timely basis so that should extension approval not be granted that there is sufficient time to run the appropriate procurement process set out in these SFIs. For all contract extensions which require authorisation by the Chief Executive or the NSS Board, either approval should be sought in sufficient time to run an appropriate

procurement process or an exemption must be agreed by the Chief Executive / NSS Board

Guidance on completing the Approvals Protocol should be sought from Procurement, Commissioning and Facilities.

Planning of NSS Contracts / Frameworks should ensure that sufficient time is allowed for the necessary approval route.

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

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

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

- less than £2 million, approval is required from the PCF SBU Director, the Strategic Sourcing Director and the Director of IT Strategic Business Unit for an IT-related contract;

- more than £2 million but less than £5 million, approval is required from the PCF Contracts Approvals Board (Director of Finance ,PCF SBU Director, Strategic Sourcing Director and for IT approvals the IT SBU Director);

- more than £5 million, approval is required from the Chief Executive of NSS following the PCF Approval Board;

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

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

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

General Requirements

Advertising

7.09 In accordance with the Procurement Reform Act (Scotland) 2014, any contract between £50,000 and OJEU value over its lifetime is considered a regulated contract. Guidance in tendering these contracts must be sought from NSS Procurement.

Signing of contracts

7.10   The official signing of any contract or framework agreement that requires Board approval (as per sections 7.03 and 7.05 above) will be sealed with the Common Seal of the Common Services Agency.

Records of contracts

7.11   To effect compliance with the Procurement Reform (Scotland) Act 2014, NSS' utilises the Public Contracts Scotland (PCS) web portal contract register functionality to maintain a public register of all contracts in excess of £50,000 in value. However it is the NSS aim to continuously improve processes in order to move toward a solution where all contracts of over £10,000 in value are placed on this public register. The Director of Finance will receive a copy of the register on an annual basis. This will also enable completion of the EU Statistical returns on behalf of the NSS.

Variations to contracts

7.12   All agreements with suppliers/contractors to vary contracts for supplies/works of a revenue or capital nature will be under specified procedures agreed by the Director of Finance.

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

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

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

Interim and final payments

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

7.17   **Communications**

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

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 8 – Tenders and Quotations

Introduction

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

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

8.03   The thresholds for the purchasing/ordering of all goods, services and works excluding designated and nationally commissioned healthcare and screening services within NSS's earmarked allocation are as follows:-

Thresholds	Purchasing Process
Contract value < £10,000	Achievement of value for money should be demonstrated. Where possible, this will be through receipt of three competitive quotations from reputable suppliers. (In the absence of such quotes, the purchaser must be prepared to justify the procurement route chosen to the Director of Finance if asked to do so).
Contract value > £10,000 and < £50,000 (except public works) Public Works <£2m	A minimum of three competitive written quotations to be received from reputable suppliers, subject to section 8.12 below. Suppliers may be identified by searching the register of suppliers on the Public Contracts Scotland (PCS) web portal or with assistance from NSS PCF SBU. Quotes must be obtained using The Public Contracts Scotland website 'Quick Quote' system. Guidance on the use of PCS can be obtained from NSS PCF SBU.
Contract value £50,000 or more over its lifetime (4 years maximum) (except public works) Public Works £2m or greater	Tendering process applies and advice and assistance must be sought from NSS PCF SBU before proceeding. The contract must be advertised on Public Contracts Scotland or other available and approved government procurement system.
Contract with an estimated value equal to or greater than the published OJEU threshold (see 8.07 below)	A full EU tendering process must be undertaken in line with the requirements of the Public Contracts (Scotland) Regulations 2015. This must be done with full advice and guidance of NSS procurement

	and other technical and legal advisors as required. The contract must be advertised on Public Contracts Scotland.

8.04 In order to ensure that value for money is achieved it is essential that a sufficient number of competent, financially sound suppliers with adequate capacity to undertake the work or provide the goods/service are identified. As part of value for money, due regard to other relevant organisational policies is important, for example, policies in relation to corporate social responsibility/sustainability and risk management.

If a purchase is likely to be above the relevant EU threshold (see 8.07 below), publication of the appropriate advertising and other associated documentation within the Official Journal of the European Union (OJEU) is mandatory and EU procurement processes apply. This should be by advertising via the Public Contracts Scotland portal as outlined at 7.09 and 8.03 above.

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

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

All procurement should be undertaken in line with the SG Scottish Procurement Policy Handbook, the Scottish Public Procurement Toolkit, the Scottish Government Procurement Journey and the Scottish Capital Investment Manual where appropriate, and NSS published procurement guidance material approved by the Procurement Steering Group.

8.05 Any purchase that falls within the requirements of the tendering process should be routed through the NSS PCF SBU. Procurement managers will ensure that standardised NSS procurement processes are followed and that NSS complies fully with EU Procurement Legislation and SG policy.

8.06 All contracts with an estimated total value of £50,000 or more (see 7.09) must be advertised on the Public Contracts Scotland Advertising Portal. Subsequent award information must also be placed on the Portal in line with Procurement Reform Act (Scotland) 2014. NSS Procurement will provide guidance to Strategic Business Units for these processes.

8.07 The EU Directives must be applied when the estimated contract value exceeds the procurement thresholds set by the EU and which are revised from time to time. In cases of doubt, advice should be sought from the relevant NSS Procurement Manager.

Guidance on the current EU procurement thresholds should be sought from the NSS Procurement Department.

8.08 In certain circumstances, EU Directives may not apply. This is permitted using the

general exclusions and Specific Situations of the Public Contracts (Scotland) Regulations 2015 Sections 4 or 7 through 18 or by being a service listed in Schedule 3 of the aforementioned regulations. To ensure probity the Sole Source Justification form should be completed in these circumstances. If the purchase is of an ongoing nature, a single form for the requirement should be completed at the start of each financial year and attached to the initial Purchase Order for NSS Procurement records. All subsequent Purchase Orders should reference the initial Purchase Order number. The Sole Source Justification form can be found in the NSS Procurement pages on GeNSS (see 6.07).These exemptions require careful consideration and the advice of the NSS Head of Procurement must be sought at the earliest opportunity if circumstances may require their use.

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

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

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

8.12   Where, in exceptional circumstances, three competitive written quotations or tenders cannot be provided by reputable suppliers the tender process and selection must be approved by the Chief Executive or the Director of Finance via a sole source justification. The sole source justification form can be found in the NSS Procurement pages on Genss (see 6.07). The Director of Finance will present, on an annual basis, a report to the Performance and Finance Committee detailing the nature and justification for any such circumstances.

Tendering Requirements

8.13   Each Director of Strategic Business Unit is responsible for ensuring that tender documents and invitations to tender (ITT) are prepared which comply with legislation, the SG Procurement Journey and must:-

- have a covering letter
- provide clear instructions to the tenderer including stating the last date and time when tenders will be received;
- have a clear specification of requirements
- have the appropriate NSS standard or specific terms and conditions
- have clear Schedules to the tender for completion by tenderers e.g. the Form of Tender, Pricing Schedules, Non collusion certificate
- Specify the award criteria and their relative weightings
- Specify the award process and timescales
- Specify the appeals process

In compiling the ITT care should be taken to ensure that it sets out all obligations of the parties in a clear, complete, concise and unambiguous way.

- Under conditions approved by the Director of Strategic Business Unit and where the public sector electronic tendering system is used, electronic tender submissions will be accepted as set out at 8.10 above.

8.14 Tenderers must be advised that NSS reserves the right to accept a tender based on best Price / Quality ratio offering best value for money and other than the lowest price or to accept no tender at all.

8.15 Where electronic tendering systems are used, suppliers may be able to submit a late offer in line with NSS PCF Procurement procedures.

8.16 The tender evaluation panel should comprise of the customer(s), procurement and any other relevant officers with sufficient technical ability to evaluate detailed tenders. The evaluation must be against the pre-determined and published award criteria from the ITT and full records on the decision making process and outcomes must be maintained. The panel will:

- evaluate the tenders in line with the published ITT criteria and methodology;
- maintain records of the evaluation and decision making process
- make the recommendation for award in a published, signed report; and
- ensure NSS procurement procedures are adhered to.
- debrief unsuccessful tenderers
- ensure that applicable legislative timescales are maintained

8.17 Before accepting a tender the Director of Strategic Business Unit must be satisfied that all required processes and procedures in compliance with EU procurement legislation have been adhered to

8.18 The Director of Strategic Business Unit must ensure that all accepted tenders have the appropriate details entered onto the NSS contract register which will be maintained by the NSS Procurement Department.

8.19 The Director of Strategic Business Unit must ensure that all tender documentation, reports and records must be retained and stored in line with NSS document management and retention policy.

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

8.21 Each Director of Strategic Business Unit must ensure that every contract contains a clause entitling NSS to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or his representative, with or without his knowledge, has colluded in tendering for the contract or any other contract with NSS or has employed any corrupt or illegal practice in obtaining or executing that or any other contract with NSS.

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

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 9 - Appointment of Advisers and non-permanent staff

Introduction

9.01   These Standing Financial Instructions define the procedures to be followed in the selection and appointment of Advisers and staff not on open-ended contracts and should be read in conjunction with Sections 6 and 7.

Provider	Process
Legal Advisers	CLO must act as appointed legal advisers on all legal matters unless approval has been granted by Chief Executive
Management Consultants/ Contractors (individuals and companies)	This section 9. The authority limits in section 7.03 also apply.
Agency staff	In line with all establishment posts, agency and contractor staff will be recorded on the relevant NSS Business Systems to ensure compliance with the National Directory and NHS Mail access for all members of staff and to allow for effective monitoring of all staff across NSS. Agency staff must be appointed in line with the NSS Agency Workers Process including a requirement to utilise any national procurement framework or contract in place for such staff within NHSS. Completion of an online "check of employment status for tax" must also be carried out prior to the start of any engagement. The authority limits in section 7.03 also apply
Secondees	Before appointing any Secondees to work in NSS, the relevant Director of Strategic Business Unit must be consulted and their approval to proceed should be given prior to proceeding with any appointment
Temporary/Fixed Term Employees	Normal HR recruitment

9.02   Contractors are used by NSS -

      a)   to provide specific expertise which may not be readily available within NSS;
      b)   to perform a task within a defined time span; or
      c)   to provide an outside objective view on a particular matter.

Specification of Need

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

      a)   <u>Define assignment to be undertaken</u>: The nature of the task requires to be identified and a specification with the timescale prepared. This will enable the quantity and quality of professional skill required to be assessed.

      b)   <u>Consider alternative means of undertaking assignment</u>: Having prepared the specification it should be possible to consider whether the Strategic Business Unit's own staff can undertake the assignment, within normal working hours, in overtime hours or on a secondment basis. If this is not possible the option of involving other Strategic Business Units' staff on a secondment or chargeable basis should be explored <u>before</u> any consideration of an outside source is made. Should outside support be necessary the suitability of temporary staff should be considered before finally deciding to progress to the process leading to the appointment of Management Consultants/Contractors.

      c)   <u>Define the basis of the consultancy</u>: It is necessary to decide the appropriate method of appointment, for example if the end date of the assignment and timescale can be clearly identified a block fee would be appropriate. However it is recognised that it is not always possible to do this and in such circumstances a day rate basis would be appropriate.

Procedures for appointment

9.04   <u>The applicable procurement procedures and limits set out in sections 6, 7 and 8 must always be followed.</u>

9.05   Before appointing Management Consultants/Contractors the relevant Director of Strategic Business Unit must be consulted and his approval to proceed should be given prior to proceeding with any appointment.

9.06   For each appointment, a file will be set up and a checklist included in the file listing all items that must be included. This will include a copy of the HMRC online assessment which will determine the employment status for tax purposes of the engagement.

9.07   The use of any available SG or other Government agency procurement frameworks agreements for Business Management Consultancy services or any other Consultancy Services provision must be considered and used where appropriate. Any exception to this must be approved by the Director of Strategic Business Unit. Details of available consultancy frameworks can be obtained from NSS PCF SBU.

When considering the assignment it is appreciated that it may not always be possible to estimate the value or the timescale. In such cases however it should be possible to ascertain the range and nature of skills required and the likely number of days work required. This will enable competitive quotations or tenders to be obtained, as above, on a day rate basis. If this approach is appropriate it is essential that the schedule of day rates is maintained and updated no less frequently than annually and documentary evidence retained.

9.08   In considering the suitability of a Management Consultant/Contractor, the selection process must ensure that appropriate consideration is given to the particular experience and reputation of the individual(s)/organisation.

9.09   In making the appointment the officers must satisfy themselves that the Management Consultant/Contractor is competent to undertake the assignment and must maintain and retain documentary evidence of their consideration of this matter.

9.10   It is imperative that the professional competence of the Management Consultant/Contractor is vetted by the Director of Strategic Business Unit who must prepare and retain documentary evidence of this consideration.

9.11   Where a Management Consultant/Contractor has been appointed due to a lack of specific expertise being available within NSS, arrangements should be made wherever practical for knowledge or skills transfer into NSS to occur. The anticipated knowledge or skills transfer should be documented and tracked thereafter.

Tendering Arrangements

9.12   In all circumstances, the arrangements for tendering set out in Section 8 will be followed.

9.13   Particular attention is drawn to the need to ensure that adequate provision has been made in the annual budget for the sums involved.

9.14   The appointment of consultants/contractors can occur without completion of the tender process where the Chief Executive and/or the Director of Finance has within EU procurement law, approved the use of a "single tender" process. Approval is via completion of a Sole Source Justification form. In such circumstances a formal Sole Source Justification report will be produced by the Director of Finance and presented to the Performance and Finance Committee annually explaining the reason(s) for exception.

Functional Continuity

9.15   Where for whatever reason it is decided to extend the appointment of a Management Consultant/Contractor and this will increase the value of the initial or current assignment sufficient to move it into a higher value band (see Section 7) the materiality of any such extension should be measured and appropriate legal advice sought from CLO prior to the approval of the Chief Executive and/or the Director of Finance must be obtained before proceeding to extend the appointment.

9.16   Similarly CLO advice should be sought and the Chief Executive's and/or the Director of Finance's approval must be obtained in all cases where the value or timescale of the extension cannot be estimated.

Authorisation and Payment of Invoices

9.17   The officer responsible for ensuring that the work to be undertaken in the assignment has been carried out satisfactorily will certify invoices for work done and will ensure that the fee charged is correct.

9.18   Thereafter payment will be in accord with normal practice.

Review of Assignments

9.19   The Director of Strategic Business Unit is responsible for conducting a review of the effectiveness and value for money of the assignment prior to the departure of, or as soon as practicably possible thereafter, the appointed Management Consultant/Contractor. Internal Audit or any other body as may be required should record details of such review for the purposes of any subsequent independent scrutiny.

Value for Money

9.20   Throughout the whole procurement process of developing need, specification, tendering, appointment and payment the officers involved in the exercise are responsible for ensuring that best value for money is obtained.

Audit and Risk Committee Reporting Requirements

9.21   NSS's Audit and Risk Committee can, at any time, call for the justification of expenditure on Management Consultants.

9.22   The Director of Finance will present, on an annual basis, a report to the Audit and Risk Committee detailing the nature of and expenditure incurred by each Strategic Business Unit on the employment of Management Consultants in the preceding year.

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 10 - Income Generation and Intellectual Property

Introduction

10.01   This Standing Financial Instruction refers to all income generation (excluding SGHSC allocations) entered into by NSS, whether or not contractually binding, for the supply of goods and/or services by it to another party and for which money will be receivable by NSS. It applies to "contracts" with NHSScotland bodies, other public sector bodies and to all arrangements with private sector bodies.

10.02   Contracts with SGHSC are not subject to this section of the Standing Financial Instructions.

Authority levels

10.03   Strategic Business Units may enter into income generating activities with outside parties on their own authority provided that:

(a)   the limits set out in Appendix III are adhered to;

(b)   NSS's standard terms and conditions of business/service level agreement apply;

(c)   if denominated in a foreign currency, approval has been obtained from Director of Finance as described below; and

(d)   section 10.19 on legal entity participation or investment is not relevant.

10.04   Any income agreement which does not meet all of the criteria above requires prior approval by the Director of Finance and/or Chief Executive.

10.05   Income agreements are frequently negotiated over a period of time which may be prolonged and often require to be ratified as soon as terms and conditions are agreed in order to avoid financial loss through further delay. Where authority from a higher level is required, officers should plan for and provide prior warning to all officers whose authority may be required.

Determination of charges

10.06   Each Director of Strategic Business Unit will review on at least an annual basis the charges for services provided by the Strategic Business Unit. Unless such charges are fixed externally or are governed by specific SGHSC regulations and/or legislation, the SBU income strategy, including charging principles and proposals for the revision of charges, will be submitted to the Chief Executive and Director of Finance for consideration and approval in advance of such revised charges being published. This will be formally approved as part of the annual business planning process.

10.07   In setting the level of fees and charges, Directors of Strategic Business Units should ensure the full recovery of all costs including capital costs represented by

capital charges. For recurring income streams there should be a yearly review as part of the budget process to ensure that full recovery of costs is being achieved.

10.08 Where day rates form the basis of any fees and charges the approved NSS day rates should be used. Any variation from the approved day rates should be agreed with the Director of Finance.

10.09 Planned cross subsidisation is not permitted and marginal costing may only be used when unplanned spare capacity arises during the year.

10.10 Charges to the private sector may be set at any level that the market will bear, provided the price covers all direct and indirect costs.

10.11 In order to preserve the real value of income, increases recommended should have regard to at least the current rate of inflation.

Foreign currency

10.12 Business should normally be conducted in sterling. Any Sales which are to be denominated wholly or in part in a foreign currency must be pre-notified to the Director of Finance at the earliest opportunity.

10.13 Foreign currency transactions will normally only be acceptable in "hard" currencies such as US dollars, the Euro or Swiss Francs. Other major world currencies will be acceptable where business is conducted with the appropriate country.

10.14 Foreign currency transactions in excess of £2million require to receive advance authorisation through the Government Banking Service. Such transactions will be referred to the Director of Finance for arrangement. Government accounting regulations require NSS to minimise the cost of its overseas (banking) transactions while protecting public funds against loss and uncertainty due to foreign exchange movements. NSS will therefore take steps to minimise its exposure to foreign exchange risks, for example by entering into forward exchange contracts, but must not speculate on foreign exchange movements.

Third Party Contracts and Agreements

10.15 Under certain circumstances NSS may enter into non financial contracts and agreements with third parties. All such agreements should be approved by the relevant Director of Strategic Business Unit. The Director of Strategic Business Units should ensure that an appropriate approval process is followed prior to "sign off" in line with Scottish National Blood Transfusion Service Business Development Execution of Agreement Checklist.

Intellectual Property and Other Guidance

10.16 Strategic Business Units must comply with MEL(2000)13: "Fund Raising, Income Generation and sponsorship within the NHSiS" at all times.

10.17 The registration, other forms of protection, management and exploitation of Intellectual Property Rights (e.g. a brand, patent, domain name, etc.) is subject to compliance with current NSS Intellectual Property Policy and Scheme of Delegation.

10.18 Consideration should be given to using the services of Scottish National Blood Transfusion Service's Business Development Department which has particular

expertise and experience in providing services necessary for the identification, protection and exploitation of IP as this is a frequent occurrence within Scottish National Blood Transfusion Service R&D programmes and third party collaborations. Any such requests should be made via the office of the Director, Scottish National Blood Transfusion Service. An annual report on all relevant IP activity facilitated by Scottish National Blood Transfusion Service Business Development Department will be provided to the NSS Board/ Chief Executive via the NSS Clinical Governance Committee.

10.19   NSS participation or investment in any legal entity (e.g. joint venture) is subject to prevailing legislation and SGHSC guidance and is subject to approval by the Minister. Before proceeding, legal and procedural advice is required, and any activity in this area must be advised to and approved by the Director of Finance.

Notification of income to the Director of Finance

10.20   All accounts for income due to NSS will be raised under arrangements approved by the Director of Finance. Full particulars of all charges made for work done or services rendered will be included in such accounts in a form approved by the Director of Finance.

Recovery of outstanding debts

10.21   The Director of Finance will ensure that appropriate systems are maintained for the recovery of outstanding debts in line with the Debt Management Policy.

10.22   The Director of Finance is responsible for the recovery of outstanding debts and will ensure agreed credit control procedures are exercised to minimise any loss to NSS.

10.23   Outstanding debts that are not recoverable and are to be written off will be dealt with in accordance with the approved procedures for losses (see Section 17 below).

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 11 - Capital Investment, Private Financing, Fixed Asset Registers and Security Of Assets including Cash

Capital investment

11.01   The Director of Finance will ensure that:

(a) there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;

(b) adequate arrangements are in place for the effective management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and

(c) capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences, including capital charges.

11.02   For all capital expenditure a proposal should be produced in line with the NSS Business Case Process.

11.03   The Director of Finance will issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

11.04   The Chief Executive, Director of Finance or the Board, as appropriate, must approve capital expenditure not covered by an approved budget in advance. Further details are contained at Appendix I.

11.05   The approval of a capital programme will not, of itself, constitute approval for expenditure on any scheme. The Director of Finance will issue to the manager responsible for any scheme:

(a) specific authority to commit expenditure;

(b) authority to proceed to tender; and

(c) approval to accept a successful tender.

11.06   The Director of Finance will ensure procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes are issued. These procedures will fully take into account the delegated limits for capital schemes included in guidance from SGHSC.

Not for Profit Distribution (NPD) model

11.07   NSS should normally test for the appropriateness of using the NPD model when considering a capital procurement. When NSS proposes to use finance which is to be provided other than through its Allocations, the following procedures will apply:

(a) The Director of Finance will ensure that the use of the NPD model represents value for money and genuinely transfers significant risk to the private sector.

(b) Where the sum involved exceeds delegated limits, the business case must be referred to SGHSC and/or treated as per current guidelines.

(c) The Board must specifically agree the proposal.

Asset registers

11.08   The Director of Finance is responsible for the maintenance of registers of assets, including the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted at least once a year.

11.09   The minimum data set to be held within these registers will be as specified in the Scottish Capital Accounting Manual as issued by SGHSC.

11.10   Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

(a) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;

(b) Stores, requisitions and wages records for own materials and labour including appropriate overheads; and

(c) Lease agreements in respect of assets held under a finance lease and capitalised.

11.11   Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

11.12   The Director of Finance will approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

11.13   The value of each asset will be indexed to current values in accordance with methods specified in the Scottish Capital Accounting Manual issued by SGHSC.

11.14   The value of each asset will be depreciated using methods and rates as specified in the Scottish Capital Accounting Manual issued by SGHSC.

11.15   The Director of Finance will ensure that capital charges are calculated and accounted for as specified in the Scottish Capital Accounting Manual issued by SGHSC.

11.16   A small equipment register as specified by the Director of Finance will be maintained within NSS. This register will incorporate high value and portable items of equipment, e.g. IT equipment, that do not fall within the scope of Capital Expenditure. The register will be in a format approved by the Director of Finance and a full count of identified items will occur at a time period specified by the Director of Finance. Any discrepancies will be noted in writing to the Director of Finance who will investigate as appropriate.

Security of assets

11.17   The overall control of fixed assets is the responsibility of the Chief Executive.

11.18   The Director of Finance must approve asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets). This procedure will make provision for:

(a) Recording managerial responsibility for each asset;

(b) Identification of additions and disposals;

(c) Identification of all repairs and maintenance expenses;

(d) Physical security of assets;

(e) Periodic verification of the existence of, condition of, and title to, assets recorded;

(f) Identification and reporting of all costs associated with the retention of an asset; and

(g) Reporting, recording and safekeeping of cash, cheques, and negotiable instruments.

11.19   All discrepancies revealed by verification of physical assets to fixed asset register will be notified to the Director of Finance.

11.20   Whilst each employee and officer has a responsibility for the security of the property of NSS, it is the responsibility of the Board and Executive Management Team members and senior employees in all disciplines to apply such appropriate routine security practices in relation to NSS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with instructions.

11.21   Any damage to NSS's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board and Executive Management Team members and employees in accordance with the procedure for reporting losses. (See Section 17)

11.22   Where practical, assets will be marked as NSS property.

11.23   Upon the closure of premises or transfer of functions a physical check of all items will be conducted. All items held will be detailed on a list certified by the responsible officer, together with their disposition.

Treatment of cash and other receipts

11.24   The Director of Finance is responsible for ensuring appropriate arrangements are in place for:

(a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;

(b) ordering and securely controlling any such stationery;

(c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and

(d) prescribing systems and procedures for handling cash and negotiable securities on behalf of NSS.

11.25   All cash and other receipts received on behalf of NSS will be recorded and deposited in accordance with the arrangements authorised by the Director of Finance. No deduction may be made from such money to meet expenditure of any kind. Cash settlement discounts will not be offered to any debtor.

Personal cheques

11.26   Personal cheques will not be cashed out of monies held on behalf of NSS.

Security over cash

11.27   The designated secure facilities should only be used for such items that relate to the activities of NSS. In exceptional circumstances officers responsible for the operation of such facilities may hold unofficial items if in sealed or locked closures. NSS will accept no responsibility for such items.

Loss of cash, cheques etc.

11.28   All losses of such items will be reported immediately in accordance with agreed procedures. (See Sections 3 and 17).

11.29   The Chief Executive may delegate to nominated officers, authority to make ex-gratia payments below approved thresholds in line with procedures pertaining to such payments, e.g. compensation payments. All such payments must be notified to the Director of Finance and reported to the Audit and Risk Committee on at least an annual basis and reported in the Annual Accounts in accordance with the approved procedure for losses (see Section 17).
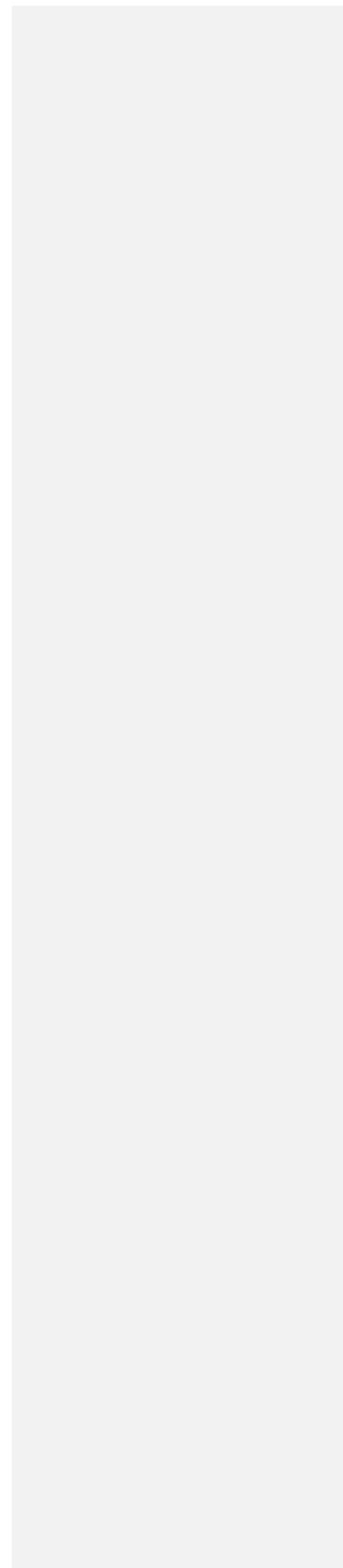
NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 12 - Banking Arrangements

<u>**General**</u>

12.01 The Director of Finance is responsible for the management of NSS's banking arrangements and for advising NSS on the provision of banking services and operation of accounts.

12.02 NSS will operate the bank accounts in accordance with all relevant guidance issued by SGHSC.

12.03 The Government Banking Service (GBS) will hold NSS's main bank account. Where necessary, subsidiary bank accounts will be held with a commercial bank. All such bank accounts should be authorised by the Director of Finance.

<u>**Banking Procedures**</u>

12.04 The Director of Finance must agree in writing with NSS's bankers the conditions under which each account will be operated.

12.05 The Director of Finance will ensure that detailed instructions on the operation of bank and GBS accounts are prepared which must include:

(a) the conditions under which each bank account is to be operated;

(b) those authorised to sign cheques or other orders drawn on NSS's accounts; and

(c) the arrangements to be made for payments that may be required in other currency denominations (see also section 10.13).

<u>**Bank balances**</u>

12.06 All NSS accounts must be kept in positive balance. Any instance of an account being overdrawn, no matter how temporary, should be reported to the Audit and Risk Committee.

<u>**Provision of imprests**</u>

12.07 The Director of Strategic Business Unit may request the Director of Finance to provide imprest accounts for the purposes of defraying minor expenses. The request will be in the form of a statement of case and will be by exception where existing processes cannot meet the requirement.

12.08 All imprest accounts will be reviewed annually for appropriateness.

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 13 - Stocks and Stores

Introduction

13.01   Stocks and stores are those goods normally utilised in day-to-day activity but which at any point in time have not yet been consumed (excluding capital assets).

Custody of stocks

13.02   The management, control and safe custody of stocks will be the responsibility of Directors of Strategic Business Units who may delegate responsibility for specific items to appropriate managers.

13.03   The Directors of Strategic Business Units will institute a system, approved by the Director of Finance, for the management, control and safety of stocks. Any stock loss should be considered for further investigation under Section 3 and any subsequent write off be dealt with in accordance with Section 17.

Stores records

13.04   The Director of Finance will specify the form of stores records to be utilised, in conjunction with the control systems in place.

Movements of stocks

13.05   The Director of Finance will ensure appropriate arrangements are in place to control the receipt and issue of stocks designed to safeguard the assets of NSS.

Valuation of stock

13.06   Stock will be valued in line with agreed accounting practice. The use of average purchase price is deemed to represent cost where appropriate. Cost includes an appropriate allocation of overheads. Work in Progress will be valued at the cost of direct materials plus other conversion costs.

Slow moving and/or obsolete stock

13.07   Directors of Strategic Business Units will institute a system, approved by the Director of Finance, for the identification of slow moving and obsolete stock and for the condemnation, disposal and replacement of all unserviceable items.

13.08   Those stocks that have deteriorated, or are no longer suitable for their intended purposes or usable for any other reason, or may become obsolete or deteriorate before all of the stocks can be used, will be written down to their net realisable value. Where this is considered necessary, a report giving full reasons for the write down will be sent to the Director of Finance in such a form to enable a report to be prepared for the Chief Executive and the Board of the National Services Scotland. Details of all write downs will be included in the Annual Accounts of NSS and reported in accordance with the losses procedures (see Section 17 and Appendix II).

13.09   Any stocks disposed of must be recorded and advised to the Director of Finance for inclusion in such a form to enable a report to be prepared for the Chief Executive and the Board. The report will include details of the method of disposal employed, and the costs and/or income accruing.

Stock levels

13.10   Directors of Strategic Business Units will ensure that excess stocks are not held unnecessarily in any part of the supply chain.

13.11   Optimum levels of stock must be established by Directors of Strategic Business Units and subjected to continuous monitoring and review as part of the management process.

13.12   Unless operational circumstances dictate otherwise, suppliers should be encouraged to hold goods until they are required by direct delivery.

Stock taking

13.13   In order to monitor the effectiveness of measures taken to control stock, a regular programme of stock taking must be established. All stocks will be counted and recorded at least once during each financial year.   Unless a programme for 'perpetual inventory' exists, all stocks will also be counted, valued and reported as at 31 March each year.

Stock certificates

13.14   At each year-end it will be the Directors of Strategic Business Units' responsibility to supply the Director of Finance with a certificate for each store that details the value of stock held. The Director of Finance will agree the precise format of this certificate.

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 14 - Annual Accounts

Introduction

14.01 Annual Statutory Accounts will be completed each year for submission to the Board, prior to onward submission to SGHSC. These will be prepared in accordance with the provisions of the National Health Service (Scotland) Act 1978 and other related regulations in force.

Financial records

14.02 The Director of Finance will ensure the maintenance of such detailed financial records as are required under relevant statute and regulations that will form the basis for the preparation of the Annual Accounts of NSS. (see also Section 16 – Information Governance)

Annual Accounts and reports

14.03 Following approval by the Board, NSS will submit to SGHSC the Approved Annual Accounts and such reports prepared in accordance with the requirements of SGHSC and any relevant guidance contained in the Scottish Accounting Manual. These will include the Report of Directors and the Statement on Internal Control.

14.04 The Director of Finance will issue an Annual Accounts completion timetable to Strategic Business Units and Financial Services detailing requirements and associated responsibilities for the provision of information in support of the Annual Accounts.

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 15 - Audit and Financial Performance Arrangements

Audit and Risk Committee

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

Performance and Finance Committee

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

.   **Director of Strategy and Governance**

15.03   The Director of Strategy and Governance is responsible for

(a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;

(b) ensuring that the internal audit is adequate and meets the NHS best practice;

(c) ensuring that an Internal Audit Plan is prepared for the consideration of the Audit and Risk Committee. The plan must cover:

(i) strategic audit plan covering the coming three years; and

(ii) a detailed plan for the coming year.

(d) ensuring that an annual Internal Audit Report is prepared for the consideration of the Audit and Risk Committee. The report must cover:

(i) a clear opinion on the effectiveness of internal control in accordance with current controls assurance guidance issued by SGHSC including for example compliance with control criteria and standards;

(ii) major internal financial control weaknesses discovered;

(iii) progress on the implementation of internal audit recommendations; and

(iv) progress against plan over the previous year;

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

(i) access at all reasonable times to any land, premises or employee of NSS;

(ii) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a

confidential nature (in which case, he will have a duty to safeguard that confidential nature);

(iii) the production or identification by any employee of any NSS cash, stores, or other property under the employee's control; and

(iv) explanations concerning any matters under investigation.

Irregularities

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

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

15.06 Further details pertaining to suspected theft, fraud, embezzlement, corruption, bribery and other irregularities are contained at Section 3.

Audit reporting

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

Internal Audit

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

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

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

External Audit

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

15.12 The appointed External Auditor will conduct their audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as

required by the Code of Audit Practice approved by the Auditor General for Scotland.

<u>Service Audit</u>

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

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

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

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

<u>Risk Management</u>

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

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

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

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 16 - Information Governance

Financial Information Systems

16.01 The Director of Finance, who is responsible for the accuracy and security of the financial data (both electronic and paper formats) of NSS, will:

    (a) devise and implement any necessary procedures to ensure adequate protection of NSS's financial data, and related computer hardware and software, for which s/he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998Data Protection principles;

    (b) ensure that adequate controls exist over financial data access, entry, processing, storage, transmission, deletion, disposal and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;

    (c) ensure that adequate controls exist such that the computer operation used in relation to financial procedures is separated from development, maintenance and amendment;

    (d) ensure that a secure, adequate, management (audit) trail exists through the computerised system used in relation to financial procedures and that such computer audit reviews as s/he may consider necessary are being carried out. All audit data will be held securely and only accessed by those authorised to access it in line with their business duties;

    (e) all policies and procedures will be in line with NSS corporate information governance related policies, procedures and guidelines.

16.02 The Director of Finance will satisfy himself that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Development, test and live financial systems shall be appropriately segregated to reduce the risk of unauthorised access to and corruption of live data. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation. Any new financial systems or amendments to existing financial systems must be implemented in line with NHS Scotland Information Security Policy and Standards including HDL (2006) 41 and DL(0215)17. Where the new system or amendment involves the processing of personal data then the development will follow appropriate assessment of any privacy data protection risks.

16.03 In the case of all computer systems which are to be utilised by the majority of the Strategic Business Units, all responsible directors and employees will send to the Director of Finance the Director of IT Strategic Business Unit will be responsible for maintaining:

    (a) details of the outline design of the system;

    (b) in the case of packages acquired either from a commercial organisation, from the NHS Scotland, or from another public sector organisation, the operational requirement.

16.04 The Director of Finance will ensure that contracts for computer services for financial applications with another health organisation or any other agency will clearly define

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Comment [e1]: It is usual for the relevant Director to be accountable for the business system related to their area, but I have tried to tighten the language to make clear it relates to the finance systems only.

Comment [e2]: Carolyn, we have been calling them these to take account of GDPR and the new DP law that came into force last week.

Comment [e3]: This relates to implementation of a ISMS to ISO 27001 standard, which we are required to do and which the info security team are working on

the responsibility of all parties for the security, data protection, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes and that all applications and/or systems are purchased, developed, implemented, operated and decommissioned in line with the NHS Scotland Information Policy and Standards. Where the contract includes the processing of personal information it will be set in compliance with ~~the Data Protection Act 1998~~Data Protection principles and NHS CEL 25 (2011).

16.05   Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance will periodically seek assurances that adequate controls are in operation and they conform to the NHS Scotland Information Security Policy and Standards. If this other organisation is processing personal data as part of the financial application, the assurances sought should, as a minimum, include those set out in NHS CEL 25 (2011).

16.06   Where computer systems have an impact on corporate financial systems the Director of Finance will satisfy him/herself that:

(a) systems acquisition, development and maintenance are in line with corporate policies such as NHS Scotland Information Security Policy and Standards ~~an Information Technology Strategy~~;

(b) data produced for use with financial systems is secure, adequate, accurate, complete and timely, and that a management (audit) trail exists;

(c) staff authorised by/on behalf of the Director of Finance staff have authorised appropriate access to such data in line with their job duties; and

(d) such computer audit reviews as are considered necessary are being carried out.

Data Protection Act

16.07   NSS must comply with provisions and principles of ~~the Data Protection Act 1998~~data protection law, including, but not restricted to, the EU General Data Protection Regulation, the Data Protection Act 1998 and the Data Protection Act 2018 including any amendments, subsequent orders under the said Acts or revisals thereto. ~~To this end, the NSS Board will approve the NSS Data Protection Policy submitted by the Chief Executive.~~

16.08   NSS's nominated Data Protection Officer (i.e. the ~~NSS Privacy Adviser~~Head of Data Protection) is responsible in overall terms for promoting and advising on compliance with the Acts. All staff members must act in compliance with the Acts by observing the NSS Data Protection Policy and approved Information Governance policy and guidelines.

Freedom of Information

16.09   NSS must comply with provisions and principles of the Freedom of Information (Scotland) Act 2002. ~~To this end, the NSS Board will approve the NSS Freedom of Information Policy submitted by the Chief Executive.~~

16.10   NSS's nominated Freedom of Information Officer is the Associate Director, Corporate Affairs and Compliance. Recognising the principal accountability of the Chief Executive, the Associate Director, Corporate Affairs and Compliance is responsible in overall terms for compliance with the Act. All inquiries made under the Freedom of Information (Scotland) Act 2002 should be dealt with in accordance

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Comment [e4]: This doesn't happen – it goes through usual governance and is signed off at SGC. The Board are alerted via the Board Highlights report and they also get a list of policies recently approved for interest.

Comment [e5]: See above comment on governance

with NSS's Freedom of Information Policy and Information Request Protocol.

Management, Retention and Disposal of Administrative Records

16.11   NSS must comply with the Public Records (Scotland) Act 2011 and the records management guidance set out in the Code of Practice on Records Management issued under Section 61 of the Freedom of Information (Scotland) Act 2002. CEL 31 (2010) Records Management: NHS Code of Practice (Scotland) provides guidance on the retention and disposal of administrative records.

16.12   ~~The NSS Board will approve the NSS Corporate Records Management Policy and NSS Document Storage and Retention Policy submitted by the Chief Executive~~ Policies in relation to the above will be approved by the NSS Board in accordance with Standing Orders.
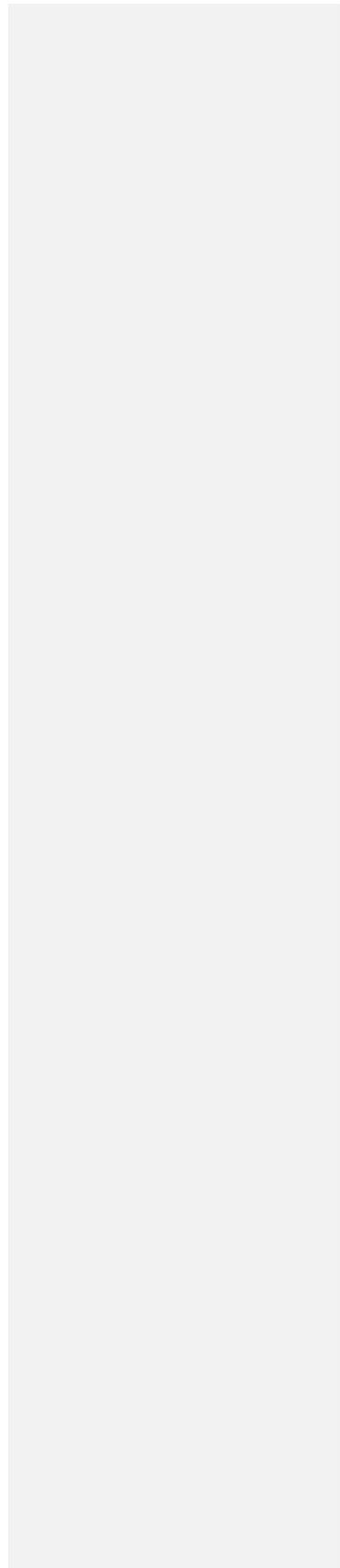
NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 17 - Losses and Special Payments

17.01   SGHSC has delegated authority to NSS to write-off losses and make special payments up to certain limits. Details are given in Appendix II. For payments to be made above the levels specified SGHSC prior approval must be obtained.

17.02   The Board in turn will delegate its responsibility to the Chief Executive and Director of Finance to approve write-off and authorise special payments.

17.03   On a regular basis and at least annually, the Director of Finance on behalf of the Chief Executive will submit a report to the Audit and Risk Committee detailing all losses written off and special payments made.

17.04   The Director of Finance is responsible for ensuring the maintenance of a Losses and Special Payments Register for recording:-

- the circumstances

- the amount/value involved

- the action taken

- the date of write-off authority

This Register will form the basis of NSS's Annual Scottish Financial Return (SFR 18) which is included in NSS's Annual Accounts.

17.05   The Director of Finance will be authorised to take any necessary steps to safeguard NSS's interests in bankruptcies and company liquidations.

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

SECTION 18 - Non-Public Funds

18.01   All receipts of non-public funds must be vested with the Trinity Park Foundation ("the Foundation") which has its own Board of Trustees, one of which must be a member of the NSS Board.

18.02   All gifts, donations and proceeds of fund raising activities which are intended for the Foundation's use will be passed immediately to the Director of Finance to be banked directly in the Foundation's bank account.

18.03   All gifts accepted will be received and held in the name of the Foundation and administered in accordance with the Foundation's policy subject to the terms of any specific trusts.

18.04   The Director of Finance must ensure that he is kept informed of all enquiries regarding legacies and will be the Foundation's nominee for the purpose of making application for grant of letters of administration in order to obtain a legacy. After the death of a testator all correspondence concerning a legacy will be dealt with by the Director of Finance who will be empowered to give an executor a good discharge.

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

PROTOCOL FOR THE ~~DEPLOYMENT~~ COMMITMENT OF RESOURCES

Level of Authority	**Delegated Limit**

1.1 Capital Expenditure within NSS's Baseline Allocation

(a)	Director of Finance	The commitment of funds in respect of projects having a total gross cost of up to £500,000 in value which accord with the agreed Strategic Business Unit strategy approved by the Board.
(b)	Chief Executive	The commitment of funds in respect of projects having a total gross cost of up to £1.0million in value which accord with the agreed Strategic Business Unit strategy approved by the Board.
(c)	The Board	The commitment of funds in respect of projects having a gross total cost exceeding £1.0million.

These arrangements are also subject to delegated capital limits as specified by SGHSC in the Scottish Capital Investment Manual, where the delegated limit for all capital projects is £1m. For capital projects greater than £1m approval is also required from the Capital Investment Group of SGHSC.

1.2 Capital Expenditure for specific projects funded through separate SGHSC allocation

Project Director	Subject to the rules above, the commitment of funds up to the total gross cost of the agreed capital budget as specified in the approved Business Case.

2.1 Revenue Expenditure within NSS's Baseline Allocation

(a)	Director of Strategic Business Unit	All expenditure contained in the Annual Financial Plan, including developments and the specified use of non-recurring funds, subject to the executive approval procedures contained in Standing Financial Instructions and in accordance with agreed policies on, for example, recruitment.
(b)	Director of Finance	a) The commitment of pre-planned individual developments where funds become available up to £0.25million in value which accord with the agreed Strategic Business Unit Strategy but are not included in the Annual Financial Plan for that year.
		b) The utilisation of non-recurring funds not in the Financial Plan or covered by the delegated arrangements detailed above up to a total of £0.25million per development.
(c)	Chief Executive	a) The commitment of pre-planned individual developments where funds become available up to £1million in value which accord with the agreed Strategic Business Unit Strategy but are not included in the Annual Financial Plan for that year.
		b) The utilisation of non-recurring funds not in the Financial Plan or covered by the delegated arrangements detailed above up to a total of £1million per development.
(d)	NSS Board	The bringing forward of pre-planned individual Revenue developments over £1million in value and the commitment of non-recurring resources not in the plan in excess of the limits specified above.

2.2 Revenue Expenditure for specific projects funded through separate SGHSC allocation

Project Director — The commitment of funds up to the total gross cost of the agreed revenue budget as specified in the approved Business Case.

2.3 Revenue Expenditure for Services provided by NSS on behalf of other Health Boards

Director of Strategic Business Units — The commitment of funds up to the total gross cost of the revenue budget set in agreement with the relevant Health Boards.

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

LOSSES: DELEGATED LIMITS

The delegated limits are as per SGHSC circular CEL (2010) 10 are as follows:

		Delegated Authority (per case) £
	Theft / Arson / Willful Damage	
1	Cash	15,000
2	Stores/procurement	30,000
3	Equipment	15,000
4	Contracts	15,000
5	Payroll	15,000
6	Buildings & Fixtures	30,000
7	Other	15,000
	Fraud, Embezzlement & other irregularities (inc. attempted fraud)	
8	Cash	15,000
9	Stores/procurement	30,000
10	Equipment	15,000
11	Contracts	15,000
12	Payroll	15,000
13	Other	15,000
14	**Nugatory & Fruitless Payments**	15,000
15	**Claims Abandoned**	
	(a) Private Accommodation	15,000
	(b) Road Traffic Acts	30,000
	(c) Other	15,000
	Stores Losses	
	Incidents of the Service –	
16	- Fire	30,000
	- Flood	30,000
	- Accident	30,000
17	Deterioration in Store	30,000
18	Stocktaking Discrepancies	30,000
19	Other Causes	30,000
	Losses of Furniture & Equipment And Bedding & Linen in circulation:	
20	Incidents of the Service - Fire	15,000
	- Flood	15,000
	- Accident	15,000
21	Disclosed at physical check	15,000

		Delegated Authority (per case) £
22	Other Causes	15,000
	Compensation Payments - legal obligation	
23	Clinical	250,000
24	Non-clinical	100,000
	Ex-gratia payments:	
25	Extra-contractual Payments	15,000
26	Compensation Payments - Ex-gratia - Clinical	250,000
27	Compensation Payments - Ex-gratia - Non Clinical	100,000
28	Compensation Payments - Ex-gratia - Financial Loss	25,000
29	Other Payments	2,500
	Damage to Buildings and Fixtures:	
30	Incidents of the Service	
	– Fire	30,000
	- Flood	30,000
	- Accident	30,000
	- Other Causes	30,000
31	**Extra-Statutory & Extra-regulationary Payments**	Nil
32	**Gifts in cash or kind**	15,000
33	**Other Losses**	15,000

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

Sales Contracts and Income Generation

AUTHORITY LIMITS

1.   All income generation requires the prior approval of the Director of Finance and Chief Executive if their total lifetime value of a sales contract or Service Level Agreement (SLA) is or could be in excess of the undernoted limits.

Strategic Business Unit	Third Party contracts and new sources of income generation (£)	Grant Income (£)
Scottish National Blood Transfusion Services	100,000	500,000
Central Legal Office	50,000	100,000
Procurement, Commissioning and Facilities	100,000	500,000
Practitioner and Counter Fraud Services	100,000	100,000
Public Health and Information Services	100,000	500,000
Information Technology	100,000	100,000
Business Services – Programme Management Services	1050,000	100,000
Business Services - Finance	50,000	100,000
HR	50,000	100,000
Clinical	50,000	100,000
Strategy & Governance	50,000	100,000
CEAD	50,000	100,000

> **Comment [CL6]:** Changed to reflect the nature of PgMS SLAs to support change programme which are often multi-year in nature.
>
> **Formatted:** Highlight

2.   Third Party contracts, SLAs and new sources of income generation whose value is or could exceed £500,000 and grant income whose value is or could exceed £1m requires the approval of the Performance and Finance Committee prior to entering into any commitment with the customer. Conditional approval may be intimated in writing by the Director of Finance.

> **Comment [CL7]:** The committee is asked whether retrospective reporting and homologation by the P&FC would be acceptable?

NATIONAL SERVICES SCOTLAND

STANDING FINANCIAL INSTRUCTIONS

Director of Finance Checklist

Reference	Requirement	Frequency	Committee
1.06	Breaches of SFIs.	Earliest opportunity	Performance and Finance Committee
5.14	Ex Gratia payments to staff.	Annual	Remuneration Committee
6.12	Exceptions to procurement guidelines.	Quarterly	Performance and Finance Committee
6.28	Advance payment (non-contractual) for goods/services.	Annual	Performance and Finance Committee
8.12/9.14	Sole Source Justification report.	Annual	Performance and Finance Committee
9.23	Spend on Management Consultancy.	Annual	Audit and Risk Committee
13.06	Any instance of being overdrawn with bank.	Earliest opportunity	Audit and Risk Committee
18.03	Report of losses and special payments made.	Annual	Audit and Risk Committee

Meeting: NSS Board – Friday 29 June 2018

Paper Number: B/18/72

Title of Paper: Annual Review of NSS's Standing Orders and Code of Conduct

Paper Type:

Routine paper

Decisions Required

The Board is invited to approve the amendments to the Standing Orders for 2018/19.

Analysis:

The changes for each committee have been discussed and agreed at the most recent meeting of that committee and approval of the amendments was reached at Audit and Risk Committee on 21 June 2018. The Audit and Risk Committee recommend that the changes as identified in the paper are approved by the Board. Impact assessments are not required for this paper. A detailed list of all proposed changes has been included as appendix one for ease of reference.

Name(s) of Author(s) Eilidh McLaughlin
Role(s) of Author(s) Associate Director Corporate Affairs and Compliance
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Appendix 1

Page number of Standing Orders	Detail of change	Previous wording (if applicable)	Committee(s) affected
Page 2 and throughout	Change "sub-committee" to "committee"	N/A	All
Page 3	Addition of Commercial in Confidence definition	N/A	All and Board
Page 7 section ix	Addition of delegated authority from Board to Committees to hold Commercial in Confidence meetings	N/A	All
Page 8 section x	Addition of delegated authority to Committees to sign policies which are not connected to the Staff Governance Standard	N/A	SGC, IGC, CGC
Pages 10, 11 and 12	Additions and amendments to the Scheme of Delegation in line with changes to the Standing Financial Instructions (based on recommendations from auditors)	N/A	ARC, PFC
Page 18	Addition of requirement to take cognisance of National Boards' position on recruitment	N/A	RSPC
Pages 20 and 21	Additional clarity around the specific responsibilities of SGC have been added, including the role of a strategic workforce planning strategy and frameworks for the delivery of the Staff Governance Standard.	Some wording in relation to the Staff Governance Action Plan has been removed.	SGC
Page 21	Removal of the words "continued roll out" in relation to the NSS values. The new wording reflects that the values should be embedded	N/A	SGC
Page 24	Correction to title of the Director of Finance and Business	N/A	PFC

	Services		
Pages 24 and 25	Update to name of Local Delivery Plan to Operational Delivery Plan	Local Delivery Plan	PFC
Page 27	Specific addition of the words "and cyber" in relation to security	N/A	IGC
Page 27	Specific addition of wording related to the monitoring of the Information Asset Register	N/A	IGC
Page 27	Specific wording to include the review of information governance adverse events	N/A	IGC
Page 27	Specific wording around the Committee reviewing the risk appetite in relation to information governance on an annual basis	N/A	IGC

STANDING ORDERS

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

June 2018~~7~~
(Final Version 02~~8~~.0)

Index

STANDING ORDERS

For regulating the business and proceedings of the Board of the Common Services Agency for the Scottish Health Service (which is known by the common name of NHS National Services Scotland) made in terms of Part IV Regulation 9 of the Common Services Agency (Membership and Procedure) Regulations 1991. (SI 1991 No. 564 (S.49)).

1.   **MEMBERSHIP**

The Board consists of eight Non-Executive Members and three Executive Members appointed by the Scottish Ministers.

Non-Executives
- Chair;
- NHS Chair/Chief Executive Stakeholder representative;
- Employee Director; and
- Five lay members

Executives
- Chief Executive
- Medical Director
- Director of Finance

2.   **ORDINARY MEETINGS**

The ordinary meetings of the Board shall, unless the Board order, be held in each financial year at such place, on such date, and at such time as the Board shall from time to time determine but not less than once in every three months. Meetings of the Board shall be open to NSS staff and the public apart from Commercial in Confidence matters.

For the purposes of these Standing Orders, Commercial in Confidence shall be taken to cover the following areas:-

- The Board is still in the process of developing proposals or its position on certain matters, and needs time for private deliberation.
- The business relates to the commercial interests of any person and confidentiality is required, e.g. when there is an ongoing tendering process or contract negotiation.
- The business necessarily involves reference to personal information, and requires to be discussed in private in order to uphold the Data Protection legislation.
- The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.

3.   **NOTICE OF MEETINGS**

i)   The Board Secretary, NSS, shall cause notices of all ordinary meetings of the Board, together with a note of the agenda, and any Sub-CommitteeCommittee and Special Committee Minutes and reports which are to be submitted to such meetings, to be delivered electronically or otherwise so as to reach each Member of the Board six clear days before the date of the meeting.

ii) Notice of the time and place of the meeting of the Board shall be published on the NSS website.

iii) No business shall be transacted at any meeting of the Board other than that specified in the agenda unless with the consent of the majority of the Members of the Board present.

4. SPECIAL MEETINGS

The Board Secretary, NSS, shall cause a meeting of the Board to be called at any time on being required so to do by the Chair of the Board or on receiving a requisition in writing for that purpose specifying the business proposed to be transacted at that meeting and signed by one-third of the whole number of Members of the Board, including at least two Members who are not also officers of NSS, a Health Board or the Scottish Ministers, which meeting shall be held within fourteen days of receipt of the requisition, provided that no business shall be transacted at that meeting other than that specified in the requisition.

5. CHAIR

At every meeting of the Board the Chair, if present, shall preside. If the Chair is absent from any meeting the Vice-Chair, if present, shall preside, and if the Chair and Vice-Chair are both absent the Members present at the meeting shall elect from among themselves a person to act as Chair for that meeting provided that person is not also an officer of NSS, a Health Board or the Scottish Ministers.

6. VICE-CHAIR

The Board shall appoint a Member, who is not also an officer of NSS, to be Vice-Chair and any person so appointed shall, so long as they remain a Member of the Board, hold office for such a period as the Board may decide. The appointment shall be confirmed by the Cabinet Secretary for Health, Wellbeing and Sport.

The Vice-Chair may, at any time, resign from that office by giving notice in writing to the Chair, and the Board may appoint another member as Vice-Chair.

7. QUORUM

No business shall be transacted at a meeting of the Board unless at least one-third of the whole number of Members of the Board, of whom at least two should be Members who are not also officers of NSS, a Health Board or the Scottish Ministers, are present thereat.

Unless otherwise determined, a quorum for NSS Board Sub-CommitteeCommittees shall be at least two Non-Executive Members.

8. MINUTES

i) The names of the Members present at a meeting of the Board or of a Sub-CommitteeCommittee shall be recorded in the Minutes.

ii) Minutes of the proceedings of a meeting of the Board shall be drawn up by or on behalf of the Board Secretary, NSS, and shall be submitted to the next ensuing meeting of the Board for approval as a correct record of the meeting and signed by the person presiding at the next ensuing meeting.

iii) The Board Secretary will forward a copy of the Minutes of every meeting of the Board to the Scottish Ministers, via an appointed officer of the Scottish Government, on behalf of the Chief Executive no later than one week before the date of the next meeting of the Board after that to which they relate.

9. CLOSURE OF DEBATE OR ADJOURNMENT

i)   A meeting of the Board may be adjourned to any other hour, day or place.

ii) A motion for adjournment of any meeting or adjournment of any debate on any question or the closure of debate shall be put to the meeting without discussion. Unless the time and place are specified in the motion for adjournment, the adjournment shall be until the next ordinary meeting.

10. VOTING

All acts of, and all questions coming and arising before the Board, shall be done and decided by a majority of the Members of the Board present and voting at a meeting of the Board and, in the case of an equality of votes, the person presiding at the meeting shall have a second or casting vote.

11. CONFLICT OF INTEREST

Sections 4 and 5 of the attached Members' Code (Annex A) should be referred to for full details relating to Registration and Declaration of Interests.

i) Board Members' directorships of companies likely or possibly seeking to do business with NHSScotland and other significant interests shall be published in NSS's Annual Report and the information shall be kept up to date for inclusion in succeeding Annual Reports.

ii) A formal Register of Members' interests shall be established, maintained and reviewed annually. Its existence shall be brought to the attention of the people of Scotland and the Register shall be made publicly available.

12. MOTION CONTRADICTORY OF PREVIOUS RESOLUTION

A motion which is contradictory of a Resolution of the Board shall not, unless submitted in the report of a Sub-CommitteeCommittee, be competent within six months of the date of adoption of such Resolution. The rescinding of any Resolution shall not affect or prejudice any action proceeding or liability which may have been competently done or undertaken under any such Resolution before being rescinded.

13. SCHEDULE OF DECISIONS RESERVED FOR THE BOARD

Decisions reserved for the Board include:-

a) the approval of strategy, business plans and budgets;
b) the approval of Standing Orders - which will include a scheme of delegation (see Appendix I);
c) the approval of Standing Financial Instructions;
d) the establishment, terms of reference and reporting arrangements for all Sub-CommitteeCommittees acting on behalf of the Board;
e) the approval of personnel policies including arrangements for the appointment/removal and remuneration of key staff;
f) the approval of financial and performance reporting arrangements;
g) the approval of audit arrangements;
h) the approval of the annual report and accounts;
i) the approval of capital expenditure schemes and disposals beyond the delegated limits of the NSS Chief Executive;
j) any other matter on which the Board deem it competent to express a view.

14. SCHEME OF DELEGATION

Notwithstanding the terms of Section 13 above, the Board shall delegate its responsibility as set out in the Scheme of Delegation. This is attached at Appendix 1 and shows the approved officers, approved alternate officers, and the areas of delegated responsibilities. Those identified as approved officers or their deputies may only operate within their delegated authorities as described within Appendix 1 of NSS Standing Financial Instructions (SFIs). Officers named in the Scheme of Delegation may delegate authority within the financial limits defined in NSS SFIs, but they remain personally accountable for all transactions within their area of responsibility and for the actions of those to whom they delegate authority.

15.   COMMON SEAL

The Common Seal of the Board shall be kept by the Board Secretary, NSS, in a suitable place secured by a sufficient lock and he/she shall be responsible for its safe keeping and use. Any document or proceeding requiring authentication by the Board shall be executed for and on behalf of the Board by the affixation of their Common Seal and attested by any one Member of the Board and by an officer of NSS authorised by the Board for this purpose. The Common Seal shall not be affixed to any document except by Order of the Board.

16.   SUB-COMMITTEECOMMITTEES AND SPECIAL COMMITTEES

The foregoing Standing Orders shall, as far as applicable and so far as not hereby modified, be the rules and regulations for the proceedings of Sub-CommitteeCommittees and Special Committees and in addition the following special rules shall apply:-

i)   The Board may, and if so directed by the Scottish Ministers, appoint Sub-CommitteeCommittees whose membership may, subject to (ii) below, include persons who are not Members of the Board for the exercise on their behalf of any of the Board's functions subject to such restrictions or conditions as the Board may think fit, or as the Scottish Ministers may direct.

ii)   All ad hoc Sub-CommitteeCommittees shall include at least one Member of the Board and may include any Members who are co-opted.

iii)   Sub-CommitteeCommittees and the Chair thereof shall be appointed as determined by the Board.

iv)   A casual vacancy in a Sub-CommitteeCommittee or a Special Committee may be filled by the Board at their next ordinary meeting following a vacancy occurring.

v)   Special Committees and the Chair thereof may be appointed by the Board.

vi)   Any Member of the Board who may be specially useful to a Sub-CommitteeCommittee for the consideration of a remit made to the Sub-CommitteeCommittee, may for the purposes of that remit be co-opted to the Sub-CommitteeCommittee.

vii)   Minutes or a report of the proceedings of a Sub-CommitteeCommittee or a Special Committee shall be drawn up by or on behalf of the Board Secretary, NSS, and submitted for noting by the Board at the first ordinary meeting of the Board held after the next ensuing meeting of the Sub-CommitteeCommittee or Special Committee (see Appendix II).

viii)   The functions of the Board shall be referred to Sub-CommitteeCommittees and special Committees in accordance with the terms and provisions of Appendix II and, unless in their opinion the matter is urgent, the Board, before exercising any function or dealing with any matter so referred to a Sub-CommitteeCommittee or Special Committee, shall receive and consider a report by such Sub-CommitteeCommittee or Special Committee with regard to the function or matter in question.

ix)   The Board may, subject to the Standing Orders of the Board, delegate certain functions to Sub-CommitteeCommittees or Special Committees. A Sub-CommitteeCommittee or a Special Committee may, notwithstanding that the matter is a delegated one, direct that before action is taken their decision be submitted to the Board for confirmation. The Board may delegate to Committees the right to hold items as Commercial in Confidence, as and when required, provided any such right

is exercised in accordance with the definition of Commercial in Confidence as set out above.

x)   The Board may, subject to the Standing Orders of the Board, direct that certain Committees may approve and sign policy documents which do not relate to the Staff Governance Standard as appropriate.

17. EXECUTIVE MANAGEMENT TEAM

The Executive Management Team (EMT) is the senior management group of NSS and has decision making responsibility for operational issues within NSS. Its members are responsible for the execution of Board Strategy and ensuring organisational compliance with policies and procedures, in addition to making recommendations as appropriate to the NSS Board on strategic and similar matters.

i) Details of the Terms of Reference of the NHS NSS Executive Management Team are detailed in Appendix III.

18. APPLICATION AND SUSPENSION OF STANDING ORDERS

i) No Standing Order shall be suspended or dispensed with unless with the consent of a two-thirds majority of the Members of the Board present and voting.

ii) It shall not be competent to rescind or alter any of the Standing Orders, including the rules contained in the immediately preceding Standing Orders, except by the Resolution of the Board to that effect.

19. SUSPENSION OF MEMBERS

i) If any Member of the Board disregards the authority of the Chair, obstructs a meeting or, in the opinion of the Chair, otherwise acts in an offensive manner at a meeting, the Chair may move that such Member be suspended for the remainder of the meeting. If seconded, such a motion shall be put to the vote immediately without discussion.

ii) If such a motion is carried, the suspended Member shall leave the meeting room immediately. If the Member fails to comply, the Chair may order the suspended member to be removed from the meeting.

iii) A Member who has been suspended in terms of this Standing Order shall not re-enter the meeting room except with the consent of the meeting.

iv) In the event of a motion for suspension of a Member being defeated, the Chair may, if they think it appropriate to do so, adjourn the meeting as if a state of disorder had arisen.

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

APPENDIX I

SCHEME OF DELEGATION

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

Areas of Responsibility	Approved Officer/s	Approved Alternate Officers
Risk Management	Director of Strategy & Governance	~~Associate Director of Planning, Performance & Service Delivery~~Head of Planning
Statutory and Regulatory Compliance	Director of Strategy & Governance	Associate Director of Corporate Affairs & Compliance
Business Continuity and Emergency Planning	Director of Strategy & Governance	~~Associate Director of Planning, Performance & Service Delivery~~Head of Planning
Information Management	Director of Strategy & Governance	Associate Director of Corporate Affairs & Compliance
Data Protection Scheme	Director of Strategy & Governance	Associate Director of Corporate Affairs & Compliance
Public Participation, Engagement and Complaints	Director of Strategy & Governance	Associate Director of Corporate Affairs & Compliance
Standing Financial Instructions	Director of Finance & Business Services	Associate Director of Finance (Financial Planning & Analysis)
Internal Audit and Service Audit	Director of Strategy & Governance	Associate Director of Corporate Affairs & Compliance
External Audit	Director of Finance & Business Services	Associate Director of Finance (Financial Planning & Analysis)
Fraud	Director of Finance & Business Services	Associate Director of Finance (Financial Services)
Fire Safety	Director of ~~Finance & Business Services~~Procurement, Commissioning and Facilities	Associate Director, Facilities Management
Health and Safety	Director of HR & Workforce Development	Head of Healthy Working Lives
Legal	Director of Central Legal Office	Head of Contracts Department at Central Legal Office
Information Governance	Director of Strategy & Governance	Associate Director of Corporate Affairs & Compliance
Equality and Diversity	Director of Strategy & Governance	Associate Director of Corporate Affairs & Compliance
Research Governance	Medical Director	Director of Healthcare Sciences
Caldicott Guardian	Medical Director	NSS Deputy Caldicott Guardian

Clinical Governance	Director of Nursing	Medical Director
HAI and Decontamination	Director of Nursing	Lead Consultant, HAI, AMR, Infection Prevention and Control and Decontamination Health Protection Scotland
Professional Regulatory Compliance	Medical Director	Director of Nursing
Scottish Infected Blood Support Scheme	Director of Practitioner and Counter Fraud Services	Associate Director Contractor Finance
Practitioner Payments	Director of Practitioner and Counter Fraud Services	Associate Director Contractor Finance
CNORIS Scheme	Director of Practitioner and Counter Fraud Services	Associate Director Contractor Finance
eDRIS	Director of Public Health and Intelligence	Associate Director Consultancy Knowledge and Research Services
ATOS (non eHealth) Services	Director of Information Technology	Associate Director Contract and Vendor Services Management Team
eHealth Services	Director of Information Technology	Associate Director Contract and Vendor Services Management Team
Plasma	Director of Procurement, Commissioning and Facilities	Strategic Sourcing Director
Logistics Services	Director of Procurement, Commissioning and Facilities	Logistic Director
Logistics Service Charge	Director of Procurement, Commissioning and Facilities	Logistics Director
National Screening Directorate	Director, National Services Division	Director of Procurement, Commissioning and Facilities
Rebates	Director of Procurement, Commissioning and	Strategic Sourcing Director

	Facilities	
Oxygen Services	Director of Procurement, Commissioning and Facilities	Director of Facilities
Children's Dental Hygiene Scheme (Child Smile)	Director of Procurement, Commissioning and Facilities	Strategic Sourcing Director
Uniforms Supported Business	Director of Procurement, Commissioning and Facilities	Strategic Sourcing Director
IHI/IHO	Director of Procurement, Commissioning and Facilities	Strategic Sourcing Director
Flu Vaccinations	Director of Procurement, Commissioning and Facilities	Strategic Sourcing Director

APPENDIX II

SCHEME FOR THE ADMINISTRATIVE ARRANGEMENTS FOR

THE DISCHARGE OF THE FUNCTIONS OF THE BOARD BY ITS

~~SUB-COMMITTEE~~COMMITTEES IN ACCORDANCE WITH THE TERMS OF

STANDING ORDER 16.

A - AUDIT & RISK COMMITTEE - CONSTITUTION AND TERMS OF REFERENCE

1. Constitution

    The Audit & Risk Committee is established as a ~~sub-committee~~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.

2. Membership and Attendees

2.1 Membership

    The Audit & Risk Committee shall comprise at least three Non-Executive Members of the NSS Board, one of whom shall act as Chair, with at least two Members being present at meetings of the Committee.

2.2 Attendees

    Attendees are as follows:-
    - the Chair of the NSS Board
    - the Chief Executive
    - the Director of Finance and Business Services
    - the Director of Strategy and Governance
    - the Associate Director of Corporate Affairs and Compliance
    - Internal Auditor
    - External Auditor
    - Service Auditor

    In addition, all Non-Executive Members of the NSS Board are entitled to attend meetings of the Committee.

3. Frequency of Meetings

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

4. Minutes of Meetings

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

5. Terms of Reference

    Internal Control and Corporate Governance

    a) To evaluate the effectiveness of the internal control environment (including risk management and corporate decision-making processes) and ensure that reasonable steps are being taken to safeguard assets and prevent and detect fraud and other irregularities;

    b) To ensure that the organisation has the relevant controls and risk management arrangements in place to allow the Chief Executive to sign the Governance Statement. This should include ensuring that, in conjunction with the Director of Finance, a review has been undertaken and that appropriate compliance evidence is available for the external auditor. It is not intended that the review would be included in the annual accounts;

c) To emphasise the importance of effective co-ordination and liaison between Internal, External and Service Audit;

Internal Audit

d) To make recommendations for the programmes of work to be carried out by the Internal Auditors. To approve the annual and longer term plans for Internal Audit;

e) To review the Internal Audit progress reports from the Internal Auditor;

f) To review and report to the NSS Board on the conclusions arising from the annual report of the Internal Auditors;

g) To ensure that action is taken by the Chief Executive and the Executive Management Team on audit recommendations and monitor progress in their implementation;

h) To review the action planned by the management of NSS to remedy weaknesses identified or other criticisms of the financial management made by the Internal Auditor and to report to the NSS Board on such action planned and/or taken if the Committee deem it appropriate; and

i) To hold meetings with the Internal Auditor to discuss his/her annual report and the scope of the audit examinations.

j) To monitor and review the effectiveness of the internal audit function.

External Audit

k) To review reports from the Appointed External Auditor;

l) To ensure that action is taken by the Chief Executive and the Executive Management Team on audit recommendations and monitor progress in their implementation;

m) To review the action planned by the management of NSS to remedy weaknesses identified or other criticisms of the financial management made by the Appointed External Auditor, and to report to the NSS Board on such action planned and/or taken if the Committee deem it appropriate; and

n) To hold meetings with the Appointed External Auditor to discuss his/her annual report and the scope of the audit examinations.

Service Audit

o) To review and approve the annual plans prepared by the Service Auditor(s);

p) To review progress reports from the Service Auditor(s);

q) To review the findings and conclusions arising in the final reports from the Service Auditor(s) prepared in accordance with relevant accounting and auditing standards;

r) To recommend on behalf of the NSS Board, the release of Service Audit reports to NHSScotland for the purposes of informing their annual governance and assurance requirements;

s) To review the action planned by the management of NSS to remedy weaknesses identified or other criticisms made by the Service Auditor, and to report to the NSS Board on such action planned and/or taken if the Committee deem it appropriate; and

t) To hold meetings with the Service Auditor to discuss his/her annual report and the scope of the audit examinations.

Annual Accounts

u)   To review the Annual Accounts of NSS for the Board and conduct a regular review on behalf of the NSS Board of all statutory audit material including the Annual Report or Management Letter relating to certification of the Annual Accounts of NSS;

Annual Report

v)   To undertake an annual evaluation of the effectiveness of the Audit & Risk Committee and to include comment on how the Committee has discharged its remit within the annual report from the Chair to the NSS Board;

Standing Orders

w)   To review annually NSS's Standing Orders, including its Terms of Reference, which include the Scheme of Delegation;

Other Governance Responsibilities

x)   To review annually the content of the register of gifts and hospitality in accordance with the Members' Code of Conduct and NSS policy;

y)   To review annually schedules of losses, special payments and compensations;

z)   To review annually the nature of the expenditure incurred by each Strategic Business Unit on the employment of Management Consultants in the preceding year;

aa)   To review annually the content of the Fraud Action Plan and to review quarterly the content of the Fraud and Other Illegal Acts Register;

bb)   To review quarterly the risk management arrangements and assure the overall process;

cc)   To review quarterly the NSS corporate risk register as set out in the Integrated Risk Management Approach;

dd)   To update the NSS Accounting Policies as required;

ee)   To review quarterly the NSS Feedback, Comments, Concerns and Complaints Report in the context of reputational risk; and

ff)   To hold in-camera sessions with auditors prior to each meeting, as required.

6.   <u>Authority</u>

The Committee is authorised by the NSS Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employees and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the NSS Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

B - REMUNERATION AND SUCCESSION PLANNING COMMITTEE - CONSTITUTION AND TERMS OF REFERENCE

1. Constitution

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

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

2. Membership and Attendees

2.1 Membership

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

2.2 Attendees

    Attendees are as follows:-

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

    The Committee may require others to attend specific meetings.

3. Frequency of Meetings

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

4. Minutes of Meetings

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

5. Terms of Reference

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

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

    b) Agree all the terms and conditions of employment of members of the Executive

Cohort, including job description, basic pay, performance pay and bonuses (individual and team) and benefits (including pension, removal arrangements & cars), with reference to Scottish Government Health and Social Care Directorates guidance, Ministerial directions and protocols.

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

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

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

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

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

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

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

Appointments

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

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

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

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

Performance Appraisal

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

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

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

♦   Chief Executive to agree Directors' performance appraisals of members of the Senior

Management Cohort. Committee to satisfy itself that a rigorous performance assessment process had been applied in determining the overall performance ratings for members of the Senior Management Cohort prior to individuals being informed.

Termination/Early Retirement Settlements

♦ The Chief Executive is responsible for approving termination/early retirement settlements up to £75,000 cost to NSS. Where the full cost of the settlement exceeds £75,000, the case must be submitted to the Chair of the Committee for approval.

♦ A report on all termination/early retirement settlements approved in the period between meetings will be submitted to the next meeting of the Committee. The Committee will also receive monthly reports on settlements in month and year to date.

♦ Confidentiality clauses in settlement agreements can only be used within NHSScotland where there are clear and transparent reasons for inclusion and there has been explicit agreement between both the employer and the employee.

C – STAFF GOVERNANCE COMMITTEE – CONSTITUTION AND TERMS OF REFERENCE

1. <u>Constitution</u>

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

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

2. <u>Membership</u>

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

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

3. <u>Frequency of Meetings</u>

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

4. <u>Minutes of Meetings</u>

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

5. <u>Terms of Reference</u>

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

   The specific responsibilities of the Committee are to:-

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

   ~~a)~~b) Oversee the development of frameworks which ensure delivery of the Staff Governance Standard. ~~Review the NSS structures and processes to ensure that they continue to be fit for purpose and that delivery against the Staff Governance Standard is being achieved; including an agreed Great Place to Work Plan for NSS.~~

   ~~b)~~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. ~~Review and update the Staff Governance Action Plan to reflect the key areas for NSS based on feedback collated through staff engagement mechanisms , ensuring that it reflects the key people issues within NSS.~~

c)d) Oversee the development and monitoring of all Organisational policy related to workforce ensuring compliance with National Workforce Policies. Direct, monitor and evaluate the policies, processes, strategies and implementation plans relating to people management within NSS. This includes reviewing and challenging these to ensure that clear outcomes are established, seeking and acting on feedback, and tracking progress to ensure that the highest standards of governance are achieved.

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

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

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

g)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.

h)i) To review quarterly the NSS complaints report in the context of staff risk.

i)j) Overseeing the continued roll-out of the NSS values programme, ensuring that the values are embedded within NSS structures and processes.

D - CLINICAL GOVERNANCE COMMITTEE - CONSTITUTION AND TERMS OF REFERENCE

1. Constitution

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

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

2. Membership and Attendees

2.1 Membership

   Membership shall comprise the following:

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

2.2 Attendees

   Attendees are as follows:

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

3. Frequency of Meetings

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

4. Minutes of Meetings

   Minutes of the proceedings of the CGC shall be drawn up by or on behalf of the Board Secretary, NSS, and submitted for approval to the next meeting of the Committee and thereafter submitted by its Chair to the first ordinary meeting of the Board. In the interim, a report on the proceedings or unapproved minutes will be submitted to the Board for information. The CGC is to report activities and progress annually to the NSS Board as described in section 1, paragraph 2 of these terms of reference. The CGC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.

5.   <u>Terms of Reference</u>

The CGC shall discharge the following functions:

a)   Review and challenge NSS performance in delivering health outcomes.

b)   Review and challenge reports on clinical adverse events, risks and complaints, including their identification, causes, management, lessons learnt and service improvement implemented.

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

d)   Review compliance with clinical regulatory requirements.

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

f)   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.

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

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

i)   Review annual reports on:

- Infection Prevention and Control

- Research, Development and Innovation

- Clinical Professional Appraisal and Revalidation

- Feedback, Comments, Concerns and Complaints

6.   <u>Other Activities</u>

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

E – PERFORMANCE AND FINANCE COMMITTEE – CONSTITUTION AND TERMS OF REFERENCE

1. Constitution

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

2. 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.

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

3. Membership

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

4. Frequency

   - Meetings shall be held at such intervals as the Committee may determine in order to conduct its business.
   - It is anticipated that the Committee will generally meet three times per year.

5. Minutes of Meetings

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

6. Transact / approve on behalf of the Board

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

7. <u>Recommend to the Board</u>

- At the request of the Board or the Chair, at Outline Business Case and / or Full Business Case stage, to review the financial aspects and make recommendations for any Business Cases which need to be submitted to the Scottish Government for approval.
- To review and recommend the annual 3-year or 5-year (as required) ~~Local~~ Operational Delivery Plan (O~~L~~DP) and Financial Plans, prepared consistent with statutory financial responsibilities, focusing on:
  - o Service deliverables
  - o the balance between financial stretch and achievability
  - o the implications of current-year events on the plan
  - o the integration of financial, workforce and performance planning
  - o reviewing such information as is prepared on the cost of each major service undertaken
  - o capital programme and funding
- An Annual Report of its activities and effectiveness.

8. <u>Review and challenge</u>

- To review quarterly any occurrences where the Standing Financial Instructions have not been followed, including those relating to:
  - Choice, requisitioning and ordering of goods and services and payments thereof; and
  - Tendering arrangements for the appointment of management consultants.
- Regularly review the forward service and financial plans, and both the current and planned management actions, of NSS. These reviews are to be based on actual performance, key issues experienced and any major new risks and opportunities identified.
- NSS delivery against O~~L~~DP targets.
- NSS Sustainable Development Action Plan.
- The delivery of Best Value and Efficiency programmes, utilising where appropriate measures from the performance management system.
- The content of financial reporting and information presented to the Board.
- The Business risks contained in the NSS corporate risk register and associated management actions as set out in the Integrated Risk Management Approach.

9. <u>Best value</u>

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

F – INFORMATION GOVERNANCE COMMITTEE – CONSTITUTION AND TERMS OF REFERENCE

1. Constitution

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

2. Membership and Attendees

2.1 Membership

    Membership shall comprise the following:

    *   The Board Chair

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

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

2.2 Attendees

    Attendees are as follows:

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

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

3. Frequency of Meetings

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

4. Minutes of Meetings

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

5.   Terms of Reference

The IGC shall discharge the following functions:

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

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

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

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

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

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

6.   Other Activities

Where relevant, the IGC may consult with other bodies with an interest in information governance in NSS.

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

NSS EXECUTIVE MANAGEMENT TEAM – CONSTITUTION AND TERMS OF REFERENCE

1.   ROLE

1.1   The Executive Management Team (EMT) is the senior management group of NSS which is accountable to the NSS Board and has decision making responsibility for operational issues within NSS. Its members are responsible for the execution of Board Strategy and ensuring organisational compliance with policies and procedures, in addition to making recommendations as appropriate to the NSS Board on strategic and similar matters. The EMT's role in NSS financial authorisation processes (recruitment, non-pay contracts, business cases, project management, budgeting etc.) is set out in the NSS Standing Financial Instructions.

2.   REMIT

- Taking decisions on operational and other issues which extend beyond the delegated authority of individual members in order to ensure the effective and efficient management of NSS;

- Overseeing strategic issues within NSS and making recommendations on all relevant issues to NSS Board;

- Reviewing and managing monthly organisational performance and risks which represent concern at corporate level;

- Reviewing reports and approving their submission to the Board;

- Commissioning individual pieces of work and leading/mandating implementation of Board decisions; and

- Providing advice and recommendations to the NSS Chief Executive in matters delegated to them.

3.   MEMBERSHIP

3.1   The EMT comprises the NSS Chief Executive and the following Directors;

- NSS Chief Executive (Chair)
- Executive Medical Director
- Executive Director of Finance and Business Services
- Director for Public Health and Intelligence
- Director for Scottish National Blood Transfusion Service
- Director for Information Technology
- Director for Procurement, Commissioning and Facilities
- Director for Practitioner and Counter Fraud Services
- Director for Central Legal Office
- Director for Strategy and Governance
- Director for Customer Engagement and Development
- Director for HR and Workforce Development
- Director for Nursing and Executive Lead for Clinical Governance

3.2   If a Member cannot attend they will nominate an alternate to attend on their behalf.

3.3   The EMT may invite others to attend for all or part of any meeting as and when appropriate and necessary.

3.4   The Executive Medical Director of the NSS Board is also the Director of the Clinical Directorate.

4.   MEETINGS

4.1   Meetings are normally held on a monthly basis with informal meetings held biweekly.

4.2   Meetings are chaired by the NSS Chief Executive or, if incapacitated, by the Medical Director.   If absent due to other circumstances, the NSS Chief Executive will nominate a chair for that meeting taking the Agenda into consideration.

4.3   Arrangements for, and the minutes of the meeting are undertaken by or on behalf of the Board Secretary, NSS.

4.4   Reports to be submitted to the EMT should be sent to the Board Secretary, NSS, or nominated deputy at least five working days before the meeting. Any late reports will only be submitted at the discretion of the NSS Chief Executive, or, in their absence, their designated deputy.

4.5   The majority of staff issues are transacted at NSS Partnership Forum meetings where the management side comprises the EMT or nominated deputy. NSS Partnership Forum meetings are normally held on a monthly basis.

4.6   Portfolio management of organisational change and business transformation, information technology, and corporate initiatives are transacted by the EMT at Portfolio Management Group meetings. These meetings are normally held monthly on a rotating basis and reported on at EMT meetings.

Annex A to NSS Standing Orders

CODE OF CONDUCT
for Members of
NHS National Services Scotland

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

**September 2014
(Final Version 1.0)**

CODE OF CONDUCT

CONTENTS

SECTION 1: INTRODUCTION TO THE CODE OF CONDUCT

1.1   The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties for NSS. You must meet those expectations by ensuring that your conduct is above reproach.

1.2   The Ethical Standards in Public Life etc. (Scotland) Act 2000 "the Act", provides for Codes of Conduct for local authority councillors and members of relevant public bodies; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland "The Standards Commission" to oversee the new framework and deal with alleged breaches of the codes.

1.3   The Act requires the Scottish Ministers to lay before Parliament a Code of Conduct for Councillors and a Model Code for Members of Devolved Public Bodies. The Model Code for members was first introduced in 2002 and has now been revised in December 2013 following consultation and the approval of the Scottish Parliament. These revisions will make it consistent with the relevant parts of the Code of Conduct for Councillors, which was revised in 2010 following the approval of the Scottish Parliament.

1.4   As a member of NHS National Services Scotland "the Board", it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct which has now been made by the Board.

Appointments to the Boards of Public Bodies

1.5   Public bodies in Scotland are required to deliver effective services to meet the needs of an increasingly diverse population. In additions, the Scottish Government's equality outcome on public appointments is to ensure that Ministerial appointments are more diverse than at present. In order to meet both of these aims, a board should ideally be drawn from varied backgrounds with a wide spectrum of characteristics, knowledge and experience. It is crucial to the success of public bodies that they attract the best people for the job and therefore it is essential that a board's appointments process should encourage as many suitable people to apply for positions and be free from unnecessary barriers. You should therefore be aware of the varied roles and functions of NSS and of wider diversity and equality issues. You should also take steps to familiarise yourself with the appointment process that NSS will have agreed with the Scottish Government's Public Appointment Centre of Expertise.

1.6   You should also familiarise yourself with how NSS 's policy operates in relation to succession planning, which should ensure NSS has a strategy to make sure it has the staff in place with the skills, knowledge and experience necessary to fulfil their role economically, efficiently and effectively.

Guidance on the Code of Conduct

1.7   You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.

1.8   The Code has been developed in line with the key principles listed in Section 2 and provides additional information on how the principles should be interpreted and applied in practice. The Standards Commission may also issue guidance. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the Board. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.

1.9   You should familiarise yourself with the Scottish Government publication "On Board – a guide for board members of public bodies in Scotland". This publication will provide you with information to help you in your role as a member of a public body in Scotland and can be viewed on the Scottish Government website.

Enforcement

1.10   Part 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and where appropriate the sanctions that will be applied if the Standards Commission finds that there has been a breach of the Code. Those sanctions are outlined in **Annex A**.

SECTION 2: KEY PRINCIPLES OF THE CODE OF CONDUCT

2.1   The general principles upon which this Code of Conduct is based should be used for guidance and interpretation only. These general principles are:

Duty

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of NSS of which you are a member and in accordance with the core functions and duties of NSS.

Selflessness

You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

Integrity

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

You must make decisions solely on merit and in a way that is consistent with the functions of NSS when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that NSS uses its resources prudently and in accordance with the law.

Openness

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

> You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of the public body and its members in conducting public business.

Respect

> You must respect fellow members and employees of NSS and the role they play, treating them with courtesy at all times. Similarly you must respect members of the public when performing duties as a member of NSS.

2.2   You should apply the principles of this Code to your dealings with fellow members of NSS, its employees and other stakeholders. Similarly you should also observe the principles of this Code in dealings with the public when performing duties as a member of NSS.

SECTION 3: GENERAL CONDUCT

3.1   The rules of good conduct in this section must be observed in all situations where you act as a member of NSS.

Conduct at Meetings

3.2   You must respect the chair, your colleagues and employees of NSS in meetings. You must comply with rulings from the chair in the conduct of the business of these meetings.

Relationship with Board Members and Employees of NSS (including those employed by contractors providing services)

3.3   You will treat your fellow board members and any staff employed by NSS with courtesy and respect. It is expected that fellow board members and employees will show you the same consideration in return. It is good practice for employers to provide examples of what is unacceptable behaviour in their organisation. NSS should promote a safe, healthy and fair working environment for all. As a board member you should be familiar with the policies of the public body in relation to bullying and harassment in the workplace and also lead by exemplar behaviour.

Remuneration, Allowances and Expenses

3.4   You must comply with any rules of NSS regarding remuneration, allowances and expenses.

Bribery

3.5   Members of NSS should familiarise themselves with the terms of the Bribery Act 2010 which came into force on 1 July 2011 and makes it a criminal offence to take part in active bribery (make a bribe) or passive bribery (receiving a bribe).

(a) Active Bribery: Section 1 of the Act makes it an offence for a person to offer, give or promise to give a financial or other advantage to another individual in exchange for improperly performing a relevant function or activity.

(b) Passive Bribery: Section 2 of the Act makes it an offence for a person to request, accept or agree to accept a financial or other advantage in exchange for improperly performing a relevant function or activity.

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

3.7   NSS will not work with other organisations who it considers do not share its commitment to preventing bribery and corruption.

3.8   The NSS approach to addressing fraud, which includes bribery, is set out in Section 3 of its Standing Financial Instructions.

Gifts and Hospitality

3.9   You must not accept any offer by way of gift or hospitality which could give rise to real or substantive personal gain or a reasonable suspicion of influence on your part to show favour, or disadvantage, to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or cohabitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term "gift" includes benefits such as relief from indebtedness, loan concessions or provision of services at a cost below that generally charged to members of the public.

3.10   You must never ask for gifts or hospitality.

3.11   You are personally responsible for all decisions connected with the offer or acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in NSS. As a general guide, it is usually appropriate to refuse offers except:

(a)   isolated gifts of a trivial character the value of which must not exceed £50;

(b)   normal hospitality associated with your duties and which would reasonably be regarded as appropriate; or

(c)   gifts received on behalf of NSS.

3.12   You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision NSS may be involved in determining, or who is seeking to do business with NSS, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit in your capacity as a member of NSS then, as a general rule, you should ensure that NSS pays for the cost of the visit.

3.13   You must not accept repeated hospitality or repeated gifts from the same source.

Confidentiality Requirements

3.14   There may be times when you will be required to treat discussions, documents or other information relating to the work of NSS in a confidential manner. You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. You must always respect the confidential nature of such information and comply with the requirement to keep such information private.

3.15   It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such

information should never be used for the purpose of personal or financial gain, or for political purposes or used in such a way as to bring NSS into disrepute.

3.16   All personal health information is held under strict legal and ethical obligations of confidentiality. Information given in confidence should not be used or disclosed in a form that might identify a patient without this or her consent.

It is policy that all NSS employees must be aware of, and respect, a patient's right to confidentiality. All employees must comply with the NHSScotland Code of Practice on Protecting Patient Confidentiality. Failure to comply with the Code of Practice is a disciplinary offence.

Use of Public Body Facilities

3.17   Members of NSS must not misuse facilities, equipment, stationery, telephony, computer, information technology equipment and services, or use them for party political or campaigning activities. Use of such equipment and services, etc must be in accordance with NSS policy and rules on their usage. Care must also be exercised when using social media networks not to compromise your position as a member of NSS.

Appointment to Partner Organisations

3.18   You may be appointed, or nominated by NSS, as a member of another body or organisation. If so, you are bound by the rules of conduct of these organisations and should observe the rules of this Code in carrying out the duties of that body.

3.19   Members who become directors of companies as nominees of NSS will assume personal responsibilities under the Companies Acts. It is possible that conflicts of interest can arise for such members between the company and NSS. It is your responsibility to take advice on your responsibilities to NSS and to the company. This will include questions of declarations of interest.

SECTION 4: REGISTRATION OF INTERESTS

4.1   The following paragraphs set out the kinds of interests, financial and otherwise which you have to register. These are called "Registerable Interests". You must, at all times, ensure that these interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in the NSS Register. It is your duty to ensure that any changes in circumstances are reported within one month of them changing.

4.2   This Regulations [1]as amended describe the detail and timescale for registering interests. It is your personal responsibility to comply with these regulations and you should review regularly and at least once a year your personal circumstances. **Annex B** contains key definitions and explanatory notes to help you decide what is required when registering your interests under any particular category. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interests of your spouse or cohabite.

Category One: Remuneration

4.3   You have a Registerable Interest where you receive remuneration by virtue of being:

- employed;
- self-employed;

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[1] SSI – The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003 Number 135, as amended.

- the holder of an office;
- a director of an undertaking;
- a partner in a firm; or
- undertaking a trade, profession or vocation or any other work.

4.4   In relation to 4.3 above, the amount of remuneration does not require to be registered and remuneration received as a Member does not have to be registered.

4.5   If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two, "Related Undertakings".

4.6   If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be registered.

4.7   When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.

4.8   When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.

4.9   Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication, and the frequency of articles for which you are paid.

4.10   When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business.

4.11   Registration of a pension is not required as this falls outside the scope of the category.

Category Two: Related Undertakings

4.12   You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.

4.13   You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration.

4.14   The situations to which the above paragraphs apply are as follows:

- you are a director of a board of an undertaking and receive remuneration – declared under category one – and

- you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

Category Three: Contracts

4.15   You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in paragraph 4.19 below) have made a contract with NSS of which you are a member:

(i)   under which goods or services are to be provided, or works are to be executed; and

      (ii)   which has not been fully discharged.

4.16   You must register a description of the contract, including its duration, but excluding the consideration.

Category Four: Houses, Land and Buildings

4.17   You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of NSS.

4.18   The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making.

Category Five: Interest in Shares and Securities

4.19   You have a registerable interest where you have an interest in shares which constitute a holding in a company or organisation which may be significant to, of relevance to, or bear upon, the work and operation of (a) NSS and (b) the **nominal value** of the shares is:.

      (i) greater that 1% of the issued share capital of the company or

      (ii) greater than £25,000.

Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.

Category Six: Gifts and Hospitality

4.20   You must register the details of any gifts or hospitality received within your current term of office. This record will be available for public inspection. It is not however necessary to record any gifts or hospitality as described in paragraph 3.11 (a) to (c) of this Code.

Category Seven: Non–Financial Interests

4.21   You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of NSS. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.

4.22   In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of the public might reasonably think that any non-financial interest could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making.

SECTION 5: DECLARATION OF INTERESTS

General

5.1 The key principles of the Code, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for you to declare certain interests in proceedings of NSS. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions.

5.2 Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code indicates the circumstances in which a business or personal interest must be declared. Public confidence in NSS and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.

5.3 In considering whether to make a declaration in any proceedings, you must consider not only whether you will be influenced but whether anybody else would think that you might be influenced by the interest. You must however, always comply with the **objective test** ("the objective test") which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussions or decision making in your role as a member of NSS.

5.4 If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. If a board member is unsure as to whether a conflict of interest exists, they should seek advice from the board chair.

5.5 As a member of NSS you might serve on other bodies. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matter, whether to declare an interest. Only if you believe that, in the particular circumstances, the nature of the interest is so remote or without significance, should it not be declared. You must always remember the public interest points towards transparency and, in particular, a possible divergence of interest between NSS and another body. Keep particularly in mind the advice in paragraph 3.18 of this Code about your legal responsibilities to any limited company of which you are a director.

Interests which Require Declaration

5.6 Interests which require to be declared if known to you may be financial or non-financial. They may or may not cover interests which are registerable under the terms of this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require you to make a declaration. The paragraphs which follow deal with (a) your financial interests (b) your non-financial interests and (c) the interests, financial and non-financial, of other persons.

5.7 You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private and personal interests and not because of your role as a member of NSS. In the context of any particular matter you will need to decide whether to declare an interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is too remote or without significance.

In reaching a view on whether the objective test applies to the interest, you should consider whether your interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a member of NSS as opposed to the interest of an ordinary member of the public.

Your Financial Interests

5.8   You must declare, if it is known to you, any financial interest (including any financial interest which is registerable under any of the categories prescribed in Section 4 of this Code). If, under category one (or category seven in respect of non-financial interests) of section 4 of this Code, you have registered an interest

(a) as an employee of the Board; or

(b) as a Councillor or a Member of another Devolved Public Body where the Council or other Devolved Public Body, as the case may be, has nominated or appointed you as a Member of the Board;

you do not, for that reason alone, have to declare that interest.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

Your Non-Financial Interests

5.9   You must declare, if it is known to you, any non-financial interest if:

(i)   that interest has been registered under category seven (Non-Financial Interests) of Section 4 of the Code; or

(ii)   that interest would fall within the terms of the objective test.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

The Financial Interests of Other Persons

5.10   The Code requires only your financial interests to be registered. You also, however, have to consider whether you should declare any financial interest of certain other persons.

You must declare if it is known to you any financial interest of:-

(i)   a spouse, a civil partner or a co-habitee;

(ii)   a close relative, close friend or close associate;

(iii) an employer or a partner in a firm;

(iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;

(v) a person from whom you have received a registerable gift or registerable hospitality;

(vi) a person from whom you have received registerable expenses.

There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

5.11   This Code does not attempt the task of defining "relative" or "friend" or "associate". Not only is such a task fraught with difficulty but is also unlikely that such definitions would reflect the intention of this part of the Code. The key principle is the need for transparency in regard to any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a member of NSS and, as such, would be covered by the objective test.

The Non-Financial Interests of Other Persons

5.12   You must declare if it is known to you any non-financial interest of:-

(i)   a spouse, a civil partner or a co-habitee;

(ii)   a close relative, close friend or close associate;

(iii)   an employer or a partner in a firm;

(iv)   a body (or subsidiary or parent of a body) of which you are a remunerated member or director;

(v)   a person from whom you have received a registerable gift or registerable hospitality;

(vi)   a person from whom you have received registerable election expenses.

There is no need to declare the interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

There is only a need to withdraw from the meeting if the interest is clear and substantial.

Making a Declaration

5.13   You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.

5.14   The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words "I declare an interest". The statement must be sufficiently informative to enable those at the meeting to understand the nature of your interest but need not give a detailed description of the interest.

Frequent Declarations of Interest

5.15   Public confidence in a public body is damaged by perception that decisions taken by that body are substantially influenced by factors other than the public interest. If you would have to declare interests frequently at meetings in respect of your role as a board member you

should not accept a role or appointment with that attendant consequence. If members are frequently declaring interests at meetings then they should consider whether they can carry out their role effectively and discuss with their chair. Similarly, if any appointment or nomination to another body would give rise to objective concern because of your existing personal involvement or affiliations, you should not accept the appointment or nomination.

Dispensations

5.16   In some very limited circumstances dispensations can be granted by the Standards Commission in relation to the existence of financial and non-financial interests which would otherwise prohibit you from taking part and voting on matters coming before your public body and its committees.

5.17   Applications for dispensations will be considered by the Standards Commission and should be made as soon as possible in order to allow proper consideration of the application in advance of meetings where dispensation is sought. You should not take part in the consideration of the matter in question until the application has been granted.

SECTION 6: LOBBYING AND ACCESS TO MEMBERS OF PUBLIC BODIES

6.1   In order for NSS to fulfil its commitment to being open and accessible, it needs to encourage participation by organisations and individuals in the decision-making process. Clearly however, the desire to involve the public and other interest groups in the decision-making process must take account of the need to ensure transparency and probity in the way in which NSS conducts its business.

6.2   You will need to be able to consider evidence and arguments advanced by a wide range of organisations and individuals in order to perform your duties effectively. Some of these organisations and individuals will make their views known directly to individual members. The rules in this Code set out how you should conduct yourself in your contacts with those who would seek to influence you. They are designed to encourage proper interaction between members of public bodies, those they represent and interest groups.

Rules and Guidance

6.3   You must not, in relation to contact with any person or organisation that lobbies, do anything which contravenes this Code or any other relevant rule of the public body or any statutory provision.

6.4   You must not, in relation to contact with any person or organisation who lobbies, act in any way which could bring discredit upon NSS.

6.5   The public must be assured that no person or organisation will gain better access to, or treatment by, you as a result of employing a company or individual to lobby on a fee basis on their behalf. You must not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which you accord any other person or organisation who lobbies or approaches you. Nor should those lobbying on a fee basis on behalf of clients be given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming from another member of NSS.

6.6   Before taking any action as a result of being lobbied, you should seek to satisfy yourself about the identity of the person or organisation that is lobbying and the motive for lobbying. You may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that you know the basis on which you are being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code.

6.7   You should not accept any paid work

(a) which would involve you lobbying on behalf of any person or organisation or any clients of a person or organisation.

(b) to provide services as a strategist, adviser or consultant, for example, advising on how to influence NSS and its members. This does not prohibit you from being remunerated for activity which may arise because of, or relate to, membership of NSS, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

6.8   If you have concerns about the approach or methods used by any person or organisation in their contacts with you, you must seek the guidance of NSS.

6.9   The members Code should be read in conjunction with the Standing Financial Instructions of NSS.

ANNEX A

SANCTIONS AVAILABLE TO THE STANDARDS COMMISSION FOR BREACH OF THE CODE

(a) Censure – the Commission may reprimand the member but otherwise take no action against them;

(b) Suspension – of the member for a maximum period of one year from attending one or more, but not all, of the following:

    i)   all meetings of NSS;

    ii) all meetings of one or more committees or sub-committees of NSS;

    iii) all meetings of any other public body on which that member is a representative or nominee of the public body of which they are a member.

(c) Suspension – for a period not exceeding one year, of the member's entitlement to attend all of the meetings referred to in (b) above;

(d) Disqualification – removing the member from membership of NSS for a period of no more than five years.

Where a member has been suspended, the Standards Commission may direct that any remuneration or allowance received from membership of NSS be reduced, or not paid.

Where the Standards Commission disqualifies a member of NSS, it may go on to impose the following further sanctions:

(a)   where the member of NSS is also a councillor, the Standards Commission may disqualify that member (for a period of no more than five years) from being nominated for election as, or from being elected, a councillor. Disqualification of a councillor has the effect of disqualifying that member from NSS and terminating membership of any committee, sub-committee, joint committee, joint board or any other body on which that member sits as a representative of their local authority.

(b)   direct that the member be removed from membership, and disqualified in respect of membership, of any other devolved public body (provided the members' code applicable to that body is then in force) and may disqualify that person from office as the Water Industry Commissioner.

In some cases the Standards Commission do not have the legislative powers to deal with sanctions, for example if the respondent is an executive member of the board or appointed by the Queen. Sections 23 and 24 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 refer.

Full details of the sanctions are set out in Section 19 of the Act.

ANNEX B

DEFINITIONS

"Chair" includes Board Convenor or any person discharging similar functions under alternative decision making structures.

"Code" code of conduct for members of devolved public bodies.

"Cohabitee" includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.

"Group of companies" has the same meaning as "group" in section 262(1) of the Companies Act 1985. A "group", within s262(1) of the Companies Act 1985, means a parent undertaking and its subsidiary undertakings.

"Parent Undertaking" is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of the rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking's memorandum or articles or (ii) by virtue of a control contract; or d) it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of the rights in the undertaking**.**

"A person" means a single individual or legal person and includes a group of companies.

"Any person" includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.

"Public body" means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

"Related Undertaking" is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.

"Remuneration" includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

"Spouse" does not include a former spouse or a spouse who is living separately and apart from you.

"Undertaking" means:

a) a body corporate or partnership; or

b) an unincorporated association carrying on a trade or business, with or without a view to a profit.

END

B/18/73

NSS Board Meeting – Friday, 29 June 2018

Annual Report to NSS Board by NSS Staff Governance Committee, April 2017 - March 2018

Purpose

To provide a summary of matters considered by the NSS Staff Governance Committee and to provide assurance to the NSS Board that the Committee has fulfilled its remit.

Recommendation

The Board is asked to approve the report, which was approved at a meeting of the NSS Staff Governance Committee on 11 May 2018.

Timing

There are no timing issues in relation to this report.

Background

This is an annual report to the Board to provides assurance that the NSS Staff Governance Committee is fulfilling its remit under the NSS Standing Orders.

Name of the Author John Deffenbaugh
Designation Chair of NSS Staff Governance Committee
Email: john.deffenbaugh1@nhs.net

2017/2018 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 2017 to 31 March 2018.

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

Mr Adam Bates, Trade Union Representative (until 5 April 2017)

Mr Ian Cant, Non-Executive Director

Mr Tam Hiddleston, Trade Union Representative (from 6 April 2017)

Professor Elizabeth Ireland, NSS Chair

Mr Gerry McAteer, Trade Union Representative

Mr Mark McDavid, Non-Executive Director (from 26 June 2017)

Mr Bert Stillie, Trade Union Representative

Mr Douglas Yates, Non Executive Director (until 30 April 2017)

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 2017/18: 12 May 2017, 20 September 2017, 30 November 2017 and 16 February 2018.

1.4 At these meetings the Committee considered minutes from the NSS Partnership Forum, and received regular, relevant updates from the Clinical Governance Committee, the Audit and Risk Committee, the Performance and Finance 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 is complying 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 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   In addition to the formal reporting the Staff Governance Committee also introduced the concept of SBU spotlights during 2017-18. The aim of these was to better understand Staff Governance issues at a local level, and what further support may be needed. SBU Directors are invited on a rotational basis to discuss SBU specific Staff Governance challenges and successes. This has been well received and will continue through 2018-19. 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.

4.   AGENDA ITEMS

Areas given detailed attention throughout 2017-18 were:

4.1   **People Reports -** the Staff Governance Committee received regular updates through the People Reports in order to monitor performance against the actions agreed and the targets set within the Great Place to Work Plan and Staff Governance Action Plan. The Committee focused discussions around the challenging areas of reducing sickness absence and how to assist managers in dealing with issues around mental health in a supportive way.

4.2   **Resourcing Overview -** details the numbers of NSS staff on the redeployment register and the utilisation of staff within the NSS Workforce Resources Team along with the status of formal applications for Voluntary Redundancy/Voluntary Early Retirement. The Committee sought and received reassurances around the more challenging areas such as matching displaced staff to new roles.

4.3   **Staff Risks -** the Committee regularly reviewed the range and nature of Staff Risks and explored the actions being taken to mitigate them. All staff risks are reviewed and monitored by the HR Director and there is full engagement with SBU Directors to understand issues and provide the appropriate support and guidance.

4.4 **Occupational Health, Safety, Well-Being and Fire Report -** members received regular reports which provided updates on the work completed and issues that the Committee should be aware of, in particular the situation regarding RIDDORs which are higher than they should be. The Committee also sought and received assurances around the actions arising from Health and Safety audits which had been carried out. At the meeting on 16 February 2018, this report was incorporated into the People Report. They also received a dedicated report on the incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations in one particular Strategic Business Unit.

4.5 **Complaints -** the Committee was pleased to note that the number of complaints overall within NSS remains low. They were also updated on the various stages in the implementation of the Model Complaints Handling Procedure.

4.6 **Equality and Diversity –** the Committee received an update from the NSS (dis)Ability Network at its February meeting which advised that, while there was plenty of good practice in place with respect to disabled staff, this was not consistent across the organisation. The Committee requested that an action plan be developed to build on what had already been done to address this. Equality and Diversity would be added as a standing agenda item in 2018/19 to monitor the progress on this.

4.7 **Policies -** NSS policies are developed and reviewed via a rigorous process of working group discussions and consultation with staff and management. All of this then feeds up to the NSS Partnership Forum for approval and then to the Staff Governance Committee for final oversight. Throughout 2017-18, the Committee received the following signed polices for information:
- Job Share
- Reserve Forces Training and Mobilisation
- Reduced Working Year
- Special Leave
- Checking Professional Registrations
- Shared Parental Leave
- Personal Development Planning and Review
- Social Media
- Annualised Hours
- Parental Leave
- Maternity Support (Paternity)
- Breastfeeding

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.

STAFF GOVERNANCE STANDARD STRAND	*ACTION*	*EVIDENCE*	*EXPECTED OUTCOME/CURRENT STATUS*
Well Informed	Carry out a review of Communication channels in NSS Review of Pulse & Team Talk		Outcome of the effectiveness review reported in November 2017. Further actions are being discussed and agreed for implementation during 2018.
	Ask Colin - How many questions have been raised?	175	
Appropriately trained and developed	All staff have a meaningful performance review meeting and personal development plan	Face to face events continue in NSS supporting staff to have meaningful reviews and development planning meetings, this is also a mandatory element of our Essential Line Manager (ELM) Programme being rolled out to all managers across NSS in the next 18 months.	Completed PDPs are reported by SBU using the Decision Support Tool
	Statutory/Mandatory Training	The main developments in 2017/18 include a new process agreed in NSS for the agreement of any changes to statutory training, the introduction of evaluation to mandatory training for all staff. Next steps are to document the statutory and mandatory training requirements in the NSS Effective Review Guidance Materials.	As at 31 March 2018:- Mandatory Training 3 YR Ave 91% Mandatory Training 2 YR Ave 90% Statutory Training 2 YR Ave 61%

	Reviewing leadership programme. Developing an approach to succession planning and talent management	Revised ELM programme launched in February 2018	45 spaces were booked out of 60 spaces
	Be a great place to work – Learning and Development programme		
	iMatter response "I have sufficient support to do my job well" >78%	NSS response = 79% target exceeded	
Involved in Decisions	Successful implementation of iMatter in year 2	The current percentage of action plans submitted from the 2017 survey = 93%.	
	Promote awareness of Organisational Change in NSS to all staff and managers. Ensure Organisational Change Toolkit is rolled out across NSS	Organisational Change toolkit published on HR Connect in March 2017. One training session on Organisational Change delivered to 20 managers. Bespoke training on Organisational Change to SBUs on request. Training for HR staff including the HR Business Partners.	Complete, the toolkit will be continually improved based on staff feedback. Training will be targeted where Organisational Change is pending.
		Targeted communications issued to staff throughout 2017/18. Awareness sessions have been delivered to all SBU PFs/SMTs during 2017/18.	More communications are planned with the relaunch of HR Connect.
	Partnership working	Forms part of agenda for staff induction. All SBU PFs meet regularly, and are fully embedded in NSS. HR continue to monitor this and discuss at the NSS Partnership Forum.	Staff feedback has been obtained and will be used going forward.

	Excellence Awards	Continued emphasis on recognising staff in the organisation. Review of the awards, nominations and judging process to make the awards more meaningful to all staff. Staff are involved throughout the process from redesigning the awards and participating in a short listing panel. New awards introduced for excellence in Leadership and Equality and Diversity.	
	Maintain or improve iMatter score – "I feel involved in decisions relating to my job".	iMatter score has increased by 1% from 71% to 72%.	
Healthy, well and safe	Healthy Working Lives plan	Dignity at Work questionnaire	Results received end February 2018. NSS response rate was 63%.
		Bullying and Harassment Cases upheld	= 0 = 0
		Sickness Absence	Long Term 2.35% Short Term 1.54% Total = 3.89% (at 31 March 2018)
		HWL Gold Award	HWL Gold Award accreditation achieved for 2017/18
		Focus on support around mental health issues – workshops and training sessions offered to staff and management	We have run mentally healthy workplace and mental health first aid courses throughout 2017/18. They are planned for 2018/19.
Treated Fairly and Consistently	Actively participate in discussions on issues that affect them either directly or via their trade union/professional organisation.	Actively promote E&D in NSS. Introduction of E&D award in the NSS Excellence Awards.	The Dignity at Work survey results were published end February 2018. The survey targeted issues not covered by iMatter including bullying, discrimination, abuse and violence from patients and public, resourcing, and whistle blowing.

| | Treat all staff and patients with dignity and respect while valuing diversity.

iMatter "To ensure all staff are involved in decisions and treated fairly and consistently". | | Development of transgender guidance in the workplace by March 2018. |
|---|---|---|---|

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 Report, 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 Overview, 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 supports the OHSAC Plan as part of the Great Place to Work Plan.

NHS
National
Services
Scotland

Meeting: NSS Board of 29/06/2018

Paper Number: B/18/74

Title of Paper: Clinical Governance Committee Annual Report 2017-18

Paper Type:

This is a routine paper to provide a summary of matters considered by the NSS Clinical Governance Committee and to provide assurance to the NSS Board that the Committee has fulfilled its remit.

Decisions Required

The Board is asked to approve the report that was approved at the meeting of the Clinical Governance Committee on 11 June 2018.

Analysis:

Substantial attention is given by the organisation to its clinical governance arrangements, proportionate to the nature of each Strategic Business Unit's role, and 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 the Clinical Governance Committee's monitoring responsibilities are being met.

Name(s) of Author(s)   Julie Burgess
Role(s) of Author(s)   Chair of the Clinical Governance Committee
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2017/18 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.

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 subcommittee 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 five occasions during 2016-17, on 17 May 2017 (Development Session), 12 June 2017, 25 September 2017, 1 December 2017 and 22 March 2018.

During the 2017-18 period, the following were Members and In Attendance at meetings:

Members:

Ms Julie Burgess, Non-Executive Director and Committee Chair
Mr Ian Cant, Non-Executive Director (until 25 June 2017)
Ms Jane Davidson, Non-Executive Director (from 26 June 2017)
Mr John Deffenbaugh, Non-Executive Director
Professor Elizabeth Ireland, NSS Chair

In Attendance:

Professor Marion Bain, Medical Director (until 15 October 2017)
Ms Noreen Kent, Nurse Director and Executive Lead for Clinical Governance
Dr Lorna Ramsay, Joint Interim Medical Director (from 16 October 2017)
Mr Colin Sinclair, Chief Executive
Professor Marc Turner, Medical Director – Scottish National Blood Transfusion Service
Dr Mike Winter, Joint Interim Medical Director (from 16 October 2017)

2. COMMITTEE ACTIVITIES IN 2017-18

2.1 Development Session

The Committee used this session to identify the areas where it had added value, and to look at ways to strengthen stakeholder links. They also discussed ways in which to get additional levels of assurance where they currently felt there could be gaps.

2.2 Health Impact Performance Monitoring

The committee received quarterly updates on key performance indicators (KPIs) which demonstrated progress towards positive health outcomes from NSS's services. They also sought and received reassurances around any KPIs which were reporting as not on target.

2.3 Clinical Adverse Events, Risks and Complaints

Information on any clinical risks, clinical adverse events and clinical complaints was reviewed and interrogated quarterly by the committee. The reports also included details of mitigating actions and the outcomes of "Lessons Learned" reviews. Lessons learned are now separately identified within the report for each adverse event in order to evidence a culture of safety and service improvement. The basis was the NSS Adverse Events Management Policy, published in October 2015, which covered both clinical and information governance adverse events and has a focus on the principle of a just culture that encourages staff to report adverse events (including near misses) and promotes a culture of learning in order to drive continuous improvement and ensure NSS services are safe and effective. The policy is based on the principles and best practice guidance published by Healthcare Improvement Scotland.

Due to the planned introduction of Duty of Candour, a short life-working group was established to prepare for it and, as part of their work, the group instigated a review of the Adverse Events Management Policy. Taking on board the guidance issued by Scottish Government, and incorporating feedback received through consultation with stakeholders, an updated policy (incorporating the Duty of Candour) was presented at the March 2018 NSS Clinical Governance Committee meeting.

NSS records positive feedback in accordance with the *Patient Rights (Feedback, Comments, Concerns and Complaints) (Scotland) Directions, 2012* and the Scottish Government *Can I Help You? Guidance for handling and learning from feedback, comments, concerns or complaints about NHS health care services, 2012*. The positive feedback on clinical services continued to be included in the reports, in addition to clinical complaints and work is underway to quantify the ratio of positive to negative comments within the Scottish National Blood Transfusion Service.

In the course of the year, the Committee were updated on the action plan developed in response to a significant national adverse event relating to the Scottish Breast Screening Programme. They were assured that all recommendations for NSS had been addressed and a scheme of delegation was in place for other similar screening programmes to avoid similar future issues. They were also kept updated on risks reported on the Picture Archiving & Communications System, and the Community Health Index and Child Health system. Separate reports on these risks were added to the standing agenda items for the immediate future for monitoring purposes. Individual follow-up reports were also provided on other risks and incidents that the Committee wanted additional assurance on (e.g. cleft palate service, stem cell transplant service). Through the use of a clinical flag, the Committee were also sighted on risks which had not been categorised as a direct clinical risk but could have a clinical impact. The use of this flag is due to be reviewed at the start of the 2018/19 financial year.

The Committee also noted the links between clinical governance and information governance. NSS established an Information Governance Committee in September 2014. 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 later considers clinical and health implications. There is cross membership across the two committees and regular updates are provided.

2.4 Scottish National Blood Transfusion Service (SNBTS) - Blood Safety and Regulation

The committee received quarterly reports from SNBTS on all issues relating to Blood Safety and Regulation. The reports from the Medical Director of SNBTS highlighted issues identified from various regulatory inspections throughout the year, predominantly by the Medicines and Healthcare Products Regulatory Agency. Members were provided with updates on the measures taken to address these issues which removed or mitigated any identified risks.

Particular attention continued to be given to clinical issues around the new National Centre programme of work, the lessons learned from a significant SNBTS IT outage and the introduction of Hepatitis E testing. The Committee also received updates on SNBTS's relocation to the Jack Copeland Centre and the management of any potential associated clinical governance risks or issues.

2.5   Clinical Directorate Update

The Committee received regular updates on the work of the leads within the NSS Clinical Directorate. They also received presentations from a number of the clinical leads who provided the Committee with further insight and context to their work.

The NSS Clinical Leadership Team (the clinical directors for each clinical area) continues to routinely review all clinical adverse events, risks and complaints, and considers progress against our health impact objectives. The NSS Clinical Leadership Forum (clinical directors plus lead clinicians from each SBU) met biannually in 2017 to inform and support the strategic direction of NSS. They are looking to increase to three meetings in 2018.

2.6   Patient Group Directions

In December 2017, Members received a local audit report which provided assurance of the robust governance around the use of Patient Group Directions (PGD) in NSS which concluded that PGDs were applied according to local and national guidelines and policies.

2.7   Review of Annual Reports

The committee reviewed annual reports on:
- NSS Research Development and Innovation
- Infection Prevention and Control
- Feedback, Comments, Concerns and Complaints
- NSS Annual Review of Regulatory Compliance

2.8   Relationships with other Board Committees

The Committee continues to recognise the overlap in its responsibilities in respect of certain matters with the Staff Governance committee and has in place an agreed memorandum of understanding between these two committees. Cross reference to matters of mutual interest discussed in other committees of the Board (particularly relating to Staff Governance and Audit & Risk) were addressed as a standing item on the agenda of the committee. The committee also invited other NSS Board Members to observe future 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 2017

B/18/75

NSS Formal Board Meeting – Friday 29 June 2018

Performance and Finance Committee Annual Report 2017/18

Purpose

The NSS Performance and Finance Committee Annual Report provides a summary of matters considered by the NSS Performance and Finance 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 tabled and approved by the meeting of the Performance and Finance Committee on 30 May 2018.

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.

Kate Dunlop
NSS Performance and Finance Committee Chair
kate.dunlop@nhs.net

Annual Report to NSS Board by NSS Performance and Finance Committee, 1 April 2017 – 31 March 2018

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
- Professor Elizabeth Ireland
- Mr Mark McDavid

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:-
- 31 May 2017
- 25 October 2017
- 23 February 2018.

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.

6.2   Governance weaknesses came to light in March 2018 relating to eHealth funds held by NSS on behalf of NHS Boards and designed to manage and deliver major eHealth multi-year programmes. The Board Chair and Chief Executive put immediate measures into

place to improve governance and weak practices identified. This included commissioning the Board's internal auditors, KPMG, to conduct a formal review. The subsequent KPMG report was shared with Scottish Government and informed SG's broader eHealth investigation via Grant Thornton LLP. NHS NSS has committed to implement in full all recommendations made by both KPMG and Grant Thornton LLP. An action plan is in place and progress reported to Scottish Government.

7. LOCAL DELIVERY PLAN (LDP), FINANCIAL AND WORKFORCE PLANS

7.1 The final version of the NSS LDP 2016/17 was reviewed at the May 2017 meeting of the Committee and a Mid Year Performance Report including LDP was presented to the meeting on 25 October 2017.

7.2 The Committee meeting in February 2018 received a revised Finance and Workforce Plan based on the submission of plans by the SBUs.

7.3 The Mid Year Sustainability Performance Update, and the Winter Planning Arrangements report were considered at the October 2017 meeting.

8. RISK MANAGEMENT

8.1 Each Committee meeting reviewed the Business Risks on the NSS Risk Register with particular focus on high risks for accuracy and mitigation actions.

9. NATIONAL PROCUREMENT

9.1 A number of new and extended National Procurement contracts were agreed during the course of the year (See Appendix 1)

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

10.1 The annual revisions to the SFIs were considered at the May 2017 meeting.

11. PERFORMANCE AND FINANCE COMMITTEE TERMS OF REFERENCE/ COMMITTEE EFFECTIVENESS

11.1 The Committee reviewed their terms of reference at their meeting in February 2018 and updated these as necessary.

11.2 The Self-Assessment of the Committee's effectiveness was not reviewed during the financial year.

12. DOCUMENTS CIRCULATED FOR INFORMATION

12.1 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.

13. CONCLUSIONS AND ASSURANCE TO NSS BOARD

13.1 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
May 2018

Appendix 1

17/18 Savings Summary

Secured Savings (£M)	**£80.8**
(Pharmacy as part (£M))	**(£56.5)**

NP Contracts Awarded on 17/18

Contract Reference	Contract Description	Annual Value (£m)	Actual Secured Saving (£m)	Award Date
NP452/17	Influenza Vaccine General Practice and Hospitals	£3.52	£0.06	Dec-16
NP465/17	Valganciclovir & Caspofungin	£1.50	£1.43	Feb-17
NP398/17	Gastro Intestinal, Endocrine, Nut & Blood Medicines	£3.89	£1.15	Mar-17
NP500/17	Temporary Agency Medical Locums	£80.00	£3.34	Mar-17
NP799/17	NDC Managed Transport and Associated Services	£2.30	£0.08	Mar-17
NP926/17e	Velaglucerase alfa (VPRIV®)	£0.36	£0.00	Mar-17
NP926/17f	Idursulfase (Elaprase®)	£0.51	£0.00	Mar-17
NP926/17g	Agalsidase Alfa (Replagal®)	£0.19	£0.00	Mar-17
NP931/17	Trientine Dihydrochloride	£0.13	£0.00	Mar-17
NP702/17	Motor Insurance	£3.86	£0.23	Mar-17
NP167/14-1718	Imaging Mini Comps	£8.00	£4.33	Apr-17
NP743/17	Provisions	£5.62	£0.40	Apr-17
NP467/17	Rituximab	£6.90	£1.76	May-17
NP783/17	Chilled Goods	£2.98	£0.00	May-17
NP806/16	Fire Fighting Equipment Maintenance	£0.32	£0.02	May-17
NP326/17	Plasma - IVIGG & Subcut	£19.40	£0.18	May-17
NP349/17	Plasma - AFHP	£2.21	-£0.09	May-17
NP507/17	Walking Aids	£1.20	-£0.02	May-17
NP919/16xPR	Abacavir/Dolutegravir/Lamivudine (Triumeq)	£2.53	£1.33	Jun-17
NP936/17	Pomalidomide (Imnovid®)	£1.35	£1.64	Jun-17
NP907/15iPR	Apremilast (Otezla®)	£2.20	£0.30	Jun-17
NP178/16	Airways Management	£2.10	£0.29	Jun-17
NP359/17	Cardiovascular & Respiratory Medicines	£6.09	£0.39	Jun-17
NP177/17	Sterile, Single Use, Single Wrapped Podiatry Instruments	£0.60	£0.00	Jul-17
NP446/16	Rituximab Dose Banding (expansion of scope to include compounded biosimilars)	£6.89	£1.89	Jul-17
NP93417a	Rituximab (MabThera®) Subcutaneous Injection	£2.42	£0.44	Jul-17
NP303/17	Neonatal Parenteral Nutrition	£0.40	£0.00	Jul-17
NP568/17	Urinary Catheters	£1.30	£0.06	Jul-17
NP6001/17	Histocompatibility and Immunogenetics Test Kits	£0.22	£0.02	Jul-17
NP411/17	Immunosuppressant Medicines	£0.85	£0.03	Jul-17
NP424/17	Hepatitis A & B Vaccines	£0.78	-£0.10	Jul-17
NP466/17	Methotrexate Pre-filled Pen & Syringe	£3.51	£0.14	Jul-17
NP469/17	Bosentan	£0.08	£1.58	Jul-17
NP838/17	Aroma Coffee	£0.50	£0.21	Aug-17
NP797/17	Voice Services	£7.17	£0.00	Aug-17
NP841/17	Electricity Meter Reading	£0.10	£0.07	Aug-17

NP910/17a	Amphotericin (Ambisome®)	£2.01	£0.00	Aug-17
NP910/17d	Anidulafungin (Ecalta®)	£1.04	£0.00	Aug-17
NP910/17f	Micafungin (Mycamine®)	£0.29	£0.00	Aug-17
NP309/17	Psychiatry Generic Medicines	£2.45	£0.94	Sep-17
NP455/17	Etanercept	£14.32	£2.48	Sep-17
NP471/17	Emtricitabine 200mg /Tenofovir Disoproxil 245mg Tablet & Tenofovir Disoproxil 245mg Tablet	£0.36	£5.55	Sep-17
NP184/17	Haemodialysis Machines and Consumables	£6.00	£0.28	Sep-17
NP914/17c	Sofosbuvir (Sovaldi®)	£10.44	£0.00	Sep-17
NP914/17e	Daclatasvir (Daklinza®)	£2.81	£0.00	Sep-17
NP914/17f	Sofosbuvir/Ledipasvir (Harvoni®)	£18.88	£19.68	Sep-17
NP914/17g	Ombitasvir/Paritaprevir/Ritonavir (Viekirax®)	£6.33	£0.00	Sep-17
NP914/17h	Dasabuvir (Exviera®)	£0.53	£0.00	Sep-17
NP914/17i	Sofosbuvir/Velpatasvir (Epclusa®)	£0.00	£0.00	Sep-17
NP914/17j	Elbasvir/Grazoprevir (Zepatier®)	£0.00	£0.00	Sep-17
NP914/17k	Glecaprevir/Pibrentasvir	£0.00	£0.00	Sep-17
NP313/17	Licensed and Compounded Parenteral Nutrition	£1.03	£0.00	Sep-17
NP705/17	Frozen Food	£3.85	£0.48	Sep-17
NP775/17	Prep / Fresh Fruit & Veg	£2.08	£0.15	Sep-17
NP106/17	Central Venous Catheters	£1.09	£0.04	Sep-17
NP473/17	Taltz® (ixekizumab)	£0.02	£0.00	Sep-17
NP192/17	GP Emergency Oxygen	£0.35	£0.22	Oct-17
NP474/17	Scottish Care Experience Survey	£0.25	£0.00	Oct-17
NP5058/17	D&G ICT Equipment for New Hospital Build	£6.00	£0.53	Oct-17
NP5061/17	Glasgow Radiology Information and Pathology Slide Digitisation	£0.20	£0.20	Oct-17
NP517/17	Stoma	£0.44	£0.15	Oct-17
NP6028/17	Red Cell Reagents	£0.18	£0.00	Oct-17
NP911/17a	Ferric Carboxymaltose Injection (Ferrinject®)	£0.62	£0.00	Oct-17
NP911/17b	Iron Sucrose Injection (Venofer®)	£0.50	£0.00	Oct-17
NP911/17d	Iron Dextran Injection (Cosmofer®)	£0.03	£0.00	Oct-17
NP911/17e	Iron Isomaltoside Injection (Monofer®)	£0.20	£0.00	Oct-17
NP581/17	Audiological Equipment	£0.40	£0.00	Oct-17
NP640/17	PVC and Luer lock syringes	£2.30	£0.28	Oct-17
NP379/17	Blood Glucose Monitoring – Healthcare Professional Use	£0.37	£0.00	Oct-17
NP472/17	Efavirenz 600mg / Emtricitabine 200mg / Tenofovir Disoproxil 245mg Tablets	£2.91	£3.48	Oct-17
NP515/17	Negative Pressure Wound Therapy Devices and Consumables	£0.85	£0.01	Oct-17
NP347/17e	Dabigatran Etexilate (Pradaxa®)	£0.02	£0.00	Nov-17
NP676/17	Purchase of Medical Services at NHS Board Hospitals	£4.80	£0.00	Nov-17
NP935/17	Akynzeo	£0.06	£0.02	Nov-17
NP407/17	Erythropoietin Stimulating Agents & Sevelamer	£1.89	£0.08	Nov-17
NP6036/17	Edinburgh Taxi Contract	£0.05	£0.01	Nov-17
NP648/17	The provision of Clinical Procedures to NHS Scotland Health boards (Private H/C)	£10.00	£0.00	Nov-17
NP347/17b	Dalteparin (Fragmin®)	£1.73	£0.31	Nov-17
NP347/17c	Tinzaparin (Innohep®)	£0.62	-£0.02	Nov-17
NP347/17d	Apixaban (Eliquis®)	£0.18	£0.00	Nov-17
NP347/17f	Rivaroxaban (Xarelto®)	£0.59	£0.00	Nov-17
NP347/17g	Edoxaban (Lixiana®)	£0.00	£0.00	Nov-17
NP5065/17	National Primary Care Clinician Database	£0.45	£0.00	Dec-17

	(NPCCD)			
NP907/17c	Golimumab (Simponi®)	£3.65	£0.00	Dec-17
NP907/17j	Baricitinib (Olumiant®)	£0.26	£0.00	Dec-17
NP919/17a	Lopinavir/Ritonavir (Kaletra®)	£0.79	£0.00	Dec-17
NP919/17b	Ritonavir (Norvir®)	£0.23	£0.00	Dec-17
NP919/17e	Atazanavir (Reyataz®)	£0.63	£0.01	Dec-17
NP919/17h	Emtricitabine/Rilpivirine/Tenofovir disoproxil (Eviplera®)	£1.47	£0.00	Dec-17
NP919/17k	Darunavir (Prezista®)	£1.98	£0.03	Dec-17
NP919/17l	Rilpivirine (Edurant®)	£0.06	£0.00	Dec-17
NP919/17m	Etravirine (Intelence®)	£0.14	£0.00	Dec-17
NP919/17n	Raltegravir (Isentress®)	£0.65	£0.00	Dec-17
NP919/17o	Enfuvirtide (Fuzeon®)	£0.01	£0.00	Dec-17
NP919/17p	Maraviroc (Celsentri®)	£0.18	£0.00	Dec-17
NP919/17u	Emtricitabine / Tenofovir Alafenamide (Descovy®)	£0.00	£0.00	Dec-17
NP919/17v	Atazanavir/Cobicistat (Evotaz®)	£0.00	£0.00	Dec-17
NP919/17w	Darunavir/Cobicistat (Rezolsta®)	£0.01	£0.01	Dec-17
NP919/17y	Emtricitabine/Rilpivirine/Tenofovir Alafenamide Tablets (Odefsey®)	£0.34	£0.00	Dec-17
NP143/17	Decon Equipment	£1.70	£0.00	Dec-17
NP300/17	Intravenous & Topical Fluids	£5.30	£0.00	Dec-17
NP409/17	Analgesics And Anaesthetics, Musculoskeletal And Joint Disease Generic Medicines	£7.05	£0.07	Dec-17
NP452/18	Influenza Vaccine General Practice and Hospitals	£3.64	£0.00	Dec-17
NP659/17	Sampling & Measuring Containers	£0.55	£0.06	Dec-17
NP460/17	Enoxaparin	£1.55	-£0.34	Dec-17
NP6015/17	Blood Packs	£1.10	£0.07	Dec-17
NP434/17	Recombinant Factor VIII (CMU)	£4.59	£4.77	Jan-18
NP506/18	Supply of Wigs & Associated Services	£2.06	£0.04	Jan-18
NP613/17	Enteral Syringes, Feeding Tubes & Accessories	£1.85	£0.22	Jan-18
NP700/17	Lease Cars	£15.20	£0.00	Jan-18
NP937/17	Mepolizumab (Nucala®)	£0.00	£0.05	Jan-18
NP613/17	Enteral Syringe, Tubing and Accessories	£1.90	£0.22	Jan-18
NP712/17	Facilities Disposables	£1.17	-£0.04	Jan-18
NP432/17	Nitric Oxide Therapy	£0.42	£0.11	Jan-18
NP302/17	Home Parenteral Nutrition	£5.83	-£0.33	Jan-18
NP846/17	Ward Furniture and Sack Holders	£1.00	£0.49	Jan-18
NP317/17	Insulin Infusion Pumps	£9.00	£0.31	Jan-18
NP594/17	Sterile Procedure Packs & Supplementary Items	£1.64	£0.20	Jan-18
NP344/17	Injection Equipment Paraphernalia	£1.11	£0.06	Feb-18
NP916/17b	Cladribine (Mavenclad®)	£0.84	£0.00	Feb-18
NP504/17	Intraocular Lenses and Viscoelastics	£2.20	£0.17	Feb-18
NP563/18	Peritoneal Dialysis	£3.53	£0.00	Feb-18
NP114/17	Suction Consumables	£1.49	£0.22	Feb-18
NP771/17	Vehicle Hire	£0.60	£0.04	Feb-18
NP316/17	Blood Glucose Monitoring - Connectivity	£0.96	£0.00	Feb-18
NP5066/17	Patient Carer Website	£0.15	£0.00	Feb-18
NP623/17	Haemostatic Dressings	£0.80	£0.45	Feb-18
NP102/17	Pulse Oximetry	£1.59	£0.10	Mar-18
NP5067/17	Telematics Framework	£0.50	£0.00	Mar-18
NP588/17	Automated AST and Bacterial ID	£1.18	-£0.04	Mar-18
NP671/17	Speculum	£0.35	£0.03	Mar-18
NP8003/17	NHSScotland Supervisor Framework	£0.40	£0.00	Mar-18
NP8005/17	NHSScotland Healthcare Planner Framework	£0.40	£0.00	Mar-18

Contract Reference	Contract Description	Annual Value (£m)	Actual Secured (£m)	Award Date
NP673/17	Patient/Bed Worn Devices for Pressure Redistribution & Patient Grip Socks	£0.48	£0.15	Mar-18

NP Extensions approved in 17/18

Contract Reference	Contract Description	Annual Value (£m)	Actual Secured (£m)	Award Date
NP586/14	Culture Media	£0.86	£0.00	Mar-17
NP455/16	Etanercept	£18.29	£0.34	Apr-17
NP441/16	Infliximab	£7.20	£0.87	Apr-17
NP631/14	Orthopaedic Hip Implants	£12.40	£0.01	Apr-17
NP510/14	Temporary Agency Nurses & Operating Department Practitioners	£21.40	£0.00	Apr-17
NP116/14	Scoliosis Instruments and Instrumentation	£1.20	£0.00	Apr-17
NP354/14	Iodine Based and Ultrasound Contrast Agents	£3.36	£0.00	May-17
NP384/14	Contrast Media for MRI, Gastro-Intestinal and Oral Administration.	£2.06	£0.00	May-17
NP917/15a	Lenograstim (Granocyte®)	£0.20	£0.00	May-17
NP917/15b	Pegfligrastim (Neulasta®)	£1.54	£0.00	May-17
NP917/15c	Lipegfilgrastim (Lonquex®)	£0.21	£0.00	May-17
NP907/15a	Adalimumab (Humira®)	£32.60	£0.00	May-17
NP907/15g	Certolizumab (Cimzia®)	£3.20	£0.00	May-17
NP146/14	Infusion Devices & Related Consumables	£7.50	£0.00	May-17
NP464/16	CMU Factor X and Porcine Factor VIII	£0.00	£0.00	May-17
NP505/14	Temporary Agency Allied Health Professionals & Other Clinical Professions	£7.60	£0.01	May-17
NP585/14	Evacuated Blood Collection Systems	£2.30	£0.00	Jun-17
NP376/14	HIV Home Delivery	£0.16	£0.00	Jun-17
NP926/15a	Laronidase (Aldurazyme®)	£0.92	£0.00	Jun-17
NP926/15b	Imiglucerase (Cerezyme®	£0.26	£0.00	Jun-17
NP926/15c	Agalsidase Beta (Fabrazyme®)	£0.96	£0.00	Jun-17
NP926/15d	Alglucosidase Alfa (Myozyme®)	£1.46	£0.00	Jun-17
NP611/14	Orthopaedic Knee Implants	£11.50	£0.00	Jun-17
NP350/16	CMU Recombinant Factor 9	£4.98	£0.00	Jul-17
NP410/14	Analgesics and Anaesthetics Multi-Supplier Framework	£1.88	£0.00	Jul-17
NP343/14	Ribavarin	£0.32	£0.00	Aug-17
NP913/14a	Peginterferon Alfa 2a (Pegasys®)	£2.20	£0.00	Aug-17
NP565/14	Supply of Pacemakers & Implantable Loop Recorders	£2.50	£0.00	Aug-17
NP414/14	Contraceptive Medicines	£1.42	£0.00	Aug-17
NP454/15	CMU Enzyme Replacement Medicines Home Care	£0.00	£0.00	Sep-17
NP511/14	Hypodermic Needles and Syringes (Inc Blood Lancets and Insulin Syringes)	£1.50	£0.00	Sep-17
NP614/14	Single Use Respiratory & Facial Protection & Surgical Headwear	£0.21	£0.00	Sep-17
NP514/17	Wound Closure Products	£4.30	£0.00	Sep-17
NP925/15a	Ranibizumab (Lucentis®)	£9.64	£0.00	Sep-17
NP710/15	Liquid Fuels (Heating Oils and Automotive Fuel)	£4.20	£0.00	Sep-17
NP590/15	Children's Buggies and Adult & Children's Wheelchairs	£5.16	£0.00	Oct-17
NP794/14	MFDs	£2.78	£0.07	Oct-17
NP592/15	Supply of Patient Lifting Equipment	£0.94	£0.00	Oct-17

NP315/15	Albumin	£1.68	£0.00	Oct-17
NP616/14	Orthopaedic Extremity Implants	£1.63	£0.00	Nov-17
NP386/14	Oncology Dose Banding inc Rituximab & Trastuzumab	£1.44	£0.00	Dec-17
NP461/16	Imatinib	£3.13	£0.00	Dec-17
NP446/16	Rituximab Dose Banded Medicines	£6.89	£0.00	Dec-17
NP442/14	Trastuzumab Dose Banded Medicines	£7.22	£0.00	Dec-17
NP570/14	Disposable Pulp Products	£1.58	£0.00	Dec-17
NP367/14	Fertility Products	£0.89	£0.00	Dec-17
NP307/13	Medical Gases In Cylinders	£1.26	£0.00	Dec-17
NP187/15	Decontamination Maintenance & Consumables	£3.40	£0.00	Jan-18
NP301/15	Home Delivery Clotting Factors	£0.27	£0.00	Jan-18
NP654/14	Audiological Batteries	£0.50	£0.00	Jan-18
NP172/16	Electrosurgical	£1.40	£0.00	Feb-18
NP422/14	Scottish Prisons Pharmacy Contract	£2.71	£0.00	Feb-18
NP597/14	Customised Theatre Packs and Speciality Packs	£3.10	£0.00	Feb-18
NP314/14	Clozapine	£0.03	£0.00	Feb-18
NP456/16	Home Delivery of Etanercept	£0.81	£0.00	Mar-18
NP927/16a	Enzalutamide (Xtandi®)	£2.21	£0.00	Mar-18
NP708/15	Natural Gas - All NHSS Sites	£31.00	£0.00	Mar-18
NP915/18	Chlorhexidine Gluconate 2% and Isopropyl Alcohol Applicator	£0.68	£0.00	Mar-18
NP655/14	Waste Bags	£1.40	£0.15	Mar-18

Meeting: NSS Board of 29/06/2018

Paper Number: B/18/76

Title of Paper: IGC Annual Report 2017-18

Paper Type:

This is a routine paper highlighting the work of the Committee over the year.

Decisions Required

The Board is asked to approve the report that was tabled and approved by the meeting of the Information Governance Committee on 25 April 2018, subject to a minor addition requested at paragraph three, which was approved by the Chair of IGC on 30 May 2018.

Analysis:

Information governance provides the framework to ensure that the right information is available to the right people, in the right place and at the right time. Information governance ensures necessary safeguards for, and appropriate use of, patient and personal information. Inadequate information governance increases the risks of information being inappropriately disclosed or essential and accurate information not being available when it is required. The Annual Report provides assurance to the Board that all information governance and security risks are being adequately monitored and mitigated as well as key projects being undertaken and completed. The work of the IG and IS teams underpins the work of the organisation and enables transformation to take place through pro-actively being involved with projects such as Digital Transformation. The work highlighted with Scottish Government will also assist other public sector organisations through the Digital Health and Care Strategy.

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2017/18 Information Governance Committee Annual Report to the NSS Board

1. INTRODUCTION

The Information Governance Committee met on three occasions in 2017 -18, namely, 26 April 2017, 7 September 2017 and 25 January 2018: The members of the Committee were as follows.

- Ian Cant, Employee Director (Chair of Committee)
- Kate Dunlop, Non Executive Director (Member of Committee)
- Elizabeth Ireland, NSS Chair (Member of Committee)
- Mark McDavid, Non Executive Director (Member of Committee) to 30 June 2017
- Alison Rooney, Non Executive Director (Member of Committee) – Joined on 01 July 2017

Attendees of the Committee meetings were as follows:-

- Colin Sinclair, Chief Executive
- Marion Bain, Medical Director
- John Fox-Davies, Senior Information Risk Owner
- Eilidh McLaughlin (Prentice), 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
- 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. KEY UPDATES IN 2017/18

3.1.   Members recognised that it had been a busy year for Information Governance. The critical nature of ensuring data was used and stored correctly was highlighted throughout the year as the organisation prepared for the introduction of the EU General Data Protection Regulation.

The pace of change was also reflected on, with members acknowledging the key role of information governance within the Digital Transformation programme and in the discussions around the set up of the new Public Health Body.

Members also recognised the work undertaken by the Information Security team and had welcomed the updates in relation to cyber security throughout the year in relation to providing assurance as well as highlighting key areas of risk for the organisation as it provides IT services internally and externally.

3.2   National Strategic and Operational Information Governance

The Committee received updates at all three meetings held in 2017 – 2018 and the key highlights were:
- NSS providing Programme Management for the Review of Data Consents and Opt Outs.
- Local Intelligence Support Team's work expanding into Primary Care to support cluster quality working
- The increasing importance in strategic developments of a 'Once for Scotland' approach, which included other sectors;
- The progress made in SPIRE Developments;
- The challenges arising from changes in research structures in 2018;
- The challenges faced by the Public Benefit and Privacy Panel

3.3.   Digital Transformation

Throughout the year, the Committee was informed of the work to ensure that Information Governance processes became embedded within the Digital Transformation Programme. With proposed standards developed, and implementation of those imminent, the key priority in 2018/19 would be the interlinking of systems, and trying to digitise existing paper processes.

3.4.   Information Governance Improvement Plan

At each meeting, the Committee was updated on the progress against the Information Governance Strategy Key Performance Indicators. The Committee sought and received assurance regarding any which appeared to be reporting as not on target.

3.5.   Information Governance Adverse Events, Risks and Complaints

The Committee received regular updates on information governance (IG) adverse events, risks and IG related complaints across NSS. The review of IG adverse events across NSS looked at their management, investigation and the lessons learned. All reported IG adverse events had been reviewed. NSS recognises that there may still be under-reporting of IG adverse events and is working to address this through staff awareness initiatives.

3.6.   Focus on SBUs

The Committee received presentations from the Business Services Directorate in April 2017, the Customer Engagement and Development Directorate in September 2017 and the Clinical Directorate in January 2018.

The Business Services Directorate emphasised the disparate range of activities undertaken within their area with each having its own unique information assets and requirements. Across the Directorate common IG processes were used for safety and security.

The Customer Engagement and Development (CEAD) advised that a Performance and Planning Manager had been recruited and part of that role would be to coordinate information governance for CEAD.

The Clinical Directorate updated on strategy work in areas such as common standards, public engagement and patient care focus. They also reflected on challenges ahead, specifically the potential impact of the Public Health Body in respect of data access and Caldicott Leads.

These presentations were noted as being very helpful in providing the Committee with reassurance around how information governance was handled in these areas of NSS.

3.7.   Review of Cyber Security Across NSS Boards

The Committee also received regular updates on Cyber Security, with an overview of the national climate in terms of regulations and standards. The Committee was assured that NSS was relatively well positioned in this respect and were updated on the work being done to develop better contracts and make cases for investment in IT to make NSS as future-proof as possible.

3.8.   Loss of Patient Records

In respect of an incident in NHS Highland involving the loss of patient records, the Committee was updated on the progress around the identified actions and suggested process improvements relevant to NSS. The Committee also sought and received assurance around the risk of recurrence and processes in place to manage events should that happen.

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.

Ian Cant
NSS Information Governance Committee Chair
30.05.2018

Meeting: NSS Board held on 29 June 2018

Paper Number: B/18/77

Title of Paper: NSS Remuneration and Succession Planning Committee (RSPC) Annual Report 2017/18

Paper Type:

This is a routine paper highlighting the work of the Committee over the year.

Decisions Required

The Board is asked to approve the Annual Report for 2017/18.

Analysis:

The Report details membership, meeting dates, and outlines matters considered by the Committee during 2017/18. It provides an assurance to the NSS Board and Staff Governance Committee that the Remuneration and Succession Planning Committee has discharged its responsibilities in line with its remit under the terms of NSS's Standing Orders.

Name(s) of Author(s)   John Deffenbaugh
Role(s) of Author(s)   Chair of the Remuneration and Succession Planning Committee

Annual Report to NSS Board and NSS Staff Governance Committee by the NSS Remuneration and Succession Planning Committee, April 2017 – March 2018

1.   INTRODUCTION

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

2.   MEMBERSHIP

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

2.2
- John Deffenbaugh, Non-Executive Director
- Alison Rooney, Non-Executive Director (from 26.06.17)
- Douglas Yates, Non-Executive Director (until 30.04.17)
- Ian Cant, Employee Director
- Elizabeth Ireland, NSS Chair

The following are normally in attendance at meetings of the Committee:-
- Chief Executive
- Director of Human Resources (HR) and Workforce Development
- Board Secretary

3.   MEETINGS

3.1   The Committee met for scheduled meetings on the following dates:-
- 12 June 2017
- 8 December 2017
- 1 March 2018

4.   MINUTES OF AND ACTIONS FROM MEETINGS

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

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

5.   COMMUNICATION TO BOARD ETC.

5.1   The minutes of the Committee must be kept confidential because they contain details of named individuals. However, the following procedures are followed to ensure members of the NSS Board and NSS Staff Governance Committee are appropriately informed and assured:-

(i)   A verbal report is given to the Board meeting following the Committee meeting.

(ii)   An anonymised summary is prepared after meetings and submitted to the Board.

(iii)   A verbal report is provided to the Staff Governance Committee by the Chair of the Remuneration and Succession Planning Committee. Additional assurance can be given to the Committee if required by the NSS Chair, who is also a member of the Remuneration and Succession Planning Committee.

6.   OBJECTIVES AND PERFORMANCE APPRAISALS

6.1   The Committee is required to review the objectives set for members of the Executive Cohort and review their performance appraisals in order to satisfy itself that the performance management process and its application is transparent, rigorous, evidence-based and fully documented. Information summarising final performance appraisals is then submitted to the National Performance Management Committee (NPMC) for their approval.

6.2   The Committee considered the year-end appraisals at its meeting in June 2017 and were satisfied that a rigorous performance management appraisal process had been applied in determining the scores and overall performance ratings for 2016/17. The NPMC confirmed in November 2017 it was content with the appraisal outcomes for NSS for 2016/17.

6.3   There was also a discussion around the 2017/18 performance plans for individuals in the Executive Cohort. A number of points were highlighted in respect of individuals' objectives and the overall performance plans. The Committee confirmed its support for the plans.

6.4   The Committee also received an assurance from the NSS Chief Executive that the 2016/17 year-end performance appraisals for individuals in the Senior Management Cohort had been reviewed and appropriately 'Grandparented'.

6.5   It is the Committee's responsibility to satisfy itself that a process has taken place to formally assess the performance of NSS staff based at the Scottish Government Health and Social Care Directorates (SGHSC) at the end of the performance period. In December 2017, the Committee had sight of the proposed 2016/17 performance appraisal outcomes for the four NSS employees on Senior Management pay arrangements who worked at SGHSC and noted that one of the four had now retired. NSS had been advised that the spread of outcomes had been considered by the SGHSC's Moderation Panel. Members noted the outcomes and were reminded that they did not have access to the SGHSC Moderation Panel's deliberations on these appraisals and the Committee was not in a position to ensure that these were consistent with other NSS ratings or otherwise to endorse them. The Members could only satisfy themselves that a process had taken place to formally assess the performance of NSS staff based at SGHSC at the end of the performance period. On the basis of the currently available information to the Committee, a similar position existed for NSS staff outside of the Executive and Senior Management Cohorts. Members needed to be provided with the necessary assurance that appraisals were being done with rigour and for potential in all areas of NSS. This would be addressed in time for the Committee reviewing the end of year appraisals for 2018/19.

6.6   Mid-year reviews of performance for individuals in the Executive Cohort for 2017/18 were undertaken in December 2017 and the Committee was reassured that members of the senior team were delivering against objectives and remained on target. Having discussed a number of points in respect of individuals' performance, Members confirmed they were satisfied with the performance management process and overall mid-year results. The need to balance external and internal focus in delivering NSS strategic direction would be captured when setting objectives for 2018/19. At the Committee's request, an outline of the exercise followed in developing the Executive Cohort's

performance objectives would be provided at the June 2018 meeting. They would also receive an assurance around the continuity of this process and a high level summary of the performance of the Executive and Senior Management Cohorts for the financial year 2017/18.

7.   SUCCESSION PLANNING|

7.1   Consideration was given to the outcomes from the succession planning exercise in terms of the individuals in the Executive Management Team and their direct reports and potential gaps. Plans were being considered with HR support to ensure any risks were mitigated. There was still room to increase focus on succession planning and in particular the potential as well as performance of individuals across the organisation. Next year's exercise would also capture the development and future composition of the NSS Board. NSS had delivered a Succession Planning approach for a number of years which had delivered well for the top two tiers of the organisation. A different approach was now being developed and the Committee discussed the limitations of the current process and way forward. This would ensure key leadership or business critical roles were backfilled. It would also ensure little or no impact on the smooth running of the business should the incumbent post holder move to a new opportunity, was promoted, had a long term absence or retired. The Committee wholeheartedly supported the proposed approach.

8.   APPOINTMENTS AND TERMINATIONS

8.1   During the year, the Committee ratified decisions taken out of committee/notifications in relation to appointments to the Executive Cohort, other senior appointments and termination settlements where the costs were in excess of £75,000.

8.2   As part of the process for authorising the recruitment of vacancies and salaries on appointment, the Committee received regular monitoring reports outlining recruitment to new/additional posts. This included an overview of key trends of recruitment for all diversity strands. There was good evidence that the NSS recruitment process was fair and robust. The number of candidates under protected characteristics remained relatively consistent. The split in appointments of internal and external candidates was more balanced which provided NSS with a good mix of new perspectives and experiences. The Committee welcomed the activity in support of creating more opportunities or posts that would be appropriate for young people and those with a disability. The work that NSS was doing in this area had been shared with the National Boards and colleagues in the NSS (dis)Ability Staff Network and Trade Unions would be involved in helping to design those activities.

8.3   Losses and special payments which had been authorised for 2016/17 in accordance with the NSS Standing Financial Instructions and presented to the NSS Audit and Risk Committee in May 2017 were noted. Some additional details on the employee settlements and lessons learned were provided.

9.   REMUNERATION AND TERMS AND CONDITIONS

9.1   The Committee was provided with the following NHS Circulars during 2017/18:
- ➢ PCS(ESM)2017/1 which announced the pay arrangements for 2017/18 in respect of the Executive and Senior Management Cohorts.
- ➢ PCS(MD)2017/1 which announced a change to the management fees for Health Board Medical Directors/former Medical Directors on Protection. It also clarified the value of Discretionary Points and detailed action which might require to be taken.

9.2   The Members of the Committee can give assurance to the NSS Board and NSS Staff Governance Committee that NSS is fully compliant with Government requirements on Pay and Terms and Conditions.

10.   CONSULTANTS' DISCRETIONARY POINTS

10.1   Recommendations from the NSS Consultants' Discretionary Points Committee on the awards for 2017 were discussed at the December 2017 meeting and Members confirmed they were content to approve the Points awarded. The draft Minutes from the Discretionary Points Committee meeting were also circulated to allow Members to satisfy themselves that there was clear evidence as to how it had conducted the process.

11.   ANNUAL REPORT FROM DIRECTOR OF HR AND WORKFORCE DEVELOPMENT

11.1   The 2016/17 Annual Report from the Director of HR and Workforce Development was considered. This provided key salary, grade, financial and employment information relating to NSS staff for the period 1 April 2016 to 31 March 2017. It had been produced annually over seven consecutive years which enabled changes and trends within the report to be mapped out over this time and potential risks to NSS to be identified. In particular the Committee noted that:-

- ➢ the number of staff employed under Executive Level/Senior Management terms and conditions continued to decrease whilst the number of staff in Agenda for Change (AfC) posts with salaries over £75,000 had increased. This was mainly attributed to both incremental progression and a 1% cost of living rise associated with AfC posts;

- ➢ the percentage of employees with salaries over £75,000 were male which was inconsistent with the gender profile of NSS overall. This had been identified as part of the work undertaken to produce the 2017 NSS Equal Pay Gap report and further analysis would be undertaken to explore the reasons in more detail;

- ➢ the costs associated with approvals for extensions to sick pay had reduced. Approvals in 2016/17 had been mainly for lower graded employees with shorter extensions to sick pay being requested. Focus had been on return to work plans and OHS referrals being managed more effectively and being put in place prior to any extension being granted unless under exceptional circumstances;

- ➢ leased car usage continued to reduce along with the associated costs and this was likely to continue; and

- ➢ overtime continued to decrease as had Additional Hours Payments.

11.2   The Committee was reassured that NSS pay, terms and conditions were implemented effectively and monitored on a regular basis ensuring mechanisms were in place to support any area of concern should they arise.

11.3   At its meeting in March 2018, the Committee discussed what additional information they would find helpful to have included in the 2017/18 report. This included:-

- ➢ an Executive Summary providing a narrative on the analysis and key points/actions for consideration;

- ➢ analysis of gender profile for all NSS staff (not just those with salaries over £75,000);

- ➢ consideration as to how the Pay Gap Report could be used to help inform the HRWD Annual Report; and

- ➢ a contextual piece on NSS activities e.g. transformational change.

12. COMMITTEE'S TERMS OF REFERENCE AND PROCEDURES

12.1   As requested to do so on an annual basis, the Committee reviewed its Terms of Reference as laid down in the NSS Standing Orders and agreed to include a fuller descriptor of the Committee's purpose and add 'potential' to the assessment of individuals in the Executive Cohort. The section on appointments was also amended to reflect that the National Boards' position on recruitment should be taken into consideration when making appointments. The Committee also reviewed its internal note on procedures and effectiveness.

13. INTERNAL AUDIT PLAN

13.1   All NSS Board Committees had been asked to consider what they would like to have included in the Internal Audit plan for 2018/19. Members had no specific issues to raise in relation to the proposed areas to be audited.

14. CONCLUSIONS AND ASSURANCE TO BOARD AND STAFF GOVERNANCE COMMITTEE

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

John Deffenbaugh
Chair of the NSS Remuneration and Succession Planning Committee
June 2018

Meeting: NSS Board of 29 June 2018

Paper Number: B/18/78

Title of Paper: 2017/18 Local Delivery Plan End Year Monitoring Report

Paper Type:

Regular quarterly monitoring report showing progress against 2017 / 18 Local Delivery Plan.

Decisions Required

The Board is asked to note the organisation's performance during 2017-18 set out in this paper and challenge as appropriate on areas where measures were not achieved.

Analysis:

The paper shows progress against the Local Delivery Plan 2017 / 18, through which we underpin the services provided to the NHS in Scotland, and gives examples of where we have met and improved upon targets and areas where we have not met targets. *This is shown via performance measures derived by SBUs and shown within our Decision Support Tool.*

For 2017 / 18, a performance rating of 93% was achieved against 72 performance indicators. Two of those indicators were rated as amber due to being less than 10% away from the intended target. Three indicators were rated as red due to a greater than 10% divergence from their intended target.

Caroline McDermott
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1.0   Overview

This report summarises the end of year position against the Local Delivery Plan 2017 / 18. This information is also available on the Decision Support Tool. The performance, rated via 72 performance indicators was as follows.

LDP Achievement –
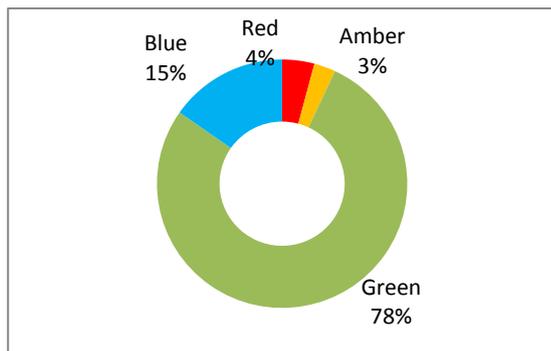
11 (15%)	Blue	Exceeded target
59 (78%)	Green	Completed or ongoing as planned
2 (3%)	Amber	Behind / less than original plan
3 (4%)	Red	More than 10% behind / less than original plan
0 (0%)	Grey	Not yet reported

This shows a performance rate of **93%** achieved.

1.1   Blue - Better than Anticipated Achievement
The following are examples of where we are ahead of planned target for the year achieving savings for the NHS in Scotland or by providing responsive services.

- **PHI LIST** The LIST team are actively working with 90% of health and social care partnerships. They had set themselves a target of 60%.
- **Payment to primary care practitioners** is at 99.9% accuracy compared to a target of 99.5%.
- The NSS **customer satisfaction score** is 75% compared to target of 70%.
- 60% of **eligible PHI publications reference information on health inequalities / equalities** which was higher than the target of 55%.
- **National contract savings.** The overall year target of £47m was surpassed with £81m secured savings achieved.

1.2   Red - Not Achieved as Planned
The following targets were not achieved as per plan (red).

- **PCF Delivery £1m savings from fleet logistics programme**. As previously reported, the Programme did not realise savings within this financial year. This has been reviewed for 18 / 19 with a target of £240K savings, excluding staffing.
- **A survey will be held on a quarterly basis of our key eHealth stakeholders. The target was to obtain an 8 out of 10 (80%) rating across all programmes.** This survey did not take place. The IT team plan to utilise CEAD questionnaire in quarter 1 of 2018-19.
- **Median time to provision data, post IG approvals, to be less than < 60 days of clocked eDRIS time.** The median time to provision of data from eDRIS is 94 days. As reported previously, there have been staff shortages throughout the year and issues in providing a copy of data to Edinburgh University; both have now been resolved. Despite

1

this mitigation, there remains a significant challenge to reduce the aspired data provision timelines.

1.3 Amber – Behind Schedule

The following measures were delivered to within 10% of their original target:

- **Reduce the potential for healthcare associated infection by testing and validating equipment for decontamination of reusable medical devices to greater than 90% against the planned programme.** This is at 88%. Staff sickness along with a vacancy has reduced the number of machines being tested in March. The machines that remained outstanding their inspection were tested in April 2018; thus reducing any backlog.
- **NDC Revenue throughput £155m.** As previously reported, this remains below target. In March this was at £149m, lower than the anticipated £151m due to adverse weather and flat trading at end of year. There might also be an element of territorial boards tightening their procurement and stock holding requirements.

2.0 Risks (as at 23 April 2018)

			Rare	Unlikely	Possible	Likely	Almost Certain	Total
					Likelihood			
		Score	**1**	**2**	**3**	**4**	**5**	**Total**
Impact	Catastrophic	5	0	0	0	0	0	0
	Major	4	0	3	1	0	0	4
	Moderate	3	0	0	0	3	0	3
	Minor	2	0	0	0	0	0	0
	Negligible	1	0	0	0	0	0	0
	Total		**0**	**3**	**1**	**3**	**0**	**7**

The above table shows risks specifically associated with LDP targets. There are no red risks currently.

Caroline McDermott
Head of Planning
Ext 6518

B/18/79

NSS Board Meeting– Friday 29th June 2018

Finance Report to 31 March 2018

Purpose

The purpose of the attached paper is to report on NSS Financial Performance against agreed LDP targets for the period 1 April 2017 to 31 March 2018. The 2017/18 financial statements have been audited by Audit Scotland.

Recommendation

The Board is asked to note the financial position for 2017/18

Timing

N/A

Background

NSS has met its statutory financial targets for 2017/18 with a £0.8m surplus in revenue and break-even capital position

Revenue – The £0.8m surplus relates to the delayed transition to JCC and costs slipping into 2018-19. NSS has agreed with SG that this surplus can be carried forward and will be reinstated next Financial Year.

SG also agreed that the £6.5m relating to slippage on the CHI/ Child Health and GP IT e-Health projects could be returned to SG – this was transacted in the last allocation letter of 2017-18.

Capital – NSS achieved a break-even position for capital for 2017-18. A number of capital programmes which were phased towards the year end have been delayed.
The funding agreed to be reinstated next year totals £1.3m for the JCC, Radiology Programme and Gyle Courtyard.

CRES – NSS has exceeded agreed SBU CRES targets – the improved position in year was a consequence of further identified non recurring savings within IT. NSD have extended a number of contracts which has resulted in further recurring savings of £3m. Overall, NSS achieved efficiencies of £18.2m (£1.6m ahead of target) - the main element relating to NSD.

NSS Target	RAG rating*	Full Year Outturn
Revenue outturn	Green	£0.8m surplus
NSD CRES savings	Green	110%
NSS CRES savings	Green	100%
Capital outturn	Green	Break-Even

<u>Key</u>
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. As discussed above the financial performance for 2017/18 has been audited by Audit Scotland.

Carolyn Low

Director of Finance & Business Services
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25th May 2018

NSS BOARD Meeting – Friday 29th June 2018

FINANCE UPDATE REPORT FOR THE FINANCIAL YEAR 2017/18

1.   OVERVIEW OF FINANCIAL PERFORMANCE

NSS has met its statutory financial targets for 2017/18 with a £0.8m surplus in revenue and break-even capital position

Revenue – The £0.8m surplus relates to the delayed transition to JCC and costs slipping into 2018-19. NSS has agreed with SG that this surplus can be carried forward and will be reinstated next Financial Year.

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NSS Target	RAG rating*	Full Year Outturn
Revenue outturn	Green	£0.8m surplus
NSD CRES savings	Green	110%
NSS CRES savings	Green	100%
Capital outturn	Green	Break-Even

Key
Red: Target will not be met
Amber: Uncertainty over whether target will be met
Green: On target

2.   NSS REVENUE TRADING POSITION AS AT 31ST MARCH 2018

The table summarises the NSS trading position by SBU for 2017-18 (£'000s)

CLO	IT	PCF	P&CFS	PHI	SNBTS	BS	CD	CEaD	HR	S&G	Reserves	Total NSS

80	500	(280)	2515	248	774	41	18	142	107	6	(3317)	**834**

SBU Trading Position

There was substantial movement of £3.2m from the SBUs' reported forecast in February to the final out turn position. The most significant variances related to P&CFS £2.5m and IT £0.5m as a result of slippage on IT programmes supported by ATOS and NSS IT internal resources.

NSS Reserves

As a consequence of slippage in programme spend referred to above, the reserves position includes an income deferral of £2.7m to 2018/19 to match the timing of expenditure. Procurement Transformation funding of £0.3m was planned but was not allocated by SG given the unexpected favourable trading position as above.

Revenue Outturn

The net full year end position is a surplus of £0.8m. This is due to the delay in transition to JCC with displacement costs of £0.3m and decommissioning costs of £0.5m slipping into 2018/19. SG has confirmed that this sum can be carried forward into 18/19.

3.   NSS CAPITAL POSITION AS AT 31st MARCH 2018

The year-end position for capital is break-even as per the table below. The variance between the original LDP capital plan and the final out turn position is stark at £1.6m with significant movements across most projects

SBU	LDP Capital Plan £'000	Movement in funding £'000	Revised Programme £'000	Full Year Expenditure £'000	FY Variance £'000	FY Variance £'000
IT	525	861	1,386	1,322	64	(797)
PCF	1,582	(1,509)	73	40	33	1,542
PHI	846	(390)	456	545	(89)	301
SNBTS	1,660	(118)	1,105	1,077	28	583
BS	0	41	157	116	41	(116)
Reserves	337	(191)	146	212	(66)	125
Total Capital Programmes	**4,950**	**(1,306)**	**3,323**	**3,312**	**11**	**1,638**

Appendix 1 provides the detailed capital programme.

4.   CRES

NSS has exceeded agreed SBU CRES targets – the improved position in year was a consequence of further identified non recurring savings within IT. NSD have extended a number of contracts which has resulted in further recurring savings of £3m. Overall, NSS achieved efficiencies of £18.2m (£1.6m ahead of target) - the main element relating to NSD.

	SNBTS £000	IT £000	PCFS £000	PCF £000	PHI £000	Corporate £000	NSS Total £000	NSD £000	LDP Efficiencies £000
Baseline	41,635	16,878	24,023	188,637	17,225	39,968	328,366	0	328,366
CRES Target (5% of baseline)	2,082	844	1,201	561	861	2,129	7,678	8,871	16,549
Total savings achieved at March 2018	2,129	834	1,264	658	1,426	1,388	7,700	10,539	18,239
Total savings over/(under) achieved against target	47	(10)	63	97	565	(741)	21	1,668	1,689

The National Boards have provided full cash savings of £15m for 2017-18. The NSS contribution was £5.8m – this was £1.8m above our pro rata share. This includes providing a capital to revenue transfer of £0.2m and underwriting the remaining shortfall in year of £0.4m. The National Board DOFs discussed final outturns and the underwriting split at the meeting on 2nd May where it was agreed that the £0.4m shortfall would be transferred to NSS in 2018-19 (subject to SG reinstating 17-18 funding to the other National Boards in 18-19).

5. SUMMARY

The NSS Board is asked to note this report.

Appendix 1 – Capital Programme

SBU	NSS Funded Programmes	LDP Capital Plan £'000	Movement in funding £'000	Revised Programme £'000	Full Year Expenditure £'000	FY Variance Revised Plan £'000	FY Variance Original Plan £'000
PHI	CivTech Wallscope	110	(2)	108	108	0	2
	National Audit System	75	(75)	0	0	0	75
	Legacy System Programme	120	(120)	0	0	0	120
	CivTech Symphonic	65	(5)	60	60	0	5
	Piper to SPIRE Transition	100	(100)	0	0	0	100
	Research Ready Data Work	100	(100)	0	0	0	100
	SCRIS	276	(27)	249	249	0	27
	Radiology	0	38	38	38	0	(38)
	CHAD - Health Visiting	0	0	0	49	(49)	(49)
	Homelessness	0	0	0	41	(41)	(41)
Subtotal PHI		**846**	**(390)**	**456**	**545**	**(89)**	**301**
PCF	Breast Screening Mobile Trailer Maintenance	300	(300)	0	0	0	300
	Breast Screening Mobile Equipment Maintenance	130	(130)	0	0	0	130
	Facilities upgrades / Compressor JCC - transfered to S	0	0	0	0	0	0
	Gyle Courtyard - GEP Funding - Returned to SG Agree	0	0	0	0	0	0
	Gyle Courtyard - NSS Funding	0	20	20	0	20	(0)
	General Capital Programme - Transferred to Boards	500	(511)	(11)	0	(11)	500
	Molecular Genetics - Transferred to Boards	300	(300)	0	0	0	300
	Deliver Solution for M&E Lighting - Gyle	295	(295)	0	0	0	295
	Fire Alarm Replacement	57	(57)	0	0	0	57
	Food in hospitals self assessment tool	0	64	64	40	24	(40)
Subtotal PCF		**1,582**	**(1,509)**	**73**	**40**	**33**	**1,542**
IT	IAM	150	(150)	0	0	0	150
	Resilience Activity SNBTS/NP	50	(50)	0	0	0	50
	Network Infrastructure	325	0	325	281	44	44
	Data Virtulisation	0	585	585	585	(0)	(585)
	VC	0	270	270	283	(13)	(283)
	Network Infrastructure addl expend Jan	0	206	206	173	33	(173)
Subtotal IT		**525**	**861**	**1,386**	**1,322**	**64**	**(797)**
SNBTS	National Fleet Replacement	350	0	350	350	0	0
	National Replacement & Equipment Improvement Prog	400	0	400	403	(3)	(3)
	eProgesa reconfiguration (Semester patch)	50	(50)	0	0	0	50
	eTraceline (Clinical)	200	(200)	0	0	0	200
	IT System for Sample Referral & Reporting (NMRU)	50	(50)	0	0	0	50
	Medussa data migration	10	(10)	0	0	0	10
	JCC	600	0	163	145	18	455
	Donor Session record Scanning	0	42	42	43	(1)	(43)
	Blood Bank Sustainability (IT)	0	150	150	136	14	(136)
Subtotal SNBTS		**1,660**	**(118)**	**1,105**	**1,077**	**28**	**583**
BS	Radiology - Shared Services Programme	0	41	41	0	41	0
	LED Lighting	0	0	116	116	116	(116)
Subtotal		**0**	**41**	**157**	**116**	**157**	**(116)**
RES	unique identifiers	0	13	13	0	13	0
	Unallocated capital	337	(427)	(90)	0	(90)	337
	JCC Construction Costs	0	223	223	223	(0)	(223)
	Profit on Disposal			0	(11)	11	11
Reserves		**337**	**(191)**	**146**	**212**	**(66)**	**125**
Total Capital Programme		**4,950**	**(1,306)**	**3,323**	**3,312**	**11**	**1,638**

Appendix 2 – Efficiency Programme 2017/18

Efficiency Savings	SBU	RAG	Full Year Target £000s	Year end outtum £000s
Total savings target per agreed LDP				**16,549**
Specialist and Screening efficiencies	PCF	R	1,892	0
Additional income for manual form processing of GOS (General Ophthalmic Service)	PCFS	R	500	140
Apheresis reduction	SNBTS	R	0	0
TOTAL RED EFFICIENCIES			**2,392**	**140**
Management of Vacancies	PCFS	A	78	298
National Centre synergies	SNBTS	A	100	18
IIA/Once for NSS	Corporate	A	500	300
Logistics productivity savings	PCF	A	256	175
TOTAL AMBER EFFICIENCIES			**434**	**791**
Specialist and Screening efficiencies	PCF	G	7,000	10,620
Staff Rationalisation - dis-established posts & associated costs	SNBTS	G	598	764
A&I Pay : 11.36 WTE	PHI	G	402	402
DM Pay : 9.1 WTE	PHI	G	378	146
Vacancies not Filled/reduction of travel costs	PCFS	G	263	263
HP Non Pay : Prof Fees, Uncon.Gas & Travax	PHI	G	40	40
CKRS Pay : 4.5 WTE	PHI	G	148	148
CKRS Non Pay : Rocket maintenance	PHI	G	14	14
eSystems Automation (inc termination of QOF charges)	PCFS	G	273	258
Moving towards current best practice	Corporate	G	250	250
Supply & Demand - Changes	SNBTS	G	250	223
DM: Non-recurring Income	PHI	G	0	232
Review of support services across NSS	Corporate	G	205	205
Collaborative procurement	SNBTS	G	200	635
Staff Rationalisation & Restructure - Lean improvements	SNBTS	G	177	177
Changes in Service Delivery	SNBTS	G	175	141
CLINICAL : Non-recurring Income	PHI	G	169	169
Non Pay Savings	Corporate	G	159	159
Reduction in GP Stationery & NHS Publications	PCFS	G	150	150
Synergies from NSS Business IT. Transfer staff to externally funded services and NSS	IT	G	132	50
ePharmacy Contractors	PCFS	G	0	125
HP Non Pay : Prof Fees, reduction to GCU contracts	PHI	G	120	120
Business Development efficiency	PCF	G	106	106
Pay protection reduction	SNBTS	G	100	100
NSS portion (including benefit to P & CFS) of National IT Contract (NITC) Atos OA eg up	IT	G	100	132
Hosted Only power efficiency & increased transaction volume efficiency from modernisi	IT	G	100	100
Vacancies not being replaced	Corporate	G	100	100
HP Pay : 1.90 WTE	PHI	G	92	92
Non Pay Savings	Corporate	G	89	81
Non Pay Savings	Corporate	G	88	88
Facilities pay efficiency	PCF	G	85	85
Director PCF non pay saving	PCF	G	83	83
G&S Rationalisation	SNBTS	G	70	70
Additional external income	IT	G	50	402
Savings to NSS from collaborative working IT tools such as Office 365	IT	G	50	50
Reduce WTE through shared services	Corporate	G	50	50
Vacancies not being replaced	Corporate	G	50	50
Non Pay Savings	Corporate	G	43	43
eLinks data transfer efficiencies	IT	G	0	100
1% reduction in property costs	PCF	G	0	98
VAT Savings	Corporate	G	0	40
CKRS : Non-recurring income	PHI	G	35	35
Independent Living Fund (Scotland) - CFS provision of services	PCFS	G	0	30
CKRS Non Pay : Library & Printing	PHI	G	11	11
A&I Non Pay : Audits Chair Fees	PHI	G	100	10
Strategic Sourcing pay efficiency	PCF	G	10	10
CKRS Non Pay : Office running costs	PHI	G	9	9
Board Pad Licences	PHI	G	0	7
Finance - EDM Image Charges	Corporate	G	0	15
TOTAL GREEN EFFICIENCIES			**12,524**	**17,287**
TOTAL EFFICIENCIES			**15,350**	**18,218**
Balance (outstanding) / overachieved			**7,672**	**1,668**

B/18/80

FINANCE REPORT

Purpose
The purpose of the attached paper is to report on NSS Financial Performance against agreed LDP targets for the period 1 April 2018 to 31 May 2018.

Recommendation
The Board is asked note the contents of this report.

Timing
N/A

Background
The Financial Performance of NSS is measured in terms of the achievement of the following key metrics:
   a) Operate effectively and deliver all LDP targets within a balanced revenue budget of £768.083m (Revenue Outturn Breakeven)
   b) Deliver our capital investment programme within a balanced budget of £6.326m (Capital Outturn Breakeven)
   c) Deliver Cash Releasing Efficiency Savings of 5% of baseline on a recurring basis

At this early stage in the Financial Year, NSS is on course to meets its statutory financial targets for 2018/19 with a break-even position projected in revenue and capital, although there are a number of key assumptions and risks as part of this forecast position as detailed in the report. NSS is also forecasting full delivery of £16.7m CRES although there is currently £0.9m savings which are unidentified.

NSS Target	RAG rating*	Full Year Outturn
Revenue outturn	Green	Break-Even
NSD CRES savings	Green	100%
NSS CRES savings	Amber	90%
Capital outturn	Green	Break-Even

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 – 29th JUNE 2018
FINANCE UPDATE REPORT AS AT 31st MAY 2018

1. OVERVIEW OF FINANCIAL PERFORMANCE

At this early stage in the financial year, it is anticipated that NSS will meet its statutory financial targets for 2018/19 with a break-even position projected for both revenue and capital expenditure. This position reflects a number of key risks and assumptions, which will continue to monitored as the year progresses.

Revenue – The overall YTD position is a small under spend of £0.1m which includes the favourable impact of the outstanding pay award which has been budgeted for. The forecast position is break-even with the projected SBU trading deficit (£0.3m) being offset by reserves as required.

Capital – The YTD and forecast position for capital is break-even in line with plan, with £0.1m expenditure to date on Jack Copland Centre completion.

CRES – The total CRES target for 2018-19 is £16.7m. To date, NSS has achieved £3.7m of the overall target and we anticipate that the target will be achieved by the year end. To date plans to deliver £0.9m of savings remain unidentified. Work is on-going in the SBUs concerned.

NSS Target	RAG rating*	Full Year Outturn
Revenue outturn	Green	Break-Even
NSD CRES savings	Green	100%
NSS CRES savings	Amber	90%
Capital outturn	Green	Break-Even

<u>Key</u>
Red: Target will not be met
Amber: Uncertainty over whether target will be met
Green: On target

2. NSS REVENUE POSITION AS AT 31st MAY 2018

The following table summarises the NSS revenue position as at 31st May 2018, with a £0.1m surplus year to date and a break-even forecast for 2018/19.

	YTD Budget £000	YTD Actual £000	YTD v Budget £000	FY Forecast £000
Income				
NSS Baseline Allocation	54,992	54,992	0	334,222
SG Allocation	15,625	15,625	0	103,055
NHSS Health Board Trading	43,690	42,863	(827)	268,867
SGHD Trading	430	344	(86)	2,482
Non NHSS Income	9,773	18,189	8,416	58,883
Total Income	**124,510**	**132,013**	**7,503**	**767,500**
Expenditure				
Pay	25,152	24,276	876	152,507
Non Pay	28,824	37,633	(8,809)	198,845
Depreciation / Capital Charges	1,484	1,491	(8)	7,845
Purchase of Healthcare	36,965	37,131	(165)	222,300
Cost of Sales	31,067	30,355	712	185,995
AME	0	0	0	0
Total Expenditure	123,492	130,886	(7,394)	767,499
Net Surplus/ (Deficit)	**1,018**	**1,127**	**109**	**0**

The underlying variances are attributable to the following:

- **Pay costs** are under spent by £0.9m which predominantly (£0.7m) relates to the outstanding pay award which has been budgeted for from 1st April 2018 but not yet processed. It is been confirmed that the pay award will be processed in July with arrears being paid in August.

- **Pharmacy Rebates** (under non NHS income and non pay costs) are £8.1m ahead of budget. Rebates are recognised in the ledger on a cash basis rather than on an accruals basis in line with agreed accounting practices. Two large quarterly rebates totalling £10.9m were invoiced in early April 2018 with the timing of invoices dependant on availability of validated volume data.

- **Plasma Sales** (under Health Board Income and Cost of Sales) are £700k lower than target for the first two months. This is in response to a shortage of IVIGg products. An alternative product has been found but this has only just started being used, so volumes may be reduced for a further period of time.

3. NSS REVENUE TRADING POSITION AS AT 31st MAY 2018

The table below summarises the NSS revenue trading position by SBU as at 31st May 2018 (£'000s) with SBU dashboards with supporting narrative presented at Appendix 1.

Strategic Business Unit	YTD Variance (£000's)	Forecast Outturn (£000's)
Central Legal Office	226	0
Procurement, Commissioning & Facilities	(96)	(274)
Information Technology	0	0
Practitioners & Counter Fraud Services	0	0
Clinical Directorate	5	0
Customer Engagement & Development	8	0
Strategy & Governance	31	0
Business Services	31	(26)
Human Resources	57	0
Public Health & Intelligence	(109)	0
Scottish National Blood Transfusion Service	(54)	(3)
Trading Position	**99**	**(303)**
NSS Reserves	10	303
Overall NSS Position	**109**	**0**

The overall YTD position is a small under spend of £0.1m arising from a favourable SBU Trading position. The main pressures reported are within PCF (as detailed below) and PHI where there is currently a level of unidentified income though it is assumed the target will be achieved in full by year end. These overspends are being offset by a surplus within CLO where income has exceeded expenditure levels in April and May. The CLO forecast is break-even given levels of income will reduce during holiday periods throughout the year when less income generating work is undertaken.

At this early stage in the financial year, the most significant area of financial challenge relates specifically to the Jack Copeland Centre, with higher than budgeted recurring costs for rates and utilities adding to known pressures arising from dual running costs due to the delayed transition.

Efforts will be made to contain forecast overspends within overall budget provision at SBU level, with the balance being met from reserves if required.

4. Key Risks & Assumptions

Our financial position is underpinned by a number of key risks and assumptions, which are outlined below. These will continue to be kept under review as the financial year progresses.

a. Outstanding Funding Allocations

As at 31 May 2018, NSS has received confirmation of funding allocations from SG amounting to £332.6m (including baseline funding).

In addition to baseline funding of £332.2m, NSS anticipates additional funding allocations amounting to £111.5m for the year. To date £0.3m has been received in respect of the Outcomes Framework. No allocations have been returned to SG. The table below provides a summary of funding expected by SBU and highlights the extent of financial risk being managed by NSS overall.

Strategic Business Unit	Overall Budget	Funding Outstanding
Procurement Commissioning & Facilities (including NSD)	£520m	£70m (13%)
Information Technology	£98m	£20m (20%)
Public Health & Intelligence	£39m	£10m (26%) (including LIST £3.1m)
Total	**£657m**	**£100m (15%)**

SG is committed to allocating funding as early in the year as possible. NSS Corporate Finance is meeting with SG Finance in July to ensure funds are allocated on a timely basis

b. Pay Award Funding
A payment on account of 3% for all AfC staff (£1,600 for staff earning over £80,000) has been agreed. Our financial plan makes provision for a 1% increase, on the assumption that the financial impact of the 2018 AfC award over 1% will be met in full by SG. We await confirmation that the additional costs involved (£2.3m) will be met in full by SG.

c. Return of Programme Funding

In line with agreed practice, NSS returned programme funding to SG during 2017/18 when it became clear that funds could not be spent in year. Our financial plan and forecast assumes that these funds will be returned to NSS as expenditure is incurred throughout the year. Programmes included are:
- Radiology Shared Services - £0.6m
- JCC Change control (capital) - £0.6m
- Gyle Courtyard - £20k
- eHealth programmes - £6.5m

d. National Boards Collaboration Savings

NSS has committed its contribution of £5.5m savings towards the overall £15m target. At this stage in the financial year, there is an overall gap (£3.2m) which needs to be addressed collaboratively.

e. Use of contingency funding

The Board approved £1m contingency funding as part of the Financial Plan, In addition, NSS is anticipating £0.4m return from National Boards for savings underwritten in 17/18. To date, there has been no formal commitment made against the contingency fund, however, £0.3m of the funds to be returned to NSS from National Boards has been earmarked to cover the projected SBU Trading Deficit as at 31st May 2018.

5. Funds Managed on Behalf of NHS Scotland

The table below outlines the 6 key areas of activity where NSS manages funds on behalf of NHSScotland, In the following narrative we outline in turn the position in each area, as at 31st May 2018.

Hosted Funds	18/19 Budget (£'000s)	YTD Budget (£'000s)	YTD Actual (£'000s)	YTD Variance (£'000s)	Forecast Variance (£'000s
SIBSS	6,000	1,207	1,204	3	0
NSD	229,360	38,227	38,225	2	0
Logistics	167,207	27,939	27,927	12	0
Rebate Schemes	49,000	8,167	8,167	0	0
eDRIS	1,341	224	224	0	0
e-Health & ATOS	71,050	9,890	9,890	0	0

SIBSS – the forecast for 2018/19 is that the full anticipated allocation of £6m will be spent in full, in-line with 17-18 levels. The scheme is funded in full by SG, with funding allocations being regularly adjusted to reflect actual expenditure. Financial performance of the scheme is reported regularly to SG to ensure financial plans are aligned.

NSD – April and May activity for Liver & Stem Cell transplants was very high but is forecast to reduce over 2018-19. Renal Transplantation was low in Glasgow and Cochlear activity has been lower than predicted.   The year-end forecast is predicated on additional funding for the pay uplift being allocated by SG which is the financial planning assumption.

Logistics – Total sales revenue targets have been agreed by the DOFs Logistics Group and there is slight overachievement (0.2%) for the first 2 months of the year. A year end break-even position is forecast – this is based on Logistics Service Charge funding (£13.5m) from Boards which still has to be agreed by DOFs for 2018/19.

Rebate Schemes – Rebates are remitted to Boards once suppliers have settled invoices to ensure no financial risk to NSS. An accrual is made for any sums owed to Boards at the period end which you not yet been settled by suppliers to

result in a net zero position for NSS. The timing of invoices is dependent on the availability of validated volume data.

eDRIS – At this stage in the Financial Year, it is forecast that the eDRIS budget will break-even and the Scottish Information Linkage Collaborative is meeting next month to discuss plans for 18/19.

e-Health & ATOS
The table below outlines the provisional budget, and year to date position for national IT services managed by NSS on behalf of NHSScotland. The overall funds managed include on-going SLAs for running and maintaining key National IT systems as well as key projects such as CHI Child Health and GP IT. At this stage in the financial year, the reported position is break-even, both year to date and forecast.

	18/19 Budget (£m)	YTD Budget (£m)	YTD Actual (£m)	YTD Variance (£m)	Forecast Variance (£m)
Infrastructure & Applications Fund	33.4	5.6	5.6	0	0
Outcomes Framework	1.07	0.2	0.2	0	0
CHI Child Health	10.94	0.1	0.1	0	0
GP IT	3.27	0.3	0.3	0	0
ATOS Other	16.28	2.7	2.7	0	0
Microsoft Core CALS	2.4	0.4	0.4	0	0
Other	3.7	0.6	0.6	0	0
Total	**71.1**	**9.9**	**9.9**	**0**	**0**

The CHI Child Health programme has been paused whilst SG consider alternatives and future-proofing. The indicative annual budget of £10.9m has therefore been profiled later than the first two months of the financial year, pending agreement on the future direction.

Similarly, GP IT has an indicative SG funding allocation of £3.3m which will be monitored closely given there is a risk that supplier costs may slip to 19/20.

It is assumed that the £6.5m returned by NSS to SG in 17/18 will be available for these programmes moving forward - it is important to note that there are overall funding shortfalls across both key programmes even if this funding is reinstated.

NSS continues to work closely with SG colleagues and e-Health Leads to ensure there is robust financial governance and reporting around e-Health budgets. It is important to note that NSS is currently carrying a significant level of financial risk given on-going costs in relation to the SLA in particular are being incurred but NSS has not yet been allocated any funding for 18/19

6. NSS CAPITAL POSITION AS AT 31st MAY 2018

The YTD and forecast position for capital is break-even. Although there is limited expenditure to date (£0.1m), spend is planned over the remaining months of the financial year in-line with the approval of business cases. The Capital Programme for 2018/19 is included in Appendix 2.

7. CRES

The total CRES target for 2018-19 is £16.7m. To date, NSS has achieved £3.7m (NSD £1.5m) of the overall target and is forecasting full delivery but there is currently unidentified savings of £0.9m (non NSD). The main area of unidentified savings is with the Corporate SBUs but work continues to identify and deliver further schemes to release savings using a 'Once for NSS' approach. A summary table is provided below with a full breakdown in Appendix 3.

	SNBTS £000	IT £000	PCFS £000	PCF £000	PHI £000	Corporate £000	NSS Total £000	NSD £000	LDP Efficiencies £000
CRES Target (5% of baseline)	2,002	868	1,201	561	914	2,287	7,833	8,871	16,704
Target Savings to May 2018	883	0	329	531	307	89	2,139	1,503	3,642
Savings to May 2018	883	67	321	586	307	74	2,238	1,504	3,742
YTD savings over/(under) achieved against target	0	67	(8)	55	0	(15)	99	1	100
Total savings forecast to March 2018	2,305	450	895	902	1,841	489	6,882	8,959	15,841
Total savings over/(under) achieved against target	303	(418)	(306)	341	927	(1,798)	(951)	88	(863)

Although significant progress (£11.6m) has been made against the £15m National Boards savings target for 2018/19, there remains a significant gap of £3.4m which needs to be addressed. The National Boards have developed a Financial Framework within which they can operate to meet the aims set out in the Delivery Plan. Individual work streams continue to discuss Target Operating Models for future service delivery.

8. SUMMARY

The NSS Board is asked to note this report.

Carolyn Low
Director of Finance & Business Services
22nd June 2018

Appendix 1 – SBU Revenue Performance Reports

CLO

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	190	101	⬇ (89)	-47.0%
Income	7,095	7,453	⬆ 358	5.0%
Total Income	**7,285**	**7,554**	⬆ **269**	**3.7%**
Total Pay	6,536	6,963	427	6.5%
Non Pay	669	590	(79)	-11.8%
Cost Of Sales / Healthcare	0	0	0	#DIV/0!
Total Expenditure	**7,205**	**7,554**	⬆ **349**	**4.8%**
Net Surplus/(Deficit)	🟢 **80**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	111.3
Budget (current period)	112.9
Actual (current period)	110.4
Variance (Current period) 🟢	**2.5**
Movement since Mar 18 ⬇	-0.9
Active Vacancies 🟢	**0.0**

	Budget	Actual	Variance	Forecast
Total Allocations	0	0	🟢 0	101
Income	1,438	1,459	🟢 21	7,453
Total Income	**1,438**	**1,459**	🟢 **21**	**7,554**
Total Pay	1,161	1,102	🟢 59	6,963
Non Pay	63	132	🔴 (69)	590
Cost Of Sales (Logistics)	0	0	0	0
Total Expenditure	**1,223**	**1,233**	🔴 **(10)**	**7,554**
Net Surplus/(Deficit)	**215**	🟢 **226**	**11** 🟢	**0**

(YEAR TO DATE)

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

> CLO are forecasting a breakeven position for financial year 2018/19. Current position is inline with this forecast as it shows a small £11k surplus. CLO fee rates have remained static for a number of years. This has allowed NHS Boards to re-invest in front line services. CLO will need to manage the higher pay uplift within their current rates in this financial year.

IT

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	27,915	35,003	⬆ 7,088	25.4%
Income	56,992	58,529	⬆ 1,537	2.7%
Total Income	**84,908**	**93,532**	⬆ **8,624**	**10.2%**
Total Pay	18,304	20,525	2,221	12.1%
Non Pay	65,158	73,283	8,125	12.5%
Cost Of Sales / Healthcare	0	(275)	(275)	
Total Expenditure	**83,462**	**93,532**	⬆ **10,070**	**12.1%**
Net Surplus/(Deficit)	🟢 **1,445**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 17)	333.8
Budget (current period)	329.5
Actual (current period)	329.5
Variance (Current period) 🟢	**0.0**
Movement since Mar 17 ⬇	-4.3
Active Vacancies	

	Budget	Actual	Variance	Forecast
Total Allocations	4,312	4,312	🟢 0	35,003
Income	9,210	9,157	🔴 (53)	58,529
Total Income	**13,522**	**13,469**	🔴 **(53)**	**93,532**
Total Pay	3,053	3,022	🟢 31	20,525
Non Pay	10,470	10,447	🟢 23	73,007
Cost Of Sales (Logistics)	0	0	🔴 (0)	0
Total Expenditure	**13,522**	**13,469**	**53**	**93,532**
Net Surplus/(Deficit)	**0**	🟢 **0**	🟢 **0**	🟢 **0**

(YEAR TO DATE)

CRES	£000
Target YTD	145
Actual YTD	58
Variance 🔴	(86)

> The IT budget is reporting a break-even position both YTD and forecast as at May. Importantly, the forecast position assumes that the external income target for internal IT services of £3m (similar to 17/18) will be fully achieved. The IT position currently assumes £7m funding for CHI Child Health and £3.3m for GP IT from SG - this is being monitored closely on an on-going basis to ensure that the funding allocated by SG is in-line with projected expenditure levels in 18/19. NSS continues to work closely with SG to ensure robust financial governance and reporting

P&CFS

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/189 £000	Movement / Variance £000	
Total Allocations	33,757	31,120	⬇ (2,638)	-7.8%
Income	707	770	⬆ 63	9.0%
Total Income	**34,464**	**31,889**	⬇ **(2,574)**	**-7.5%**
Total Pay	16,016	16,256	240	1.5%
Non Pay	15,933	15,633	(299)	-1.9%
Total Expenditure	**31,949**	**31,889**	⬇ **(59)**	**-0.2%**
Net Surplus/(Deficit)	🟢 **2,515**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	466.2
Budget (current period)	458.4
Actual (current period)	447.7
Variance (Current period)	🟢 **10.7**
Movement since Mar 17	⬇ -18.5

Active Vacancies	🟢 **3.0**

	Budget	Actual	Variance	Forecast
Total Allocations	5,207	5,207	🟢 0	32,946
Income	124	72	🔴 (52)	770
Total Income	**5,331**	**5,279**	🔴 **(52)**	**33,715**
Total Pay	2,720	2,598	🟢 121	16,052
Non Pay	2,611	2,680	🔴 (69)	17,663
Total Expenditure	**5,331**	**5,279**	🟢 **53**	**33,715**
Net Surplus/(Deficit)	**(0)**	🟢 **0**	🟢 **0**	🔴 **(0)**

(YEAR TO DATE)

CRES	£000
Target YTD	625
Actual YTD	321
Variance	🔴 (304)

P&CFS is reporting a breakeven position both year to date and forecast. The year to date underspend in pay of £121k mainly as a result of the pay increase not yet awarded but budgeted for. There is a year to date income shortfall of £52k which relates to the SHSC conference services provided to external NSS customers. SHSC overall is on target due to higher than expected NSS service requests. Over spend within non pay is due to ATOS system developments. P&CFS Management are currently reviewing the forecast positionto ensure a breakeven position.

PCF

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	261,769	276,917	⬆ 15,148	5.8%
Income	229,087	243,409	⬆ 14,322	6.3%
Total Income	**490,856**	**520,326**	⬆ **29,470**	**6.0%**
Total Pay	25,359	25,061	(298)	-1.2%
Non Pay	285,050	309,185	24,135	8.5%
Cost Of Sales	180,717	186,080	5,363	3.0%
Total Expenditure	**491,126**	**520,326**	⬆ **29,200**	**5.9%**
Net Surplus/(Deficit)	🔴 **(270)**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	646.1
Budget (current period)	637.3
Actual (current period)	638.4
Variance (Current period)	🔴 **-1.1**
Movement since Mar 17	⬇ -7.6

Active Vacancies	

	Budget	Actual	Variance	Forecast
Total Allocations	45,992	45,992	🟢 0	276,917
Income	39,794	47,741	🟢 7,947	243,378
Total Income	**85,787**	**93,734**	🟢 **7,947**	**520,295**
Total Pay	4,239	4,167	🟢 72	25,129
Non Pay	50,483	59,310	🔴 (8,827)	309,427
Cost Of Sales (Logistics)	31,065	30,353	🟢 712	186,013
Total Expenditure	**85,787**	**93,830**	🔴 **(8,043)**	**520,569**
Net Surplus/(Deficit)	**(0)**	🔴 **(96)**	**(96)**	🔴 **(274)**

(YEAR TO DATE)

CRES	£000
Target YTD	2,034
Actual YTD	1,957
Variance	🔴 (77)

PCF are reporting a deficit of £96k for period 2. Pay costs do not yet include the 18/19 pay award, but once settled this will drive an overspend on pay costs as the challenging vacancy factor target for 18/19 has not yet been achieved. Operational FM budgets which had been approved at RAM via PCF and Business Services have been consolidated and reviewed in detail to incorporate up to date knowledge and assumptions around the JCC and associated SNBTS sites. This review has highlighted additional unbudgeted cost pressures of £0.3m, which includes extended dual running costs £0.2m. The PCF PPP/PFI team are working closely with Operational FM management to ensure any opportunities are exploited to reduce the financial impact.

PHI

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	31,355	29,553	⬇ (1,802)	-5.7%
Income	6,256	9,571	⬆ 3,315	53.0%
Total Income	**37,611**	**39,124**	⬆ **1,513**	**4.0%**
Total Pay	31,314	34,643	3,329	10.6%
Non Pay	6,049	4,481	(1,568)	-25.9%
Total Expenditure	**37,363**	**39,124**	⬆ **1,761**	**4.7%**
Net Surplus/(Deficit)	🟢 **248**	**0**		

(FULL YEAR)

	Budget	Actual	Variance	Forecast
Total Allocations	4,852	4,852	🟢 0	29,553
Income	1,523	1,097	🔴 (426)	9,571
Total Income	**6,375**	**5,949**	🔴 **(426)**	**39,124**
Total Pay	5,639	5,367	🟢 272	34,643
Non Pay	736	690	🟢 46	4,481
Total Expenditure	**6,375**	**6,057**	🟢 **318**	**39,124**
Net Surplus/(Deficit)	**(0)**	🔴 **(109)**	🔴 **(109)**	🟢 **0**

(YEAR TO DATE)

STAFFING	WTE
Actual (Mar 18)	711.1
Budget (current period)	725.0
Actual (current period)	715.8
Variance (Current period)	🟢 **9.2**
Movement since Mar 17	⬆ 4.7

Active Vacancies	🟢 10.0

CRES	£000
Target YTD	307
Actual YTD	307
Variance	🟢 0

A deficit of £109k is reported is due to a level of unidentified income. The SBU are working closely with external customers and SG to ensure this target is confirmed as early as possible and as such a forecast breakeven position is reported.   Pay is underspent largely due to the outstanding pay award and whilst CRES detail has not been reported, plans are well advanced and the position will be much clearer next month. There are no particular concernsand no reason to expect other than a balanced outturn.

SNBTS

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	44,710	40,597	⬇ (4,113)	-9.2%
Income	7,931	6,434	⬇ (1,497)	-18.9%
Total Income	**52,641**	**47,031**	⬇ **(5,610)**	**-10.7%**
Total Pay	34,887	34,490	(397)	-1.1%
Non Pay	17,002	12,640	(4,362)	-25.7%
Cost Of Sales / Healthcare	(22)	(99)	(77)	349.3%
Total Expenditure	**51,867**	**47,031**	⬇ **(4,836)**	**-9.3%**
Net Surplus/(Deficit)	🟢 **774**	**0**		

(FULL YEAR)

	Budget	Actual	Variance	Forecast
Total Allocations	6,881	6,881	🟢 0	40,597
Income	1,109	1,078	🔴 (31)	6,704
Total Income	**7,991**	**7,960**	🔴 **(31)**	**47,301**
Total Pay	5,751	5,557	🟢 194	33,872
Non Pay	2,240	2,457	🔴 (217)	13,444
Cost Of Sales (Logistics)	0	0	🔴 (0)	(18)
Total Expenditure	**7,991**	**8,014**	🔴 **(23)**	**47,298**
Net Surplus/(Deficit)	**(0)**	🔴 **(54)**	🔴 **(54)**	🟢 **3**

(YEAR TO DATE)

STAFFING	WTE
Actual (Mar 18)	780.8
Budget (current period)	785.1
Actual (current period)	783.6
Variance (Current period)	🟢 **1.5**
Movement since Mar 18	⬆ 2.8

Active Vacancies	🟢 1.5

CRES	£000
Target YTD	883
Actual YTD	883
Variance	🟢 0

SNBTS has a year to date overspend of £54k resulting from :
Lower income from sales of diagnostic plasma and overspends in other operating costs due to higher maintenance/repair costs and one off equipment purchase. These are offset by lower pay costs of £194k due to vacancies and pay rise cost not yet included.

BS

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	17,019	7,797	⬇ (9,222)	-54.2%
	Income	3,176	2,286	⬇ (890)	-28.0%
	Total Income	**20,195**	**10,082**	⬇ **(10,112)**	**-50.1%**
	Total Pay	6,467	6,320	(147)	-2.3%
	Non Pay	13,819	3,763	(10,056)	-72.8%
	Total Expenditure	**20,285**	**10,082**	⬇ **(10,203)**	**-50.3%**
	Net Surplus/(Deficit)	🔴 **(90)**	**0**		

STAFFING	WTE
Actual (Mar 18)	164.6
Budget (current period)	166.6
Actual (current period)	169.9
Variance (Current period) 🔴	**-3.3**
Movement since Mar 18 ⬆	5.3

Active Vacancies 🟢	**3.0**

YEAR TO DATE		Budget	Actual	Variance	Forecast
	Total Allocations	1,025	1,025	🟢 0	7,797
	Income	381	483	🟢 102	2,305
	Total Income	**1,406**	**1,508**	🟢 **102**	**10,102**
	Total Pay	1,086	1,170	🔴 (84)	6,365
	Non Pay	320	308	🟢 12	3,763
	Total Expenditure	**1,406**	**1,478**	🔴 **(72)**	**10,128**
	Net Surplus/(Deficit)	**0** 🟢	**31** 🟢	**31** 🔴	**(26)**

CRES	£000
Target YTD	27
Actual YTD	11
Variance 🔴	(16)

The year to date slight underspend relates to higher than expected income for PgMS coupled with the budget provision for the pay uplift which has not been awarded at M2. This is offset by an unbudgeted facilities post for the first three months, and a challenging vacancy factor within finance.

Clincal

FINANCIAL POSITION		Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	1,489	1,033	⬇ (455)	-30.6%
	Income	3	0	⬇ (3)	-100.0%
	Total Income	**1,492**	**1,033**	⬇ **(459)**	**-30.7%**
	Total Pay	1,332	887	(445)	-33.4%
	Non Pay	143	147	4	2.6%
	Cost Of Sales / Healthcare	0	0	(0)	-100.0%
	Total Expenditure	**1,475**	**1,033**	⬇ **(441)**	**-29.9%**
	Net Surplus/(Deficit)	🟢 **18**	**0**		

STAFFING	WTE
Actual (Mar 18)	7.5
Budget (current period)	6.7
Actual (current period)	6.8
Variance (Current period) 🔴	**-0.1**
Movement since Mar 18 ⬇	-0.7

Active Vacancies 🟢	**1.0**

YEAR TO DATE		Budget	Actual	Variance	Forecast
	Total Allocations	159	159	🟢 0	1,033
	Income	0	(1)	🔴 (1)	(1)
	Total Income	**159**	**158**	🔴 **(1)**	**1,032**
	Total Pay	135	124	🟢 10	886
	Non Pay	24	29	🔴 (5)	146
	Cost Of Sales (Logistics)	0	0	🔴 (0)	0
	Total Expenditure	**159**	**154**	🟢 **6**	**1,032**
	Net Surplus/(Deficit)	**0** 🟢	**5** 🟢	**5** 🟢	**0**

CRES	£000
Target YTD	7
Actual YTD	7
Variance 🟢	0

CD is reporting a small surplus of £5k as at end of May due to a slight underspend in payroll, in main due to cost of living award having not yet been processed and studentship secondee costs charged against Non Pay costs in error. A break even position is forecast for financial year 2018/19.

CEAD

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000		
Total Allocations	1,714	1,855	⬆	141	8.2%
Income	2	50	⬆	48	2424.1%
Total Income	**1,716**	**1,906**	⬆	**190**	**11.1%**
Total Pay	1,420	1,695		275	19.4%
Non Pay	154	211		57	36.7%
Cost Of Sales / Healthcare	0	0		0	#DIV/0!
Total Expenditure	**1,574**	**1,906**	⬆	**332**	**21.1%**
Net Surplus/(Deficit)	🟢 **142**	**0**			

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	33.1
Budget (current period)	33.0
Actual (current period)	31.7
Variance (Current period) 🟢	**1.3**
Movement since Mar 18 ⬇	-1.4

Active Vacancies	🟢 0.0

	Budget	Actual	Variance		Forecast
Total Allocations	271	271	🟢	0	1,855
Income	50	51	🟢	0	51
Total Income	**322**	**322**	🟢	**0**	**1,906**
Total Pay	287	265	🟢	21	1,695
Non Pay	35	48	🔴	(13)	211
Cost Of Sales (Logistics)	0	0		(0)	0
Total Expenditure	**322**	**313**	🟢	**8**	**1,906**
Net Surplus/(Deficit)	**(0)**	🟢 **8**	🟢 **8**		🔴 **(0)**

(YEAR TO DATE)

CRES	£000
Target YTD	15
Actual YTD	15
Variance 🟢	0

CEaD are forecasting to break even in financial year 2018/19. The slight under spend on pay is due to the pay uplift not being awarded to date and a vacancy in month 1. This is offest by expenditure for the NHS Scotland event, which although budgeted has been phased over the full year. CEaD has taken over the running of the International Engagement Team from NHS 24. This is the main reason for the year on year increase income.

HR

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000		
Total Allocations	3,503	3,356	⬇	(147)	-4.2%
Income	1,013	1,106	⬆	93	9.2%
Total Income	**4,516**	**4,463**	⬇	**(53)**	**-1.2%**
Total Pay	3,194	3,393		199	6.2%
Non Pay	1,215	1,069		(146)	-12.0%
Cost Of Sales / Healthcare	0	0		0	#DIV/0!
Total Expenditure	**4,409**	**4,463**	⬆	**54**	**1.2%**
Net Surplus/(Deficit)	🟢 **107**	**0**			

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	76.3
Budget (current period)	74.6
Actual (current period)	77.2
Variance (Current period) 🔴	**-2.6**
Movement since Mar 18 ⬆	0.9

Active Vacancies	🟢 0.0

	Budget	Actual	Variance		Forecast
Total Allocations	573	573	🟢	0	3,356
Income	184	202	🟢	18	1,106
Total Income	**758**	**776**	🟢	**18**	**4,463**
Total Pay	566	556	🟢	10	3,393
Non Pay	192	163	🟢	29	1,069
Cost Of Sales (Logistics)	0	0	🔴	(0)	0
Total Expenditure	**758**	**718**	🟢	**39**	**4,463**
Net Surplus/(Deficit)	**(0)**	🟢 **57**	🟢 **57**		🟢 **0**

(YEAR TO DATE)

CRES	£000
Target YTD	26
Actual YTD	26
Variance 🟢	0

HR are currently reporting a surplus of £57k, this favourable position is mainly due to projects, such as eESS, the Leadership Programme, and Health & Safety training not being fully up and running. While there is a surplus in pay of £10k, this is attributable to the cost of living having not been awarded to date, incremental drift and a couple of vacancies managing to off-set the vacancy factor.

HR are currently looking to break even in the financial year 18/19. Though this is a challenging target and will be dependent on managing the ask of the department of NSS and whether this can be done whilst achieving the vacancy factor.

S&G

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR				
Total Allocations	1,971	1,940	⬇ (31)	-1.5%
Income	16	16	⬆ 0	0.5%
Total Income	**1,987**	**1,957**	⬇ **(30)**	**-1.5%**
Total Pay	1,581	1,705	124	7.9%
Non Pay	268	251	(17)	-6.2%
Cost Of Sales / Healthcare	0	0	0	#DIV/0!
Total Expenditure	**1,849**	**1,957**	⬆ **108**	**5.8%**
Net Surplus/(Deficit)	🟢 **138**	**0**		

STAFFING	WTE
Actual (Mar 17)	36.6
Budget (current period)	40.3
Actual (current period)	40.1
Variance (Current period)	🟢 **0.3**
Movement since Mar 17	⬆ 3.5

	Budget	Actual	Variance	Forecast
YEAR TO DATE				
Total Allocations	323	323	🟢 0	1,940
Income	3	0	🔴 (2)	16
Total Income	**326**	**324**	🔴 **(2)**	**1,957**
Total Pay	284	278	🟢 6	1,705
Non Pay	42	15	🟢 27	251
Cost Of Sales (Logistics)	0	0	0	0
Total Expenditure	**326**	**292**	🟢 **34**	**1,957**
Net Surplus/(Deficit)	**(0)**	🟢 **31**	🟢 **31**	🟢 **0**

	Active Vacancies	🟢 0.0

CRES	£000
Target YTD	15
Actual YTD	15
Variance	🟢 0

> S&G are currently looking to break-even in financial year 2018/19 The current surplus is due to a slight underspend in payroll, £7k, in main due to cost of living award having not yet been awarded, and incremental drift giving a slightly favourable position at this time of year.
> While in non-pay, budget is in place for additional DST work and staff training, this has been spread evenly across the financial year.

Appendix 2 – NSS Capital Programme 2018-19

SBU	NSS Funded Programmes	LDP Capital Plan £'000	Movement in funding £'000	Revised Programme £'000	YTD Budget £'000	YTD Expenditure £'000	Full Year Expenditure £'000	FY Variance £'000
PCF	Breast Screening Mobile Trailer Maintenance	300	0	300	0	0	300	0
	Breast Screening Mobile Equipment Maintenance	130	0	130	0	0	130	0
	General Capital Programme - Transferred to Boards	500	0	500	0	0	500	0
	Molecular Genetics - Transferred to Boards	300	0	300	0	0	300	0
	NDC Warehouse Management System Upgrade	1,000	0	1,000	0	0	1,000	0
	Gyle Courtyard - NSS Funding	0	0	0	0	0	0	0
	Gyle Courtyard - GEP Funding	0	0	0	0	0	0	0
	Aberdeen Property OBC	0	941	941	0	0	941	0
	National Catering Information Sysytem / Bedside Electro	0	634	634	0	0	634	0
	Automated Dispatcherless Portering Task Tracking Sys	0	104	104	0	0	104	0
Subtotal	**PCF**	**2,230**	**1,678**	**3,908**	**0**	**0**	**3,908**	**0**
IT	Audio Visual / Video Conferencing Replacement	300	0	300			300	0
	Network Replacement	300	0	300			300	0
	Server Replacement	300	0	300			300	0
	Legacy "Burning Platform" Programme	120	0	120			120	0
Subtotal	**IT**	**1,020**	**0**	**1,020**	**0**	**0**	**1,020**	**0**
SNBTS	National Fleet Replacement	360	0	360	0	0	360	0
	National Replacement & Equipment Improvement Pro	356	0	356	0	0	356	0
	eProgesa (Semester patch)	100	0	100	0	0	100	0
	Hospital Web Based Ordering	150	0	150	0	0	150	0
	National Centre completion	737	0	737	107	107	737	0
Subtotal	**SNBTS**	**1,703**	**0**	**1,703**	**107**	**107**	**1,703**	**0**
BS	Radiology - Shared Services Programme	565	0	565	0	0	565	0
Subtotal	**BS**	**565**	**0**	**565**	**0**	**0**	**565**	**0**
RES	Capital to be allocated	928	0	928	0	0	928	0
	Reserves	**928**	**0**	**928**	**0**	**0**	**928**	**0**
	Total Capital Programme	**6,446**	**1,678**	**8,124**	**107**	**107**	**8,124**	**0**

Appendix 3 – Efficiency Programme 2018/19

Efficiency Savings	SBU	RAG	Full Year Target £000s	Year to Date £000s	Forecast year end outturn £000s
Total savings target per agreed LDP			**15,886**	**3,642**	**16,704**
Savings to be identified by SMT	PCFS	A	121	0	121
Savings to be identified by SMT	PCF	A	225	0	225
TOTAL AMBER EFFICIENCIES			**346**	**0**	**346**
NSD Efficiencies	PCF	G	9,019	1,504	9,019
Staff Rationalisation - dis-established posts & associated costs	SNBTS	G	867	867	867
Vacancies not Filled/reduction of travel costs	PCFS	G	268	268	268
Masnet / Locums staff	PCF	G	189	189	189
Contract Implementation Manager (Lothian)	PCF	G	74	133	74
Business Development (Admin Support 2.6wte)	PCF	G	70	70	70
Programme Manager	PCF	G	62	62	62
Warehouse Manager Role removed from Budget	PCF	G	51	51	51
Data Analyst role	PCF	G	50	50	50
A&I - Reduction in service	PHI	G	246	41	246
Reduction in GP Stationery & NHS Publications	PCFS	G	200	33	200
Clinical - Income Generation	PHI	G	198	33	198
CKRS - Reduction in service	PHI	G	195	33	195
DM&SD - Income Generation	PHI	G	184	31	184
CKRS - Income Generation	PHI	G	171	29	171
CI Supervisor Role removed from Budget	PCF	G	28	28	28
Non Pay Savings	Corporate	G	159	26	159
NSS portion (including benefit to P & CFS) of National IT Contract (NITC) Atos OA eg up	IT	G	150	25	150
CKRS - Realignment of teams	PHI	G	114	19	114
DM&SD - Streamline processes	PHI	G	113	19	113
HPS - Income Generation	PHI	G	104	17	104
CKRS - Reduction in service	PHI	G	102	17	102
Hosted Only power efficiency & increased transaction volume efficiency from modernisi	IT	G	100	17	100
eLinks data transfer efficiencies	IT	G	100	17	100
Pay protection reduction	SNBTS	G	100	17	100
HPS - Reduction in service	PHI	G	96	16	96
A&I - Realignment of teams	PHI	G	95	16	95
HPS - Reduction in service	PHI	G	92	15	92
Non Pay Savings	Corporate	G	89	15	90
Non Pay Savings	Corporate	G	88	15	88
eSystems Automation (inc termination of QOF charges)	PCFS	G	78	13	78
Additional Income- FP&A	Corporate	G	64	11	64
DM&SD - Realignment of teams	PHI	G	53	9	53
Local Networks BW increase for same cost (cost aviodance)	IT	G	50	8	50
A&I - Reduction in frequency	PHI	G	45	8	45
Non Pay Savings	Corporate	G	43	7	43
reduction in travel costs and leased cars	PCFS	G	42	7	42
A&I - Increase efficiency/automation	PHI	G	33	6	33
L&D costs	PCF	G	17	3	17
CLO costs	PCF	G	25	0	25
Shared Service - Financial Services	Corporate	G	92	0	46
Additional external income	IT	G	0	0	0
Savings to NSS from collaborative working IT tools such as Office 365	IT	G	50	0	50
Stores Assistants	PCF	G	51	0	51
Management of Vacancies	PCFS	G	40	0	40
Reduction in Clinical budget (sessional Fees)	PCFS	G	46	0	46
Increase in Vacancy Factor	PCFS	G	100	0	100
G&S Rationalisation	SNBTS	G	200	0	200
Reduction in Leuco costs due to Quality Analyst	SNBTS	G	100	0	100
Daimed contract savings	SNBTS	G	175	0	175
Collaborative procurement - euro packs	SNBTS	G	91	0	91
Apheresis reduction	SNBTS	G	115	0	115
National Centre synergies	SNBTS	G	148	0	148
Reduction in sample storage	SNBTS	G	115	0	115
MVS Supplied maintenance reductions	SNBTS	G	100	0	100
HTLV Savings	SNBTS	G	20	0	20
Additional savings	SNBTS	G	274	0	274
TOTAL GREEN EFFICIENCIES			**15,540**	**3,742**	**15,495**
TOTAL EFFICIENCIES			**15,886**	**3,742**	**15,841**
Balance (outstanding) / overachieved			**0**	**100**	**(863)**

eHEALTH ACTIONS UPDATE

B/18/81a

PURPOSE

This is the second update to the Board on progress made in delivering actions agreed to address issues identified in the management of eHealth funds. These actions will ensure that weaknesses in governance and reporting arrangements are addressed and the specific recommendations made within the KPMG and Grant Thornton reports are implemented in full.

UPDATE ON PROGRESS

1. Improved governance and reporting

Reporting arrangements for Funds managed by NSS on behalf of NHSScotland were discussed and agreed by the Performance & Finance Committee, with these arrangements being introduced with immediate effect. As a consequence of these changes, EMT, the Performance & Finance Committee and the NSS Board oversight will be assured.

The Internal Audit Plan for 2018/19 has been extended to include reviews of National Specialist Services, Pharmacy Rebates and Logistics to provide additional assurance in these areas following consideration of governance in this area.

2. Revision of Standing Financial Instructions (SFIs)

The Scheme of Delegation and SFIs have been revised to ensure that procedures for the management and reporting of funding allocations, and governance arrangements for the management of funds managed on behalf of NHSScotland are clearly articulated.

These documents have been reviewed by the relevant Committees and are presented to the Board today for ratification. The revised SFIs will come into effect on 1ˢᵗ July. A communications plan is in place to raise awareness, targeting specific staff groups during July 2018.

3. Improved financial controls compliance

The organisational change process within Finance continues, and formal consultation on a revised structure which will enable an increasing focus on financial controls compliance will commence in July. The aim is to completing the process by the end of quarter 2. Work in tandem to develop an improved controls governance process is underway.

4. Rotation of Senior Finance staff

Changes to roles and responsibilities within the team supporting the IT SBU are in place. All eHealth matters will be managed directly by the Associate Director of Financial Planning and Analysis for the foreseeable future.

A review of the Financial Planning and Analysis function will take place during July and August. This review will inform wider rotation arrangements required in line with the planned organisational change process underway. A way forward will be finalised by September 2018 as previously agreed.

5. Training of Finance Staff

All finance staff have received risk awareness training during May and June 2018, and as part of that training, we have refreshed our Risk Register. All staff are fully conversant with the risk management process and are comfortable with their own personal roles and responsibilities in identifying, reporting, managing and escalating risks in the course of their work.

A development session is planned as part of the SBU Away Day on 28 June 2018 to enable staff to shape our future ways of working, and identify any further development and support needed.

The final strand of All Finance training will be completed in July, with training for all staff on professional standards, the role of finance and our expectations in respect of ethical standards, and how to identify and deal with financial irregularities and inappropriate behaviours. Availability of external facilitators meant that this could not be completed by the end of June as previously planned.

6. Training of Business Partners

Business Partner training is underway for all staff within the Financial Planning and Analysis who work with SBUs to support local financial management arrangements. A total of 26 staff have been involved in this process.

The bespoke training comprises of 3 full days of workshops, designed to develop our finance staff to meet the needs of the business in the challenging financial environment. The sessions have covered aspects of the following:

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

The first session was held in May 2018 and the second during June. A final session will be held in August.

Following that session, all staff involved will be involved in a further development session to define how the business partner role should be shaped within NSS to ensure that we support the business effectively.

Formal qualifications are available. The appropriateness of these qualifications will be assessed as part of this process. Individuals will be identified for this training, if appropriate, as part of the personal development planning process.

7. Mandatory training on financial management for non financial managers

Work continues to develop mandatory training for non financial managers using eLearning, building on modules in use across NHSScotland, to reflect our specific requirements. We remain on track for these modules to be available during the second quarter of 2018.

8. Scottish Government (SG) Engagement

NSS has continued to engage fully with SG colleagues to ensure our Sponsor and the Director General are fully appraised of progress against our action plan. We have also supported additional clarification requests, through our Sponsor, to the Public Audit and Post Legislative Scrutiny Committee (PAPLS).

CONCLUSIONS

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

Progress against plan will continue to be reported to EMT as part of the monthly Finance update, and periodically to relevant Committees of the Board.

RECOMMENDATIONS

The board is asked to note the significant progress being made against the action plan, and in particular:

- the extent of actions completed to date
- the delay in completing all Finance training in full due to the availability of external facilitators. This will now be finalised in July 2018
- the organisational change activity underway, being developed in partnership, which will ensure the finance function will operate effectively going forward.

Carolyn Low
Director of Finance & Business Services
25th June 2018

APPENDIX 1

Action	Responsible officer	Due Date	Status
Improved Governance and Reporting:			
• Initial reporting of eHealth to EMT and NSS Board based on financial position at 28 February 2018	Director of Finance & Business Services	26th March 2018	COMPLETED
• Current governance and reporting arrangements for Nationally Managed Funds presented to NSS Board, with recommendations for revised reporting and internal audit intervention where appropriate	Director of Finance & Business Services	6th April 2018	COMPLETED
• Revised reporting arrangements to EMT and Performance & Finance Committee introduced with immediate effect	Director of Finance & Business Services	23rd April 2018 (EMT) 30th May 2018(PFC)	COMPLETE
Revision of SFIs	Director of Finance & Business Services	30th May 2018	COMPLETED subject to Board ratification 29th June 2018
Improved Financial Controls compliance:			
• Financial Controller in post	Director of Finance & Business Services	30 September 2018	Ongoing. Organisational Change underway.
• Formal reporting on controls compliance in place (EMT and Audit & Risk Cttee)	Associate Director of Finance (Financial Services)	December 2018	Work on-going. Compliance Framework under development
Rotation of senior finance staff			
• IT SBU	Director of Finance & Business Services	30 April 2018	COMPLETED
• Other SBUs	Associate Director of Finance (Financial Planning & Analysis)	30 September 2018	Ongoing. Review planned for July and August.
Training of Finance Staff	Associate Director of Finance (Financial Services)	30 June 2018	Risk Training Completed. OD session planned 28 June 2018. Wider Finance Professional Standards Training scheduled for

Action	Responsible officer	Due Date	Status
			July 2018
Mandatory training on financial management for non financial managers	Associate Director of Finance (Financial Planning & Analysis)	30 September 2018	Ongoing. E-learning under development.
CIPFA Business Partner training for our current and future heads of finance	Associate Director of Finance (Financial Services)	31 March 2019	26 staff participating in 3 days of tailored training. Day 1 – May 2018 (Completed) Day 2 – June 2018 (Completed) Day 3 – August 2018

NHS National Services Scotland

NSS Board Update June 2018 | B/18/82 |

Completed Key Activities

- The public health priorities were launched on 14th June by Public Health Minister Aileen Campbell and COSLA's Health and Social Care Spokesperson Peter Johnston.

- NSS is a lead partner in 4 commissions (protecting health, improving services, underpinning data & intelligence and workforce and organisational development).

- The data & intelligence and the protecting health commissions have completed deliverable 2 of the commissioning brief ("documentation outlining current data & intelligence/ health protection functions & how they support service delivery").

Current Key Challenges & Issues

- Uncertainty around the legal status of Public Health Scotland (PHS) continues. A decision is expected to be made by the Public Health Reform Programme Board at the end of July. The implications for staff of a decision either way are being considered and comms messages prepared along with mechanisms for managing queries around individual staff circumstances.

- The date of establishment of PHS has moved from April 2019 to "2019". The decision on legal status will presumably impact on the timeline, and again we should be ready with messages to staff, although it is difficult to prepare given the lack of clarity.

- There has been no further communication from SG in relation to the provision of shared services and the potential role of NSS.

Upcoming Key Initiatives

- Decision on legal status due at end of July.

- Staff engagement sessions being scheduled for August.

- Due diligence documentation detailing PHI resources being prepared for sign off.

Meeting: NSS Board of 29/06/2018

Paper Number: **B/18/83**

Title of Paper: Considerations of the impact on NSS of the European Union (Withdrawal) Bill 2017-2019

Paper Type:

This paper was requested as an update for the Board to assure them that the potential impacts of EU withdrawal on NSS are being actively considered and managed to identify where mitigation is required.

Decisions Required:

The Board is asked to note the level of detailed thought that is being actively considered by management and staff. Additional thoughts and contributions from members are welcomed and the Board should note that a further update is planned for Autumn 2018 once the formal Government position on transition is known.

Analysis:

- The Government's passing of the EU Withdrawal Bill on 20th June 2018 has confirmed that the UK will leave the EU on the 29th March 2019.

- There remains no clarity on what a transition period will 'look like' or if there will be one; a no deal exit remains on the table.

- The impact on NSS remains unclear though it is currently understood that some of the programmes for which we have secured EU funding will continue through to December 2021 with the EI International Engagement team funded to 2022.

- Regulators continue to hold their opinion on the future position of members until there is more clarity of the negotiated settlement, i.e. watchful waiting continues.

- The lack of clarity on transition makes contingency planning for a post EU environment challenging. That said, NSS continues to work across all Strategic Business Units (SBUs) and alongside Scottish Government (SG) and wider stakeholders to ensure all possible impacts are identified and considered.

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Impact of the European Union (Withdrawal) Bill 2017-2019 on NSS

NHS National Services Scotland

Situation

A formal review of the impact of EU withdrawal was considered over the winter of 2017-18. Attached is a SBAR submitted to the EMT in January 2018. The position was fully discussed and the undersigned has continued to monitor UK and Scottish Government websites, news media and wider feedback, e.g. service units' engagement with their affiliated European agencies. The detail in the SBAR remains extant but the following additional points are highlighted for the Board

Background

The European Union (Withdrawal) Bill 2017-2019. A Bill to repeal the European Communities Act 1972 and make other provision in connection with the withdrawal of the UK from the EU has been continuing its passage through Parliament. Consideration of a Commons amendment to the Bill took place in the House of Lords on 20 June. Both Houses have agreed on the text of the Bill which now waits the final stage; Royal Assent, making it a formal Act of Parliament. Said Royal Assent has yet to be scheduled. **This Bill has formalised the stated date of 29th March 2019 as the legal date the UK leaves the EU**

Assessment

The following points are given to augment / update the original SBAR submitted to the EMT in January 2018:

- **Strategic Discussions**. SG hosted a strategic leadership forum to explore the impact of EU withdrawal on the wider public sector in Scotland. The question set explored continues to be monitored:

  o Do we know what we need to do to prepare for EU exit?
  o Do we know the impact of different scenarios on our preparations?
  o Are we feeding these impacts into negotiations?
  o Will we be operationally ready for EU exit on 29th March 2018?
  o Do we know what resources we need now and in the future to get there?

Many of the points raised in the attached SBAR proved to be common themes, e.g.:

  o Uncertainty of the relationship through and beyond transformation.
  o Recognition that most current legislation has EU standards and policy built in but the fear is divergence over time despite the need to remain aligned to our key market / partners.
  o Recognition that the planning and potential mitigation could be a significant drain on energy and resources.
  o Focus on idea of national consensus, incorporating local authorities input.
  o Impact on availability of skilled workforce.

- **Fiscal Position**. The UK is legally obliged to fulfil its financial commitments to the current Multi Financial Framework period (MFF). It is believed that this also means the UK is entitled to benefit from the terms of Membership of the EU until 31st December 2020, subject to continued compliance with the rules of membership. During the period 30th March 2019 to 31st December 2020, the UK will be a 3rd Party Country.

The Phase 1 Agreement, signed on 8th December 2017, proposes that, the UK Government would honour its commitments to the PEACE and INTERREG funding programmes under the current MFF. This included agreement to continued cross-border funding, post 2020, referred to as PEACE+. No detail is provided for a replacement fund post 2020.

On 7th June 2018, the UK produced a Technical Note: temporary customs arrangement – for the Council Working Party (A50) meeting on 8th June 2018. The technical note appears to backtrack from the backstop position for the Ireland/Northern Ireland border. This has a potential impact on the mPower project detailed below.

- **People.** SG has asked Public Health and Intelligence Strategic Business Unit (PHI SBU) to support analysis on the nationality of the NHSScotland workforce. The aim is to understand the scale of challenge should EU workers become less available. Each organisation has also been asked to review its workforce subjectively to assess the potential impacts of a revised immigration model.

- **SNBTS**. The position of Blood, Tissues and Cells is explained on pages 3 and 4 of the attached SBAR. It should be noted that the constitution of the European Blood Agency (EBA) states that no nation can be a member unless they are within the EU or the European Single Market. An EBA conference is being held in Belfast on 22nd June 2018 and Mary Morgan, Director SNBTS will be seeking further clarification on the position of SNBTS. As it stands, without an agreement being written into Transition, SNBTS will not be able to host the planned EBA conference in Spring 2019 and Mary Morgan will no longer be able to sit as an executive member of the EBA; reducing our influence over standards and policy. The undersigned will seek feedback from Mary before the Board to ensure the latest position is available.

- **Governance**. Health Protection Scotland (HPS) share many potential impacts with other UK organisations, e.g. the Food Standards Agency (FSA). The FSA has outlined the need to remain aligned to EU standards as the nutritional value of food, associated animal welfare and health protection standards are all currently aligned to EU legislation.

- **Research and Development.** The NHSScotland EU International Engagement Team transferred from NHS24 into NSS (CEaD Directorate) in late 2017. The Team's focus is to identify possible funding solutions / opportunities so that NHSScotland can contribute to and benefit from the associated research and developments. This secures expertise in Scotland for the benefit of the Nation and its citizens. The Team transferred with associated SG funding, c£385k pa. This funding appears to be secure through to 2022.

To date funding has been secured for programmes across Telehealth, Telecare and Digital innovation and development projects across NHSScotland. Many of these initiatives are cross border alliances; encouraging the sharing of best practice. The majority of funding is sought and administered through the European Consumers, Health, Agriculture and Food Agency (CHAFEA). Some funding also comes from the PEACE+ and INTERREG funding mentioned above.

CHAFEA is entrusted to by the European Commission to implement the Health Programme objectives:

- Promoting health, preventing diseases and foster supportive environments for **healthy lifestyles** taking into account the 'health in all policies' principle.
- Protecting Union citizens from serious **cross-border health threats.**

- o Contributing to innovative, efficient and sustainable **health systems.**
- o Facilitating access to **better and safer healthcare** for Union citizens.

The current Plan covers 2014-2020 with provision for horizon funding out to 2022. It remains unclear if the EU-UK Transition Agreement will incorporate funding commitments beyond 2022.

- **mPower.** This project was transferred to NSS in June 2018 from NHS24; indeed while the team has transferred funding and governance alignment is ongoing. mPower is a 5-year (2017-2021), cross border project seeking to create services for older people (age 65+) living with long-term conditions. These services will be created across Scotland, Northern Ireland and the Republic of Ireland. The project output is to deliver 2,500 wellbeing plans and 4,500 eHealth interventions and it has agreed funding of >€8m via the EU INTERREG V Cross Border Programme 2014–20.

EU withdrawal might have far-reaching implications for the mPower project as its planned deliverables go beyond known EU funding commitment timeframes. There is also a potential strategic issue of cross border commissioning of services in a post EU regulatory environment. Finally, as highlighted elsewhere, the availability of staff and freedom to move across borders to provide services might also be impacted. A full risk assessment is being worked up by the Programme management Support Team receiving the project. This will be shared with the Executive, Board and its Committees in due course.

Recommendation

The Board is asked to:

- Acknowledge the level of detailed thought that is being actively considered by management and staff in relation to the impact of EU withdrawal on NSS services.

- Contribute additional thoughts and challenge on considerations to date (and)

- Note that a further update is planned for Autumn 2018 once the formal position on Transition is known.

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21 June 2018

Attached:

EMT SBAR January 2018 – Implications of Brexit on National Services Scotland (NSS)

Implications of Brexit on National Services Scotland (NSS)

Board – June 2018

Situation

Leaving the European Union (EU) undoubtedly represents the greatest change for the UK's economy in a generation; be that in how we trade, gain sources of investment or secure a future workforce. Conversely, there might be opportunity as the UK will no longer be formally tied to EU rules. The expected implementation period of c21 months will mean that NSS will initially be operating in an environment that is very similar to pre-Brexit position. Any real change should be expected beyond December 2021 as the UK's economic, social, environmental and financial policy diverges thereafter.

This SBAR seeks to pull together existing work from across NSS SBUs and thinking from wider organisations to consolidate the current position of NSS in regard to potential implications of Brexit on its services.

The NSS Executive Management Team (EMT) have considered potential Brexit impacts and raised a strategic risk on the subject (Appendix 1). Activity has also included (informal) liaison with UK regulators and relevant European associations to understand emerging thinking and issues. Feedback to date suggests organisations await the progression of the Brexit negotiations before forming any firm opinions. In sum, we are in a period of watchful waiting.

Background

In July 2016, NSS Procurement, Commissioning and Facilities (PCF) carried out an initial, high level, analysis of the possible impact of the referendum outcome on procurement and contract activity. This was shared with Chief Executives and covered points including the potential impact of exchange rate fluctuations. Subsequent assessment also points to the fact that European procurement legislation has been fully transposed into a Scottish Statutory instrument, thereby mitigating the impact of any legislative changes.

The NSS Central Legal Office (CLO) has also provided some information for clients on the possible employment law implications of Brexit through its Employment Newsletter. Some high-level training has also been conducted during quarterly training sessions.

Finally, SNBTS have conducted significant analysis which informed a formal response to SG Health Committee questions on the topic. Some of this analysis is utilised below. All SBUs continue to monitor the situation regarding Brexit negotiations and associated impacts to markets and regulation.

Assessment

Fiscal Position

There remains considerable uncertainty about the costs and benefits of Brexit. RBS publications indicate a *"consensus view on economic growth for 2018 of 1.5% with 2019 looking similar ...also inflation running at 3.1% would appear to be direct reflection of the Brexit vote on sterling ... the expectation is for a gradual moderation over 2018 but growth is still forecast to be above 2% come Q4. If wage growth doesn't improve the squeeze will endure"* with an implication for economic growth. This could further challenge public sector funding particularly in Scotland with devolved powers placing an increasing reliance of self funding for Health.

There remain uncertainties around the issue of replacing current EU funding for research, development and innovation. Elements of NSS benefits from this and longer-term planning to mitigate potential shortfalls is required. Furthermore, there might be an opportunity (risk) for NSS to deliver shared services beyond health and into Local Authorities / Social Care. The latter currently receive significant funding from EU sources that are not built into central government grants. This money currently allows local authorities to undertake infrastructure development whilst protecting core grants and internally generated tax revenue for local services. Without obvious replacement for these EU funds councils will be required to seek mitigation which might result in a request for shared services provision from NSS.

People

Neither NHS Scotland, nor NSS, formally records the nationality of staff. There is also no measure of EU nationals' movement into or out of Scottish health and social care organisations.

The Scottish Government (SG) issued a letter in December 2017 summarising the outcomes of the *Joint Report from the Negotiators of the European Union and the United Kingdom Government.* While these 'common understandings' remain subject to the successful conclusion of the withdrawal negotiations they do offer some assurance on EU citizens' rights. In particular, the *Joint Report* specifies that, "*where EU citizens, in accordance with EU law, are lawfully resident in the UK at the date of the UK's withdrawal from the EU, those citizens as well as their family members (as defined by Article 2 of Directive 2004/38/EC), will fall within the scope of the Withdrawal Agreement ... where they have already exercised their free movement rights.*"

The UK Government has already signalled its intention to introduce a settled status scheme for EU citizens' living in the UK post-Brexit. Those who already hold a permanent residence document issued under Union law, including a valid UK immigration document (such as Indefinite Leave to Remain status) will be entitled to have this converted to a document conferring settled status.

While the position for those EU nationals already working in the UK becomes clearer there remains a lack of clarity regarding the ability to recruit workforce shortfalls from the EU post Brexit. Highly specialised talent remains internationally mobile and any barriers to immigration will impede the recruitment of the best scientists, clinicians and technical experts, undermining our competitiveness. The Nursing and Midwifery Council (NMC) have highlighted this risk identifying that the vast majority of new registrations to the nursing register over the last 8 years have been from EU nationals as opposed to those from outside the EU.

Procurement

PCF's paper: *Post-Referendum Impact on Procurement and Contract Activity* (July 2016) gave a short-term (<6 month), commercial view on the impacts of the referendum in relation to 3rd party supplies and services provided to NHS Scotland. Their view that underpinning framework legislation relating to thresholds, advertising requirements and award procedures was unlikely to change is reflected in the Scottish Government's (SG) implementation of the Procurement Reform (Scotland) Act 2014. This sets thresholds below the EU levels and is expected to continue to apply in Scotland post Brexit.

The immediate commercial risk of the Brexit result came from the reduced value of Sterling. As NHS Scotland procures primarily in this currency, costs associated with imported goods and services could increase. Some of this risk is mitigated through the use of two-year, fixed term contracts. As contracts are renewed the associated level of exchange rate risk could be £5.95m against a contract portfolio of c£1.38bn. In the first year post referendum, actual national contract price increases were approximately £420k on a spend value of £16.4m; comparing well with assumptions.

Elsewhere, risk around utilities is more closely related to geo-political issues. These can be mitigated through procurement of services out to 2021 at current prices. The volume of NHS Scotland pharmaceutical spend could be suffer significant impact due to the challenging oil prices linked to

production costs. That said, in the period since the referendum there is little sign of significant movement. This suggests pharmacy products had sufficient margin not to be impacted by exchange rate movement up to this point.

Data, Analytics and Cyber Security

There will be limited impact to the General Data Protection Regulation (GDPR) as this will come into force across the EU on 25th May 2018. In September 2018, the UK Government introduced a Data Protection Bill to Parliament to expedite its implementation, as well as other new EU-initiated rules on intelligence and law enforcement. It is anticipated that the Bill will complete its legislative journey by the end of March 2018. NSS has preparations for this legislation underway with governance through the Information Governance Group and Committee.

NSS will be impacted by the implementation within the UK of the EU Security of Network and Information Systems Directive (NIS Directive) from May 2018. This requires certain types of cyber incidents to be reported to a new Competent Authority or Authorities. Within the devolved Scottish public sector this will only impact on Health, Water and parts of Transport. This policy itself concerns incident management for co-ordination purposes and not incident reporting to meet regulatory obligations

Given the UK government's intent to adopt (and expedite) new EU regulations it is believed that the same situation will apply to other, existing EU directives throughout transition and beyond.

Blood, Tissues and Cells

SNBTS acknowledge that the European Blood Agency (EBA) are not moving forward with any decision regarding UK membership, post Brexit at this stage. Also, the Medicines and Healthcare products Regulatory Agency (MHRA) and UK Accreditation Body (UKAS) will not speculate regarding impact. With this in mind a brief summary of SNBTS thoughts on potential impacts follow:

- Potential loss of membership to EBA will limit access to shared experience, standards, benchmarcking, common procurement and potential loss of early visibility on emerging infectious diseases through the European Centre for Communicable Diseases (ECDC).

- Blood, Tissues and Cells are regulated at EU and UK level. There may be an opportunity to amend the latter, but SNBTS would want to keep UK blood and tissue standards as close to those of Europe and other developed economies as possible. Without this commitment there is a risk that divergence will reduce the quality and safety of our blood and tissue products. Similarly with medicines including Advanced Therapy Medicinal Products (ATMPs), it is likely that pharmaceutical regulation will remain aligned with that in the rest of Europe if for no other reason than UK needs to be able to accept pharmaceuticals manufactured in the rest of Europe and UK life sciences companies need to be able to sell products in Europe. Regulatory approval timelines might however, be shortened to give UK a competitive advantage in adoption of new medicinal products.

- Blood, Tissues and Cells Directives are already transposed into UK law. Even with a transformation period, there is little time to have EU Directives, including Pharmaceutical Regulations (Eudralex) and ATMP Regulations transposed. ATMPs are subject to European level review and Marketing Authorisation through the European Medicines Agency. This work will all need to go into the MHRA and Commission on Human Medicines (CHM); necessitating additional resources to replicate expert European assessments and advisory committees such as the Committee on Advanced Therapies. This can add time and possible procedural change to the accessibility of ATMPs.

- The UK will lose its direct influence on EU regulatory policy and standards relating to life sciences post Brexit. It can continue to influence international standards through the

Pharmaceutical Inspection Convention and Pharmaceutical Inspection Co-operation Scheme (PIC/S).

- Medical research and development will be significantly impacted if lost EU funding, e.g. Horizon 2020, is not mitigated through new UK frameworks. Long-term investment in medical R&D might also suffer if international companies shift their focus to EU based facilities, including manufacturing. This would allow them access to the EU market, some ten times greater than the UK, without risk of tariffs and other barriers to trade. For similar reasons international pharmaceutical companies may choose to clinically trial and obtain marketing authorisation in Europe first rather than UK leading to delayed access to new medicines.

Finance

It is assumed that NSS will continue to comply with the European System of Accounts 2010; the set of rules issued by Eurostat that determine how the public sector reports its overall levels of debt in relation to the national accounts which are prepared by the Office of National Statistics (the ONS). These rules have impacted on the public sector's ability to structure finance solutions and delivery models, including the SG's Non Profit Distributing Revenue Finance model. Brexit might offer the opportunity to no longer follow Eurostat prescribed rules. NSS would need to adapt to change should the ONS prescribe an alternative accounting model.

Governance

A substantial proportion of the UK's statutory and regulatory framework originates from EU legislation. In particular the Charter of Fundamental Rights, Human Rights Act and various equality and diversity legislation has been developed jointly to protect our people / citizens. This includes: data protection, human trafficking, rights of victims of crimes, disability rights, workplace discrimination and equal pay.

Employment law provides important protections for staff, particularly around health and safety at work, working time and on information and consultation on collective redundancies and safeguarding employment rights in the event of transfers of undertakings (TUPE).

EU standards for training and the recognition of qualifications, in particular through the Professional Qualifications Directive 2013/55/EU are also key provisions. This enables mobility and helps raise educational standards and put safeguards in place across Europe; facilitating the UK to recruit from Europe to mitigate shortfalls. The Directive also includes language checks on EU nurses and a duty to inform other health regulators about suspended or banned professionals; important and positive developments for the UK.

While the above legislation has been fully transposed into UK law and the expected transformation or implementation period of 21 months post Brexit should mitigate any immediate impact, there remains concern of divergence from the EU position over time. This concern currently centres on the development of the proposed Great Repeal Bill. Some fear this might seek to undermine the standards of existing legislation.

The risk of longer-term drift from EU standards could lead to a loss of safeguards, loss of access to alert mechanisms and other exchange between regulators and potentially much slower recognition mechanisms for both inward and outward mobility.

The House of Commons Select Committee for Brexit have also raised concern at the wider regulatory dimension in which alignment with the EU and its single market will be crucial for patient safety and access to cutting-edge treatments; this includes the regulation of pharmaceuticals, medical devices, research data and clinical trials.

SG and more recently the UK government are already indicating that sustainability will remain a significant policy agenda in the years to come, regardless of Brexit.

Recommendations

The EMT is asked to:

- Comment on the possible implications of Brexit, to NSS services.

- Confirm or suggest amendments to the corporate risk on the implications of Brexit on NSS (Attached).

Martin Bell
Interim Director Strategy and Governance
12 January 2018

Appendix 1
BREXIT – RISK 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.

Reputation (Primary Risk Category). NSS reputation may be adversely affected if we are unable to sustain business effectively. In addition, our International influence may be diluted.

Business. Information sharing may be reduced. Access to, for example, collaborative procurements or research grants may be restricted. The impact on the regulatory / Accreditation environment (MHRA/UKAS) may remain unclear.

Clinical. Access to intelligence, particularly emerging infections through European Blood Alliance (EBA) / European Centres for Disease Control (ECDC) may reduce.

Staff. There may be impact on senior experts, who are reliant on International collaborations to maintain expertise. The risk to continued or further employment of staff from EU countries is unclear but may result in increased or prolonged vacancies and loss of expertise.

Overall Impact: 5   Likelihood: 2   Combined Risk Score: 10 (Amber)

Mitigation Strategy: Acceptance

NSS Board Meeting
Friday 29 June 2018

NSS Workforce End of Year Report

<u>Purpose</u>

The purpose of this paper is to inform the NSS Board of the end of year position against the key workforce targets for NSS and to summarise the key workforce information as at 31 March 2018.

<u>Recommendation</u>

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

<u>Timing</u>

The report covers the end of year 2017/18.

<u>Summary</u>

In summary, the end of year 2017/18 people report shows a positive outcome across a range of workforce measures which we believe demonstrates that NSS has an engaged and productive workforce and that progress has been made against the Great Place to Work plan.

A key area of improvement in 2017/18 was the reduction in the overall sickness absence levels with the year end position at 3.89% compared to 4.30% in 2016/17. HR have undertaken a significant amount of work to train and support managers in the management of attendance. The focus of this has been to ensure that managers can confidently and effectively manage staff who have been absent due to sickness and support them back to work. The Board should note that NSS retained the Healthy Working Lives Gold Award in 2017/18 which is the 11th consecutive year of doing so.

As reported throughout the year, employment of young people and those with disabilities has seen targets being exceeded for 2017/18 with 66 employees under the age of 25 being recruited and 20 employees with a disability. These initiatives will continue throughout 2018/19 with specific focus on graduate recruitment and disability shadowing placements.

The Board can also be assured that all statutory and mandatory training targets have been met.

The NHS Scotland Health and Social Care Staff Experience Report and NSS Dignity at Work Survey results 2017 were communicated to staff following discussion by the NSS Partnership Forum in March. The NSS Dignity at Work results are broadly in line with the results from comparable questions in the previous NHS Scotland staff survey and when taken into account with the results of the iMatter survey do not present any fundamental concerns for the organisation. However, as there has been a slight increase in the percentage of staff who feel bullied or harassed, the NSS Partnership Forum has requested that a short life working group be set up to review the responses in more detail, identify any underlying issues and develop actions to address them. The work of the group is to be completed by the end of June 2018.

An area of concern throughout the year has been the number of RIDDORs submitted for 2017/18 which was six overall, exceeding the organisation's annual KPI target of less than four. Measures are being put in place to address the issues in Procurement, Commissioning and Facilities (PCF) in particular. Improvements are expected in the forthcoming year.

Key Considerations – Reporting against the Great Place to Work Measures

Staff Experience

Performance against the Great Place to Work Plan objectives are reported monthly to the Executive Management Team (EMT) and the NSS Partnership Forum with quarterly reports being provided to the NSS Staff Governance Committee.

The outcome of the participation rate in the iMatter Staff Experience Survey 2016/17 was 81%, which is an exceptional result and the employee engagement score was 76%. We anticipated that these results were unlikely to be replicated in 2017/18 for a number of reasons. We therefore adjusted the participation target for 2017/18 to >75% and the employee engagement to >73%. The result of the employee participation score in 2017/18 was 76% and the employee engagement score was 77% which are an improvement on where we expected NSS to be.

Occupational Health, Safety and Fire

RIDDORs and Lost Time and Costs due to Accidents.

The total number of RIDDORs submitted by NSS in 2017/18 remains at six which is not a good result for NSS and our staff. All six RIDDORS occurred in areas which are considered as high risk environments. These are the Logistics Warehouse at Canderside and SNBTS. A short life working group has been set up to review the vehicle and pedestrian movement and separation around the warehouse and an action plan has been developed which contains both physical and process improvements for the warehouse. Further work is required to determine what further measures can be taken and this will be undertaken by a logistics health and safety expert. HR will be working closely with management, staff and trade unions in the SBU to take forward these improvements and will be reporting these into the Occupational Health and Safety Advisory Committee (OHSAC).

Over 1,800 working hours were lost in NSS due to work related injuries or ill health in 2017/18. Over 1,000 of these hours were lost due to two separate accidents which occurred in office areas, largely considered to be low risk work environments. OHSAC will be working with HR and the SBU Health and Safety Committees on a range of actions, including training, awareness and communication campaigns, to make staff more aware of risks in an office environment.

As a result of the higher than anticipated incidence of RIDDORs and other health and safety concerns in NSS, the Chair of OHSAC has agreed that this committee will meet more frequently in 2018 in order to provide leadership, additional and robust oversight and governance.

Occupational Health

The Flu Vaccination Programme in 2017/2018 was completed with over 20 clinics being run across all NSS sites. This included clinics for nightshift and backshift staff to ensure equality of access and to maximise the opportunity to vaccinate as many staff as possible. The Scottish Government have set a target of 50% of front line staff being vaccinated. NSS

along with all NHS Scotland Health Boards has not been able to achieve this target with 29.7% (1,081 staff) of frontline being vaccinated. We will continue to lead and drive this as much as we can through promotions and communication. There were no clinical incidents reported in 2017/18.

Fire Safety

The annual fire risk assessment programme is scheduled for completion by 30 May 2018, which is slightly later than planned and will be taken to the next meeting of OHSAC. In the meantime, the Fire Safety Policy and associated management arrangements have been reviewed and updated by the Fire Safety Group and approved by OHSAC. These will be considered for endorsement at the next Staff Governance Committee.

By 28 March 2018, a total of 2,170 (57.53%) out of a total of 3,772 staff had completed the fire awareness training package delivered by Line Managers across NSS. Options for the development of an e-learning package for all staff to receive Fire Safety Awareness training are being progressed with the e-learning package being agreed by the Fire Safety Group.

Sickness Absence

At the end of year 2017/18, the overall sickness absence rate has reduced to 3.89%. Short term sickness absence has reduced at the year end compared to last year by 1.56%, with long term sickness absence for the year increasing by 0.83% compared to last year. The overall reduction in sickness absence would suggest that the work over the past year in terms of supporting and training managers particularly to confidently and effectively manage staff who have sickness absence has been successful and has a positive impact on ensuring staff are also supported back to work. There is evidence, through case management, that sickness absence is being managed much more effectively and consistently across NSS.

However, work will need to continue to ensure that sickness absence continues to be managed appropriately. Whilst the majority of SBUs have shown a decrease in the YTD figures for short term absence, there has been an increase in long term absence across eight SBUs. HR are still analysing the data in some detail, but there is an indication that the reduction in short term sickness absence could be attributed to the length of a sickness absence moving into the long term category as opposed to a member of staff returning to work.

Over the year the main reasons for sickness absence have fluctuated, as would be expected particularly with seasonal variations. The NSS Staff Governance Committee requested and received a breakdown per SBU of the reasons for absence along with percentage against each reason. The focus will remain on this to ensure that we continue to improve reporting of reasons for sickness absence so that we are able to take appropriate supportive action.

Over the year the hours lost due to stress and mental health has shown a continued reduction. However, an increase during Quarter 4 has resulted in the year end target of 57,393 not being met. The reason for this sudden increase is unknown. However, HR will continue to support managers and staff through the various initiatives and interventions we have in place.

Special Leave Requests During the Period of Adverse Weather

The Board will recall that NSS took the decision to take a supportive position to staff during periods of adverse weather in February and March 2018. Staff were encouraged and supported to work from home where possible; alternative work places found for some and those who could not were granted special leave. The majority of special leave was granted

during the period where a "red weather warning" was in place which advised that people should not travel. During that period of adverse weather, a total of 408 requests for special leave were made over a seven day period amounting to 4,806.9 hours of special leave being granted across NSS. It has to be recognised that a significant number of NSS staff did attend work during this period and made tremendous efforts to get in to work so that we could continue to provide a service. The Scottish Government subsequently issued guidance that no member of staff should suffer any detriment as a result of not travelling to work during this period and NSS had already taken this position.

Workforce Capability, Sustainability and Optimisation

Staff Turnover and Leavers

The YTD total for staff turnover is 9.25% which is 2.25% above target. The highest increase during the year has been in the SNBTS with contributing factors being staff leaving due to long term sickness absence, the relocation to the Jack Copland Centre and retirement of staff. Whilst the number of leavers is higher than the target there are no areas of concern highlighted for NSS in respect to this position.

Recruitment

Recruitment levels, having peaked in the second and third quarter due to no specific reason, stabilised in the fourth quarter. Turnaround targets have been achieved, with a 20% reduction in turnaround times for administrative posts and a 5% reduction for nursing posts. A training course for line managers in how to carry out effective recruitment has been implemented and positive feedback received.

HR Resourcing

Overall, 2017/18 has shown positive results for the Redeployment Service. In terms of active members of staff on the Redeployment Register, the numbers are down compared to last year with 57% of those coming through the redeployment process being successfully placed in another post. The positive results demonstrate that HR have robust processes in place to deal with planned and ad hoc organisational change projects which result in staff being displaced.

There has been an increase in Voluntary Redundancy activity and the numbers of staff granted Voluntary Redundancy. This is specifically due to staff displaced as a result of the move to the Jack Copland Centre where the specialist nature of the posts resulted in less suitable alternative employment options. The cost of Voluntary Redundancy/Voluntary Early Retirement for 2017/18 was £954,541.31. This is an increase in comparison to 2016/17 where the cost amounted to £174,020.83.

HR will continue to work on improving both the redeployment process and the service provided and this will be progressed through a review of both.

Key Workforce Data

Mandatory & Statutory Training

The implementation of the Learnpro system to cover all mandatory for all and statutory training has been successful and allows more accurate reporting across NSS and at SBU level of staff completing their training.

In terms of statutory training, which is in the first year of a two year programme of delivery, this has an end of first year completion rate of 61%. This is a good position to be in at this point in time and we are confident that the target will be fully met by the end of 2018/19. In addition, 14 Nominated and Deputy Fire Officers have completed training this year and 63 Fire Wardens have also completed training this year.

All mandatory training targets, which are carried out over a three year rolling programme, have been met or exceeded and this includes health and safety training. This indicates the support provided to managers and staff to complete the training with a move to e-learning provision which has also been positive.

There is ongoing work to utilise Learnpro to not only record training that is initiated from the Corporate Learning and Development Guide but to also capture practical training commissioned within the SBUs. This will provide a more accurate guide to compliance. Further Learnpro training modules are being developed to increase access to training.

Case Management Activity

HR has supported 261 formal cases throughout 2017/2018. The main focus has been Promoting Attendance (51%) and Management of Capability – Ill Health (28%). The number of employees being supported under the Management of Capability framework for performance issues has remained extremely low, which is consistent with previous years.

Management of Conduct accounted for 14.5% of cases throughout the year, 5% of which resulted in dismissal from service. One dismissal decision was appealed and subsequently led to a reinstatement of employment.

Bullying and Harassment, Dependency, and Grievance cases remained relatively low, accounting for 6.5% of the overall cases managed throughout 2017/2018.

HR has taken a very active part in supporting managers to reduce sickness absence levels in their SBUs whilst ensuring fair and consistent management is adhered to in line with a best practice approach. The HR Services team responsible for supporting all cases have worked in collaboration with the HR Business Partners, Employee Relations and Occupational Health to look at individual cases and potential solutions or further action which could be taken to, where possible, bring the case to a positive conclusion for those involved.

Sickness Absence awareness sessions have been attended by approximately 275 managers throughout NSS, with a positive feedback rate of approximately 95%. The remaining 5% related to system issues, prolonged processes, and policy interpretation of discretion.

Aileen Stewart
Interim Associate Director of HR
May 2018

NSS People Dashboard
March 2018

Great Place to Work Measures

	Target	Current Month	YTD	Forecast	RAG	Progress
Riddors	<4	0	6	6	🔴	⇔
Accident Incident Rate	<30.42	2.60	30.40	30.40	🟢	⇧
Sickness Absence Total (%)	4.00	3.69	3.89	3.89	🟢	⇩
Long Term Total (%)	N/A	1.61	2.35	2.35	🟢	⇩
Short Term Total (%)	N/A	2.08	1.54	1.54	🟢	⇩
Hours Lost (Stress & MH)	57,393	5295	63049	63,049	🟡	⇧

Workforce Capability, Sustainability & Optimisation

	Target	Current Month	YTD	Forecast	RAG	Progress
Staff Turnover (%)	7.00	0.83	9.25	9.25	🔴	⇧
Workforce Numbers (WTE)	3445.78	3301.93	3279.09	3279.09	🟢	⇩
Paybill £	£146.196 M	£12.184 M	£142.405 M	£142.405 M	🟢	⇧
Agency expenditure £	£5.078 M	£0.305 M	£3.91 M	£3.91 M	🟢	⇩
Agency (WTE)	58.53	81.08	88.97	88.97	🔴	⇩
% of Agency (WTE)	1.70%	2.46%	2.71%	2.71%	🔴	⇩
No. Leavers	242	31	345	345	🔴	⇧

Key Workforce Data

	Target	Current Position	Progress
Mandatory Training 3 YR Ave (%)	100	91	⇔
Mandatory Training 2 YR Ave (%)	100	90	⇔
Statutory Training 2 Years (%)	100	61	⇧

Case Management Activity

	2016-17	Current Month	YTD	Forecast	Progress
Cases – Informal	202	5	172	172	⇩
Cases – Formal	175	3	150	150	⇔
Total Managed Cases	377	8	322	322	⇩
Active Cases	N/A	149	N/A	N/A	⇩
No. Formal B&H	1	0	0	0	⇔
No. Discrimination cases	1	0	0	0	⇔

Corporate Responsibility

	YTD
Authorised Recruitment	629
Posts Filled	641

People Report Guidance

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

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

B/18/84

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

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

B/18/84

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

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

B/18/84

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

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

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

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

B/18/84

Progess	This will indicate the the progress of the current month in comparrison to the previous month using the following levels: ⇔ No change ⇩ Reduction ⇧ Increase

NSS Board Meeting
Friday, 29 June 2018

NSS People Report

Purpose

The purpose of this paper is to inform the Board of the progress against the key workforce targets contained within the NSS Great Place to Work Plan and to summarise the key workforce information as at 31 May 2018.

Recommendation

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

Timing

The report covers the month of May 2018.

Summary

No new RIDDOR reportable injuries were reported in May 2018 however HR Healthy Working Lives have put a number of recommendations to the Executive Management Team (EMT) for consideration going forward in order to support improved performance in this area.

In terms of absence, whilst there has been a slight increase of 0.2% overall in May with a YTD total of 3.87% this area continues to be below the trend outcomes against previous years. There is potential movement from short term to long term absence showing for this month and this will continue to be monitored closely.

All other elements of workforce measures demonstrate continual good progress against previous year trends with no fundamental concerns to raise.

Great Place to Work Measures

iMatter

2018 iMatter action plan preparation commenced on 15 May 2018. Actions will be in place to evidence improvement to be implemented during 2018. NSS is the 2018 initial project board to deliver the anniversary process through eESS, there is work currently being undertaken to ensure that the data held is as accurate as possible.

Health and Safety – RIDDORs

No RIDDOR reportable injuries were reported in May so the total number for 2018-19 so far remains at one, which was attributed to an SNBTS member of staff who slipped on some water spillage in a toilet in Foresterhill Aberdeen.

An SBAR on what is planned to help reduce the number of RIDDORs has been prepared by Healthy Working Lives (HWL) for the June EMT of which the key recommendations are:–

- All Strategic Business Units (SBUs) to identify through their risk profile, risk responsible mangers who need to attend the Active Safety Leadership course;

- All SBUs to ensure there is a programme of regular inspections (minimum one per month by Senior Managers) of their SBU work areas and any issues are reported, formed into an action plan, delivered and closed through the SBU Risk profile;
- All SBUs to identify through their risk profile risk assessment the number of trained accident/incident investigators and the number required;
- SBU management/Health and Safety Committee to review all reported accidents and near misses to help identify any trends (people, equipment, location, behaviour) and decide on necessary corrective actions required to help prevent recurrence;
- HWL Team to ensure that all Accident Incident Reporting forms submitted are reviewed and questioned as appropriate to ensure that necessary corrective actions have been identified and undertaken to effectively close them off;
- HWL Team to run campaign to highlight the importance of reporting near misses as a proactive preventative measure;
- SBU Health and Safety Committees/line managers to deliver Tool Box talks re the importance of reporting near misses as a proactive preventative measure.

Sickness Absence

May has a YTD outcome of 3.87%, which is an increase of 0.2% overall and the first we have had for a few months. This is still however lower than the same period in 2017 which was at 4.21%. In total seven SBUs have increased outcomes during May with the largest increase in PHI at 5%, an increase of 0.76% from the previous month. The biggest decrease has been in the Clinical SBU overall.

In terms of long term absence, eight SBUs are showing an increase overall with the 2.22% YTD an increase of 0.62%. There are three SBUs which show a 0% figure in May. In comparison, nine SBUs are showing a decrease in short term absence, which has a YTD total of 1.65% a decrease from the previous month of 0.41%. It should be noted however that an element of increase in long term absence is likely to be as a result of the time employees have been off thus moving them from short term to long term absence. This will result in short term decreasing and long term increasing in the way that the May figures are showing. It is therefore important to continue to manage both robustly to ensure the overall absence totals reduce in line with previous trends for NSS.

In terms of absence reasons, the overall number of employees' absence has increased by 17 to 452 in May. The largest increase is in relation to ear/nose/throat with the largest decreases being related to anxiety/stress/depression/other psychiatric illness and chest & respiratory problems. May 2018 has seen a rise of 497 hours lost due to stress and mental health since last month, with a total of 6,196 recorded.

The table below provides the May 2018 breakdown of information.

Absence Reasons	Count of Employee Number
Anxiety/stress/depression/other psychiatric illnesses	61
Asthma	3
Back problems	24
Benign and malignant tumours, cancers	11
Blood disorders	3
Chest & respiratory problems	15
Cold, cough, flu - influenza	53

Dental & oral problems	7
Ear, nose, throat (ENT)	23
Eye problems	2
Gastro-intestinal problems	102
Genitourinary & gynaecological disorders - exclude pregnancy related disorders	4
Headache/migraine	22
Heart, cardiac & circulatory problems	5
Injury, fracture	26
Nervous system disorders - exclude headache, migraine	5
Other known causes - not otherwise classified	42
Other musculoskeletal problems	18
Pregnancy related disorders	7
Skin disorders	2
Unknown causes/not specified	17
Total	**452**

In relation to all other key workforce measures there are no fundamental concerns to highlight at this point in the year. Training and Corporate Responsibility outcomes continue to make good progress with the only element to highlight in respect to case management is a slight increase in number of Capability cases as a result of movement from Promoting Attendance.

Aileen Stewart
Interim Associate Director of HR
May 2018

NSS People Dashboard
May 2018

Great Place to Work Measures

	Target	Current Month	YTD	Forecast	RAG	Progress
Riddors	<4	0	1	7	🔴	⇩
Accident Incident Rate	<30.42	2.36	4.19	25.14	🟢	⇩
Sickness Absence Total (%)	4.00	3.63	3.87	3.60	🟢	⇩
Long Term Total (%)	N/A	1.74	2.22	2.41	🟢	⇧
Short Term Total (%)	N/A	1.89	1.65	1.19	🟢	⇩
Hours Lost (Stress & MH)	57,393	6,196	12,623	58,985	🟡	⇧

Workforce Capability, Sustainability & Optimisation

	Target	Current Month	YTD	Forecast	RAG	Progress
Staff Turnover (%)	7.00	0.51	1.34	8.18	🔴	⇩
Workforce Numbers (WTE)	3400.72	3290.99	3294.60	3284.42	🟢	⇩
Paybill £	£147.365 M	£12.255 M	£23.688 M	£146.233 M	🟢	⇧
Agency expenditure £	£4.573 M	£0.418 M	£0.518 M	£4.997 M	🟡	⇧
Agency (WTE)	33.47	55.50	55.75	57.76	🔴	⇩
% of Agency (WTE)	0.98%	1.69%	1.69%	1.76%	🔴	⇩
No. Leavers	248	19	50	292	🔴	⇩

Key Workforce Data

	Target	Current Position	Progress
Mandatory Training 3 YR Ave (%)	100	91	⇔
Mandatory Training 2 YR Ave (%)	100	88	⇔
Statutory Training 2 Years (%)	100	69	⇔

Case Management Activity

	2017-18	Current Month	YTD	Forecast	Progress
Cases – Informal	150	3	17	96	⇩
Cases – Formal	172	10	18	88	⇧
Total Managed Cases	322	13	35	184	⇩
Active Cases	N/A	152	N/A	N/A	⇧
No. Formal B&H	1	0	0	0	⇔
No. Discrimination cases	1	0	0	0	⇔

Recruitment

	Target	Current Month	YTD
Active Vacancies		108	N/A
Authorised Recruitment		48	79
Posts Filled		38	90

People Report Guidance

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

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

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

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

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

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

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

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

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

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

Progess	This will indicate the the progress of the current month in comparrison to the previous month using the following levels: ⇔ No change ⇩ Reduction ⇧ Increase

Meeting: NSS Board Meeting, 29 June 2018

Paper Number: B/18/86

Title of Paper: Annual Report - Feedback and Complaints 2017-18

Paper Type: This is a routine paper to meet governance standards in relation to the NHS Model Complaints Handling procedure

This is an annual report and there is nothing of significance to note or report since the previous annual report. The number of complaints remains within the same levels from previous reporting periods. The handling and response rates within NSS remain high. The work for 2018-19 will focus to improve learning from complaints and feedback and highlighting the service improvements in the quarterly reports.

Decisions Required

The Board is required to note the report and accept the data and analysis contained within the report. The Board is asked to make themselves familiar with the types of complaints NSS receives. The annual report will be submitted to the Scottish Government on the 30th June 2018. This requirement is set out in the Participation Standard for the NHS in Scotland.

Analysis:

1. Donors continue to provide their positive feedback on Facebook and Twitter
2. NSS received **452 complaints** in 2017-18 and **less compared to 544** in 2016-17 (17% decrease)
3. **98%** response and resolution rate in 2017-18 against the 20 working day target. This remains positively high and the same levels across 2016-17
4. Model Complaints Handling Procedure - **70** NSS Staff trained as Trainers across SBUs with a further **60** trained at various levels as part of the rollout in PCF
5. The annual report includes narrative of the continued work in SNBTS in relation to the customer care standards.
6. The committee members are reminded that they are welcome to attend the Donor Awards Ceremonies in 2018. The committee secretaries have been provided with the dates should you wish to attend. Please contact the committee secretary directly to reserve your place
7. PHI carried out a review with the Director and PHI Senior Managers following a complaint related to FOI. PCFS carried out an annual review of their complaints the detail of the review is described on page 16 of the report.

The Board can be **assured** that SBUs are improving their approach to collecting and reporting on feedback and complaints. This report was informed using the data provided by the NSS SBUs.

The Changepoint Team has trained all SBU complaint leads this is the system the SBUs will input their complaints data into. This will improve future reporting and will provide a more real-time picture during the quarterly reporting timelines. This is the system that is currently used to record the FOI requests received by NSS.

Following the MCHP train the trainer pilot some SBUs have requested further input in relation to human factors to improve handling challenging behaviours and difficult conversations with complainants.

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NHS National Services Scotland

Feedback, Concerns, Comments and Complaints

Annual Report

1st April 2017 – 31st March 2018

Contents:

At A Glance 2017-18

	NSS received very positive **feedback and compliments** about our services throughout 2017. For example the National Distribution Centre received praise for their continued service during the severe weather " **NDC has done brilliantly you were under a lot of pressure and we appreciate all you have done to keep NHS Lothian supplied during the adverse weather conditions"**
	SNBTS Donor Services has worked to **improve Donor communications**. The work has been shaped from the feedback and complaints received from Donors.
	In 2017-18, 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.
	There were no complaints referred to the SPSO in 2017-18 reporting period
	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.
	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.

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**.

452

Complaints received

We received **452** complaints in 2017-18.
This is compared to **544** in 2016-17. **This is a decrease of 17%. This annual report is informed by those complaints received in 2017-18.**

98% of complaints received in 2017-18 were **resolved** within 20 working days. This is in line with previous years.

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 2017 to 31st March 2018. 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 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 Heath Improvement Scotland (in place of a Participation Standard assessment for the year 2017-18) 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.

1.4   The Model Complaints Handling Procedure (MCHP) was implemented across NSS on the 1st April 2017 meeting the deadline requirements set out by the Scottish Government and Scottish Public Service Ombudsman.

1.5   The goals for NSS in 2017-18 set out in the NSS Local Delivery Plan 2017-22 include 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. The MCHP will contribute to these goals.

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 2017-18. Procurement, Commissioning & Facilities (PCF) have recorded the compliments received. PCF were complimented for continued service to the NHS Boards across Scotland during the adverse weather conditions.

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.

2.6 The suggestions provided range from the opportunity to donate and waiting times to parking at donor session venues out in the community.

2.7 **The Central legal Office (CLO)**

As part of the work related to the Clinical Negligence & Other Risks Indemnity Scheme (CNORIS) the CNORIS Scheme Manager visited the territorial Health Boards. Following the feedback received in relation to the work undertaken, the CNORIS Scheme is tailoring some of the information provided to meet the needs of the customer and improve the quality of the data.

The Central Legal Office carried out a customer survey in August 2017 which received 121 responses. The survey covered 3 areas in relation to the services offered by CLO:

1. Positive and complementary feedback for all CLO and specific CLO Teams.
2. Positive and complementary feedback for specific members of staff. The comments are complementary in relation to their service, advice, efficiency and professionalism.
3. Constructive feedback and proposals for improvement in relation to some areas.

Findings from this survey and feedback will inform future improvements to the service provided by CLO.

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);
- Strategy and Governance (S&G)

Information Technology and the Central Legal Office reported a nil return for complaints over the 2017-18 reporting period.

Engagement 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 have been **0** NSS Complaints referred to the Scottish Public Services Ombudsman (SPSO) in 2017-18**.** One complaint referred to the Ombudsman in 2016 continued to be reviewed in 2017-18 reporting timeline. The learning from this particular complaint is described later on in this report. (Page 16)

3.3   In 2017-18 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 inteaction on FB and Twitter remains at the same levels as reported in 2016-17.

Figure: snapshot 2017-18
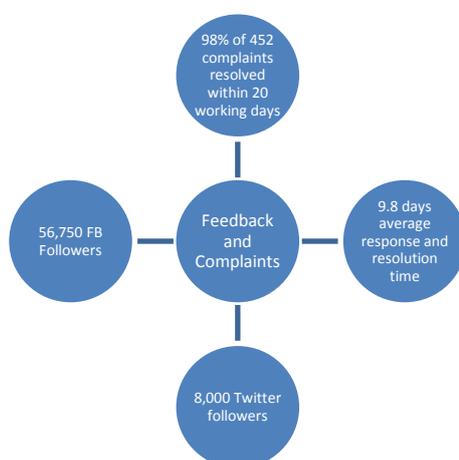
3.4 The number of complaints NSS received in 2017-18 has decreased from the 2016-17 period. In 2017-18 NSS received a total of **452** complaints which is a decrease from the previous year (544) of 17%. This decrease demonstrates an improvement to our overall number of complaints received. This does not include the complaints received by NSS that are in relation to other NHS Boards.

Table 1: Quarterly and cumulative totals for 2017-18 with a comparator with 2016-17

	2017-18		2016-17	
	Quarterly Total	Cumulative Total	Quarterly Total	Cumulative Total
Q1	118	**118**	119	119
Q2	118	**236**	157	276
Q3	102	**338**	134	410
Q4	114	**452**	134	**544**

Line Chart 1:   Quarterly and cumulative totals for 2014-15, 2015-16, 2016-17 and 2017-18

Quarterly Totals for Complaints Received 2014-18

	Q1	Q2	Q3	Q4	
2014/15	126	124	156	123	
2015/16	180	111	137	150	
2016/17	119	157	134	134	
2017/18	118	118	102	114	
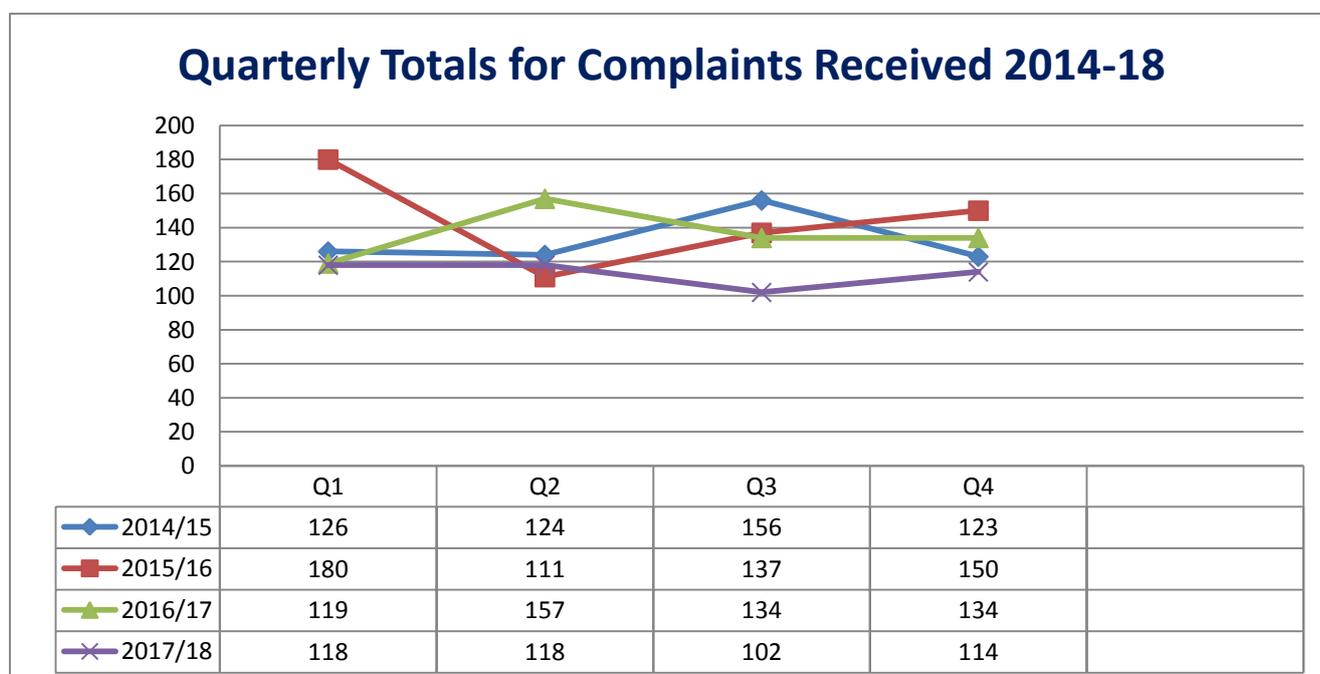
3.6   NSS has committed to the requirements set out in the new NHS Model Complaints Handling Procedure (MCHP) and NSS policy is to acknowledge complaints within 3 working days; resolve less complex complaints within 5 working days and resolve more complex complaints within the 20 working day timescale.

In 2017-18 the average response time to resolve complaints was 9.58 days, a decrease on the 2016-17 of 11.6 days. The responses and resolutions for cases in 2017-18 that met the 20 working day target was 98% which is comparative with 2016-17.

The new 5 working day target requires development. NSS has completed the MCHP train the trainers programme of work in Q4. The SBUs are challenged with the 5 working day target and how to record this appropriately and we are yet to see an overall NSS picture of this particular KPI in reports.

There were **7** cases that were not resolved within the 20 working day target in 2017-18. The reasons cited are staff sickness and absence and delayed responses from complainants to communication from staff. This compared to **10** cases in 2016-17. This demonstrates an increased staff awareness and person centeredness.

Table 2:   Handling Complaints – NSS Response times

2017-18	Q1	Q2	Q3	Q4	2016/17	2015/16
	April-June	**July-Sept**	**Oct-Dec**	**Jan-Mar**	**Comparison**	**Comparison**
Average Response Time against Target Response Time of 5 working days (less complex)	Not measured	Not measured	Data for a NSS measure not available	No NSS wide data available as yet	Not measured	Not measured
Average Response Time against Target Response Time of 20 working days (more complex)	9.58	10.06	10.02	9.6	15.09	10.48
% responses within target (20 working day)	99%	99%	96%	98%	98%	95%
No. of responses outwith target	0	1	4	2	4	3

3.7   NSS receives 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 2017-18

Type of Complaint	Q1	Same qtr 16-17	Q2	Same qtr 16-17	Q3	Same qtr 16-17	Q4	Same qtr 16-17
Staff Attitude and Behaviours	5	10	17	11	5	6	6	5
Voluntary Organiser Attitude and Behaviour	-	-	-	-	-	-	-	-
TOTAL	5	10	17	11	5	6	6	5

3.9 Table 4 above shows the number of complaints NSS has received from blood donors in relation to staff attitude and behaviours at **33** for 2017-18. This is an increase of 1 from **32** for 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 complete an on line complaints form.

3.10 The table below highlights the categories of complaints received in SNBTS. In the 2016-17 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 16/17	Q2	Same qtr 16/17	Q3	Same qtr 16/17	Q4	Same qtr 16/17
1	Opportunity to donate	27	12	25	29	38	32	29	37
2	Donor Selection	8	9	6	2	2	5	4	1
3	Opening Hours	2	3	-	2	-	1	1	1
4	Staff Attitude & Behaviour	5	10	17	11	5	6	6	5
5	Waiting Times	5	3	5	14	6	3	8	8
6	Donor Communications	3	5	1	4	2	3	4	4
7	Documents and Records	3	-	1	-	-	-	1	1
8	Health and Safety	-	-	1	-	-	1	-	-
9	Bruising	-	5	2	2	1	2	1	-
11	Special Redesign/ change/disruption	-	-	-	-	-	-	4	-
12	Special Needs	1	-	1	-	-	-	-	-
13	Vexatious	1	-	1	1	4	-	-	-
15	Facilities (inc Parking)	1	-	-	1	1	1	1	1
	TOTAL	56	47	61	66	60	54	59	58

3.11 Summary of the Key areas in Feedback and Complaints SNBTS 2017-18

The Donor and Transport Services' principal contact outwith 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.

The West of Scotland is 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.

3.11   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 16-17	Q2	Same qtr 16-17	Q3	Same qtr 16-17	Q4	Same qtr 16-17
Wrong/Confusing/Missing Information	-	40	1	0	1	0	2	0
Late/Wrong/No Delivery	-	1	-	1	2	0	0	0
Product Unsuitably packed (H&S Issues etc)	-	0	24	51		9	4	9
Supply Issue	2	6	3	2	1	1	1	1
Product Quality	-	6	1	2	-	12	0	12
Dirty Product	6	0	1	4	3	2	5	2
Out of Date Product	12	0	9	18	11	16	14	16
Tote/Cage Issues	18	0	-	0	15	13	18	13
Service	4	0	3	0	-	6	0	6
Subs	-	3		0	-	0	0	0
Pick Error	-	-	1	0	-	0	7	0
Total	55	56	51	79	35	66	51	66

Table 7: National Procurement 3rd Party Complaints

Type of Complaint	Q1 *Not recorded for the purposes of NSS complaints report*	Same qtr 16-17	Q2	Same qtr 16-17	Q3	Same qtr 16-17	Q4	Same qtr 16-17
Product Quality		101	102	96	83	126	86	116
Service		19	24	18	9	34	0	22
Transport Issues		0	-	0	3	4	3	0
Late/Wrong/No Delivery		7	4	2	0	5	9	2
Supply Issues		4	3	3	5	3	2	2
Wrong/Confusing/Missing Information		6	4	5	5	2	2	3
Price		2	2	2	1	0	1	0
I.T/Systems		0	0	0	0	0	0	0
Product Unsuitably Packed (H&S Issues)		0	2	1		0	0	3
Other		5	1	4	18	4	20	7
Total		**144**	**142**	**131**	**124**	**176**	**123**	**155**

Please note:

As agreed with the NSS Strategy and Governance Directorate, from Q1 2017-18 onwards, PCF reported complaints that are actually complaints against the service we provided, our complaints submission will not include product complaints which we facilitate the resolution of between our customers and suppliers. Please be assured that the product complaints are still managed to closure in the way that they have always been, but they are not complaints about our services.

When 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 19 complaints in 2017-18.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

- Patient complaints that they had been accused of fraud

3.14   Central Legal Office (CLO)

CLO receives very low numbers (e.g. 1 in 2017-18) 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 2017-18 was related to the redaction of names in a freedom of information (FOI) response.

3.16   The Strategy and Governance Directorate received 1 complaint in 2017-18 This complaint was a staff related complaint about their conduct in a meeting with an external customer. The complaint was handled by the Associate Director of Corporate Affairs and Compliance. The complaint was not upheld and is now closed.

The Chair of the Board responded to the complainant in line with the MCHP and held a lessons learned meeting with key individuals involved.

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   Aim of SNBTS Donor Services Customer Care Standards: – to provide the highest level of customer service in a friendly, professional manner for the benefit of all patients in NHS Scotland.

SNBTS Donor Services have developed a set of customer care standards to ensure excellence in donor care. The Senior Nursing Team worked with the Organisational Development department to develop a programme for donor staff to deliver good customer care, ensuring that this care focused on the individual and was person centred. The standards were developed in response to the increase in the number of complaints relating to staff attitude and   behaviour in 2013-14. These Customer Care Standards compliment NSS's Organisational Values which were created by staff in 2009.

4.3   During 2013-4 the complaints relating to staff attitude and behaviour had increased and this was a matter of concern for the management team and the

NSS Clinical Governance Committee. At this time there was a significant amount of change for the donor teams with the implementation of the "Transforming the Donor Experience (TDE)" – a quality improvement programme to improve efficiency and productivity at donor sessions.

TDE was intended to improve customer care, efficiency and service however it was possible that these complaints were linked to staff unrest as a result of operational changes. The introduction of appointments had triggered some complaints that led to an increase in overall complaint rates. The management team recognised that introducing and explaining change is challenging for front line staff and that we needed to support staff in a different way.

The Senior Nursing Team worked with the Organisational Development Practitioner to deliver a series of workshops to all the donor teams in Scotland. These 14 workshops focussed on the skills and behaviour required to deliver outstanding customer care. Each team was expected to commit to model 1-2 practical ideas to cultivate a customer care culture. A few months after these workshops were delivered they were followed up with larger staff engagement events (approx 100 delegates per event).

At these Engagement events the senior nurses in each territory delivered workshops on Person-Centred Care. These sessions focussed on the "What Matters to me" concept (Barry and Edgman-Levitan 2012[1]). In preparation for the Engagement Events SNBTS conducted a survey on social media and asked the donors "What matters to you during your donating experience? " At the events the donor teams were asked to consider "What do you think matters to donors?" and "What Matters to you?"

The outcomes were captured using Wordles and the results from each workshop were shared with the delegates on the day along with the wordle from the social media survey.

4.3   The key themes identified in all the workshops were:

- **Good Service**- welcoming, courteous, meeting expectations, individual needs, confidentiality
- **Team Working** – consistency, putting the donor first, who can help?
- **Communications**- timely, accurate, well informed.
- **Environment** – safe, uncluttered, tidy, clean
- **Professional** - appearance, easily identified, behaviour.

The workshops demonstrated full engagement with the staff and the feedback was captured from each session and analysed. This indicated that the approach used was successful. Participants enjoyed the immediate feedback and the outcomes shared using the Wordle method.

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[1] Barry, J. Edgman-Levitan, S. 2012. N Eng J Med 366; 9 March pp780-781. Massachusetts Medical Society

4.4   The key themes from all the workshops and the person-centred event were collated and reviewed by the Senior Nurses in Donor Services along with the OD practitioner. The National Care Standards for Scotland 2 informed part of the review as well as Customer Care standards in other NHS organisations and service industries. The Senior Nurses group with representation from donor carers and Partnership colleagues developed the 10 Customer Care Standards.

The standards are being rolled out slowly in each of the regions using the Patient/Donor Safety brief. The plan is for 2 standards to be rolled out each month so that they became embedded in the culture of the teams.

4.5   Customer Care standards have been fully implemented in Dundee and Aberdeen with the other donor teams nearing completion. Inverness team have had further sessions on customer care delivered by the OD practitioner due to the number of complaints relating to slots and   appointments.

There has been a reduction in complaints relating to staff attitude in behaviour during 2016-17 and 2017-18.

4.6   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 2017-18.

4.7   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.

4.8   The Clinical Directorate and Strategy and Governance Directorate have delivered a train the trainer model complaints handling procedure training to over 60 staff across NSS.

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 member of the public was searching for have been placed in a section that will make them easier to find.

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[2] National Care Standards for Scotland http://www.gov.scot/Topics/Health/Support-Social-Care/Regulate/Standards accessed 21/4/16

5.3 PCFS carried out an annual review of their complaints received in 2017-18. A complaint was received from a transgender patient unhappy that their Community Health Index number was changed without their consent. This highlighted the complex issues facing transgender patients in how they are managed by the NHS and its systems, in particular the inability of the current CHI system to enable a patient centred record to be held.

On reflection NSS agreed that there were aspects of the complaint that it could have handled more sensitively in particular informed the patient why the number had to be changed. The current CHI number and system does not handle transgender patients well because of its specific characteristics that include gender in the CHI number. The procurement of a new CHI electronic Master Patient Index will enable the CHI number to be a truly random number, it will allow for historical records to be restricted and give patients more say on the sharing of their data.

5.3. 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 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.

6. Accountability and Governance

6.1. The executive lead for Feedback and Complaints is the Director of Strategy and Governance, 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/18/87

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

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

Key Audit Matters:

<u>Internal Audit</u>: The additional audits requested for this year's plan after the eHealth investigation were flagged. These are in the process of being scoped and will be completed in Q3/4. The positive Attendance at Work review and the improved recommendations and responses were commended. The ISMS audit was noted as a review of progression of work to date in relation to implementation of the ISMS. A rating of partial assurance was given. It was noted that extra resource may be required for information security team to continue this work with other competing priorities. It was requested that the Information Governance Committee specifically look at this plan, and have an overview of how ISMS sits with cyber essentials and other aspects of information governance. The Project Management and Benefits report was noted. A rating of partial assurance had been provided for this report. It was commented and accepted that the report had focussed on three specific high risk projects and whether these used the NSS framework approach to project management and benefits. It was recognised that some of the recommendations may not be required for smaller projects. A wider view would be taken of how the recommendations would fit across the function, and a solution was in place and being implemented. A SG led framework on this area would be brought to the Board's attention when available. The IT risk workshop to be led by KPMG would be organised as soon as possible to assist.

The internal audit actions update was noted.

<u>External Audit and Annual Accounts</u>: The service audit assurance letter which would be sent to all Boards was noted as providing assurance that service audit had found no significant control issues. The Annual report and Accounts were approved subject to linking the paragraphs on pages 4 and 21 (on eHealth). It was commented positively that the financial position for the previous year had been strong.

The Audit Scotland report was discussed and it was noted that Audit Scotland and management were working through some final minor changes to wording on the report. Audit Scotland were clear that they were providing an *unqualified and unmodified opinion* on NSS for the previous financial year and that this was confirmed enough to allow sign off of the Accounts at the Board meeting on 29 June. It was noted again that the work on the report had been positive and this was to be reflected to the finance team. It was agreed by members that the quarterly finance report of Finance, Procurement and Performance Committee would contain a section on adjustments in future. The Finalised Audit Scotland report would be circulated to members of the committee prior to the Board meeting on 29 June and their views collated by the Chair of the committee.

The notification letter sent annually to Scottish Government outlining the position of NSS's internal controls and any suspected serious fraud incidents was noted. This required to be adjusted to reflect that there had been one incident of weakness around eHealth and that although there had been several high internal audit findings, these had not affected the overall internal audit opinion.

Key Risk Matters:

The risk report and the quarterly fraud reports were noted, together with the recent training provided to non-executives on anti-fraud initiatives.

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

The GP IT team presented an overview of the current business case. A more detailed report will go to Finance, Procurement and Performance Committee in late summer. A paper on the clinical risks arising from the GP IT re-provisioning will report to Clinical Governance Committee in September. The Board will be provided with a brief separate update on this item at the meeting on 29 June.

The Gifts and Hospitality paper was noted. Assurance was provided that every gift and hospitality item had been approved as per the SFIs. It was noted that there were a higher number of entries than anticipated, and this would be considered and reviewed for EMT discussion to ensure that the number of entries did not increase. It was requested that the value of gifts and hospitality received was considered against marketing spend.

The Annual report on complaints, concerns, comments and feedback was approved with the comment that it was a good report and showed consistent complaint handling across NSS.

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

Several referrals of matters from the committee to other committees are noted in this paper and will be auctioned by the Board Services team.

Audit Scotland provided clear guidance that their unqualified and unmodified opinion was sufficient to sign off the Annual Accounts at the Board meeting on 29 June.

The Consultancy spend was noted by the committee. This would be published with the annual accounts. It was requested that more detail be provided in relation to each item of spend to provide context.

The ARC Annual Report to the Board was approved for submission to the Board at their meeting on 29 June.

The amendments to the Standing Orders were noted and the paper would be recommended to board for approval at their meeting on 29 June. It was requested that an update be provided to the Finance, Procurement and Performance Committee on the progress with promotion of the updated SFIs and eHealth action plan.

Other Matters of Interest

Nothing to report

HIGHLIGHTS FROM NSS BOARD SUB-COMMITTEES SINCE APRIL 2018 NSS BOARD
NSS PERFORMANCE AND FINANCE COMMITTEE – 30 May 2018

Issues & Risks for the Board's Attention

- IT risk workshop being arranged

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

- Consistent words review of action plan relating to eHealth

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

- Review of meeting arrangements – proposal to be submitted to June Board
- Annual Report written

Other Matters of Interest

- Ministerial Annual Review – NSS Chair has requested a Ministerial Review for 2017/18 and this has been supported by Members
- Managed funds oversight
- Procurement opportunities
- Procurement Strategy refresh

NSS INFORMATION GOVERNANCE COMMITTEE - 25 April 2018

Issues & Risks for the Board's Attention

- The Committee acknowledged the risks involved in balancing compliance with the Common Law Duty of Confidentiality and the General Data Protection Regulations (GDPR) Right to Restrict, alongside some of the legal obligations NSS had as a health body. Openness and transparency would be key.

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

- The Committee were updated on the development of Adverse Events Action Plan, Toolkit and Policy, as well as the formation of an Adverse Events Leads network
- The Committee were pleased to note NSS was well placed in respect of GDPR and compliance, with an estimated 90% compliance for GDPR coming into force.
- NSS was supporting the Information Governance Once for Scotland Strategy.
- The Information Asset Register had been delivered
- NSS was sharing Corporate Records expertise and resource with Healthcare Improvement Scotland

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

- Nothing to report

Other Matters of Interest

- The Committee received an overview of the National Cyber Security Programme highlights - which covered the funding and rollout of the proposed 2018/19 plan, top priorities, risks, and challenges.

- The Committee also noted an update on the recent guidance from the National Cybersecurity Centre relating to emerging IT eecurity threats and how to manage them.

NSS CLINICAL GOVERNANCE COMMITTEE – 11 June 2018

Issues & Risks for the Board's Attention

- The Committee received a brief overview of the work underway in the Scottish Radiology Transformation programme and the proposed interim governance arrangements. They requested clarification of how it fitted with the agreed shared services arrangements before taking any decisions on the next steps (i.e. whether it would be Board decision or referred back to the steering group for the programme).
- The Committee received an update on clinical governance arrangements for the dental services provided by Practitioner & Counter Fraud Services and how these were proposed to change under the Scottish Government's Oral Health Improvement Plan. In terms of the options, the Committee agreed a formal commission would be needed for NSS to look at the external governance arrangements for the Scottish Dental Reference Service. A further update on this was requested for the September 2018 Clinical Governance Committee and as a standing item beyond that as necessary.

- The Committee was also updated on the impact of Public Health England (PHE) Breast Screening Incident, which had been similar to that which arose in late 2016/early 2017 here in Scotland. The Committee were assured that:
  - Affected women currently resident in Scotland had been identified and contacted (530 women in total) to either offer a screening appointment by the end of October 2018 or confirm a previous attendance.
  - A Clinical Taskforce had been set up by Scottish Government to monitor the response and review the outcomes.
  - NSD would continue to work in partnership with the Clinical Taskforce, PHE and the other UK countries, and provide updates on any progress and outcomes
  - The issue of variation in the age parameters across the UK had been raised with the UK National Screening Committee

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

- Nothing to report

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

- The Committee were pleased to note that the Clinical flag on the risk register had been well received and would continue to be used. They agreed that it would be useful to do a retrospective audit of the risks in Quarter 1 of 2018/19 to identify any missed opportunities or where it had unnecessarily applied.

Other Matters of Interest

- Nothing to report

NSS REMUNERTION AND SUCCESSION PLANNING COMMITTEE – 25 June 2018 (verbal – John Deffenbaugh)

B/18/89

NHS
National
Services
Scotland

Register of Interests 2018/19

Purpose

In keeping with good governance standards, the Register of Interests has been updated and is submitted to the NSS Board for consideration.

Recommendation

The Board Members are requested to agree the Register of Interests as at 15 June 2018 for publication on the NHS NSS Web pages.

Timing

No timing issues.

Background

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

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

Engagement

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

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2018/19 REGISTER - AS AT 15/06/2018

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 Director, Wale King Associates	Advisory Board Member (Health) of Interim Partners, part of the New Street Group. Trustee, St Peter's and St James' Hospice in Mid Sussex	Wale King Associates - NHS Elect (England)	Nil	Nil	Trustee, St Peter's and St James' Hospice in Mid Sussex	Nil
Ian Cant	Nil	Nil	Nil	Nil	Nil	Nil	Chair Unison Scottish Health Care Branch (wef 26/03/15)	Nil
Jane Davidson	Nil	Chief Executive, NHS Borders	Nil	Nil	Nil	Nil	Member - Managers In Partnership Member - Institute of Chartered Accountants Scotland	Nil
John Deffenbaugh	Nil	Director, Frontline Consultants Ltd	Director, Frontline Consultants Ltd	Nil	Nil	Nil	Nil	Nil
Kate Dunlop	Nil	Chair, Alan Dunlop Architects Non-Executive Director, Education Scotland Non-Executive Director, Accountant in Bankruptcy	Nil	Nil	Nil	Nil	Nil	Nil
Elizabeth Ireland	Nil	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	Nil	Non-Executive Chair, Heck! Food Ltd Thirsk Food Logistics Ltd (Trading as HECK)	Nil	Nil	Nil	Nil	Chair, Trinity Park Foundation	Nil
Alison Rooney	Nil	Chief Executive - Royal College of Surgeons, Edinburgh	Nil	Nil	Nil	Nil	Nil	Nil
Colin Sinclair	Nil	Nil	Nil	Nil	Nil	Nil	Chair, National Infertility Group Member, Data Management Board, Scottish Government Member, Digital Health and Care Strategy Group Member Scottish Medicines Consortium Member, Infrastructure Delivery Group	Nil

Board Member	Event	Date	Host	Value

<u>NOTE</u>

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

NHS National Services Scotland

B/18/90

minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD ON WEDNESDAY 23 MAY 2018 IN BOARDROOM 2, GYLE SQUARE, EDINBURGH COMMENCING AT 0930HRS

Present:	Julie Burgess, Non Executive Director (Acting Chair)
	Jane Davidson, Non Executive Director
	Kate Dunlop, Non-Executive Director
In Attendance:	Martin Bell, Interim Director, Strategy and Governance
	Helen Berry, Scott Moncrieff
	Rachel Browne, Audit Scotland
	Laura Howard, Head of Corporate Reporting
	Elizabeth Ireland, NSS Chair
	Paul Kelly, Scott Moncrieff
	Caroline Lang, Board Secretary
	Carolyn Low, Finance and Business Services Director
	James Lucas, Internal Auditor, KPMG
	Hazel Mackay, HR (Item 5.1)
	Eilidh McLaughlin, Associate Director, Corporate Affairs and Compliance (Minutes)
	Fraser Nicol, Scott Moncrieff
	Andy Shaw, Internal Auditor, KPMG
	Mark Taylor, Audit Scotland
Apologies	Mark McDavid, Non-Executive Director (Chair)
	Alison Rooney, Non Executive Director
	Colin Sinclair, NSS Chief Executive

ACTION

1.   WELCOME AND APOLOGIES

1.1   Julie Burgess welcomed members and attendees to the meeting. Apologies were noted as above. Members noted that Julie Burgess had agreed to act as Chair in Mark McDavid's absence.

1.2   Members confirmed that they had no interests to declare in relation to any of the agenda items.

2.   MINUTES AND ACTION LIST FROM THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON 28 MARCH 2018 [Papers **ARC/18/25 and ARC/18/26** refer]

2.1   Following a brief discussion and, subject to the following changes, the minutes were agreed as an accurate record of the meeting:

- At item 2.1, it was to be added that "Members noted that NSS had undertaken an internal investigation and had set up panel of non-executive Directors to consider its findings. Members had agreed

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Chair	Professor Elizabeth Ireland
Chief Executive	Colin Sinclair

ACTION

that the process in place was robust but as all actions in the action plan had not yet been completed, it was recognised that it was yet unknown if the plan was comprehensive or whether further actions would require to be identified."

Committee Secretary

- At item 18, it was requested that the wording be changed to reflect that 96% rate related to the speed of response, rather than the percentage of complaints responded to.

Committee Secretary

2.2   Members agreed that the item on the Action list relating to Statutory and Mandatory training be left open at this time.

3.   MATTERS ARISING

3.1   <u>Update on eHealth</u>
Members noted the assurance provided that Colin Sinclair had regularly updated Scottish Government on the NSS action plan. The internal investigation had completed and members noted that no formal procedures under relevant policy would be implemented but individual staff members would be provided with training and feedback.

Members noted that Elizabeth Ireland had had a positive meeting with Paul Gray who was assured from the actions taken under the plan, although it was acknowledged that the Scottish Government audit and NSS's internal audit had different inferences in relation to findings. It was noted that a fuller update would be brought to the May meeting of the Performance and Finance Committee as agreed at the April Board meeting.

Members were updated that there had been a request for release of KPMG's internal audit report on eHealth from the Public Audit and Post-legislative Scrutiny Committee of the Scottish Parliament. It was noted that a redacted version of the report had been provided although it was recognised that a complete version may require to be released in due course, though NSS's duty of care to staff required to be balanced with this request.

Carolyn Low presented a more detailed update on each action under the plan and members noted that good progress was being made in relation to each. Elizabeth Ireland undertook to share with members the letters sent to the Cabinet Secretary and Paul Gray on this matter.

Elizabeth Ireland

4.   REPORT ON INTERNAL AUDIT STATUS INCLUDING COMPLETED REVIEWS [Paper **ARC/18/27** refers]

4.1   Members noted the contents of the paper, which updated on the progress to date against the 2018-19 internal audit plan. In particular, it was noted that slippage in the two concurrent Information Technology audits required further exploration to ensure these were complete in time for the next meeting.   It was noted that the IT risk management workshop would occur at a later date to allow for the change in IT Director to occur. Members expressed concern that audit was not being prioritised and requested that the Executive Management Team provide support to staff to enable the audit function to occur.

Carolyn Low/ Martin Bell

5.   ATTENDANCE AT WORK REVIEW [Paper **ARC/18/28** refers]

5.1   Members noted that this audit was over an area where efforts by executive management had resulted in good progress against set targets.   It was noted that NSS absence rate was lower than the national average.   Three

business units had been considered and the audit had found that there was a good level of reporting and support for line managers. Only one moderate finding had been raised by the audit in relation to data accuracy, however it was noted that most of the recommendations had not been accepted. An explanation was provided that there was an appropriate robust plan in place already and management agreed to re-address the findings and recommendations with auditors to revise the response to the findings. Members requested that the executive management team review the audit plan and proposed timing of audits to ensure that the plan was suitable and would be actioned appropriately.

Carolyn Low/ Hazel McKay/ Martin Bell

6.   INTERNAL AUDIT ANNUAL REPORT 2017/18 [Paper **ARC/18/29** refers]

6.1   Members noted the report which provided an overview of the work over 2017/18. It was noted that there was good progress being made in relation to completing identified actions. It was highlighted that there were less audit reviews performed than planned however this had not impacted on the Internal Auditor's opinion of significant assurance with minor improvements required on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. External audit confirmed that the overall opinion gave sufficient external audit assurance.

7.   NATIONAL IT SERVICE CONTRACTS ANNUAL AUDIT REPORT [Paper **ARC/18/30** refers]

7.1   Members were assured by the unqualified opinion presented in relation to the National IT Service Contracts audit. It was noted that there had been a reduction in the number of weaknesses identified at the March meeting. It was queried whether the disaster recovery plans were sufficient and confirmed that robust assurance had been received in relation to the plans, testing and recovery.

8.   PAYROLL SERVICES ANNUAL AUDIT REPORT [Paper **ARC/18/31** refers]

8.1   Members were assured by the unqualified opinion presented in relation to the Payroll Services audit. It was noted that the minor weaknesses and responses from management were as expected. Members noted there thanks to all staff involved.

9.   PRACTITIONER SERVICES ANNUAL AUDIT REPORT [Paper **ARC/18/32** refers]

9.1   Members were assured by the unqualified opinion presented in relation to the Payroll Services audit. It was noted that the minor weaknesses and responses from management were as expected.

10.   NATIONAL IT SERVICE CONTRACT AUDIT PLAN 2018/19 AND TIMESCALES [Paper **ARC/18/33** refers]

10.1   Members noted the draft plan which would be brought to the September meeting for final approval. It was requested that the risk environment for service audit was reviewed to ensure that the audits were still being targeted appropriately. Specifically, it was requested that GP IT reprovisioning, the breast screening programme and PACS were to be included and any refresh of the assurance map be shared with eHealth to ensure it meets their perception of risk.

Scott Moncrieff/ Carolyn Low

ACTION

11.   PAYROLL SERVICES AUDIT PLAN 2018/19 AND TIMESCALES [Paper **ARC/18/34** refers]

11.1   Members noted progress with the plan to date. It was confirmed that the plan had been issued to Directors of Finance for comment. A new feature of the plan was the interface between eESS and payroll and this would be included in testing. Carolyn Low noted the changing landscape in relation to the payroll function and would work with customer boards to assist in shaping the audit appropriately.

Scott Moncrieff/ Carolyn Low

12.   PRACTITIONER SERVCES AUDIT PLAN 2018/19 AND TIMESCALES [Paper **ARC/18/35** refers]

12.1   Members noted progress with the plan to date and noted that this would be an item on the September meeting agenda for approval.

Scott Moncrieff

13.   ANNUAL ACCOUNTS PART A – REPORT AND CERTIFICATES [Paper **ARC/18/36** refers]

13.1   Members noted the content of the draft report which was in similar format to the previous year. It was confirmed that figures were being finalised and the updated final report would be provided at the June meeting. Assurance was provided that NSS had met its financial targets for 2017/18. Consideration would be given to the governance section and how this detailed strategic and governance developments, including a balanced picture of NSS's achievements over the year. It was requested that the ethics section make reference to this being the responsibility of all committees.

Laura Howard

13.2   A tabled amendment in relation to eHealth was provided. Members were generally content but requested that the wording be refined.

Martin Bell

14.   ANNUAL REPORT AND ACCOUNTS PART B - NOTE 1 ACCOUNTING POLICIES [Paper **ARC/18/37** refers]

14.1   Members noted that this report supported the Annual Accounts and that there had been little change to previous years. It was noted that changes to income tax and disclosures would not impact on the organisation. Assurance was provided that all policies were in line with standing practice. Members approved the paper.

15.   PROGRESS ON ANNUAL ACCOUNTS

15.1   Audit Scotland confirmed the accounts had been received at the start of May and good progress was being made in relation to the audit of these. It was noted that particular attention would be given to allocations following from the eHealth reports. Members noted that, currently, there ere no items for concern.

16.   AUDIT SCOTLAND FINAL MANAGEMENT REPORT [Paper **ARC/18/38** refers]

16.1   Members noted the report and the positive findings to date. A short action plan had been produced and was being taken forward. A question was raised in relation to segregation of duties which had been considered in a previous payroll services audit.   Members asked for an update on compliance with the EU General Data Protection Regulation and were assured that the organisation was in a good position in relation to compliance.

ACTION

17.   INTERNAL AUDIT ACTIONS UPDATE [Paper **ARC/18/39** refers]

17.1   Members noted the report and in particular, that no actions were overdue and no extensions were being sought.

18.   FRAUD, LOSSES AND SPECIAL PAYMENTS ANNUAL REPORT 2017/2018 [Paper **ARC/18/40** refers]

18.1   Members approved the report subject to further explanation being provided in relation to the National Distribution Centre. Members noted the stock loss increase due to the move to the Jack Copland Centre.   **Laura Howard**

19.   ANNUAL REVIEW OF NSS'S STANDING ORDERS (INCLUDING REPORT ON SCHEME OF DELEGATION APPROVALS) [Paper **ARC/18/41** refers]

19.1   Members noted that this was the first consolidated draft of the Orders, the relevant committees having approved changes to their respective Terms of Reference at recent meetings. It was noted that the review of the Standing Financial Instructions would impact on the Scheme of Delegation as currently drafted. A tabular summary of the changes was requested with the next iteration of the Orders. It was noted that the word "sub-committee" should be changed to "committee" throughout. A further version of the Orders would be brought to the next meeting.   **Eilidh McLaughlin**

20.   AUDIT & RISK COMMITTEE ANNUAL REPORT TO THE BOARD [Paper **ARC/18/42** refers]

20.1   Members approved the Report subject to the addition of a paragraph in relation to eHealth. It was noted that the section in relation to external audit required final confirmation after completion of the financial controls audit currently underway.   **Eilidh McLaughlin**

21.   COMMITTEE HIGHLIGHTS FOR THE NSS BOARD MEETING ON 29 JUNE 2018

21.1   Members requested the inclusion of the items in relation to the eHealth update, the IT risk workshop and inclusion of GP IT reprovisioning and breast screening for service audit. Also to be included was the positive audit annual reports and the positive message around audits underpinning business as usual work.   **Committee Secretary**

22.   ANY OTHER BUSINESS

22.1   Jane Davidson raised a consideration around looking at governance across NSS. Martin Bell commented that this was part of a review being undertaken currently and would report to relevant committees in due course. Elizabeth Ireland welcomed the opportunity to take a refreshed look at this area and suggested that a workshop in the Board Offsite may allow room for the conversation to unfold.   **Committee Secretary/ Martin Bell**

23.   FORWARD PLAN

23.1   The forward plan was noted.

24.   DATE OF NEXT MEETING

24.1   The next NSS Audit and Risk Committee Meeting would be held on Thursday 21 June 2018 at 0930hrs.

 There being no further business the meeting finished at 1210hrs.

**NHS
National
Services
Scotland**

minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF AUDIT AND RISK COMMITTEE MEETING HELD ON WEDNESDAY 28 MARCH 2018 IN BOARDROOM 2, GYLE SQUARE, EDINBURGH COMMENCING AT 1035HRS

Present:
Mr Mark McDavid, Non-Executive Director (Chair)
Ms Julie Burgess, Non Executive Director
Ms Jane Davidson, Non Executive Director
Ms Kate Dunlop, Non-Executive Director
Ms Alison Rooney, Non Executive Director

In Attendance:
Mr Martin Bell, Acting Director of Strategy & Governance
Ms Helen Berry, Scott Moncrieff (Items 1-10)
Ms Rachel Browne, Audit Scotland
Professor Elizabeth Ireland, NSS Chair
Mr Paul Kelly, Scott Moncrieff (Items 1-10)
Ms Carolyn Low, Finance and Business Services Director
Mr James Lucas, Internal Auditor, KPMG
Ms Louise MacLennan, Head of Equality and Engagement (Item 18)
Mrs Eilidh McLaughlin, Associate Director Corporate Affairs and Compliance
Mrs Lynn Morrow, (Item 15)
Mr Andy Shaw, Internal Auditor, KPMG
Mr Colin Sinclair, NSS Chief Executive
Mr Mark Taylor, Audit Scotland
Mrs Marion Walker, Risk Manager Lead, (Item 16)
Mrs Lynsey Bailey, Committee Secretary (Minutes)

Apologies
Fraser Nicol, Scott Moncrieff

ACTION

1. WELCOME AND APOLOGIES

1.1 Mark McDavid welcomed members and attendees to the meeting. Apologies were noted as above.

1.2 Members confirmed that they had no interests to declare in relation to any of the agenda items.

2. eHEALTH FUNDING

2.1 Those in attendance were provided with a high level overview of the discussions at the earlier Commercial in Confidence session about the recent emerging eHealth funding issue. Mr C Sinclair tabled a draft action plan and requested feedback over the next few days to allow it to be taken to the NSS Board meeting scheduled for 6 April 2018. Members added that they were also keen to identify solutions that could be applied more widely, to ensure appropriate structures were in place for other programmes that used NSS as an intermediary for their budget transactions. Members noted

disability confident COMMITTED

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Chair   Professor Elizabeth Ireland
Chief Executive   Colin Sinclair

that NSs had undertaken an internal investigation and had set up a panel of Non-Executive Directors to consider its findings. Members had agreed that the process in place was robust but as all actions in the action plan had not yet been completed, it was recognised that it was yet unknown if the plan was comprehensive or whether further actions would require to be identified.

2.2.   Members were supportive of the recommendations within the tabled paper and were pleased to note that positive discussions were taking place with Scottish Government to negotiate the appropriate re-allocation of the £9.1m being returned by NHS Tayside. Members were also assured that NSS's Standing Financial Instructions were being reviewed and updated as necessary, in line with recent recommendations. Overall, Members felt the response to this issue had been comprehensive and robust.

3.   MINUTES AND ACTION LIST FROM THE NSS AUDIT AND RISK COMMITTEE MEETING HELD ON 1 DECEMBER 2017 [Papers **ARC/18/02 and ARC/18/03** refer]

3.1   Following a brief discussion, the minutes were agreed as an accurate record of the meeting.

3.2.   Members noted that the majority of the actions were complete. The only exception was Action 7.3 with regard to the Statutory and Mandatory Training Audit Report. Professor E Ireland had advised that this had been delayed due to the March 2018 NSS Board meeting being cancelled due to the snow. However this had been rescheduled to follow the upcoming NSS Board meeting on 6 April. In addition, Members were reassured that Professor E Ireland had the Non-Executive Director appraisal arrangements well in hand.

4.   REPORT ON INTERNAL AUDIT STATUS INCLUDING COMPLETED REVIEWS [Papers **ARC/18**/04 and **ARC/18/05** refer]

4.1.   Members noted the contents of the paper, which updated on the progress to date against the 2017-18 internal audit plan. There were no significant deviations from the plan although some reports were now due to be submitted slightly later than originally planned. However, Members were assured that, for these reports, the audit itself had not been extended, only the report production timescale.

5.   INTERNAL AUDIT STRATEGIC PLAN 2018-19 [Paper **ARC/18/06** refers]

5.1.   Members briefly discussed the paper, which outlined the annual internal audit plan for 2018-19. They were content to approve, pending the addition of some follow-up on the eHealth funding issues. Members also agreed that **KPMG/M Bell** the scope for the Workforce Planning review felt too focussed on process.

6.   INTERNAL AUDIT CHARTER [Paper **ARC/18/07** refers]

6.1.   Members reviewed the Internal Audit Charter to ensure it continued to meet the assurance requirements of NSS and the committee. They were advised that it was broadly in line with charters for other Audit and Risk Committees with some slight adaptation to make it specific to NSS and its work. On this basis, Members were satisfied that it continued to be fit for purpose.

7   FINANCIAL CONTROLS [Paper **ARC/18/08** refers]

7.1.   Members noted that the report indicated that there was an inconsistent approach to negotiating third party contract income which could be improved in respect of the approval process. There had also been three medium

ACTION

findings. In light of this, Members sought and received reassurance about the process maturity. They also requested clarification on what would happen should a contract exceed its threshold within the contract period Members were provided with an overview of work being done to develop a centralised register of contracts/service level agreements.

7.2.   Members expressed concerns about the recommendation of having agreements with individual NHS Boards. The felt that this potentially added governance that was not needed. Members suggested that there was need to understand the implications (e.g. for the National Distribution Centre), and find a balance of providing sufficient oversight without adding bureaucracy. Otherwise, Members were content to accept the recommendations.

8.   NATIONAL IT SERVICE CONTRACTS AUDIT REPORT [Paper **ARC/18/09** refers]

8.1.   Members were updated on the moderate level risks and noted that a final update would be brought to the next meeting on 23 May 2018, which would include the management responses. Members discussed the concerns raised regarding patching issues, given the cyber-attack threat level, and the available escalation mechanisms to enable early action. Members were keen to receive assurances on any actions being taken in response to this.

L Bailey (for fwd programme)/ Scott-Moncrieff

9.   PAYROLL SERVICES AUDIT REPORT [Paper **ARC/18/10** refers]

9.1.   Members were updated on the outcome of the interim testing completed in December 2017. One exception had been identified around the secondary checking of new posts. However, Members were assured that this was being followed up on and would be reviewed for the final report.

10.   PRACTITIONER SERVICES AUDIT REPORT [Paper **ARC/18/11** refers]

10.1.   Members were updated on the outcome of further testing which had been undertaken since December 2017. Members were assured that the exceptions found during this testing had been of a housekeeping nature, and rated as having limited risk exposure.

11.   EXTERNAL AUDIT PROCESS UPDATE [Paper **ARC/18/12** refers]

11.1.   Members were advised that testing was being completed and the the Director of Finance and Business Services would receive a draft report in early April 2018. Initial findings indicated there were some areas that needed some final refinement (e.g. access controls, separation of duties). Members also noted the updates provided on the wider dimension work, which would be included in the annual report.

12.   REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000 (RIPSA) - COUNTER FRAUD SERVICES' AUTHORISATION

12.1.   Members were advised that a query had been raised about whether Counter Fraud Services' RIPSA authorisation for conducting surveillance still applied if and/or when doing work outside of health. Following advice from Central Legal Office and other relevant bodies, it had been considered that there was no reason that it would not apply as RIPSA authorisation centred on how the surveillance was conducted rather than the specific subject matter. Mr C Sinclair advised that he was content with level of assurance provided and was bringing this to Members' attention so that they were aware. Members requested that a paper be circulated for completeness and clarity.

C Sinclair

13.   GP IT RE-PROVISIONING PROJECT BUSINESS CASE [Paper **ARC/18/13** refers]

13.1   Members discussed the paper, which updated on the preparations for the GP IT Re-provisioning Project Full Business Case. Members were keen to receive assurance of due diligence on all respects (clinical, information governance etc.). They also requested clarity on where the governance and accountability lay, and more information on the costs and benefits. It was agreed this would be brought to a future meeting.

L Bailey (for fwd programme)

14.   AUDIT CONTRACT RENEWALS [Paper **ARC/18/14** refers]

14.1.   Members noted the content of the paper which advised that the option of a single year extension to the current supplier framework was being taken. Members were advised that the costs would reduce by roughly 10% but this may be adjusted slightly based on the changes to the audit plan. A new framework agreement would be decided in time for the end of the 2018/19 financial year.

15.   INTERNAL AUDIT ACTIONS REPORT [Paper **ARC/18/15** refers]

15.1.   Members were advised that there were no concerns at present. A request was made for an extension to the Information Governance and Data Security action due to other related, ongoing work and to have this report presented at the NSS Information Governance Committee in future. Members were content to approve this, pending an update to reflect that the data security element of the action had been completed. Members also sought and received assurance that NSS would have no significant issues regarding the General Data Protection Regulation when it came into effect on 25 May 2018.

E McLaughlin

16.   RISK MANAGEMENT UPDATE [Paper **ARC/18/16** refers]

16.1.   Members were content with updated risk appetite wording. Members also received confirmation that the risk relating to the Community Health Index had been added to the strategic watchlist. They also agreed that Risk 4870 (EDISON System Retrial) should be kept on the strategic risk watchlist initially as a precaution, and that that any residual risks arising from the eHealth funding issue should be added to the register. Members were provided with an overview of the work being done to develop training, as well as the ongoing discussions around linking up risk management approaches and identifying where risks were potentially being over or under scored for any reason.

M Bell/ M Walker

17.   FRAUD UPDATE (INCLUDING FRAUD ACTION PLAN REVIEW) [Paper **ARC/18/17** refers]

17.1.   Members considered the paper, which provided an update on current NSS fraud prevention initiatives and the current status of any concerns, issues or cases. Members were assured by the report and noted its contents.

18.   QUARTERLY FEEDBACK CONCERNS AND COMPLAINTS REPORT [Paper **ARC/18/18** refers]

18.1   Members were pleased to note that NSS maintained a high response rate of 96% in relation to the target for how quickly complaints should be responded to and that no complaints had been lodged with the Scottish Public Services Ombudsman (SPSO).   They were also pleased to note that the number of complaints had reduced, both from the last quarter and compared with the same quarter in 2016/17.   SNBTS complaints tended to be mostly in relation to opportunity to donate and Members briefly discussed how this

was being addressed. Members also discussed the areas listed as no returns. Mrs L MacLennan clarified that that this meant no response had been received rather than a "nil" return. Members were given an overview of the work being done to address this. Finally, Members noted the lessons learned from a previous complaint in relation to a transgender patient and CHI, which had been referred to the SPSO. They were content that this was now closed.

19. REVIEW OF NSS AUDIT AND RISK COMMITTEE CONSTITUTION AND TERMS OF REFERENCE [Paper **ARC/18/19** refers]

19.1 Members were invited to provide feedback on the updated Terms of Reference. Members made some observations regarding formalising the provisions for In Camera and Commercial In Confidence sessions. Members also suggested it could be worth benchmarking against other Audit and Risk Committees' Terms of Reference, if possible.

20. ANNUAL SELF-ASSESSMENT OF NSS AUDIT AND RISK COMMITTEE EFFECTIVENESS [Paper **ARC/18/20** refers]

20.1. Members briefly discussed the format of the self-assessment questionnaire and agreed they were content for it to be issued.   **E McLaughlin**

21. SUB-COMMITTEE HIGHLIGHTS REPORT FOR THE NSS BOARD [Paper **ARC/18/22** refers]

21.1. Mrs E McLaughlin agreed to draft up the Sub-Committee Highlights report in time for submission to the next formal NSS Board meeting on 6 April 2018.   **E McLaughlin**

22 ANY OTHER BUSINESS

22.1. Referring back to the Audit Contract Discussions. Members were advised that there were attempts being made to find a "once for Nationals" approach to this. It was noted that there was also capacity to extend beyond contracts as necessary.

23 DATE OF NEXT MEETING

23.1 The next NSS Audit and Risk Committee Meeting would be held on Wednesday 23 May 2018 at 0930hrs

24. FOR INFORMATION

24.1

There being no further business the meeting finished at 12:35 hrs

minutes (APPROVED)

NHS
National Services Scotland

| B/18/92] |

NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF MEETING OF THE PERFORMANCE AND FINANCE COMMITTEE HELD IN MEETING ROOM 18, GYLE SQUARE, EDINBURGH COMMENCING AT 1000HRS ON FRIDAY 23 FEBRUARY 2018

Present:	Ms Kate Dunlop, Non Executive Director (in the Chair) Mr Mark McDavid, Non Executive Director
In Attendance:	Mr Martin Bell, Associate Director Planning, Performance & Service Mr Markus Hiemann, Sustainability Lead, (Item 8 only) Ms Carolyn Low, Director of Finance and Business Services Mr Peter McConnell, Strategic Sourcing Director, (Item 10 only) Ms Caroline McDermott, Planning Lead, (Items 1 –6) Mr Colin Sinclair, NSS Chief Executive Ms Marion Walker, Risk Manager Lead, (Item 9 only) Mrs Lynsey Bailey, Committee Secretary (Minutes)
Apologies:	Ms Julie Burgess, Non Executive Director Professor Elizabeth Ireland, NSS Chair

ACTION

1. INTRODUCTION AND APOLOGIES FOR ABSENCE

1.1 Ms K Dunlop welcomed everyone to the meeting and noted the apologies. Committee. Members were asked if they had any interests to declare in the context of the Agenda items to be considered. There were none.

2. MINUTES OF THE MEETING HELD ON 25 OCTOBER 2017 [paper PFC/18/02 refers]

2.1 Following a brief discussion, Members approved the minutes of the meeting held on 25 October 2017.

[**Secretary's Note:** the following item was brought forward]

3. ACTION SHEET [paper PFC/18/04 refers]

3.1. Members noted the updates provided on the action list, and that the majority of the outstanding actions were either being taken forward or were covered by the agenda and papers. Members received a brief update on the cleft palate service and the progress on the recruitment around it.

4. DRAFT 2018/19 OPERATIONAL DELIVERY PLAN [paper PFC/18/03 refers]

4.1 Mr M Bell spoke to paper, which summarised what had been presented and discussed at the NSS Board meeting on 2 February 2018. The risk profile was not yet finished as work was still ongoing. Members also noted that updates were being provided on some areas (e.g. JCC) which were not entirely within NSS's control.

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Chair   Professor Elizabeth Ireland
Chief Executive   Colin Sinclair

ACTION

4.2.   Members suggested the following updates:

- Page 2 - Chief Executive's Summary did not cover business engagement. Clinical was covered well but NSS's other work was underplayed.
- Lots of information which could be distilled to a key or "at a glance" summary up front
- Page 6, 8.0 (Tackling Inequalities) – second paragraph could be declarative and stronger.
- Page 9, Section 1.9 (Integrate health inequalities) - actions to be strengthened.
- Page 10, Section 2.2 (Single and consistent eProcurement system..."). – This had no time measure
- Page 10, Section 2.8 (Support financial sustainability...) - Mention of the £5.5m to be removed as a measure.
- IT measures to be discussed outside of the meeting
- There were gaps in information relating to PgMS, Digital and Shared Services which would need to be addressed.

4.3.   Once these updates had been considered and incorporated following the meeting, Members were advised that the updated version would be sent to the sponsors at Scottish Government before a finalised version was submitted to the April 2018 NSS Board meeting for approval.   **M Bell/C Low/ C McDermott/ C Sinclair**

5.   LOCAL DELIVERY PLAN PERFORMANCE [paper PFC/08/05 refers]

5.1.   Members were pleased to note that 90% of NSS's performance targets were reporting as on track or achieved. They also noted the updates provided on the targets showing as amber or reds. With regard to the electronic Data Research and Innovation Service (eDRIS), Members asked about what could be done to change the process and make it less reliant on staff.   Mr C Sinclair gave an overview of the tools and improvements to the data infrastructure being developed for routine tasks in order to free up staff to undertake more complex analysis. Members discussed the potential for buy in elsewhere and the challenges involved. They also acknowledged that the eDRIS target was set as a stretch target so were content with NSS's performance overall.

6.   RESILIENCE UPDATE [paper PFC/18/06 refers]

6.1.   Ms C McDermott spoke to paper, which updated on NSS's resilience management arrangements.   Members were pleased to note the update regarding National Information Systems Security - the work being done to incorporate the Central Notification Co-ordination Policy into NSS's resilience processes, and the support provided to territorial Board colleagues as needed.   Members were advised that the annual resilience exercise was planned for the following week and were given an overview of what the exercise would involve.

7.   DRAFT FINANCE AND WORKFORCE PLAN [paper PFC/18/07 refers]

7.1.   Members were advised that NSS was in a good position in this financial year but there would be challenges further down the line, particularly in respect of the pay uplift following the removal of the pay cap. Members were given an overview of a recent presentation to the NHS Directors of Finance group regarding the pay award settlement and noted that the modelling within the paper was based on the minimum expected uplift.

ACTION

7.2.   Members discussed NSS's £5.5m contribution to the £15m collaborative savings by the National Boards, noting that this was higher than a purely pro-rata share. Members were provided with an overview of the challenges for future years and were reassured that the Directors of Finance were developing a framework to help with this.   Members expressed concerns about the level of understanding and disparate planning styles between the Boards, and the risk that there would continue to be disproportionate shares required from the "non patient-facing" National Boards. This led to discussion about how the collaborative savings had been intended as a driver for changes in behaviour and working, how to engender the right approach and how to work this into the National Boards' plan. Members were assured that NSS was doing what it could to influence in this direction and work around any potential resistance.

7.3.   It was anticipated that the focus on digital transformation and the formation of the Public Health Body would help drive shared service. Members noted the overview of what was in place to be delivered this year and how NSS could position itself to be sustainable. Members stated that they were conscious of the opportunities available and very supportive of the work being done.

8.   SUSTAINABILITY UPDATE

8.1   Mr M Hiemann provided Members with an overview of the current year's achievements, noting that the reduction of CO2 emissions was on target and recognising the importance of staff engagement to maintain that momentum. Members were pleased to note NSS was in a positive position but recognised the need to keep the pressure on and not become complacent. The biggest obstacles arose from looking at the information being reported. This tended to create more work to analyse it further and, in turn, challenges in terms of prioritisation and finding the time to do it. Education and visibility would also be key. Mr M Hiemann went on to provide an overview of the wider work being done around sustainability (i.e. beyond waste and emissions reduction), highlighting its importance as NSS moved from the traditional focus on environmental management to a more holistic view of value add through sustainability.

9.   REVIEW OF BUSINESS RISKS ON NSS REGISTER [paper PFC/18/08 refers]

9.1.   Members noted that, since the last meeting, there were no new red risks, two new amber risks, and one risk had been closed. Following some discussion, Members were assured by the mitigations in place for the highlighted risks.

        [**Secretary's Note:** the following item was brought forward]

10.   NATIONAL PROCUREMENT CONTRACT SCHEDULE [paper PFC/18/10 refers]

10.1   Members noted the contents of the paper, which highlighted IT procurement GPIT managed Services. Heartened that it was being done. Members were also pleased to note a projected £81.7m in savings being achieved against a target of £35m but acknowledged the unpredictability of the pharmacy procurement contribution on a year by year basis.

10.2.   Members discussed the strategic recommendations in respect of Temporary Agency Nursing & Operating Department Practitioner costs, and the temporary agency nursing strategy was highlighted. Members were content that a 10% decrease in costs year on year was moving in the right direction.

ACTION

10.3.   Moving onto the strategic reviews in respect of the contracts for the provision of Multi-Functional Devices and the High Risk HPV (hr-HPV) Managed Service, Members agreed they were content with the recommended options, although suggested a review of the logistics part of the process for the hr-HPV Managed Service.

11.   NSS FINANCIAL PERFORMANCE [paper PFC/18/09 refers]

11.1   Members were pleased to note the small surplus which was projected to be achieved by the financial year-end. Members were also pleased to note NSS had successfully delivered against its Cash Releasing Efficiency Savings targets, achieved more within existing budgets and performance overall at the SBU level had been strong. Members were also provided with an overview of the capital position and assured regarding the measures taken to manage the financial impact of the Jack Copland Centre delays. In response to concerns raised about suppliers that were heavily dependent on government contracts, Members were advised that assurances had been sought and received from Capita in respect of the Scottish Wide Area Network (SWAN).

12.   OCCURRENCES WHERE STANDING FINANCIAL INSTRUCTIONS HAVE NOT BEEN FOLLOWED

12.1.   Ms C Low advised Members that, since the last meeting, there had been no reported instances of NSS's Standing Financial Instructions being breached.

13.   FEEDBACK ON RELEVANT ISSUES FROM OTHER NSS SUB-COMMITTEES

13.1   Members were given a high level overview of the update from the NSS (dis)Ability Network at the NSS Staff Governance Committee. A full briefing on this would be part of the upcoming Board Development Session scheduled for 2 March 2018.

14.   TERMS OF REFERENCE [paper PFC/18/11 refers]

14.1   Following a brief discussion, Members were content with the Terms of Reference subject to some minor updates to the terminology

15.   SUB-COMMITTEE HIGHLIGHTS REPORT FOR THE NSS BOARD

15.1.   Members agreed the key points for the Sub-Committee Highlights report to the next formal NSS Board meeting on Friday, 6 April 2018. Mrs L Bailey **L Bailey** agreed to send a draft of the report to Mrs K Dunlop as soon as possible.

16.   ANY OTHER BUSINESS

16.1.   There was no other business raised.

17.   DATE OF NEXT MEETING

17.1   Wednesday 23 May 2018 at 0930hrs, Gyle Square, Edinburgh

18.   For Information

18.1   Performance and Finance Committee Forward Programme **2018** [paper **PFC/18/12** refers]

There being no further business, the meeting finished at 1245hrs.

Minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND CLINICAL GOVERNANCE COMMITTEE | B/18/93

MINUTES OF CLINICAL GOVERNANCE COMMITTEE MEETING HELD ON 22 MARCH 2018 IN BOARD ROOM 2, GYLE SQUARE, EDINBURGH, COMMENCING AT 1230 HRS

Present:	Ms Julie Burgess - Non-Executive Director [Chair]
	Professor Elizabeth Ireland - Chair of NSS
	Dr Mike Winter – Joint Interim NSS Medical Director
In Attendance:	Mrs Noreen Kent – NSS Nurse Director and Executive Lead for Clinical Governance
	Mrs Eilidh McLaughlin – Associate Director of Corporate Affairs and Compliance
	Dr Fiona Murphy - Director, Specialist & Screening Services Directorate, PCF (item 8.4 only)
	Mr Colin Sinclair – NSS Chief Executive
	Professor Marc Turner – Medical Director, SNBTS
	Mrs Caron Aird – Personal Assistant [Minutes]
Apologies:	Ms Jane Davidson - Non-Executive Director
	Mr John Deffenbaugh - Non-Executive Director
	Dr Lorna Ramsay – Joint Interim NSS Medical Director

ACTION

1. WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

1.1 Ms J Burgess welcomed everyone to the meeting and noted the apologies as above. Members were asked to declare any interests in the context of the agenda items but none were declared. Ms J Burgess thanked Mrs C Aird for attending to take the minutes on behalf of the Committee Services team.

2. MINUTES OF CLINICAL GOVERNANCE COMMITTEE MEETING HELD ON FRIDAY 1 DECEMBER 2017 [paper CG/18/02 refers]

2.1 Members agreed that the minutes of the meeting held on Friday, 1st December 2017 were an accurate record of the discussions.

3. MATTERS ARISING AND ACTION LIST [paper CG/18/03 refers]

3.1 Members noted that the majority of the items on the action list were either in progress, closed or covered within the agenda and papers for this meeting. Members were given an update on the two actions from the 1 December 2017 meeting. Members were advised that Fiona Murphy would be attending later in the meeting to give an update on item 5.2.

3.2 Mrs E McLaughlin advised that, in respect of item 9.1, an internal audit plan had been prepared and would be presented to the NSS Audit and Risk Committee at their next meeting on 28 March 2018. Key points which were highlighted in the report were Public Health Body, JCC transition, digital transformation and risk and service management delivery. Mrs E McLaughlin advised Members that the audit plan had been cross-referenced with recommendations that actions are reported to the relevant committee/group.

ACTION

4.   ADVERSE EVENTS MANAGEMENT (INCLUDING DUTY OF CANDOUR) POLICY [paper CG/18/04 refers]

4.1   Ms J Burgess advised Members that a revised version of the report had been circulated late the previous day and asked if the report had changed significantly. Mrs E McLaughlin advised that the report had been updated following comments received at the NSS Partnership Forum meeting earlier that week and it had been agreed that the paper would be updated and circulated prior to the CGC meeting.

4.2   Mrs McLaughlin advised that there had been a lot of feedback received in relation to the content of the report and that work had been undertaken to try to make the report 'flow' better and make it more understandable.

4.3   In respect of Duty of Candour, Mrs McLaughlin advised that Scottish Government had consulted a large number of stakeholders and issued guidance/regulations in February 2018. Unfortunately a lot of pushback had been received but the essence of the Government's guidance had been used to create the NSS policy and this would be benchmarked against other NHS Boards.

4.4   Mrs McLaughlin confirmed that mandatory training is in place along with a communications plan.

4.5   Ms Burgess asked whether the policy was equally balanced towards supporting NSS staff and would like the views of the Staff Governance Committee on this point before the policy was signed off. This was particularly pertinent following the recent well publicised case which had caused consternation amongst the medical profession in the UK.   Dr Winter reminded Members that although this guidance was written following an error made by a doctor during training, it was applicable to everyone and staff should feel empowered to challenge something they do not believe is right. Mr C Sinclair agreed with this statement.

4.6   Ms N Kent agreed with all these comments and commented that it would be a good opportunity to reiterate this work at the forthcoming Clinical Leadership Forum meeting, as well as at the nurse engagement event at the end of May.   **N Kent**

4.7   Members were not content with the wording of the policy, specifically in section 11.1, bullet point 3 where the words 'severe harm' were used. Mrs McLaughlin advised that the explanation was a direct lift from the Scottish Government and confirmed that CLO were happy with the definition.

4.8   Members were asked to sign off the policy which would then be taken to the NSS Staff Governance Committee. The policy was required to be signed by Mr J Deffenbaugh in his role as Chair but it was agreed that in Mr Deffenbaugh's absence, Professor E Ireland, in her role as Chair of NSS, would sign off the policy.   **E Ireland/ E McLaughlin/ S Moffat**

5.   DRAFT TERMS OF REFERENCE [paper CG 18/05 refers]

5.1   Members reviewed the draft terms of reference and although happy with these, there was discussion around point 5 (e) 'review major NSS programmes in support of clinical and public health services'. Members felt that it would be beneficial to have regular feedback from SBUs at meetings and it was therefore agreed that SBU representatives would be invited to future meetings to provide updates on such programmes of work. This arrangement would be reviewed in six months' time.   **L Bailey**

5.2   It was agreed that an update on primary care would be given at the next meeting. **[Secretary's Note:** This was later deferred to September 2018]   **N Kent/L Bailey/ L Munro**

ACTION

5.3 Professor M Turner advised that SNBTS held meetings on a monthly basis and he was happy to let Members have sight of minutes for information. Professor Turner agreed to forward minutes to the Committee Secretary for circulation and information.

**M Turner/
L Bailey**

6. **ANNUAL REGULATORY REPORT [paper CG/18/06 refers]**

6.1 Members discussed the contents of the paper, which summarised the clinical regulation to which NSS is subjected, updated on recent inspections by the relevant Regulatory Bodies, and covered any developments over the 2017 calendar year. Mrs McLaughlin highlighted that SNBTS had successfully transferred key licences to the JCC, general inspections had been positive, with any non-conformances reported in the year via governance structures with identified improvements made. PCF have renewed their UKAS accreditation in relation to competence in testing and calibration of laboratories.

6.2 Members were also advised that, although there had been one incident reported to the ICO, there had been no external reviews of FOIs in 2017. The new complaints handling procedure had been launched and training continues to be delivered across the SBUs. Mrs McLaughlin wished to record her thanks to SNBTS for their assistance.

6.3 Professor Turner felt that point 2.8 could be worded better and agreed to send a format of words to Mrs McLaughlin. It was agreed that the revised paper would be submitted to the NSS Audit and Risk Committee for information only.

**M Turner/
E McLaughlin/
L Bailey**

7. **UPDATE ON BLOOD AND TISSUE SAFETY MEASURES (incl HAI QUARTERLY REPORT) [Confidential paper CG/18/07 refers]**

7.1 Professor M Turner spoke to confidential paper CG/18/07 which provided an update on blood and tissue safety measures within the Scottish National Blood Transfusion Service (SNBTS). The report covered the following areas:

    i. Clinical apheresis event
    ii. Inclement weather report
    iii. Regulatory and professional inspections and audit
    iv. Transition to the Jack Copland Centre
    v. Sustainability of Scottish hospital blood banks
    vi. Healthcare Associated Infection (HAI) quarterly report

7.2 Clinical apheresis event

Members noted the detail provided of the event on 1st February 2018 involving a patient with acute myelomonocytic leukaemia and acknowledged the role and response of SNBTS clinicians and the host Board. Members agreed that in future high level assurances would be sufficient and specific events would only be discussed by exception.

7.3 Inclement weather report

Members noted the disruption to transport, donor, manufacturing and clinical services during the recent bad weather. Members wished to record their thanks to staff who maintained the supply of products during exceptionally difficult circumstances.

7.4 Regulatory and professional inspections and audit

Members noted that one inspection had taken place in January 2018 in respect of stem cell collection process. A number of comments had been received but overall the inspection had had a very positive outcome, with the final report/recommendations still to be received.

ACTION

7.5   Members also noted that an inspection of the Aberdeen clinical laboratories had been postponed due to the inclement weather and had been rescheduled for week commencing 12th March, with an inspection of the blood bank at the Royal Infirmary of Edinburgh scheduled for the week of 19th March.

7.6   <u>Transition to the Jack Copland Centre</u>
        Members received an update on the transition of services to JCC and noted that progress is continuing to be made. Professor Turner was unable to provide timelines for testing, although this was likely to be May/June 2018.

7.7   <u>Sustainability of Scottish hospital blood banks</u>
        Members noted the update. Professor Turner advised that the MHRA inspection policy was changing to one where they may undertake inspections at any hospital blood bank with 1 – 4 weeks notice. This means that blood banks will need to be inspection-ready at all times.

7.8   <u>Healthcare Associated Infection (HAI) quarterly report</u>
        Members noted the update and the need to meet HAI policy standards in respect of hand hygiene, cleaning and estates.

8.   NSS CLINICAL ADVERSE EVENTS, RISKS AND COMPLAINTS [paper CG/18/08 refers]

8.1   <u>Quarterly Report (September to December 2017)</u>
        Members briefly discussed paper CG/18/08 which provided an update on clinical adverse events, risks and complaints since the last meeting on 1st December 2017, and noted that there had been marginal decreases in all three areas. Ms N Kent highlighted the following key points:

        i.   No national category 1 clinical adverse events reported
        ii.   One national category 2 clinical adverse event reported by PCF
        iii. No red primary corporate clinical risks remain open at the end of February 2018. Exposure to red risk has decreased by two since the last reporting period
        iv.   Donor complaints have decreased since the last quarter from 61 to 60.

        Members were also given an update on previously reported adverse events from Quarter 4 2016/17 in respect of:

        i.   Missing GP Medical Records
              Ms Kent advised that the final report was still in draft due to the fact that the SIRO in NHS Highland had changed but discussions were now moving forward to sign this off.
        ii.   Clinical Leadership Team
              A piece of work in respect of the CLT report is to be undertaken to ensure that each SBU is linked in. Human factors aspect is also to be included.

L Ramsay

8.2   Discussion took place on the evolving report structure and MS Kent sought comments on the revised format. Members agreed that they were confident in the level of scrutiny and governance which takes place at SBU level as demonstrated in the appendices of the full report. Ms Burgess asked whether it would be possible to reduce the size of report while also including information on trends. After discussion it was agreed that a revised report comprising Executive Summary, At a Glance, SBARs, schematic learning and risk register would be brought to future Committee meetings.

S Moffat/ N Kent

8.3   Professor Turner felt that although section 4.1.7 was factually correct, it was difficult to distinguish the significance of the reporting of the missed malarial antibody tests (MAT). He advised that evidence suggests that transmission of malaria from such incidents would only occur once in every 125 years given

ACTION

the number of transfusions in Scotland. Ms Kent commented that the content of the report was reliant on the information provided by SNBTS where such detailed clinical knowledge and interpretation is held, and suggested that as all incidents would have been discussed at the monthly SNBTS Clinical Governance and Safety Group meetings, perhaps it would be beneficial for that group to highlight which incidents should be reported to this Committee. In light of this, Professor Turner agreed to flag which incidents should be reported.

M Turner

8.4   On a separate topic, Ms Kent updated Members on a recent incident at NHS Greater Glasgow and Clyde in respect of the water supply. Health Protection Scotland have been involved in the incident which involved rare/unusual organisms being found in the water supply in a small number of areas. Scottish Government has asked NSS HPS to undertake an investigation and a report will be submitted to this Committee in due course.

8.5   <u>Picture Archiving and Communications System Update [paper CG 18/09 refers]</u>
        Ms N Kent spoke to paper CG18/90 advising that it had previously been agreed that an update would continue to be reported to the Committee, and the item would remain as a standing agenda item.

L Bailey

8.6   Ms Kent gave an update on the current situation advising that a decision had been taken that there would be no benefit in storing images when the new system comes into use. Ms Kent confirmed that she would give a more detailed report at the next meeting.

N Kent

8.7   <u>Community Health Index and Child Health Systems Risks Update [paper CG 18/10 refers]</u>
        Ms Kent spoke to the SBAR paper which gave background information on the programme which was initiated in December 2014. Tranche 2 of the programme has established that a full business case needs to be considered by the Programme Board at their March 2018 meeting. The Programme Board has already agreed that it would be recommending that the programme goes ahead, but only if funding is agreed and provided by Scottish Government. If funding is agreed, the programme would progress to implementation of the new CHI and Child Health systems, and would go live in July 2020. Members were asked to note the current position and support the proposed recommendations. They also agreed to discuss more fully once the funding position had been clarified.

8.8   <u>NSD Management of Adverse Events</u>
        Dr F Murphy attended to give Members a short presentation on the role of NSD including the planning, procurement and performance management of specialist healthcare services, co-ordination of the 6 population screening programmes in Scotland, management of national clinical and diagnostic networks and financial management of the 5 risk share schemes for NHS Boards.

8.9   Dr Murphy then gave an overview of how the recently introduced schematic diagrams are utilised when dealing with adverse events. Examples given were around the use of the process followed when dealing with an incident involving damaged kits for the bowel screening programme, as well as a separate example around a paediatric cardiac surgery event.

        Ms Burgess thanked Dr Murphy for her informative and interesting presentation.

ACTION

9.   **NSS HEALTH IMPACT PERFORMANCE REPORT [paper CG/18/11 refers]**

9.1   Members noted that, at the end of the third quarter of 2017/18, achievement against the Key Performance Indicators (KPIs) was tracking as Green 92.6%, Amber 7.4% and Red 0%. This showed a slight drop in performance level from the previous quarter, where all measures had been reporting as green.

9.2   After discussion it was agreed that Members would receive a Q4 report at the next meeting and then performance would be picked up via DST. Mr Sinclair confirmed that performance was measured via the EMT and remedial action taken as and when required and reported to NSS Performance and Finance Committee.   **N Kent**

10.   **CLINICAL DIRECTORATE REPORT [paper CG 18/12 refers]**

10.1   Members noted the Clinical Update report, which detailed the work undertaken by the Clinical Directorate since the last NSS Clinical Governance Committee meeting on 1st December 2017.   Members requested that the Report be revised in terms of format with action areas in themes rather than professions. Ms Kent agreed to feedback this information to the interim medical director and wider team.   **N Kent**

10.2   Mr Sinclair advised Members that discussions were ongoing in respect of Ms Kent's replacement following her retiral in June. Mr Sinclair will update the Committee in due course.   **C Sinclair**

11.   **DRAFT NSS CLINICAL GOVERNANCE COMMITTEE 2017/18 ANNUAL REPORT TO THE BOARD [paper CG 18/13 refers]**

11.1   Members considered the draft of their annual report to the Board for 2017/18. It was agreed that a section on the work by Mrs McLaughlin and Mrs S Moffat around the Adverse Events/Duty of Candour policy should be included.   **E McLaughlin/ S Moffat/ L Bailey**

Members were asked to submit any other amendments to Mrs Bailey for discussion at the next meeting.   **All**

12.   **OTHER NSS GOVERNANCE COMMITTEE ISSUES**

12.1   Members received the following updates from the other NSS Board Sub-Committees on items of relevance to the NSS Clinical Governance Committee:

12.2   Information Governance Committee
Professor Ireland advised that the Committee last met on 25th January 2018 and the main item to note was a discussion around the IG implications of the new Public Health Body and the amount of expertise and knowledge which would transfer to the new body.

12.3   Staff Governance Committee
Professor Ireland advised Members that there had been a lot of discussion around RIDDORs and the ongoing work being undertaken by Mrs J Jones and Mr Sinclair; equality and diversity, especially disability in the workplace; and a number of policies had been signed off at the meeting held on 16th February 2018.

12.4   Performance and Finance Committee
Members were advised that the Committee had agreed the draft Operational Delivery Plan, pending some minor changes and recognising that there were updates which were still awaited. They also noted that NSS continues to be well placed in respect of its current LDP targets, its risks and its sustainability plan.

ACTION

12.5 <u>Remuneration and Succession Planning Committee</u>
Members noted that the meeting was held via teleconference due to the inclement weather. Updates from the Director of HR and Workforce Development in respect of grading of posts and an overview of recruitment were received. The next meeting, scheduled for June 2018, will look at the end of year reviews and objectives for the Chief Executive and his direct reports.

12.6 <u>Audit and Risk Committee</u>
Members noted that the next meeting of ARC would be held on Wednesday 4th April 2018.

13. ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT TO THE BOARD
13.1 Mrs C Aird agreed to draft up the Sub-Committee Highlights Report and send it to Ms Burgess for approval to issue with the papers for the next formal NSS Board meeting on Friday 6th April 2018. **C Aird**

14. ANY OTHER BUSINESS
14.1 There were no other items of business raised. However, Members wished to place on record their thanks to Dr Winter for his contribution to the Committee during his secondment as Joint Interim Medical Director.

15. FOR INFORMATION/NOTING
15.1 **Abdominal Aortic Aneurysm (AAA) Screening – HIS Report [paper CG 18/14 refers]**
The Committee noted the report.

16. DATE OF NEXT MEETING
16.1 The next meeting will be held on Monday 11th June 2018 commencing at 0930 hrs in Meeting Room 6.5, Meridian Court, Glasgow.

There being no further business, the meeting finished at 1515 hrs.

minutes (APPROVED)

NHS National Services Scotland

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF INFORMATION GOVERNANCE COMMITTEE MEETING HELD ON THURSDAY 25 JANUARY 2018 IN BOARDROOM 2, GYLE SQUARE, EDINBURGH COMMENCING AT 0930HRS

Present:	Mr Ian Cant, Non-Executive Director [Committee Chair] Ms Kate Dunlop, Non-Executive Director Professor Elizabeth Ireland, Chair of NSS
Apologies	Ms Alison Rooney, Non Executive Director
In Attendance:	Mr Colin Howarth - Principal IT Security Consultant (Item 10 only) Dr Kirsty Licence - Consultant in Public Health Medicine (Item 11 only). Mrs Eilidh McLaughlin - Associate Director, Corporate Affairs and Compliance Dr Lorna Ramsay - Interim Medical Director (Items 1- 4) Mr Colin Sinclair - NSS Chief Executive Mrs Lynsey Bailey - Committee Secretary [Minutes]

ACTION

1. CHAIR'S INTRODUCTION

1.1 The Chair 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 7 SEPTEMBER 2017 [paper IG/18/02 refers]

2.1. Mr I Cant wished to record his thanks to Ms K Dunlop for chairing in his absence.   Pending the correction of a minor typographical error, Members were content to approve the minutes as an accurate reflection.

3. MATTERS ARISING FROM THE NSS INFORMATION GOVERNANCE COMMITTEE MEETING OF 7 SEPTEMBER 2017 [Paper IG/18/03 refers]

3.1 All of the action points were complete, covered by the agenda for this meeting, or programmed into a future meeting.

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

4. FOCUS ON CLINICAL DIRECTORATE

4.1. Dr L Ramsay spoke to a presentation which provided an overview of the Clinical Directorate's information governance work to date. Members were pleased to note the positive position. Members briefly discussed the impact of the change in data controller roles between GP practices and health boards.

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Chair   Professor Elizabeth Ireland
Chief Executive Colin Sinclair

ACTION

4.2. This led on to a further discussion about the need for clarity around the impact and requirements arising from the establishment of the new Public Health Body in respect of data access and Members requested a session on the Information Asset Register at a future meeting to be familiar with NSS's own position. Members agreed that the preferred approach would be for nothing to be moved from NSS in the first instance and that the new Public Health Body be granted the necessary access/powers unless there is a demonstrable need to move particular data out of NSS.

L Bailey
(for fwd programme)

4.3. Members recognised the challenges ahead, specifically the potential impact of the Public Health Body staff movements on NSS's cohort of Caldicott Leads. Members were updated on strategy work in areas such as common standards, public engagement and patient care focus. Members noted the input of NSS staff in the Short-Life Working Group being lead by Dr A Fraser of Health Scotland, including the clinical and Caldicott input. Members were keen that consideration be given to how that expertise could be used to further influence the broader national strategic conversations.

5. LESSONS LEARNED FROM LOSS OF PATIENT RECORDS [Paper IG/18/04 refers]

5.1. Mrs E McLaughlin spoke to the paper, which updated on the progress around identified actions and suggested process improvements. Members were pleased to receive confirmation that all letters had been sent. Members noted that the planned next steps would be the provision of regular brief progress updates for assurance on the remaining actions. Members were also keen to get an update on the status of paper records more generally, and the move towards digitisation.

E McLaughlin

5.2. Members sought and received assurance around the risk of recurrence and processes in place to manage events should that happen. Members were provided with an overview of the response from NHS Highland. They were also given confirmation that there was nothing further that NSS could or would be required to do, over and above what had already been done.

6. NSS INFORMATION GOVERNANCE IMPROVEMENT AND STRATEGY UPDATE [Paper IG/18/05 refers]

6.1. Members discussed the paper, which provided an update on progress against the 2017/18 Information Governance Improvement Strategy KPIs. They were pleased to note that the training figures were positive - minor discrepancies affected the head-counts in two areas but this was not a cause for concern. Members were also provided with an overview of the updates being made to the Safe Information Handling mandatory training. This mainly related to Data Protection and how the right to restrict would be managed. Members recognised that some work still needed to be done around this but were satisfied that NSS was currently well-positioned.

6.2. Members were advised that the Information Asset Register was progressing well. For the moment, the focus was on critical and personal identifiable assets. Members were keen that Information Governance was perceived as an enabler for this work, and in the context of the bigger strategy picture. Members also wished to ensure NSS kept patients at the heart of any future work. Being mindful of the impact on the staff involved, Members sought assurance that, when the register was discussed, the discussions were run in partnership. Members were also provided with a brief overview of the ongoing collaboration work with Healthcare Improvement Scotland on records management.

ACTION

6.3.   Members were updated on the adverse events management plan and noted that a number of actions were currently on hold pending the decision on the future of Q-Pulse as NSS's adverse events management tool. Members were assured that, while Q-Pulse did have its challenges and limitations, these were not hindering the reporting and management of adverse events. Therefore, its replacement was not as much of priority as other aspects of the strategy.

7.   INFORMATION GOVERNANCE ADVERSE EVENTS, RISKS AND COMPLAINTS REPORT [Paper IG/18/06 refers]

7.1.   Members noted that there was one new Category 2 event, which was potentially predominantly a clinical risk rather than information governance but it had been included for completeness. This led on to a brief discussion about using the upcoming Board development session as an opportunity to look at how to reduce duplication of discussions across the governance committees. Members were interested in the number of events relating to lost or stolen encrypted mobile electronic devices and the actions to address it.   They were assured that a one page guide had been drafted and a full communications plan was in place. In respect of complaints, Members were keen to see these being addressed.

8.   INFORMATION GOVERNANCE RISKS [Paper IG/18/07 refers]

8.1   Members were updated on the latest risk position and were pleased to note that NSS was well-positioned in respect of its information governance risks. The risks relating the new Public Health Body would be reported through the short-life working group set up by Mrs M Morgan, Director of the Scottish National Blood Transfusion Service. Members were content to have this separately but recognised that there would potentially be merit in having a combined Adverse Events, Risks and Complaints Report. The format of reports was something which would be discussed at the upcoming Board Development Session on 2 March 2018

        [**Secretary's Note:** The next two items were taken out of order.]

9.   NSS DIGITAL TRANSFORMATION PROGRAMME PROJECT UPDATE

9.1.   Members were given an overview of the Digital Design Authority's membership, remit and work. Members noted that the proposed standards to be implemented would require all projects to consider information governance issues and digital engagement in the beginning/planning stages. Members were briefly updated on some of the cases which had been looked at, and the engagement work which had been undertaken. Mr C Sinclair assured Members that the momentum and enthusiasm seen at the Board offsite had been maintained and provided a brief summary of the discussions at the Digital Resource Allocation Meeting. Members noted that the key priority would be the interlinking of systems, and trying to digitise existing paper processes.

10.   CYBER SECURITY

10.1.   Mr C Howarth provided an update on Cyber Security. He advised that internally NSS was still implementing its framework and looking to have this completed by the end of March. There were 30 controls sitting with an amber status and 20 or so with a green status but some of the ambers/gaps were not necessarily a priority or even applicable to NSS's work. The biggest concern in IT was resilience and disaster recovery. NSS had good practices in place but needed recording and evidence processes to back

that up. Members received an overview of the national climate in terms of regulations and standards, which was fast moving in response to a growing cyber crime threat and presented challenges for organisations in keeping up with it. Members were assured that NSS was relatively well positioned in this respect.

10.2. Members were also provided with assurance that the current IT contracts in place were fit for purpose. However, there was room for improvement – particularly around upgrading applications when necessary. A lot of work was being done to develop better contracts and make cases for investment in IT to make NSS as future-proof as possible. Members discussed the barriers and challenges around achieving a national strategy or agreed minimum standard, and the benefits of focussing on outcome-based measures instead.

11. NATIONAL STRATEGIC AND OPERATIONAL GOVERNANCE UPDATE [Paper IG/18/08 refers]

11.1. Dr K Licence spoke to the paper, which updated on the current strategic and regulatory environment, developments in the use of health and social care data, and any particular challenges faced in these areas. Members were given a brief overview of the main highlights, which were:

- The increasing importance in strategic developments of a 'Once for Scotland' approach, which included other sectors;
- The progress made in SPIRE Developments;
- The challenges on the horizon arising from changes in research structures in 2018;
- The challenges faced by the Public Benefit and Privacy Panel

11.2. Members sought and received assurance around shared services and addressing the current lack of accounting for Information Governance support within the planning structure. They were also pleased to note that there was confidence in the viability of the full business case for the work on the Community Health Index (CHI) and Child Health systems. However, Members noted the considerations and potential challenges with regard to its implementation.

12. BOARD HIGHLIGHTS REPORT [Paper IG/18/09 refers]

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

- The Committee received a presentation which provided assurance of information governance processes in respect of clinical directorate, as well as highlighting their potential role in influencing strategic conversations at a national level.
- The Committee were pleased to note that information governance risks were being well managed
- Of the 417 Freedom of Information Requests managed in the last year, none had been referred to the Scottish Information Commissioner
- The Committee were provide d with an overview of the work being done around Cyber Security and were pleased to not e that NSS was, overall, well placed in this respect.

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

- The Committee was keen to ensure that Information Governance was perceived as an enabling tool rather than an obstacle.

ACTION

- The Committee received an update on the updated training on safe information handing and agreed that there should be a discussion at the Board Development Session in March 2018 as to whether it should be mandatory for Non-Executives.
- The Committee also agreed there was a need to review the format of report and look at the interplay between committees at the March 2018 Board Development Session
- The Full Business Case for the CHI and Child Health Transformation Programme would be coming to a future meeting.

12.2   Mrs L Bailey would compile the highlights report as above and submit it to the Board Secretary for the next NSS Board Meeting on Friday, 2 February 2018   **L Bailey**

13.   ANY OTHER BUSINESS

13.1   In response to an invitation to suggest future agenda items, Members agreed it would be useful to take time to focus on the information governance implications of the new Public Health Body formation.   **L Bailey**
(for fwd programme)

14.   DATE OF NEXT MEETING

14.1   The next NSS Information Governance Committee Meeting would be held on Wednesday 25 April 2018 at 09.30 hrs in Gyle Square Edinburgh.

15.   DOCUMENTS CIRCULATED FOR INFORMATION/GENERAL UPDATE ONLY

15.1.   NSS Information Governance Committee Forward Programme **[**Paper **IG/18/10** refers**]**

There being no further business, the meeting finished at 1230hrs

Minutes (APPROVED)

B/18/95

NHS National Services Scotland

NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

MINUTES OF NSS STAFF GOVERNANCE COMMITTEE MEETING HELD ON FRIDAY, 16 FEBRUARY 2018 IN BOARDROOM 2, GYLE SQUARE, EDINBURGH, COMMENCING 0930 HOURS

Present:	Mr John Deffenbaugh - Non-Executive Director [Chair]
	Mr Ian Cant - Employee Director
	Mr Tam Hiddleston - UNISON
	Professor Elizabeth Ireland - NSS Chair
	Mr Gerry McAteer - UNISON
	Mr Mark McDavid - Non-Executive Director
	Mr Bert Stillie - Unite
In Attendance:	Ms Jane Fewsdale - HR Workforce Information, Systems & Business Support Manager [Item 7]
	Ms Mairi Gaffney - Head of Healthy Working Lives [Items1 - 6]
	Mr Scott Heald - Associate Director (Data Management & Strategic Development) / Head of Profession for Statistics, PHI [Item 10]
	Mrs Jacqui Jones – Director of HR and Workforce Development
	Ms Louise MacLennan - Head of Equality and Engagement [Item 9]
	Mrs K Nicholls – NSS (dis)Ability Network
	Mr Mike Smith - Associate Director, Facilities Management
	Mr Colin Sinclair - Chief Executive
	Mr Lee Wilson – Senior Information Analyst, PHI [Item 10]
	Mrs Lynsey Bailey - Committee Secretary [Minutes]
Apologies:	None

ACTION

1. APOLOGIES AND INTRODUCTIONS

1.1 Mr J Deffenbaugh welcomed all to the meeting and noted apologies as above. Prior to starting the formal business of the meeting, Members were asked to declare any interests in the context of the Agenda items to be considered. No interests were declared.

2. MINUTES AND MATTERS ARISING FROM STAFF GOVERNANCE COMMITTEE MEETING HELD ON 30 NOVEMBER 2017 [papers SG/18/02 & SG/18/03 refer]

2.1 Following a brief discussion, Members approved the minutes of the meeting held on 30 November 2017. Members noted the updates provided on the action list, and that all outstanding actions were either being taken forward or were covered by the agenda and papers.

3. TERMS OF REFERENCE [paper SG/18/04 refers]

3.1 Members discussed the current terms of reference and suggested the following changes:
- Point 5a could be split into two sentences. Mrs J Jones and Mr I Cant agree to review this for the final draft.

  J Jones/ I Cant
- Point 5i could also be re-worded to remove reference to rolling out the values programme and reflect the current focus of ensuring the values were embedded.

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Chief Executive   Mr Colin Sinclair

ACTION

4.   GREAT PLACE TO WORK PLAN

4.1   Mrs J Jones spoke to paper **SG/18/05**, which contained a draft of the plan being developed for 2018/19, and invited Members' views on what should be included.

- Members felt that the focus should be on the top areas for improvement as identified through the staff survey. They were reminded that each SBU developed their own plans based on their own local issues and this was not dictated by an overall corporate plan and the focus was on how the local plans were supported.

- One of the biggest concerns was loss of staff through retirement and how NSS could ensure good succession planning to cope with that loss of experience and knowledge.

- Members discussed the need to include a narrative which laid out the type of organisation NSS wanted to be, set out the context and environment, and the actions necessary.

- Members also discussed whether anything fundamental needed to change – particularly in respect of how management could empower staff, the overall recruitment strategy, and leadership development for the next generation. They agreed that there was a need to thoroughly review the iMatter results to identify the areas for improvement, as well as considering how to build on previously successful initiatives.

- Members suggested considering the strategy in place for attracting or developing the necessary talent for NSS. They were advised most of the pieces were in place but needed to be fine tuned and articulated better.

- Members briefly discussed additional challenges of an "aging" workforce, particularly in respect of specific roles. They recognised that succession planning was vital but so was the need to support the current cohort of staff.

5.   HR PEOPLE REPORT

5.1   Members noted the content of paper **SG/18/06**, which provided an update on HR case management, the management of employee capability, sickness absence figures and workforce issues:

- Sickness absence rates had seen a slight rise but NSS was on track to meet its overall year-end target.

- Members were still concerned by the number of sickness absences being reported with an "Unknown" reason but were assured improvements had been made and it was the result to a process issue in the recording rather than staff not disclosing information.

- Members requested a breakdown of the absence reasons by SBU to help identify the extent of the "Unknown" reporting issue. They also requested a percentage column in these tables as well.   **HR**

- Members were keen to have Hazel MacKay report on lessons learned from the project and the BAU model – at the next meeting on 11 May 2018 if possible.   **L Bailey/ H MacKay**

- Members were pleased to note the statement regarding being an attractive organisation to work for in respect of disabled people.

- Ms M Gaffney gave a high level update of Health and Safety and Members were pleased to note that the action plan was broadly on track.
    - o   Only one Red status risk had been reported which was being investigated. The Amber status risks were also being addressed
    - o   The key activity in respect of the Jack Copland Centre had been ensuring all H&S issues were addressed.
    - o   Mandatory training was on track.
    - o   Incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) would be looked

ACTION

at in more detail in the individual report (see Item 6 below) but the number exceeded the maximum set for the KPI.

o   Fire Safety Training targets had been exceeded.

6.   PROCUREMENT, COMMISSIONING AND FACILITIES INCIDENTS REPORTABLE UNDER THE REPORTING OF INJURIES, DISEASES AND DANGEROUS OCCURRENCES REGULATIONS (RIDDOR)

6.1   This was taken as a discrete item. Members noted the contents of paper **SG/18/07**, which provided a high level overview of the Short Life Working Group's review of the vehicle and pedestrian separation controls in the National Distribution Centre Warehouse:

- Members were pleased to note the recognition of the cultural issues contributing to the issues experienced and that consideration was being given to how these could be addressed.
- Members were advised that the upcoming Executive Management Team meeting would be held at Canderside to give more visibility.
- Members were mindful that re-training staff was not always the answer and more consideration needed to be given to a wider "human factors" approach.

7.   NSS RESOURCING OVERVIEW [paper SG/18/08 refers]

7.1   Members noted the contents of the paper which provided an overview of NSS's workforce planning statistics and any associated risks or issues.   Members were assured:

- Redeployment numbers had decreased which reassured members that the redeployment process was managed robustly.
- Members received an overview of the type of work that individuals in the Workforce Resource Team were engaged in to provide reassurance that they were given meaningful work.

8.   STAFF RISKS – RED AND AMBER [paper SG/18/09 refers]

8.1   Members considered the contents of the paper, which provided details of the staff-related risks appearing on the Corporate and Strategic Business Unit Risk Registers.

- Overall, staff risks within NSS continued to be well managed
- HR would be looking at the outcomes of the Resource Allocation Meetings and the impact of the workforce plans emerging from that.
- Members expressed concerns about the long-standing local risks appearing within the paper. While they recognised that this was sometimes the result of process, Members queried the appropriateness of raising these risks at this level and briefly discussed the Integrated Risk Management Approach.
- Members were assured that there was a focus around the mitigating actions in place and relating it to the downstream impact of upstream work

9.   QUARTERLY FEEDBACK REPORT (STAFF) - 2017-18 QUARTER 3: OCTOBER-DECEMBER 2017 [paper SG/18/10 refers]

9.1   Members noted the paper, which summarised of the number and nature of feedback received relating to staff and how it had been responded to:

- NSS continued to maintain a high rate of response within the set timescales (96%).
- Staff related complaints had reduced significantly through customer care training and Model Complaints Handling Procedure training.
- Members discussed the number of complaints relating to opportunity to donate, and the sensitivities involved. Members were assured that all reasonable efforts were being made, through the training and

ACTION

communication strategies in place, to reduce the potential for these complaints to arise.

- Members requested longer-term trend data on complaints.

10. SBU SPOTLIGHT: PUBLIC HEALTH AND INTELLIGENCE (PHI)

10.1 Mr S Heald and Mr L Wilson spoke to a presentation which covered the remit, membership and recent work of the PHI Staff Governance Delivery Group:

- Members were pleased to see the level of work done in respect of Equality and Diversity and the detail of the PHI's Equality and Diversity strategy.
- Members recognised that there was much that could be applied on an NSS-wide basis, particularly in respect of improving levels of self-reporting. Ms L MacLennan and Mrs J Jones had arranged to meet and plan how to take this forward.
- Members sought assurance on PHI's strategies in respect of upcoming organisational change – particularly focussing on ensuring that staff felt well informed and involved in decisions. They were provided with an overview of the managing change training in place, the breadth of communication channels that would be used and other initiatives being considered.

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

11. PUBLIC HEALTH BODY

11.1 Mrs J Jones spoke to paper **SG/18/12** which provided an overview of of the high-level workforce actions for the formation of the Public Health Body. Members agreed that, in the course of these actions, care should be taken to ensure that staff who would not be transferring did not feel as if they were being "left behind".

12. NSS PARTNERSHIP FORUM UPDATE

12.1 Members considered the contents of paper **SG/18/11**, which summarised activities at the recent NSS Partnership Forum meetings. The January 2018 Partnership Forum had focussed on strategy, financial planning, the formation of the Public Health Body and National Boards' Collaboration. The level of discussion had been good and resulted in a clear direction being agreed.

13. NSS STAFF GOVERNANCE COMMITTEE ANNUAL REPORT TO THE BOARD [paper SG/18/13 refers]

13.1 Members discussed the draft version of the report presented:

- Members suggested that section 3.1 could be clarified regarding how the strands of the Staff Governance Standard were covered within the Great Place to Work and briefly discussed ways of doing this.
- Members also felt there could be more reference to the impact of "upstream" work.
- Mrs L Bailey agreed to liaise with Mrs J Jones and Mr J Deffenbaugh to incorporate these points along with additional content from this meeting.

14. OTHER RELEVANT COMMITTEE GOVERNANCE ISSUES

14.1 Members received updates on items of relevance discussed at recent meetings of the other NSS Sub-Committees:

- The Remuneration and Succession Planning Committee had covered the Directors' mid-year performance reviews and succession planning at their meeting on 8 December 2017.

15. ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT

15.1 Members agreed the key points for the Sub-Committee Highlights report to the next formal NSS Board meeting on Friday, 6 April 2018. Mrs L Bailey agreed to send a draft of the report to Mr J Deffenbaugh as soon as possible.

L Bailey

ACTION

16. ANY OTHER COMPETENT BUSINESS

16.1 Members received an update from Mrs K Nicholls on behalf of the NSS (dis)Ability Network:

- Membership of the network was growing exponentially and had links with LGBTI network to pick up on good practices they had developed.
- Representatives of the network would be appearing in a new video by the Central Legal Office on managing sickness absence and disabled employees.
- On the other hand, the network had found that there was a huge reputational and financial risk to NSS as treatment of disabled staff was inconsistent across departments/areas and training was not in place. Specific examples were provided and potential contributory factors were discussed.
- The raising of these issues had led to the emergence of some good work to address them (e.g. – development of a reasonable adjustment passport to reduce the need for repetition of justification when changing line managers). However, there was more that still needed to be done.
- Members expressed concerns that this contradicted the earlier statement about NSS being an attractive organisation for disabled staff, and disappointment that it had not come up through other channels before now.
- Members agreed that Equality and Diversity should be added as a standing agenda item for future meetings, and they would consider reflecting this in the Committee's Terms of Reference.   **L Bailey**
- Members were assured that Mr C Sinclair would be raising the issues discussed here with the Executive Management Team at their meeting on Monday, 19 February 2018. This would then be subsequently picked up with Mrs J Jones, Ms L MacLennan and Mrs K Nicholls.   **C Sinclair**
- Members requested that an action plan be developed and fed back on within the next two weeks.

16.2 As it was his last meeting, Members wished to record their thanks to Mr B Stillie for all his work and wished him all the best for his retirement.

17. DATE OF NEXT MEETING

17.1 The next meeting was scheduled for Friday, 11 May 2018 in Boardroom 2, Gyle Square, Edinburgh at 0930hrs.

There being no further business, the meeting finished at 1243hrs.

NSS WORKING AT HOME AND WORKING FROM HOME POLICY

DOCUMENT CONTROL SHEET

Key Information:

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Contact:	HR Services
File Location:	HRBCS

Revision History:

Version:	Date:	Summary of Changes:
V1.0	January 2014	Revised Policy.
V2.0	October 2017	Reviewed in line with Supporting Work Life Balance Pin 2015.

Contents   **Page Number**

1. **Introduction**

The purpose of this policy is to outline to NSS managers and employees the potential benefits of employees having the opportunity to work more flexibly at home. It also aims to provide a framework within which to formalise and agree arrangements for working at home and working from home.

Should members of staff have any difficulties with understanding any aspect of this policy, or require further information in respect of accessibility, interpretation or application of the policy, they should contact HR, their Line Manager or Trade Union Representative.

Working at Home

This is where staff wish, with the approval of their manager, to work at home for part of their working time even though their contract of employment requires them to have their office based on the employer's premises.

Sections 1-2 and 7 only of this policy apply to Working at Home. See Appendix A for guidelines to Working at Home.

Working from Home

This is where staff are required in their contract of employment to have their office based in their home, even though they may work other than at home for part of their working time. Such staff hereafter will be referred to as "Homeworkers"

All sections of this policy apply to Working from Home. See also Appendices B- F.

Should members of staff have any difficulties with understanding any aspect of this policy, or require further information in respect of accessibility, interpretation or application of the policy, they should contact HR, their Line Manager or Staff side Representative.

2. **General Principles**

2.1 **Eligibility**

This policy applies to any post where work is performed at or from home instead of at or from the employer's premises for a significant proportion of the contractual working hours.

2.2 **Potential Benefits**

There are a number of reasons why home-working and working at home is desirable, including:

- Providing greater flexibility;
- Increasing scope to meet the organisation's commitment to equal opportunities, e.g. it may enable a person with disabilities to do a job they otherwise would not be able to do;
- Reducing energy consumption and pollution from unnecessary car journeys;
- Broadening the traditional recruitment market and gaining access to alternative labour markets;
- Attracting and retaining staff;

- Providing a working environment which enables work to be carried out effectively and efficiently.

2.3 Potential Risks

- NSS must ensure that employee's from home/tele-working have the same employment rights as office-based workers; and
- It should be agreed that the line manager and employee will review the arrangement regularly to ensure that the arrangements work for both parties and, if necessary, to revert to previous arrangements if agreed.

2.4 Equality

The organisation is committed to promoting and practising equal opportunities in employment. This includes giving staff the opportunity to work more flexibly wherever practicable.

The organisation will review the composition of homeworkers as a proportion of the workforce to ensure no unjustified indirect discrimination takes place.

This policy should be read in conjunction with the organisation's Equality, Diversity and Human Rights Policy.

3. Terms and Conditions of Employment

The terms and conditions set out below must be agreed before homeworking begins.

3.1 Place of Work

- The contract will define the normal place of work as the employee's home. Should the individual move to a different home address, then the suitability of those premises will be assessed and homeworking will only continue with the employer's express agreement;
- The contract shall provide that the employee is required to attend work premises at reasonable notice and for whatever periods may be necessary. Purposes may include meetings, reporting sessions, submission of completed work and training;
- At the determination of NSS, the employee will be required to live within a reasonable travelling distance of work premises for meetings, briefings, training, etc. in line with arrangements for office-based staff. This requirement will be specified at the time of advertising and when notifying staff of homeworking;
- There may be occasions, as a result of system or equipment failure, when the employee will be required to work from work premises. Arrangements will be agreed in relation to such circumstances between the line manager and employee prior to the commencement of homeworking;
- The employee has an obligation to cooperate with NSS regarding facilitating the inspection of any equipment held at the employee's home and methods of storage, including access to filing cabinets and to computer files relating to the organisations' activities.

3.2 Hours of Work

The homeworker's hours of work should be as agreed with their line manager.

3.3 Domestic Arrangements

Homeworkers are required to carry out work duties during their normal hours of work. Any domestic arrangements such as childcare/carer arrangements and any other arrangements that the member of staff would require to have in place to enable him or her to attend the workplace must remain in place throughout the homeworker's hours of work.

3.4 Reimbursement of Expenses

Reimbursement of business travel costs will be based on the home address as the normal place of work and will be in line with the appropriate terms and conditions of employment.

4. Taxation and Insurance Arrangements

4.1 Based on current legislation, it is not expected that there should be any additional personal taxation or Benefit in Kind implications on the homeworker as a result of working from home. Employees should be encouraged to contact HMRC to satisfy themselves as to any tax liability or relief arising from working from home.

4.2 It is not expected that there will be any Capital Gains Tax implications if the room used for working from home is dual purpose (i.e. occupies under 10% of the employee's home). However, homeworkers should contact HM Revenue & Customs to confirm their individual circumstances.

4.3 Insurance arrangements are a joint responsibility between the employee and the employer. Homeowners must provide evidence of adequate insurance cover prior to commencing homeworking. See Appendix F for full guidelines on insurance.

5. Equipment and Workstation Arrangements

- The organisation will provide, for homeworkers, equipment as outlined and agreed as above. The organisation will be responsible for installation, maintenance, repair and removal as required. Stationery and similar office materials will be supplied by the employer;

- The organisation will, at its discretion and up to specified limits, reimburse the homeworker for the previously agreed purchase of essential equipment, e.g. desk, chair, filing cabinet;

- The homeworker is responsible for keeping all such equipment in good condition, reasonable wear and tear excepted, and for reporting any damage or malfunction to the line manager;

- On termination of the contract of employment, the employer will have the right to recover all its property including equipment, software and copy documents and files. Without prejudice to the organisation's legal right, entry to the employee's home should always be by mutual agreement; Alternatively, the homeworker may opt to keep the equipment and/or furniture in exchange for a payment equal to the original cost, less 3% of the value per month of service since its purchase; otherwise the employer will have the right to remove the equipment;

- The homeworker shall arrange for a business telephone line to be installed solely for business usage, as applicable, and all call and rental charges will be invoiced to the employer. A softphone or mobile phone may be used as an agreed alternative to this;

- Additional and/or specialist equipment may be required, due to a homeworker's disability. On such occasions it may be appropriate to have the workplace assessed by the local Disability Employment Adviser to advise on equipment available under the access to work scheme.

6. Withdrawal from Homeworking

'Homeworking' is regarded as a long-term commitment both for the organisation and staff. Notwithstanding this, homeworkers may seek to discontinue the arrangements and request to be based in work premises. The line manager will consider all requests in line with the approach set out in the NSS Flexible Working Policy.
Homeworkers will be required to co-operate in enabling the organisation's property to be removed from their home upon termination of employment.

7. Monitoring and Review

Working from home arrangements undertaken within employment of NSS will be monitored and reviewed on a yearly basis to ensure that the terms of this policy are operating effectively.

8. Useful Information

NSS policies/guidance that you may find useful include:

- NSS Flexible Working Policy
- NSS Equal Opportunities Policy
- NSS Dealing with Employee Grievances Policy
- NSS Promoting Attendance Policy
- NSS Recruitment and Selection Policy
- NSS Occupational Health, Safety and Wellbeing Policy
- Risk Assessment Procedure
- Manual handling Policy
- Manual handling Passport
- Control of substances hazardous to health
- Occupational Risk Policy
- NSS Working Time

The following websites may also be of interest:
- Staff Governance www.staffgovernance.scot.nhs.uk
- Department for Business Innovation & Skills - www.bis.gov.uk
- ACAS – www.acas.org.uk
- HM Revenue and Customs- http://www.hmrc.gov.uk

9.. Policy Reviews

This policy will be reviewed two years from its effective date to ensure that arrangements put in place are appropriate to the operating requirements of National Services Scotland (NSS).

Date Policy is effective:

Agreed by:

Reviewed by:

Date: _11 5. 18_

6
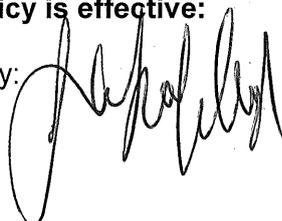
Appendix A: Working at Home Guidance

The Line Manager and employee ensure that they follow the guidance detailed below:

Working at home should be used to undertake specific work activities;

• Frequency and duration of working at home should be agreed with the manager and relevant colleagues;

• Reasonable notice of a wish to work at home must be given;

• Once there is an agreement that an individual is to work at home for a part of a day, given day or given period of days, the arrangement should be respected in so far as possible;

• Staff working at home may be recalled to work premises at short notice;

• In cases where staff working at home are frequently recalled to work premises at short notice, working arrangements should be reviewed; Individuals and colleagues/managers should jointly monitor the impact of time spent working at home;

• Staff working at home are required to carry out their work duties during their normal hours of work. Any domestic arrangements such as childcare/carer arrangements must remain in place throughout the hours of work;

• Perceived problems caused by staff working at home should be addressed within departments and/or teams;

• Staff working at home must be contactable by telephone and/ or email;

• Where an employee works at home more than 50 days in any one calendar year, that employee's manager shall actively review ways of working with particular regard to location of the workplace.

Employees are responsible for information governance whilst working at/from home and are aware of the current processes for information governance and handling. Line Managers and employees should refer to the Information Governance responsibilities set out in the **Information Governance Guide** for employees working at or from home.

Appendix B: Working from Home Guidance (Homeworkers)

1.1 Criteria to determine suitable posts

The manager, with advice from HR, will agree the number and type of jobs to be operated in line with this policy. If a current member of staff requests to work from home they will participate fully in these discussions. Selection is undertaken in the following stages:

Stage 1: A manager must be satisfied of the following

The Nature of the Role:

• The role requires a high degree of personal concentrated work with very limited interaction and can be done at home in isolation from colleagues;
• The role effectively has no need for, or would derive limited
benefit from, an office base;
• There is no 'face to face' service at the work base (the home).

The Duties of the Post:

That the post holder does not have access or store a great deal of confidential or sensitive data/information. There are posts within NSS where it is not suitable for the employee to work from home given the security measures that would need to be put in place for the post holder to undertake the full duties of the role. For more information, please contact your SBU Information Governance Lead.

Stage 2: Health and Safety Assessment

Individuals who are planning to work from home should complete the attached self - assessment form (Appendix C) to ascertain whether their home needs to be assessed by a risk assessor. The purpose of any such assessment is to establish the suitability of their Home for working against health and safety standards and the requirements as specified within Appendix D
.
Stage 3: Capability, Personal and Role Development

Selection must be in accordance with the competencies and criteria which have been identified as essential to being able to work productively and competently in the home environment, i.e.: Competency to deliver the role effectively without supervision;

• Understanding of the impact of homeworking on the home environment;

• Self-motivation, self-discipline and possession of good time management skills;

• Clarity of role, deadlines and objectives with feedback;

• Clarity of personal development plan and monitoring arrangements.

The above selection criteria will be reviewed according to the needs of the service, and may vary dependent on the specific job roles.

Employees are responsible for information governance whilst working at/from home and are aware of the current processes for information governance and handling. Line Managers and employees should refer to the Information Governance responsibilities set out in the **Information Governance Guide** for employees working at or from home.

1.2 Regular Information/Support/Communications

The following provides guidance to managers and staff to ensure that those who work from home form an integral part of a team:

• The manager should ensure that each homeworker has the opportunity to meet with their team at least once a week;

• In addition to regular and detailed team briefings, line managers will ensure that there are regular communications, as appropriate, made between the office-based team and homeworkers. Homeworkers and their managers should meet on a regular basis to evaluate and develop effective communication links. Homeworkers should receive all relevant information, briefing papers and internal departmental communications;

• Clear objectives are required with specific targets and the organisation of work into a series of 'deliverable' segments;

• Homeworkers should be allocated a work area using principles of 'hot-desking', if appropriate, within work premises for the time they are expected to attend work;

• Homeworkers shall be supplied with relevant IT. equipment, e.g. e-mail, telephone conference facilities, computer, etc. to allow them to work effectively.

Appendix C: Health and Safety Audit: Homeworker's Self-assessment

A risk assessment must be completed by the individual planning to work from home and be counter-signed by their manager. The purpose of this is to ascertain whether a full health and safety assessment should be undertaken on the individual's home environment by a risk assessor.

This assessment should be completed and returned to HR before the organisation agrees to a member of staff working from home.

Name	
Address	
Telephone No.	
Department	
Job Title	
	Please forward a copy of your job description with this completed form

		Please tick appropriate box	
		Yes	*No*
1	Do you anticipate spending more than 20% of your time working at your home base?	*Yes*	*No*
	If yes, do you anticipate spending more than 50% of your time working at your home base?	*Yes*	*No*
2	Do you have a room at home which will be used specifically as an office base?	*Yes*	*No*
	If you answered no to the above question, within which room in the home will the work be undertaken?		
	How much space in this room will be required to carry out your role effectively?		
	Is there sufficient space within this room to carry out your role effectively?	*Yes*	*No*
	Is there adequate ventilation, reasonable temperature, and suitable lighting within the home to perform the role effectively and in comfort?	*Yes*	*No*
3	Will you be using your PC continuously for an hour or more at a time?	*Yes*	*No*
	Will you be using the PC every day?	*Yes*	*No*
	If not, how often will you be required to use your PC at your home base?	*Yes*	*No*
4	Do you have adequate first aid provisions in the home?	*Yes*	*No*
5	Are you likely to have to carry or move heavy loads in the home as part of your role?	*Yes*	*No*
	If yes, what manual handling activities will be undertaken in the home?		
6	Is your electricity supply adequate for homeworking? E.g. are there sufficient sockets, etc? (Consult a qualified electrician if necessary)	*Yes*	*No*
If you believe there is additional information we may require in relation to health and safety issues of working at home, please set this out below;			

Appendix D: Homeworking Health and Safety Issues

In accordance with Section 2(1) of the Health & Safety at Work etc. Act 1974 ("HASAWA") there is a duty on every employer "...to ensure, as far as is reasonably practicable, the health, safety and welfare at work of all its employees".

In particular, the employer is responsible for:

• The provision and maintenance of the organisation's equipment and systems of work that are safe and without health risks;

• Ensuring safety and absences of health risks in the use, handling, storage, and transport of articles; and

• The provision of information, instruction, training and supervision necessary to ensure health and safety.

The employer will make a suitable and sufficient assessment of all the risks to the health and safety of their homeworkers by identifying any hazards in the home, assessing the risks those hazards might pose to the homeworkers, and other occupants of and visitors to the home, and taking appropriate action to remove those risks or reduce them as far as possible. The homeworker is required to assist in that process by completing a preliminary Health and Safety Self-Assessment
Audit (Appendix 1). This assessment should take place before a new employee, or existing member of staff is designated a homeworker and then reviewed on a regular basis.

Homeworkers are required to take reasonable care for their own health and safety and that of other persons who may be affected by their acts and omissions at work in the home. Without prejudice to the organisation's duties as the employer, the homeworker's duties in this regard are likely to be significant because the working environment is not under the employer's control.

Risk Assessments should take into account the following issues:

Display Screen Equipment

A homeworker will not be permitted to carry out a significant amount of work at a home based work station until such risk assessment has been carried out and any recommendations implemented. Such assessments shall be conducted by someone who has received relevant training. The "workstation" as defined in the Health and Safety (Display Screen Equipment) Regulations 1992 includes the display screen, the software, the keyboard, disk drive, telephone, modem, printer,
documents holder, work chair, work desk, work surface, any other items peripheral to the display screen equipment, and the immediate environment around it.

Work Equipment

The Provision and Use of Work Equipment Regulations 1992 (PUWER) do apply to the home. Other equipment not comprising part of the 'workstation' as defined above provided by the employer will nevertheless be suitable and sufficient for its purpose, with proper information and training being given on how to use that equipment properly and safely. Particularly important will be proper storage facilities for paper files.

Handling Loads

Homeworkers should be warned of the hazards of handling loads. Steps will be taken to avoid the need for any hazardous manual handling by homeworkers of loads relevant to their work in the home either altogether or until risk assessments have been carried out.

Workplace

The Workplace (Health, Safety and Welfare) Regulations 1992 do not apply to the home but the standards they require provide a useful benchmark in carrying out the overall risk assessment. The home workplace should have adequate ventilation, a reasonable temperature, suitable and sufficient lighting, sufficient space, and the floor should be kept free from obstructions or from articles or substances which could cause a homeworker to slip, trip or fall. If the employer approves the home as suitable it will be the homeworker's responsibility to maintain that safe and healthy working environment.

Electrical Equipment

The Electricity at Work Regulations 1989 requires electrical systems to be constructed and maintained, so far as is reasonably practicable, to prevent danger. Duties under the regulations fall on employers and employees insofar as they relate to matters under their control. The employer is only responsible for electrical equipment which it supplies. However, before allowing a homeworker to work from home the organisation will ensure that the homeworker's own electrical wiring is adequate for the purposes intended. Maintenance of the wiring is the homeworker's responsibility.

Substances and Materials

The employer is only responsible for substances and materials it provides to homeworkers. Procedures under the Control of Substances Hazardous to Health Regulations 1994 should be complied with. (Please refer to the organisational Health and Safety Policy.)

Security

Staff who undertake to meet with members of the organisation or members of the public in the course of their employment should make appropriate arrangements to meet at the local work office or in a public building.

First Aid

In accordance with paragraph 3 of First Aid at work the Approved Code of Practice and Guidance to the Health and Safety (First Aid) Regulations 1981, the employer will ensure that the homeworker has adequate and appropriate first aid provisions in the home. It shall be a contractual obligation on the part of the homeworker to allow managers to have reasonable access to the home, by appointment, in order to carry out inspections for health and safety purposes. The homeworker will be given sufficient training and information to enable the employer to comply with its duty to report and record the work related accidents, injuries and diseases referred to in the Reporting of Injuries Diseases and Dangerous Occurrences Regulations 1995.

Lone Working

A lone working risk assessment should be carried out in line with the NSS Lone working procedure. This is in order to identify if there are any specific issues associated with the work

activities that would significantly increase the risk to the individual while in a lone working situation.

Training

In addition to conventional training, homeworkers will require additional training in the following areas:

- Office safety, good housekeeping, operation and maintenance of equipment
- Safe use of display screen equipment including the planning of activities, breaks, safe operations of equipment, workstation set up and posture
- Security and data protection
- Communication and consultation procedures
- Self assessment and control of risks
- Principles of accident prevention
- Manual handling
- Electrical safety
- First aid
- Child safety
- Personal safety
- Stress handling

Management Training

Advice for managers and supervisors with direct line responsibility for homeworkers will be provided by the divisional health and safety representatives to ensure that the issues and any more potential problems specific to working from home are highlighted.

Appendix E; Homeworkers' Intellectual Property and Data Protection

Employees do not own the copyright in work produced in the course of their employment with the organisation unless there is a written agreement to the contrary.

It is the duty of the homeworker to take all reasonable precautions to protect confidential information relating to employment with the organisation which is stored in the home and, in particular, from other people residing in or visiting the home. Information is confidential where it is expressly stated to be confidential. Information can also be confidential where its nature or quality attracts confidence by implication, or where it is covered by the data protection legislation.

Information held on computer which contains data about any identifiable living individuals is likely to be subject to the Data Protection Act 1998. Homeworkers, as employees, do not need to register separately under this Act; they are covered by the organisation's Register entry. However, homeworkers will need to know and understand their obligation to keep data about any identifiable living individuals confidential and secure, to operate within the terms of the organisation's Data Protection Register entry, and to comply with the eight Data Protection Principles.

In practice, the homeworker's obligations as set out above are best observed by keeping work life and domestic life separate. In particular, where there is a risk that other household occupants, might gain access to work-related computer files these should be password protected.

Great care should be taken not to inadvertently disclose passwords. All staff must be compliant with information governance/ IT security policies regardless of where they work.

Computer files which are not contained in the organisation's networked drives should be regularly backed up onto disc and stored away from the home. Managers are responsible for agreeing and monitoring procedures for ensuring the security of work, information, and data and files under the homeworker's control. Homeworkers should comply with the organisation's system's department procedures on virus
checking and logging off when a computer is not in use.

Appendix F; Homeworkers guidelines on insurance

Employer Liability Insurance

NSS could potentially be liable at all times for loss, damage or injury to the employee caused by the use of furniture and equipment which it has installed in the home-worker's home for the purposes of working from home.

Public Liability Insurance

NSS could potentially be liable at all times for loss, damage or injury to third parties or third party property caused by furniture and equipment which it has installed in the home for the purposes of working from home.

NSS will not be liable for any loss, injury or damage which is not directly connected with the furniture or equipment that has been installed in the home. Homeworkers should therefore ensure that they have adequate public liability insurance as part of their buildings or contents insurance (this is normally the case) to cover any possible incidents that may occur in their home, not related to the organisation's equipment, for which they may be deemed liable.

The home-workers must prevent unauthorised use of the organisation's furniture and/or equipment, and all visitors to their home (such as contractors and maintenance personnel) should be supervised or this purpose.

The provisions of the Occupiers Liability Act (1957 and 1984) render employes as occupiers of premises personally liable for any losses or damage sustained by visitors to the premises. Under the 1957 Act an occupier of premises owes a 'common duty of care' to all visitors. The duty is to take such care as is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which he/she is invited or permitted by the occupier to be there. An occupier must be prepared for children to be less careful than adults.

Under the 1984 Act the duty is extended to persons other than visitors in respect their suffering injury on the premises by reason of any danger due to the state of the premises or to things done or omitted to be done on them.

Furniture and Equipment Insurance

Any equipment bought by the NSS is automatically covered by NSS against loss and damage on the same basis as in other work locations.

Home, Contents and Public Liability Insurance

The home-worker will be responsible for arranging adequate insurance of their home and contents, including public liability, other than the items specifically insured by the employer.

NSS will reimburse any reasonable additional premiums incurred if they are shown to be due to the presence of NSS' equipment or the use of the property for business purposes, although this is not expected to be likely. Any requests should be directed to the appropriate Line Manager.

Evidence must be provided to the employer that insurers of the property have been advised in writing of the employee's working from home, as appropriate, and have acknowledged this in writing.

The homeworker must ensure that insurance continues to remain in force and that their Line Manager is advised should the Buildings or Contents insurer(s) change. In these circumstances new consents must be obtained and forwarded to the Line Manager.

Notification of Incidents

Notification is required of all incidents under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (1995).

In addition, insurers must be informed of actual or potential claim incidents, whether or not a claim is made against the policy or against the employer/homeworker.

Homeworker's own insurance

Incidents resulting in a claim against the homeworker's own insurance cover must be advised to their insurer.

Major Incidents

All major incidents or any injury to an employee must be reported immediately to their line manager.

NSS Maternity Leave Policy

DOCUMENT CONTROL SHEET

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	March 2013	**Addendum – public holiday accrual**
	December 2013	**Further Addendum – public holiday accrual**
V2.0	**December 2017**	**Updated to reflect Supporting Work Life Balance PIN (2015) and agreed by NSS WPTC Group**
	February 2018	**Submitted to NSS Partnership Forum for consideration**

Distribution: This document has been distributed to:-

Name:	Title/SBU:	Date of Issue:	Version:

Contents   **Page Number**

1. Introduction

This policy sets out the rights and responsibilities of employees who are pregnant or have recently given birth and gives details of the arrangements for antenatal care, pregnancy-related illness, and maternity leave and pay.

Should members of staff have any difficulties with understanding any aspect of this policy, or require further information in respect of accessibility, interpretation or application of the policy, they should contact HR, their Line Manager or Staff side Representative.

2. General Principles

The following provisions are set out within Section 15 of the NHS Terms and Conditions of Service Handbook. However, they apply to all individuals employed by NHS National Services Scotland, including the Executive Level and Senior Management cohort and Doctors and Dentists.

These provisions provide benefits which exceed the statutory minimum levels.

3. Terms and Conditions of Employment

3.1 Eligibility

All employees will have a right to take 52 weeks of maternity leave whether or not they return to NHS employment.

An employee will be entitled to **paid and unpaid maternity leave** under the NHS contractual maternity pay scheme if:

i. she has 12 months' continuous service with one or more NHS employers at the beginning of the 11th week before the expected week of childbirth;

ii. she notifies her employer in writing before the end of the 15th week before the expected date of childbirth (or if this is not possible, as soon as reasonably practicable thereafter):

a) of her intention to take maternity leave;
b) of the date she wishes to start her maternity leave – she can choose when to start her maternity leave – this can usually be any date from the beginning of the 11th week before the baby is born;
c) that she intends to return to work with the same or another NHS employer for a minimum period of three months after her maternity leave has ended;
d) and provides a MATB1 form from her midwife or GP giving the expected date of childbirth.

3.2 Continuous Service

In order to calculate whether the employee meets the qualification set out in paragraph 3.1 (i) to have had 12 months of continuous service with one or more NHS employers, reference should be made to the provisions of the NHS Terms and Conditions of Service Handbook sections 15.61 to 15.65.

3.3 Notification

In addition to 3.1 (ii) above, employees should be encouraged to notify their line manager as soon as possible after becoming pregnant. This is important as there are health and safety considerations for the organisation, as detailed below. The rules regarding notification apply irrespective of the employee's entitlement to paid leave under this policy.

3.4 Confirming maternity leave and pay

An employee should be written to upon receipt of her application form, detailing what she should do (if anything) and her entitlements to pay and leave together with dates (where these can be confirmed).

Following discussion with the employee, NSS will confirm in writing:

i. The employee's paid and unpaid leave entitlements under this agreement (or statutory entitlements if the employee does not qualify under this agreement);
ii. Unless an earlier return date has been given by the employee, her expected return date, based on her 52 weeks paid and unpaid leave entitlement under this agreement;
iii. The length of any period of accrued annual leave which it has been agreed may be taken following the end of the formal maternity leave period; (NHS Terms and Conditions of Service Handbook – paragraphs 15.49 and 15.50); and
iv. The need for the employee to give at least 28 days notice if she wishes to return to work before the expected return date.

3.5 Paid maternity leave

3.5.1 Amount of pay
Where an employee intends to return to work the amount of contractual (occupational) maternity pay receivable is as follows:
i. For the first 8 weeks of absence the employee will receive full pay, less any Statutory Maternity Pay or Maternity Allowance (including any dependents' allowances) receivable;
ii. For the next 18 weeks the employee will receive half of full pay, plus any Statutory Maternity Pay or Maternity Allowance (including any dependents' allowances) receivable, providing the total receivable does not exceed full pay;
iii. For the next 13 weeks, the employee will receive any Statutory Maternity Pay or Maternity Allowance that they are entitled to under the statutory scheme.

By prior agreement with NSS, occupational maternity pay may be paid in a different way, for example a combination of full pay and half pay or a fixed amount spread equally over the maternity leave period.

An employee who meets the qualification requirements for contractual maternity pay, who is however undecided as to whether she will return to work, can opt to receive any payments they are entitled to under the Statutory Maternity Pay scheme. Should they then return to work for NSS or another NHS employer following maternity leave for a period of 3 months or more they would at that point be entitled to receive the balance of the contractual maternity pay that would have been paid had they indicated that it was their intention to return to work.

3.5.2 Calculation of maternity pay
Full pay will be calculated using the average weekly earnings rules used for calculating Statutory Maternity Pay entitlements, subject to the qualifications set out within section 15.23 of the NHS Terms and Conditions of Service Handbook.

3.6 Unpaid contractual leave

Employees are also entitled to take a further 13 weeks as unpaid leave to bring the total of leave to 52 weeks. However, this may be extended by **local agreement** in exceptional circumstance, for example, where employees have sick pre-term babies or multiple births. Please seek further advice from HR Services if you would like further details.

3.7 Commencement and duration of leave

An employee may begin her maternity leave at any time between 11 weeks before the expected week of childbirth and the expected week of childbirth, providing that she gives the required notice. An employee is not permitted to return to work for a period of two weeks immediately after giving birth

3.7.1 Changing the maternity leave start date
If the employee subsequently wants to change the date from which she wishes her leave to start, she should notify her Line Manager at least 28 days beforehand (or, if this is not possible, as soon as is reasonably practicable beforehand).

3.7.2 Sickness prior to childbirth
If an employee is off work ill, or becomes ill, with an illness, either related to the pregnancy or not, during the last four weeks before the expected week of childbirth, maternity leave will normally commence at the beginning of the 4th week before the expected week of childbirth or the beginning of the next week after the employee last worked, whichever is the later.

Absence prior to the last four weeks before the expected week of childbirth, supported by a medical statement of incapacity for work, or a self-certificate, shall be treated as sick leave in accordance with normal leave provisions.

Odd days of pregnancy-related illness prior to the last four weeks before the expected week of childbirth may be disregarded if the employee is medically fit to continue working till the maternity leave start date previously notified to the employer.

3.7.3 Pre-term birth
Where an employee's baby is born prematurely, the employee will be entitled to the same amount of maternity leave and pay as if her baby was born at full term.

Where an employee's baby is born before the 11th week before the expected week of childbirth and the employee has worked during the actual week of childbirth, maternity

leave will start on the first day of the employee's absence.

Where an employee's baby is born before the 11th week before the expected week of childbirth and the employee has been absent from work on certified sickness absence during the actual week of childbirth, maternity leave will start the day after the day of birth.

Where an employee's baby is born before the 11th week before the expected week of childbirth and the baby is in hospital, the employee may split her maternity leave entitlement, taking a minimum period of two weeks' leave immediately after childbirth and the rest of her leave following her baby's discharge from hospital.

3.7.4 Stillbirth
Where an employee's baby is stillborn after the 24th week of pregnancy, the employee will be entitled to the same amount of maternity leave and pay as if her baby was born alive.

3.7.5 Miscarriage
Where an employee has a miscarriage before the 24th week of pregnancy, normal sick leave provisions will apply as necessary.

3.8 Contractual rights

During maternity leave (both paid and unpaid) an employee retains all of her contractual rights, except remuneration.

3.8.1 Increments
Maternity leave, whether paid or unpaid, shall count as service for annual increments and for the purposes of any service qualification period for additional annual leave. The expectation is that an employee on maternity leave would progress through a Knowledge Skills Framework gateway on the due date, if concerns had not been raised about the ability to meet their KSF outline prior to maternity leave.

3.8.2 Accrual of annual leave and public holidays
Annual leave and public holidays will continue to accrue during maternity leave, whether paid or unpaid, provided for by this agreement.

Where the amount of accrued leave and public holidays would exceed normal carry over provisions, it may be mutually beneficial to both the employer and employee for the employee to take annual leave before and/or after the formal (paid and unpaid) maternity leave period. The amount of annual leave to be taken in this way, or carried over, should be discussed and agreed between the employee and line manager. In exceptional circumstances, where it is considered that to fully utilise annual leave would cause serious personal and/or operational difficulties, line managers should discuss the situation with HR Services to explore the options available.

3.8.3 Pensions
Pension rights and contributions shall be dealt with in accordance with the provisions of the NHS Superannuation Regulations. It is recommended that staff check with HR Services and the Scottish Public Pensions Agency (SPPA) how their leave will impact upon their own pension contributions; the organisation's contributions and their entitlements under the pension scheme.

3.9 Line management contact

Line Managers should keep in contact with the employee throughout the period of her confinement and maternity leave, providing information and support where required and a link to the workplace.

3.9.1 Pre-maternity leave interview

Before going on leave, the Line Manager and the employee should meet to discuss the practicalities of the pregnant employee's approaching maternity leave. The employee should already have been informed by this stage of her maternity leave and pay entitlement.

This meeting will provide the opportunity:

1. To discuss the final arrangements for the employee's maternity leave;
2. To discuss with the employee how her work will be covered during maternity leave, including who will take over her tasks, how the handover will be managed and any other practicalities that arise;
3. To discuss and agree any voluntary arrangements for keeping in touch during the employee's maternity leave, including:

    i)   The employee's right to keeping-in-touch days and whether or not she might be interested in exercising this right;
    ii)   How the line manager will keep in touch with the employee while she is on maternity leave, what information she might expect to receive and by what means;
    iii)   Keeping the employer in touch with developments that may affect her intended date of return.

    - To discuss how the employee's annual leave entitlement will be managed while she is on maternity leave;
    - For the employee to raise any other issues that she would like to discuss.

3.9.2 Keeping in touch days

To facilitate the process of keeping in touch, it is important that the employer and employee have early discussions to plan and make arrangements for Keeping in Touch (KIT) days before the employee's maternity leave takes place.

KIT days are intended to facilitate a smooth return to work for women returning from maternity leave.

An employee may work for up to a maximum of ten KIT days without bringing her maternity leave to an end. Any days of work will not extend the maternity leave period.

An employee may not work during the two weeks of compulsory maternity leave immediately after the birth of her baby.

The work can be consecutive days or not and can include training or other activities which enable the employee to keep in touch with the workplace.

Any such work must be by agreement and neither the employer nor the employee can insist upon it.

The employee will be paid at their basic daily rate for the hours worked, less appropriate maternity leave payment for KIT days worked.

Working for part of any day will count as one KIT day.

Any employee who is breastfeeding must be risk assessed and facilities provided in accordance with the provisions set out in the NSS Breastfeeding Policy.

3.10 Antenatal and postnatal care

Pregnant employees have the right to paid time off for antenatal care. Antenatal care may include relaxation and parent-craft classes that the employee's doctor, midwife or health visitor has advised her to attend, in addition to medical examinations.

In order to be entitled to take time off for antenatal care, the employee is required to produce a certificate from her doctor, registered midwife or registered health visitor, stating that she is pregnant. Except in the case of the first appointment, the employee should also produce evidence of the appointment, such as a medical certificate or appointment card, if required to do so.

Women who have recently given birth should have paid time off for post-natal care, e.g. attendance at health clinics. Evidence of such appointments should similarly be provided if required.

The employee should endeavour to give her line manager as much notice as possible of antenatal or postnatal appointments and, wherever possible, try to arrange them out with working hours or as near to the start or end of the working day as possible. However, it is recognised that this may not necessarily be possible.

3.11 Miscellaneous provisions

3.11.1 Fixed-term contracts or training contracts
Employees subject to fixed-term or training contracts which expire after the 11th week before the expected week of childbirth and who satisfy the conditions in paragraphs 3.1 (i), and 3.1 (ii) (a), (b) and (d), shall have their contracts extended so as to allow them to receive the 52 weeks leave, which includes paid contractual and statutory maternity pay, and the remaining 13 weeks of unpaid maternity leave.

Absence on maternity leave (paid and unpaid) up to 52 weeks before a further NHS appointment shall not constitute a break in service.

If there is no right of return to be exercised because the contract would have ended if pregnancy and childbirth had not occurred, the repayment provisions set out in paragraph 3.10 above will not apply.

Employees on fixed-term contracts who do not meet the 12 months' continuous service condition set out in paragraph 3.1(i) above, may still be entitled to Statutory Maternity Pay.

3.11.2 Rotational training contracts
Where an employee is on a planned rotation of appointments with one or more NHS employers, as part of an agreed programme of training, she shall have the right to return to work in the same post or in the next planned post, irrespective of whether the contract would otherwise have ended if pregnancy and childbirth had not occurred. In such circumstances the employee's contract will be extended to enable the practitioner

to complete the agreed programme of training.

3.11.3 Employees not returning to NHS employment
An employee who satisfies the conditions in paragraph 3.1, except that she does not intend to work with the same or another NHS employer for a minimum period of three months after her maternity leave is ended, will be entitled to pay equivalent to Statutory Maternity Pay, which is paid at 90 per cent of her average weekly earnings for the first six weeks of her maternity leave and to a flat rate sum for the following 33 weeks.

3.11.4 Employees with less than 12 months' continuous service
If an employee does not satisfy the conditions in paragraph 3.1 for occupational maternity pay, but has 26 weeks' continuous service with her employer assessed at the 15th week before the week that the baby is due, she may be entitled to Statutory Maternity Pay, depending on her earnings level.

If her earnings are too low for her to qualify for Statutory Maternity Pay, she may be entitled to claim Maternity Allowance. In such circumstances, the employee should seek further information from her local Job Centre Plus or social security office.

3.11.5 Information about statutory maternity/adoption and paternity leave and pay
There are occasions when employees are entitled to other statutory benefits/allowances and information about all statutory maternity/adoption and paternity rights can be found using the following links:

https://www.gov.uk/search?q=maternity+leave

https://www.gov.uk/search?q=statutory+maternity+pay

Information about health and safety for new and expectant mothers at work can be found using the following link:

http://www.hse.gov.uk

4. Management of Pregnant Workers

4.1 Health and safety of employees pre and post birth
The Pregnant Workers Directive 1992 introduced measures to encourage improvements in the health and safety at work of pregnant workers and workers who have recently given birth or are breastfeeding. The Management of Health and Safety at Work regulations 1999 places a duty of care on employers to ensure that the health and safety of pregnant workers is risk assessed and that action must be taken in relation to identified risks.

Where an employee is pregnant, has recently given birth or is breastfeeding, the employer must carry out a risk assessment of her working conditions. The result of the risk assessment should be communicated to the female worker and her representative (where appropriate).

Examples of risk:
- Chemical exposure;
- Physical and biological agents;
- Industrial processes movements and postures;

- Mental and physical fatigue;
- Other types of physical and mental stress connected with the work done

If it is found, or a medical practitioner considers, that an employee or her child would be at risk were she to continue with her normal duties, the employer should provide suitable alternative work for which the employee will receive her normal rate of pay.

Examples of provisions to reduce risk:
- Temporarily adjusting the working conditions or hours;
- Move the worker to another job;
- Transfer to daytime working

Where it is not reasonably practicable to offer suitable alternative work, the employee should be suspended on full pay on pregnancy grounds.

5. **Return to Work Arrangements**

5.1 An employee who intends to return to work at the end of her maternity leave will not be required to give any further notification to NSS, although if she wishes to return early, she must give at least 28 days' notice.

5.2 An employee has the right to return to her job under her original contract and on no less favourable terms and conditions.

5.3 The line manager will arrange to meet with the employee on her return to work (ideally at the start of her first day back at work, but as soon as is reasonably practicable) and will be responsible for dealing with any housekeeping matters and ensuring that she settles in smoothly. In order to assist further in this regard, her manager will also:

- Arrange a catch-up meeting to update the employee on developments in her absence not previously notified to her;
- Discuss the arrangements for handing work back to her;
- Arrange for her to meet with other work colleagues to enable her to re-familiarise herself with the workload and the relevant systems of work;
- Discuss any training needs and ensure that these are addressed as soon as possible after her return;
- Introduce her to any new members of staff;
- Advise on parental leave entitlement;
- Confirm the right to request flexible working arrangements;
- Discuss the provision of support should the employee wish to breastfeed after they return to work;
- Discuss any recommendations that the employee's doctor and/or Occupational Health have made in relation to their health and wellbeing following their return from maternity leave (carrying out a risk assessment and implementing any resulting actions as appropriate);
- Discuss any other operational matters.

5.4 Work should be handed back to the employee on a gradual basis with the aim that she will be completely up to speed and handling a workload appropriate to her contracted working hours within an agreed period following her return from maternity leave.

5.5 Returning on flexible working arrangements

If, at the end of maternity leave, the employee wishes to return to work on different hours, NSS has a duty to consider this, wherever possible bearing in mind the needs of the service. If possible, the employee will return to work on different hours but in the same job. If this is not possible, the employer must provide written, objectively justified reasons for this and the employee shall, wherever possible, be given the option to return to a role at the same pay band and undertaking work of a similar nature and status, to that which they held and undertook prior to their maternity absence. It may not be possible for an employee to have her flexible working request accommodated either in her existing role or through the provision of an alternative role.

If it is agreed that the employee will return to work on a flexible basis, including changed or reduced hours, for an agreed temporary period, this will not affect the employee's right to return to her job under her original contract, at the end of the agreed period.

5.6 Sickness following the end of maternity leave
In the event of illness following the date the employee was due to return to work, normal sick leave provisions will apply as necessary.

5.7 Failure to return to work
If an employee who has notified her employer of her intention to return to work for the same or a different NHS employer, in accordance with paragraph 3.1 (ii) (c) above, fails to do so within 15 months of the beginning of her maternity leave, she will be liable to refund the whole of her maternity pay, less any Statutory Maternity Pay, received. In cases where the employer considers that to enforce this provision would cause undue hardship or distress, the employer will have the discretion to waive their right to recovery.

5.8 Shared parental leave
Under a new system of flexible parental leave (called Shared Parental Leave), parents will be able to choose how they share care of their child during the first year after birth. Employed mothers will still be entitled to 52 weeks of maternity leave; however, working parents will be able to opt to share the leave.

Mothers will have to take at least the initial two weeks of leave following the birth as a recovery period. Following that they can choose to end the maternity leave using the NSS Shared Parental Leave Policy.

The Government introduced changes to flexible parental leave in April 2015.

Further information is available from:

https://www.gov.uk/search?q= reform+of+flexible+parental+leave

5.9 Dignity at Work
The organisation is committed to providing all reasonable support to employees who are pregnant or new mothers. Colleagues should be sensitive to this issue and should adopt a supportive attitude towards such employees. Every employee has the right to be treated with dignity at work and this requirement is particularly relevant and important to employees who are pregnant or who have recently given birth. It is a requirement of this policy that all NSS employees respect this principle.

6. Questions or Concerns

NSS recognises that, from time to time, employees may have questions or concerns relating to their maternity rights. It is the policy of NSS to encourage open discussion with employees to ensure that questions and problems can be resolved as quickly as possible. As the maternity provisions are complex, if an employee becomes pregnant, she should clarify the relevant procedures with her line manager/Human Resources to ensure that they are followed correctly.

7. Resolution of Disagreements

No request for leave under this policy will be unreasonably withheld. Should a disagreement arise, the individual has the right to raise a formal grievance. It may be preferable in such circumstances, however, for the manager to seek advice on resolving the matter from an appropriate member of the HR Team and a Trade Union/Professional Organisation representative.

8. Useful Information

Other policies/guidance that you may find useful include:

- NSS Breastfeeding and Returning to Work Policy
- NSS Maternity Support (Paternity) Leave Policy
- NSS Adoption and Fostering Policy
- NSS Parental Leave Policy
- NSS Career Break Policy
- NSS Annual Hours Working Policy
- NSS Flexible Working Policy
- NSS Special Leave Policy
- NSS Reduced Working Year Policy
- NSS Working at Home/Working from Home Policy
- NSS Zero Hours Contract Policy
- NHS Scotland Supporting the Work Life Balance PIN Policy (July 2015)
- Agenda for Change Handbook - http://www.msg.scot.nhs.uk/pay/agenda-for-change

The following websites may also be of interest:

- Staff Governance: www.staffgovernance.scot.nhs.uk
- ACAS: www.acas.org.uk
- Department for Work and Pensions: www.dwp.gov.uk
- Direct Gov: www.direct.gov.uk
- Edenred Childcare Voucher Scheme: www.childcarevouchers.co.uk
- Government childcare support (including new tax-free childcare provisions: www.childcarecarechoices.gov.uk

9. Policy Review

This policy will be reviewed two years from its effective date to ensure that arrangements put in place are appropriate to the operating requirements of National Services Scotland (NSS).

Date Policy is effective: **February 2018**

Reviewed by: **February 2020**

Agreed by: _(signature)_   Date: 11.5.18

NSS Adoption and Fostering Policy – Frequently Asked Questions

I don't have 12 months' continuous service at the beginning of the 11th week before the Expected Week of Confinement (EWC). What will I be entitled to in terms of maternity leave/pay?

All employees – no matter how much continuous service that they have and whether or not they wish to return to work afterwards - are entitled to 52 weeks of maternity leave.

If you do not have 12 months' continuous service but do have at least 26 weeks' continuous service (assessed at the 15th week before the EWC) you may be entitled to Statutory Maternity Pay, depending on your earnings. If you are unsure as to whether or not you qualify, please contact HR Services in the first instance.

I'm not sure at this stage whether or not I want to return to work after Maternity Leave, what are my options?

If you are undecided about whether or not you wish to return to work after Maternity Leave you can elect to be paid as though you were not returning to NHS employment in the first instance (you would receive statutory maternity pay during this period).

Then if you do return to work for NSS or another NHS employer for the minimum period of three months after your maternity leave has ended you will receive the difference between statutory and contractual (occupational) maternity pay.

What is the minimum/maximum period of maternity leave that I can take?

Legally you must take a minimum of two weeks of maternity leave after the birth. You can take a maximum of 52 weeks maternity leave

What happens to annual leave/public holidays during my maternity leave?

Annual leave and public holidays will continue to accrue during maternity leave – whether this leave is paid or unpaid. You are strongly advised to plan your leave, in conjunction with your line manager, to be taken before/after your maternity leave period.

I have a leased car. What happens to this during my maternity leave?

You can retain the car however you will require to make arrangements to maintain the lease payments for the duration of your maternity leave. Alternatively, you can cancel the lease prior to the end of the lease period without incurring any penalty for early termination. If you require any further information you should contact the Lease Car section.

What happens if my baby is born early?

If your baby is born early you will still be entitled to the same amount of maternity leave/pay. If your baby is born **before the 11th week before the expected week of confinement**, and

you have worked during the actual week of childbirth, your maternity leave will start on the first day of your absence.

If your baby is born **before the 11th week before the expected week of confinement** and you were off work on certified sickness absence during the actual week of childbirth, your maternity leave will start the day after the day of birth.

If your baby is born **before the 11th week before the expected week of confinement** and your baby needs to stay in hospital you can elect to take a minimum period of at least two weeks' leave immediately after childbirth and then take the rest of your leave once the baby has been discharged from hospital.

If your baby is born after **the 11th week before the expected week of confinement** and you hadn't already commenced maternity leave, your maternity leave will start the day after the day of birth.

How do I find out the current rate of Statutory Maternity Pay?

The rates may vary from time to time, but to check what the current rate, please click here:
https://www.gov.uk/employers-maternity-pay-leave/entitlement

I'm planning on taking some KIT days during my maternity leave. What will I be paid for these days?

You will be paid at your normal hourly rate for hours worked during KIT days, with SMP for that day being offset against this payment as you cannot be paid more than your normal contractual pay for the day.

I will still be breastfeeding when I return to work. Will I need to notify anyone of this?

Yes, you must advise you line manager so that a risk assessment can be undertaken of your working conditions. This would take place for all employees who are pregnant, recently given birth or are breastfeeding.

I had originally planned to take 52 weeks Maternity Leave, but due to my partner's job circumstances changing, I wish to return to work sooner. What do I need to do?

If you wish to return to work earlier than the date that you had previously indicated, you should give at least 28 days' notice. If however you plan to return on the date you initially indicated on your maternity application, you do not need to give any additional notification.

You may also wish to consider whether or not the Shared Parental Leave provisions may be a better option. This would of course depend on your personal circumstances.

What if I initially indicate that I wish to return to work after maternity leave and then change my mind?

If you have been paid enhanced (occupational) maternity pay based on you indicating that you would return to work following maternity leave and fail to return to NSS or another NHS employer for at least 3 months, you will be liable to refund the whole of your maternity pay,

less any Statutory Maternity Pay, received.

If you think that you may wish to consider this option, you are advised to contact your line manager as soon as possible to discuss the situation further.

What happens if I decide that I want to reduce my working hours after returning to work after Maternity Leave?

If you decide that you wish to change your working hours on return from maternity leave, this request will be considered and wherever possible, be approved – subject to service delivery requirements.

Where it is possible, you will return to the same job but on different hours. If this is not possible you will be given written reasons to explain why this is not possible. In these circumstances alternatives options will be explored to see if it is possible for you to return to another role at the same pay band and undertaking work of a similar nature and status, to the one that you held and undertook before you started your maternity leave.

There may be circumstances where it is not possible for NSS to accommodate your flexible working request.

Can I purchase childcare vouchers from my salary?

NSS operates a childcare voucher scheme through a company called Edenred. For further details of the scheme or to register, please visit www.childcarevouchers.co.uk.

Access to this scheme for new entrants is time limited however as a new Government scheme is currently being rolled out on a gradual basis through 2017 into 2018. Further details of this scheme can be found at www.childcarechoices.gov.uk .

Please note that parents who are existing members of the Edenred Childcare Voucher scheme can remain in this scheme beyond 2018.

Can I have time off for antenatal appointments?

Yes, you are entitled to paid time off for antenatal care (including relaxation and parent-craft classes that your GP, midwife or health visitor has advised you to attend.

You should provide proof of pregnancy (a MATB1 certificate or a note from your doctor) and after the first appointment, evidence of the appointment (such as an appointment card), if required.

You would also be entitled to paid time off for post-natal care where appropriate. Again, evidence of appointments may be required.

I am employed on a fixed term contract which is due to expire two weeks after the birth of my child. I have worked for NSS for over a year and the indications are that the contract will not be renewed as the project is coming to an end. What will happen to my maternity leave/pay?

First of all, as you meet the service requirements for occupational maternity leave/pay your fixed term contract will be extended to allow you to take the 52 weeks maternity leave period- so you will receive the 39 weeks paid maternity leave and the remaining 13 weeks unpaid leave. You will of course have access to the redeployment process as set out in the NSS Use of Fixed Term Contracts Policy.

In these circumstances, as you would not be able to return the contract would have ended if pregnancy and childbirth had not occurred, you would not be required to repay occupational maternity pay.

What if my partner wishes to share the care responsibility following the birth of our child, can we share my maternity leave?

NSS has a Shared Parental Leave Policy which covers this area. Legally you must take 2 weeks maternity leave following the birth of your child. Thereafter you can elect to end your maternity leave and switch to Shared Parental Leave and share the leave. Please refer to the NSS Shared Parental Leave Policy for further information and advice. Please note that it is your/your partner's responsibility to check the details of their employer's Shared Parental Leave provisions.

I'm adopting a baby, will I be entitled to Maternity Leave?

No. You are only entitled to Maternity Leave and Pay if you are the biological mother of the child. NSS recognises that the needs of adoptive parents are at least as great as those of natural parents in establishing a relationship with the child and in developing new routes and to support you, the NSS Adoption Leave and Fostering Policy outlines the support that is available.

Am I entitled to any more Maternity Leave/Pay if I have a multiple birth?

There is no additional entitlement for multiple births. However, at management discretion you may be allowed to take additional unpaid leave. Your entitlement to Parental Leave is per child and further details can be found in the NSS Parental Leave Policy.

Maternity Leave & Pay Entitlement Matrix   **Appendix B**

Employee Returning to NHS Employment

	26 weeks NSS service by 15th week before EWC and 12 months NHS service by 11th week before EWC	26 weeks NSS service by 15th week before EWC but less than 12 months NHS service by 11th week before EWC	Less than 26 weeks NSS service by 15th week before EWC and less than 12 months NHS service by 11th week before EWC
Entitlement	Up to 52 weeks leave with 39 weeks paid as follows: • 8 weeks full pay • 18 weeks half pay (plus SMP at the appropriate rate) • 13 weeks SMP (at the appropriate rate)	Up to 52 weeks leave with 39 weeks paid as follows: • 6 weeks earnings related SMP • 33 weeks SMP (at the appropriate rate)	Up to 52 weeks leave – unpaid

Employee Undecided if Returning/Not Returning to NHS Employment

	26 weeks NSS service by 15th week before EWC and 12 months NHS service by 11th week before EWC	26 weeks NSS service by 15th week before EWC but less than 12 months NHS service by 11th week before EWC	Less than 26 weeks NSS service by 15th week before EWC and less than 12 months NHS service by 11th week before EWC
Entitlement	Up to 52 weeks leave with 39 weeks paid as follows: • 6 weeks earnings related SMP • 33 weeks SMP (at the appropriate rate)	Up to 52 weeks leave with 39 weeks paid as follows: • 6 weeks earnings related SMP • 33 weeks SMP (at the appropriate rate)	Up to 52 weeks unpaid leave
Entitlement on Return	After returning to work for 3 months – the difference between SMP and Contractual (Occupational) Maternity Pay	No further payment due	Not applicable
Not Returning to Duty	Payment of any outstanding accrued annual leave	Payment of any outstanding accrued annual leave	Payment of any outstanding accrued annual leave

Examples of Maternity Leave/Pay Entitlments   **Appendix C**

Jenny will have worked for NSS for 2 years by the time she reaches the 15th week before the EWC. She has no other NHS service. She plans to return to work after maternity leave. What is her entitlement to maternity leave/pay?

Jenny is entitled to up to 52 weeks maternity leave.
Of which 39 weeks are paid leave   8 weeks at full pay
                                     18 weeks half pay (plus SMP at the appropriate rate)
                                     13 weeks SMP (at the appropriate rate)

Becky will have worked for NSS for 23 weeks by the time that she has reached the 15th week before EWC and has no other NHS service. She isn't sure whether or not she is going to return to work.

Becky is entitled to up to 52 weeks maternity leave.
Because Becky has had less than 26 weeks service by the time she reached the 15th week before EWC she has no entitlement to Maternity Pay.

Hilary will have worked for NSS for 29 weeks by the time that she has reached the 15th week before EWC and has no additional NHS service. She plans to return to work following maternity leave.

Hilary is entitled to up to 52 weeks maternity leave.
Of which 39 weeks are paid leave   6 weeks earnings related SMP
                                     33 weeks SMP (at the appropriate rate)

Brenda will have worked for NSS for over 6 years by the time that she has reached the 15th week before EWC. She has no other NHS service. She's unsure about whether or not she will be returning to work following maternity leave.

Brenda is entitled to up to 52 weeks maternity leave.
As she's unsure about whether or not she will be returning, she can elect to be paid as though she will not be returning and then if she does return for 3 months after maternity leave, she will be paid the difference between the statutory maternity pay she received and the contractual (occupational) maternity pay that she would have been entitled to as a returner.

NHS National Services Scotland

Maternity Leave Policy

Responsibility Matrix

Member of staff	Line Manager	Human Resources	Trade Union/Professional Organisation Representative
You are encouraged to notify your line manager as soon as possible after you discover that you are pregnant, especially as there may be health and safety considerations for both you and the organisation.	Arrange for an assessment of work arrangements for all employees who are expectant, new or breastfeeding mothers. Ensuring that results are communicated and steps put in place manage any risks.	Provide advice and guidance to both members of staff and line managers on the application of the maternity leave policy where required.	Provide advice and guidance to both members of staff and line managers on the application of the maternity leave policy where required.
You are required to submit the necessary forms and documentation to your line manager in line with the timescales set out in the Maternity Policy, or where this is not possible, as soon as possible thereafter.	Be aware of the provisions of the NSS Maternity Leave policy and appreciate when they may have to seek further support and guidance on its application.	Signpost other family friendly/flexible working policy options to both members of staff and Line Managers.	
You should advise your line manager as soon as possible if you wish to commence/end maternity leave earlier/later than indicated. If you wish to return earlier – you must give at least 28 days notice. If you wish to alter your working hours/pattern after your return from maternity leave you should make this request to your line manager.	Ensure that Maternity Leave is appropriately recorded on Payroll and HR systems to ensure that payments are made accurately and comprehensive records are maintained.		
	Gather all relevant details regarding requests for Maternity Leave.		

| | Working with the member of staff to determine the best course of action and where necessary, identify and explore alternative approaches to assist them in balancing domestic /work responsibilities.

Ensure that any request to return to work on a flexible working arrangement is not unreasonably refused. | | |
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NSS Adoption and Fostering Policy

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V1.0	**December 2013**	**Addendum covering position on annual/public holiday accrual**
V2.0	**December 2017**	**Updated to reflect Supporting Work Life Balance PIN (2015) and agreed by NSS WPTC Group**
	February 2018	**Submitted to NSS Partnership Forum for consideration**

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Contents
                                                                    Page
                                                                    Number

1. Introduction

NHS National Services Scotland aims to deal sensitively and sympathetically with staff who are considering being the main carer in adopting or fostering a child and are looking for time off in the initial stages of this process.

We recognise that the needs of adoptive or foster parents are at least as great as those of natural parents in establishing a relationship with the child and in developing new routines. The organisation also recognises that a single person may adopt/foster a child and that an employee of either sex may adopt/foster a child.

This policy sets out the rights and responsibilities of employees who wish to adopt or foster a child and gives details of the arrangements for adoption leave and pay.

The policy aims to implement best practice in the processing of applications, management of employees who wish to adopt or foster a child and return to work arrangements following adoption leave.

Should members of staff have any difficulties with understanding any aspect of this policy, or require further information in respect of accessibility, interpretation or application of the policy, they should contact HR, their Line Manager or Staff side Representative.

2. General Principles

Fostering
Fostering can be for varying lengths of time, from very short-term to long-term fostering and the organisation will adopt a flexible approach to this. Staff should therefore discuss their intention to foster with their line manager as soon as possible to determine the level of support they consider appropriate in their circumstances.

For very short-term fostering, it would be more appropriate to consider time off under the NSS Special Leave Policy but there is no guarantee that this would be granted. For longer-term fostering, the manager should consider providing time off under the arrangements for Adoption Leave/Pay (outlined below), Parental Leave or Career Breaks.

Adoption Leave and Pay
The following provisions for adoption leave and pay are as set out in Section 35 of the NHS Terms and Conditions of Service Handbook and mirror those set out within Section 15 of the Handbook in respect of maternity leave and pay. However, they apply to all individuals employed by NHS National Services Scotland, including the Executive Level and Senior Management cohort and Doctors and Dentists.

3. **Terms and Conditions of Employment**

3.1 Eligibility

All employees who adopt a child under the age of 18 through an approved adoption agency (or who adopt a child from overseas and have received 'official notification' in respect of that child), and who will have primary care responsibility for that child, will have a right to take 52 weeks of adoption leave whether or not they return to NHS employment.

An employee will be entitled to paid and unpaid adoption leave under the NHS contractual (occupational) adoption pay scheme if:

   i.   They have 12 months' continuous service with one or more NHS employers ending with the week in which they are notified of being matched with the child for adoption;

   ii. They notify their employer in writing no later than seven calendar days after the date on which notification of the match with the child was provided by the adoption agency (or if this is not possible, as soon as is reasonably practicable thereafter):

   a) of their intention to take adoption leave;
   b) of the date the child is expected to be placed with the employee for adoption
   c) of the date they wish to start their adoption leave – adoption leave can start on the day the child is placed for adoption, or up to 14 days earlier (or in the case of adoption of a child from overseas, on the day on which the child enters Great Britain or on a chosen date no later than 28 days after that)
   d) that they intended to return to work with the same or another NHS employer for a minimum period of three months after their adoption leave has ended
   e) and provide evidence of entitlement to adoption leave and pay by producing a 'matching certificate' from the adoption agency (or in the case of overseas adoption, a copy of the 'official notification' and within 28 days of the child's entry into Great Britain, inform the organisation of the date of entry and provide evidence of this date in the form of a plane ticket or copies of entry clearance documents).

3.2 Continuous Service

In order to calculate whether the employee meets the qualification set out in paragraph 3.1 (i) to have had 12 months of continuous service with one or more NHS employers, reference should be made to the provisions of the NHS Terms and Conditions of Service Handbook sections 15.61 to 15.65.

3.3 Notification

In addition to 3.1 (ii) above, employees should be encouraged to notify their line manager as soon as possible after they are notified of being matched with the child for adoption.   The rules regarding notification apply irrespective of the employee's entitlement to paid leave under this policy.

3.4 Confirming adoption leave and pay

An employee should be written to upon receipt of their application form (Appendix 1), detailing what they must do (if anything) and their entitlement to pay and leave together

with dates (where these can be confirmed).

Following discussion with the employee, the employer should confirm in writing:

i. The employee's paid and unpaid leave entitlements under this agreement (or statutory entitlements if the employee does not qualify under this agreement);
ii. Unless an earlier return date has been given by the employee, their expected return date, based on their 52 weeks paid and unpaid leave entitlement under this agreement;
iii. The length of any period of accrued annual leave which it has been agreed may be taken following the end of the formal adoption leave period; and
iv. The need for the employee to give at least 28 days of notice if they wish to return to work before the expected return date.

3.5 Paid Adoption Leave

3.5.1 Amount of Pay

Where an employee intends to return to work the amount of contractual adoption pay receivable is as follows:

i. For the first eight weeks of absence the employee will receive full pay, less any Statutory Adoption Pay (including any dependents' allowances) receivable;
ii. For the next 18 weeks the employee will receive half of full pay, plus any Statutory Adoption Pay or Maternity Allowance (including any dependents' allowances) receivable, providing the total receivable does not exceed full pay; and
iii. For the next 13 weeks, the employee will receive any Statutory Adoption Pay or Maternity Allowance that they are entitled to under the statutory scheme.

By prior agreement, occupational adoption pay may be paid in a different way, for example a combination of full pay and half pay or a fixed amount spread equally over the adoption leave period. Any such arrangement must be discussed and agreed prior to commencement of Leave.

An employee who meets the qualification requirements for contractual adoption pay, who is however undecided as to whether she will return to work, can opt to receive any payments they are entitled to under the Statutory Adoption Pay scheme. Should they then return to work for NSS or another NHS employer following adoption leave for a period of 3 months or more they would at that point be entitled to receive the balance of the contractual adoption pay that would have been paid had they indicated that it was their intention to return to work.

3.5.2 Calculation of Adoption Pay

Full pay will be calculated using the average weekly earnings rules used for calculating Statutory Adoption Pay entitlements, subject to the qualification set out within section 15.23 of the NHS Terms and Conditions of Service Handbook.

3.6 Unpaid Contractual Leave

Employees are also entitled to take a further 13 weeks as unpaid leave to bring the total of leave to 52 weeks. However, this may be extended by local agreement in exceptional circumstances.

3.7 Commencement and duration of leave

An employee may begin their adoption leave on the day the child is placed for adoption, or up to 14 days earlier (or in the case of adoption of a child from overseas, on the day on which the child enters Great Britain or on a chosen date no later than 28 days after that).

3.7.1 Changing the adoption leave start date
If the employee subsequently wants to change the date from which they wish their leave to start, they should notify their employer at least 28 days beforehand (or, if this is not possible, as soon as is reasonably practicable beforehand).

3.8 Contractual Rights

During adoption leave (both paid and unpaid) an employee retains all of their contractual rights, except remuneration.

3.8.1 Increments
Adoption leave, whether paid or unpaid, shall count as service for annual increments and for the purposes of any service qualification period for additional annual leave. The expectation is that an employee on adoption leave would progress through a KSF gateway on the due date, if concerns had not been raised about the ability to meet their KSF outline prior to adoption leave.

3.8.2 Accrual of annual leave and public holidays
Annual leave and public holidays will continue to accrue during adoption leave, whether paid or unpaid, provided for by this agreement.

Where the amount of accrued leave and public holidays would exceed normal carry over provisions, it may be mutually beneficial to both the employer and employee for the employee to take annual leave before and/or after the formal (paid and unpaid) adoption leave period. The amount of annual leave to be taken in this way, or carried over, should be discussed and agreed between the employee and line manager. In exceptional circumstances, where it is considered that to fully utilise annual leave would cause serious personal and/or operational difficulties, line managers should discuss the situation with HR Services to explore the options available.

3.8.3 Pensions
Pension rights and contributions shall be dealt with in accordance with the provisions of the NHS Superannuation Regulations.

3.9 Line Management Contact

Line managers should keep in contact with the employee throughout the period following receipt of notification of matching and during adoption leave, providing information and support where required and a link to the workplace.

3.9.1 Pre-Adoption Leave Discussion
Before going on leave, the line manager and employee should meet to discuss the practicalities of the employee's approaching adoption leave. The employee should already have been informed by this stage of their adoption leave and pay entitlement.

This meeting will provide the opportunity:

- To discuss the final arrangements for the employee's adoption leave;
- To discuss with the employee how their work will be covered during the adoption leave, including who will take over their tasks, how the handover will be managed and any other practicalities that arise;
- To discuss and agree any arrangements for keeping in touch during the employee's adoption leave, including:

    i) The employee's right to keeping-in-touch days and whether or not they might be interested in exercising this right;
    ii) How the line manager will keep in touch with the employee while they are on adoption leave, what information they might expect to receive and by what means;
    iii) keeping the employer in touch with any developments that may affect their intended date of return;

- To discuss how the employee's annual leave entitlement will be managed while they are on adoption leave;
- For the Employee to raise any other issues that they would like to discuss.

3.9.2 Keeping in touch days

To facilitate the process of keeping in touch, it is important that the line manager and employee have early discussion to plan and make arrangements for Keeping in Touch days (KIT days) before the employee's adoption leave takes place.

KIT days are intended to facilitate a smooth return to work for employees returning from adoption leave.

An employee may work for up to a maximum of 10 KIT days without bringing their adoption leave to an end. Any days of work will not extend the adoption leave period.

The work can be consecutive or not and can include training or other activities which enable the employee to keep in touch with the workplace.

Any such work must be by agreement and neither the manager nor the employee can insist upon it.

The employee will be paid at their basic daily rate for the hours worked, less appropriate adoption leave payment for the KIT days worked.

Working for part of any day will count as one KIT day.

3.10 Pre-Adoption Leave

Reasonable time off should be given to attend official meetings in the adoption process, such as court sessions and interviews.

Staff who wish to take advantage of this leave should advise their line manager in writing as soon as they are notified by the Adoption Agency that a child is to be placed with them for adoption and that time off may be required and proof of appointment will be required to support requests for leave.

In normal circumstances, a maximum of five days (one working week) will be available for this purpose.

3.11 Miscellaneous Provisions
3.11.1 Fixed term contracts or training contracts
Employees subject to fixed-term or training contracts which expire between 11 weeks before and six weeks after the date of adoption and who satisfy the conditions in paragraphs 3.1 (i), and 3.1 (ii) (a), (b) and (d), shall have their contracts extended so as to allow them to receive the 52 weeks, which includes paid contractual and statutory adoption pay, and the remaining 13 weeks of unpaid adoption leave.

Absence on adoption leave (paid and unpaid) up to 52 weeks before a further NHS appointment shall not constitute a break in service.

If there is no right of return to be exercised because the contract would have ended if the adoption leave had not occurred, the repayment provisions set out in paragraph 4.7 below will not apply.

Employees on fixed-term contracts who do not meet the 12 months' continuous service condition set out in paragraph 3.1 (i) above, may still be entitled to Statutory Adoption Pay.

An employee on a fixed term contract, satisfying the conditions for paid entitlement to leave, and whose contract expires between 11 weeks before and six weeks after the date of adoption, will have their contracts extended to enable them to receive 26 weeks' paid leave. If the right to return to work cannot be exercised because of the termination of the contract, pay cannot be reclaimed.

3.11.2 Rotational training contracts
Where an employee is on a planned rotation of appointments with one or more NHS employers, as part of an agreed programme of training, they shall have the right to return to work in the same post or in the next planned post, irrespective of whether the contract would otherwise have ended if adoption leave had not occurred. In such circumstances the employee's contract will be extended to enable the practitioner to complete the agreed programme of training.

3.11.3 Employees not returning to NHS employment
An employee who satisfies the conditions in paragraph 3.1 except that they do not intend to return to work with the same or another NHS employer for a minimum period of three months after their adoption leave is ended, will be entitled to pay equivalent to Statutory Adoption Pay, which is paid at 90% of their average weekly earnings for the first six weeks of their adoption leave and to a flat rate sum for the following 33 weeks.

3.11.4 Employees with less than 12 months' continuous service
If an employee does not satisfy the conditions in paragraph 3.1 for occupational adoption pay, but has 26 weeks' continuous service with their employer leading up to the week in which they are notified of being matched with a child for adoption, they may be entitled to Statutory Adoption Pay, depending on their earnings level.

If the employee's earnings are too low for them to qualify for Statutory Adoption Pay, they may be entitled to other welfare benefits. In such circumstances, the employee should seek further information from their local Job Centre Plus or social security office.

3.11.5 Information about statutory maternity/adoption and paternity leave and pay

There are occasions when employees are entitled to other statutory benefits/allowances and information about all statutory maternity/adoption and paternity rights can be found using the following links:

https://www.gov.uk/search?q=maternity+leave
https://www.gov.uk/search?q=statutory+maternity+pay

Information about health and safety for new and expectant mothers at work can be found using the following link:

http://www.hse.gov.uk

4. Return to Work Arrangements

4.1 An employee who intends to return to work at the end of their full adoption leave period will not be required to give any further notification to the employer, although if they wish to return early, they must give at least 28 days' notice.

4.2 An employee has the right to return to their job under their original contract and on no less favourable terms and conditions.

4.3 The line manager will arrange to meet with the employee on their return to work (ideally at the start of their first day back at work, but as soon as is reasonably practicable) who will be responsible for dealing with any housekeeping matters and ensuring that they settle in smoothly. In order to assist further in this regard, their manager will also:

- Arrange a catch-up meeting to update the employee on developments in their absence not previously notified to them;
- Discuss the arrangements for handing work back to them;
- Arrange for them to meet with other work colleagues to enable them to re-familiarise themselves with the workload and the relevant systems of work;
- Discuss any training needs and ensure that these are addressed as soon as possible after their return;
- Introduce them to any new members of staff;
- Advise on parental leave entitlement;
- Confirm the right to request flexible working arrangements;
- Discuss any other operational matters.

4.4 Work should be handed back to the employee on a gradual basis with the aim that they will be completely up to speed and handling a full workload appropriate to their contracted working hours within an agreed period following their return from adoption leave.

4.5 Returning on flexible working arrangements
If, at the end of adoption leave, the employee wishes to return to work on different hours, the NHS employer has a duty to consider this and to seek to facilitate this, wherever possible. The employee will return to work on different hours, in the same job. If this is not possible, the line manager must provide written, objectively justifiable reasons for this and the employee shall, wherever possible, be given the option to return to a role at the same pay band and undertaking work of a similar nature and status, to that which they held and undertook prior to their adoption leave absence. It may not be possible for an employee to have their flexible working request

accommodated either in their existing role or through the provision of an alternative role.

If it is agreed that the employee will return to work on a flexible basis, including changed or reduced hours, for an agreed temporary period, this will not affect the employee's right to return to their job under their original contract, at the end of the agreed period.

4.6 Sickness following the end of adoption leave
In the event of illness following the date the employee was due to return to work, normal sick leave provisions will apply as necessary.

4.7 Failure to return to work
If an employee who has notified their employer of their intention to return to work for the same or a different NHS employer, in accordance with the above paragraph 3.1 (ii) (c) above, fails to do so within 15 months of the beginning of their adoption leave, they will be liable to refund the whole of their adoption pay, less any Statutory Adoption Pay, received. In cases where the employer considers that to enforce this provision would cause undue hardship or distress, the employer will have the discretion to waive their rights to recovery.

5. Dignity at Work

NHS National Services Scotland is committed to providing all reasonable support to employees who adopt or foster. Colleagues should be sensitive to this issue and should adopt a supportive attitude towards such employees. Every employee has the right to be treated with dignity at work and this requirement is particularly relevant and important to employees who adopt or foster. It is a requirement of this policy that all employees of the organisation respect this principle.

6. Questions or Concerns

NHS National Services Scotland recognises that, from time to time, employees may have questions or concerns relating to their adoption or fostering rights. It is the policy of NSS to encourage open discussion with employees to ensure that questions and problems can be resolved as quickly as possible. As the adoption and fostering provisions are complex, if an employee is or is seeking to adopt/foster a child, they should clarify the relevant procedures with their line manager/HR to ensure that they are followed correctly.

7. Resolution of Disagreements

No request for leave under this policy will be unreasonably withheld. Should a disagreement arise, the individual has the right to raise a formal grievance. It may be preferable in such circumstances, however, for the manager to seek advice on resolving the matter from an appropriate member of the HR Team or a Trade Union/or Professional Organisation representative.

8. Useful Information

Other policies/guidance that you may find useful include:

- NSS Maternity Leave Policy
- NSS Maternity Support (Paternity) Leave Policy
- NSS Parental Leave Policy
- NSS Career Break Policy
- NSS Annual Hours Working Policy
- NSS Flexible Working Policy
- NSS Special Leave Policy
- NSS Reduced Working Year Policy
- NSS Working at Home/Working from Home Policy
- NSS Zero Hours Contract Policy
- NHS Scotland Supporting the Work Life Balance PIN Policy (July 2015)
- Agenda for Change Handbook - http://www.msg.scot.nhs.uk/pay/agenda-for-change

The following websites may also be of interest:

- Staff Governance: www.staffgovernance.scot.nhs.uk
- ACAS: www.acas.org.uk
- Department for Work and Pensions: www.dwp.gov.uk
- Direct Gov: www.direct.gov.uk
- Edenred Childcare Voucher Scheme: www.childcarevouchers.co.uk
- Government childcare support (including new tax-free childcare provisions: www.childcarecarechoices.gov.uk

9. POLICY REVIEW

This policy will be reviewed two years from its effective date to ensure that arrangements put in place are appropriate to the operating requirements of National Services Scotland (NSS).

Date Policy is effective: **February 2018**

Reviewed by: **February 2020**

Agreed by: Date: _/ ((·/ (_

12

NSS Adoption and Fostering Policy – Frequently Asked Questions

I don't have 12 months' continuous service at the end of the week that I was notified of being matched with a child for adoption. What will I be entitled to in terms of adoption leave/pay?

All employees – no matter how much continuous service that they have and whether or not they wish to return to work afterwards - are entitled to 52 weeks of adoption leave.

If you do not have 12 months' continuous service but do have at least 26 weeks' continuous service (leading into the week in which you are notified of being matched for adoption) you may be entitled to Statutory Adoption Pay, depending on your earnings. If you are unsure as to whether or not you qualify, please contact HR Services in the first instance.

I'm not sure at this stage whether or not I want to return to work after Adoption Leave, what are my options?

If you are undecided about whether or not you wish to return to work after Adoption Leave you can elect to be paid as though you were not returning to NHS employment in the first instance (you would receive statutory adoption pay during this period if you qualify).

Then if you do return to work for NSS or another NHS employer for the minimum period of three months after your adoption leave has ended you will receive the difference between statutory and contractual (occupational) adoption pay.

What happens to annual leave/public holidays during my adoption leave?

Annual leave and public holidays will continue to accrue during adoption leave – whether this leave is paid or unpaid. You are strongly advised to plan your leave, in conjunction with your line manager, to be taken before/after your adoption leave period.

I have a leased car. What happens to this during my adoption leave?

You can retain the car however you will require to make arrangements to maintain the lease payments for the duration of your adoption leave. Alternatively, you can cancel the lease prior to the end of the lease period without incurring any penalty for early termination. If you require any further information you should contact the Lease Car section.

How do I find out the current rate of Statutory Adoption Pay?

The rates may vary from time to time, but to check what the current rate, please click here:
https://www.gov.uk/adoption-pay-leave/pay

I'm planning on taking some KIT days during my adoption leave. What will I be paid for these days?

You will be paid at your normal hourly rate for hours worked during KIT days, with SAP for that day being offset against this payment as you cannot be paid more than your normal contractual pay for the day.

I had originally planned to take 52 weeks Adoption Leave, but due to my partner's job circumstances changing, I wish to return to work sooner. What do I need to do?

If you wish to return to work earlier than the date that you had previously indicated, you should give at 28 days' notice. If however you plan to return on the date you initially indicated on your adoption leave application, you do not need to give any additional notification.

What if I initially indicate that I wish to return to work after adoption leave and then change my mind?

If you have been paid enhanced (occupational) adoption pay based on you indicating that you would return to work following adoption leave and fail to return to NSS or another NHS employer for at least 3 months, you will be liable to refund the whole of your adoption pay, less any Statutory Adoption Pay, received.

If you think that you may wish to consider this option, you are advised to contact your line manager as soon as possible to discuss the situation further.

What happens if I decide that I want to reduce my working hours after returning to work after Adoption Leave?

If you decide that you wish to change your working hours on return from adoption leave, this request will be considered and wherever possible, be approved – subject to service delivery requirements.

Where it is possible, you will return to the same job but on different hours. If this is not possible you will be given written reasons to explain why this is not possible. In these circumstances alternatives options will be explored to see if it is possible for you to return to another role at the same pay band and undertaking work of a similar nature and status, to the one that you held and undertook before you started your maternity leave.

There may be circumstances where it is not possible for NSS to accommodate your flexible working request.

Can I purchase childcare vouchers from my salary?

NSS operates a childcare voucher scheme through a company called Edenred. For further details of the scheme or to register, please visit www.childcarevouchers.co.uk.

Access to this scheme for new entrants is time limited however as a new Government scheme is currently being rolled out on a gradual basis through 2017 into 2018. Further details of this scheme can be found at www.childcarechoices.gov.uk .

Please note that parents who are existing members of the Edenred Childcare Voucher scheme can remain in this scheme beyond 2018.

Can I have time off to attend official meetings in the adoption process?

Yes, you are entitled to reasonable paid time off to attend meetings such as court sessions and interviews. You may be required to provide proof of the appointment and in normal circumstances, a maximum of 5 days (one working week) – pro-rata for part time staff – will be available for this purpose.

I am employed on a fixed term contract which is due to expire two weeks after the placement for adoption . I have worked for NSS for over a year and the indications are that the contract will not be renewed as the project is coming to an end. What will happen to my adoption leave/pay?

First of all, as you meet the service requirements for occupational adoption leave/pay your fixed term contract will be extended to allow you to take the 52 weeks adoption leave period-so you will receive the 39 weeks paid adoption leave and the remaining 13 weeks unpaid leave. You will of course have access to the redeployment process as set out in the NSS Use of Fixed Term Contracts Policy.

In these circumstances, as you would not be able to return the contract would have ended if adoption had not occurred, you would not be required to repay occupational adoption pay.

What if my partner wishes to share the care responsibility following the birth of our child, can we share adoption leave?

Adoption Leave is only available to the primary carer. Therefore you will need to decide between yourself who is taking that role. However, you may elect to end Adoption Leave early and switch to Shared Parental Leave during the first year following adoption. That way you can share up to 50 weeks of leave entitlement between you. Eligibility criteria do apply. For further details, please refer to the NSS Shared Parental Leave Policy.

Am I entitled to any more Adoption Leave/Pay if I adopt two children in the same adoption arrangement?

No. Where more than one child is placed as part of the same adoption arrangement there will only be an entitlement to one period of adoption leave.

I am considering becoming a short term foster carer. What are my support would I receive under the terms of this policy?

In cases of very short term foster care, it is advised that requests for time off are considered under the NSS Special Leave policy. You should be aware that there is no guarantee that time off would be granted.

Where long-term fostering is being considered, employees and line managers are advised to consider the provisions of The NSS Adoption and Fostering Policy in terms of leave/pay, NSS Parental Leave Policy and NSS Career Breaks Policy. Further advice can be sought from HR Services.

NHS National Services Scotland

Adoption and Fostering Leave Policy

Responsibility Matrix

Member of staff	Line Manager	Human Resources	Trade Union/Professional Organisation Representative
You are encouraged to notify your line manager as soon as possible after you discover that you are being placed with a child for adoption/fostering.	Be aware of the provisions of the NSS Adoption and Fostering Leave policy and appreciate when they may have to seek further support and guidance on its application.	Provide advice and guidance to both members of staff and line managers on the application of the NSS Adoption and Fostering Leave policy where required.	Provide advice and guidance to both members of staff and line managers on the application of the NSS Adoption and Fostering Leave policy where required.
You are required to submit the necessary forms and documentation to your line manager in line with the timescales set out in the NSS Adoption and Fostering Policy, or where this is not possible, as soon as possible thereafter.	Ensure that Adoption/Fostering Leave is appropriately recorded on Payroll and HR systems to ensure that payments are made accurately and comprehensive records are maintained.	Signpost other family friendly/flexible working policy options to both members of staff and line managers.	
You should advise your line manager as soon as possible if you wish to commence/end adoption leave earlier/later than indicated. If you wish to return earlier – you must give at least 28 days notice. If you wish to alter your working hours/pattern after your return from adoption leave you should make this request to your line manager.	Gather all relevant details regarding requests for Adoption/Fostering Leave. Working with the member of staff to determine the best course of action and where necessary, identify and explore alternative approaches to assist them in balancing domestic /work responsibilities. Ensure that any request to return to work on a flexible working arrangement is not unreasonably refused.		

Team-Based Self-Rostering Guidance

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V1.0	17/10/2006	
V2.0	December 2017	Draft following receipt of Supporting Work Life Balance PIN Policy (July 2015). Recommendation given the nature of the provision and the historically low take up/interest within NSS that this becomes a guidance document only.
	February 2018	**Submitted to NSS Partnership Forum for consideration**

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<u>Contents</u>   **<u>Page Number</u>**

1. Introduction

Team-based self-rostering is a 'bottom-up' approach to scheduling work, giving people more control over the pattern of their working week. Parameters are set by agreeing in advance the levels of staff and skill mix required hour-by-hour throughout the working day. Staff put forward the times they would like to work and times they would like to protect away from work. This information is then used to compile shift patterns that match individual preferences as closely as possible, whilst maintaining agreed levels of cover at all times. There may be no requirement for staff to work their 'contracted hours' on a weekly or indeed monthly basis. Self-rostering programmes can enable staff to 'bank' hours worked over or under contractual hours. Hours can then be taken back or extra hours borrowed as dictated by the personal circumstances of staff. Self-rostering can lend itself to all staff groups within the NHS, and works best in a large mixed team where there is a variety of personal circumstances among staff, and different preferences about work patterns.

Team-based self-rostering is one of a number of approaches to flexible working. This guidance should be read in conjunction with the full range of NSS flexible working provisions. Should members of staff have any difficulties with understanding any aspect of this guidance, or require further information in respect of accessibility, interpretation or application of this guidance, they should contact HR, their Line Manager or Staff side Representative.

2. Benefits of team-based self-rostering

Benefits for staff include:
- More control over the scheduling of their own working lives;
- A stronger voice in the planning of team activity;
- Previously unrecorded extra time at work is noted and carried forward in a "time bank";
- Linking start and finish times more efficiently to travel and family care arrangements;
- Opting for fewer, longer shifts where appropriate (within the requirements of the Working Time Regulations);
- Being able to attend appointments without losing a whole shift; and
- More discretion to be at work for significant events in patient care.

Benefits for the NSS include:
- Potential conflicts and tensions over shift allocation may be reduced;
- A better match between staffing levels and delivery of care;
- Development of a stronger team spirit;
- An opportunity to review the match between staff resources /care needs, and the potential for new care initiatives, such as evening and weekend clinics, extra theatre sessions, etc.;
- Improve retention of staff (once staff have worked in a self-roster environment, very few want to give it up); and
- Reduced reliance on agency/bank staff.

Benefits for patients and users include:
- Better motivated staff ensuring better quality of care;
- More effective use of staff resource to deliver more care;
- Improved access to care through extended work patterns.

3. Implementation Guidelines

There is no single way to structure a project to introduce self-rostering that will prove successful for all. However, the following critical success factors have been identified:

3.1 Ask the team
The first step is to assess the support among staff for team-based self-rostering. Although there are benefits to the service in implementing a successful scheme, its first purpose is to give staff more control over when they work. There may be differences of opinion among existing staff about how desirable this is. But the scheme's impact on future recruitment and retention should also be considered.

3.2 Explore the key questions
In discussions with staff, these questions need to be considered:
- Would staff value more flexibility in their working lives?
- Will there be any effect on the delivery/continuity of patient care and how can a gain in quality of care be ensured?
- Will it help to retain existing staff and recruit new staff?
- Will it reduce absences and the need for bank or agency staff?
- Will it be fair to all?
- Could it impact on equal opportunities policy?
- Will a computer system be required or will a manual system work?
- Will it affect overtime or unsocial hours earnings?
- How will handovers be managed if there aren't clear shift changes?

3.3 Set the parameters
Before a team-based self-rostering scheme can be introduced, principles and parameters must be agreed. These will include:
- Agreeing minimum and maximum staff levels for each hour of the day;
- Agreeing skill, grade and if necessary gender mix, hour by hour;
- Agreeing "veto" hours and any "core" hours;
- The preferences for hours to be worked by each team member of the team;
- Protected time periods for each member of the team when they specifically do not want to work; and
- Agreed limits as to how much time owed or time owing can accrue to each team member.

3.4 Compare agreed staffing levels with actual establishment
Is there a match between required staffing levels and staff available? If there is a mismatch, what steps can be taken to correct it?

3.5 Select an operating system
The operating system which processes staff requests and produces the rosters is a key element. This can be done manually with pencilled preferences input to a shift card and then confirmed in ink. Various computer systems will automatically process the information from staff to produce recommended rosters. However, computer programs

may be difficult to program where complex skill mixes have to be achieved, and require basic keyboard skills from staff. Some form of manual system is probably desirable in the early phases of implementation, and for smaller or less complex teams. Questions to consider are:

- Are all team members comfortable with using a computer-based system?
- If not, what support or training can be given?
- Where could the computer(s) be sited to give all team members access?
- Will it be possible to integrate the computer system into existing organisational IT systems?
- Is IT support available?
- Who will be responsible for putting in the time it takes to prepare a roster manually from information supplied?

3.6 Trial the system

A time limited trial will give team members a taste self-rostering. Evidence suggests that three months is the minimum period for the effect to be assessed; six months will provide a better picture of how well it works. All members of the team should be given the opportunity to express their views during this trial. At the end of the period, the effect of the scheme can be assessed:

- What is the general team view?
- What has been the staff's uptake of the scheme?
- Have patients expressed views?
- Are any individuals unhappy with the scheme and, if so, for what reasons?
- How has the service been affected?

It may be appropriate to trial the scheme with a "team within the team", but it should be large enough to make the trial a valid basis for assessment.

3.7 Implement and monitor

Given that problems identified in the trial can be resolved, the scheme can be carried forward, but it will be important to continue to monitor staff attitudes to its operation.

- Do team members want it to continue?
- Have patients or the service been affected?
- Are modifications needed?

Communicate the initiative to other teams, if it is successful. Self-rostering will work effectively where these factors are present:

- Effective team working
- Sensitivity to individuals' working time requirements within the team; and
- Managers with good leadership skills.

4. Earnings

Any intention to alter pay through changing shift patterns should be negotiated through the normal channels, to avoid rejection of a system that would suit both staff and the organisation. Increased flexibility may take some staff into or out of periods that attract enhanced payments.

Some groups may not have worked unsocial hours in the past and therefore not attracted additional payments. Increasing flexibility for those groups raises the issue of whether such additional payments should be made. If so, the pay budget could increase significantly.

5. Training

There may be a need for training for managers and staff in the following areas:

- An understanding of the concepts and cultural changes involved in self-rostering; and
- Techniques for managers to assess the scope for flexibility balanced with the preferences of individual staff within the agreed parameters.

Each initiative will need to consider how to provide training in the self rostering system and who should provide it.

6. GUIDANCE REVIEW

This guidance will be reviewed two years from its effective date to ensure that arrangements put in place are appropriate to the operating requirements of National Services Scotland (NSS).

Date Guidance is effective:

Reviewed by:

Agreed by:

Date: 16 5.18