NSS Board Meeting

02 November 2018, 09:30 to 13:10
Rhesus Room, Jack Copland Centre,
Heriot-Watt Research Park, Edinburgh, EH14
4BE

Agenda [B/18/115a]

1.   **Apologies**

2.   **In Attendance**

Martin Bell, Associate Director of Performance and Service Delivery
Caroline Lamb, Chief Executive, NHS Education for Scotland
Caroline Lang, Board Secretary
Christine McLaughlin, Director of Health Finance, Corporate Governance and
Value
Deryck Mitchelson, Director, National Digital
Mary Morgan, Director, Strategy, Performance and Service Transformation
Lorna Ramsay, Interim Medical Director
Aileen Stewart, Interim Associate Director, HR

3.   **Observers**

4.   **INTRODUCTION**   25 minutes

4.1.   **Chair's Introduction and Report [B/18/116]**

E Ireland

📄   B18116 Chairs Update.pdf   (25 pages)

4.2.   **Chief Executive's Update [B/18/117]**

C Sinclair

📄   B18117 CEOs Update.pdf   (4 pages)

5.   **Minutes of the NSS Board Meeting held on 7**   5 minutes
September 2018 and Matters Arising [B/18/118 and
B/18/119]

E Ireland

📄   B18118 Board Draft Minutes_070918.pdf   (5 pages)
📄   B18119 Actions.pdf   (2 pages)

FOR CONSIDERATION

6.   **Digital [presentation]**

60 minutes

C McLaughlin/C Lamb/D Mitchelson

7.   **Update and Actions from NSS Board Offsite [B/18/120]**

30 minutes

C Sinclair/M Bell

📄 B18120 NSS Strategy Update.pdf   (7 pages)

8.   **Primary Care [presentation]**

30 minutes

L Ramsay/C Sinclair

9.   **Mid Year Performance Report [B/18/121]**

10 minutes

C Sinclair

📄 B18121 Mid Yr Performance.pdf   (4 pages)

10.   **Finance Report: Period 1 April to 30 September 2018 [B/18/122]**

10 minutes

C Low

📄 B18122 Finance Report.pdf   (19 pages)

11.   **People Report [B/18/123]**

10 minutes

A Stewart

📄 B18123 People Report.pdf   (11 pages)

12.   **Biannual Risk Management Update [B/18/124]**

10 minutes

M Bell

📄 B18124 Board Risk Management Update.pdf   (13 pages)

13.   **NSS Audit and Risk Committee Report [B/18/125]**

5 minutes

M McDavid

📄 B18125 ARC_Board Highlights.pdf   (3 pages)

14.   **Highlights from NSS Board Committees [B/18/126]**

10 minutes

Relevant Chairs

📄 B18126 Board Committee Highlights.pdf   (3 pages)

15.   **Update on Register of Interests [B/18/127]**

5 minutes

E Ireland

📄 B18127 Register of Interests.pdf   (3 pages)

FOR INFORMATION / NOTING

16.   NSS Clinical Governance Committee

16.1.   **Meeting held on 13 September 2018 - Draft Minutes [B/18/128]**

📄 B18128 CGC Draft Minutes 130918.pdf   (5 pages)

16.2.   **Meeting held on 11 June 2018 - Approved Minutes [B/18/129]**

📄 B18129 CGC Approved Minutes 110618.pdf   (5 pages)

17.   NSS Information Governance Committee

17.1.   **Meeting held on 19 September 2018 [see paper B/18/126]**

17.2.   **Meeting held on 25 April 2018 - Approved Minutes [B/18/130]**

📄 B18130 IGC Approved Minutes 250418.pdf   (5 pages)

18.   NSS Staff Governance Committee

18.1.   **Meeting held on 28 September 2018 - Draft Minutes [B/18/131]**

📄 B18131 SGC Draft Minutes 280918.pdf   (6 pages)

18.2.   **Meeting held on 11 May 2018 - Approved Minutes [B/18/132]**

📄 B18132 SGC Approved Minutes 110518.pdf   (7 pages)

19.   NSS Finance, Procurement and Performance Committee

19.1.   **Meeting held on 30 May 2018 - Approved Minutes [B/18/134]**

📄 B18134 PFC Approved Minutes 300518.pdf   (8 pages)

20.   NSS Audit and Risk Committee

20.1.   **Meeting held on 13 September 2018 [see paper B/18/125]**

20.2.   **Meeting held on 21 June 2018 - Approved Minutes [B/18/135]**

21.	**NSS Policies**	5 minutes

Flexible Working [B/18/138]
Zero Hours Contract [B/18/139]
Flexi-Time Guidelines [B/18/140]

	B18138 Flexible Working Policy.pdf	(9 pages)
	B18139 Zero Hours Contract Policy.pdf	(11 pages)
	B18140 Flexi Time Guidelines.pdf	(8 pages)

22.	**Any Other Business**	5 minutes

23.   Date of Next Meeting

Public Board Meeting, Friday, 1 February 2019

Minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND BOARD

**MINUTES OF FORMAL BOARD MEETING HELD ON FRIDAY, 7 SEPTEMBER 2018
IN BOARDROOMS 1 &2, GYLE SQUARE, EDINBURGH, COMMENCING AT 0930HRS**

Present:	Elizabeth Ireland, NSS Chair
	Julie Burgess, Non-Executive 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
In Attendance:	Kate Burley, Associate Director, Scottish Trauma Network [Item 5]
	Phil Couser, Director, Public Health and Intelligence [Item 7]
	Morag Keith, International Engagement Team [Item 9]
	Caroline Lang, Board Secretary [Minutes]
	Caroline McDermott, Strategy and Governance Directorate
	Mary Morgan, Director, SNBTS [Item 10]
	Andrea Pavlickova, International Engagement Team [Item 9]
	Lorna Ramsay, Interim Medical Director
	Aileen Stewart, Interim Associate Director, HR
	Marc Turner, Medical Director, SNBTS [Item 10]
Apologies:	Ian Cant, Employee Director
	Kate Dunlop, Non-Executive Director
Observer:	Inire Evong, Audit Scotland
	Richard McCallum, Deputy Director, Health Finance and Infrastructure, Scottish Government

ACTION

1. INTRODUCTION

1.1 E Ireland welcomed members, attendees and observers to the meeting. Apologies were noted for I Cant and K Dunlop. 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.

2. CHAIR'S REPORT

2.1 E Ireland advised that due to her voice being strained, she had asked a number of Non-Executive Directors (NXDs) to chair different parts of the meeting on her behalf. The Members received a report on her main activities and discussions since the last Board meeting (paper **B/18/105**

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

Chair   Professor Elizabeth Ireland
Chief Executive   Colin Sinclair

refers). The summer months had allowed time for reflection and had also seen the successful official opening of the Jack Copland Centre (JCC) on 4 July 2018 by His Royal Highness Prince Edward. E Ireland recorded her thanks to all those involved in the planning and delivery of this special day and reported that the Lord Lieutenant of the City of Edinburgh had indicated that he would be interested in meeting other NSS staff going forward. Members noted that NSS had not yet received guidance on the process for its Annual Review but was still seeking a Ministerial Review. E Ireland drew Members' attention to a letter recently circulated by the Cabinet Secretary for Health and Sport on NHS Board Governance Assurance Mechanisms. This sought assurance on the mechanisms in place for reviewing complaints of professional practice and how Boards were assured of the safety and quality of the surgical practices of its employees.   This would be considered at the NSS Clinical Governance Committee meeting on 13 September 2018 and a response submitted thereafter which would highlight the potential role for National Service Division (NSD). Members noted that an announcement was expected soon on the Cabinet Secretary's priorities for the next 2-3 years. Looking to future Board meetings, E Ireland had invited Dr Alex Stirling, NSS Clinical Lead for Realistic Medicine, to lead a session on Realistic Medicine at the February 2019 meeting.   Members' were reminded that the closing date for the Survey of Members of Devolved Public Bodies from the Standards Commission for Scotland was 19 September 2018.

3.   CHIEF EXECUTIVE'S UPDATE

3.1   C Sinclair introduced papers **B/18/106** and **B/18/107** which updated the Board on his key activities and a number of matters for noting. The focus over the last two months had been on forward planning and strategic direction and a number of strategic options would be developed for consideration at the NSS Board and Executive Management Team (EMT) Development Days in October 2018. Members noted the changes in the EMT that would see the appointment of a Director of Strategy, Performance and Service Transformation. The recruitment process for this post was underway and interviews would be held in mid September 2018.

3.2   C Sinclair drew Members' attention to his update on the new Digital Agency that had been established in NHS Education for Scotland (NES) and the need for clarity of roles and responsibilities between NSS and the new body. The Chief Executive of NES, Caroline Lamb, had been invited to attend the NSS Board meeting on 2 November 2018 to share understanding and build on the collaborative partnerships that were needed to enable the opportunities that the digital strategy provided in improving care and outcomes for people across Scotland. NSS's new Director of National Digital, Deryck Mitchelson, would also be invited for that discussion. NSS's IT workload continued to be significant with developments such as Office 365, CHI, GP/IT and Community Systems. It was crucial that there was clarity around the governance for these and stakeholders understood NSS's role. The Digital Oversight Board should provide that going forward.

3.3   Members were advised of the steps being taken by NSS/Scottish National Blood Transfusion Service (SNBTS) to response to and support the UK Infected Blood Inquiry. The Inquiry would hold a preliminary hearing on 24-26 September 2018 and it was anticipated that the Inquiry would take at least five years to reach its conclusion.

3.4   A note had been provided to Members for information on the NHS Governance Report which was subject to a consultation process at Scottish Government level. Once the formal Scottish Government response to the report was available, the EMT would review once again to assure the Board and itself that any or all direction was actioned appropriately.

4.   MINUTES OF THE NSS BOARD MEETING HELD ON 29 JUNE 2018 AND MATTERS ARISING

4.1   The Minutes of the NSS Board meeting held on 29 June 2018 were accepted as a true record with the following amendments (paper **B/18/108a** refers).

4.2   eHealth Actions Re. 17.2, Last sentence, replace "effectiveness" with "impact".

4.3   Gosport Independent Report Re. 29.1, Penultimate sentence, replace "K Dunlop" with "J Burgess".

4.4   The Members noted progress on actions from the previous meeting and that the majority had been completed, programmed into a future meeting, or were covered in the main Agenda (paper **B/18/109** refers). J Deffenbaugh advised that he would be speaking to HR about the actions identified for the next NSS Staff Governance Committee meeting to be held on 28 September 2018. With reference to the action on the Trinity Park Foundation (TPF), the Board agreed that it would be helpful if C Low could circulate an interim update in November 2018 with the annual report coming to the June 2019 meeting. It was also suggested that the future of the TPF should be examined.   **C Low**

5.   SCOTTISH TRAUMA NETWORK UPDATE

5.1   This item was chaired by A Rooney. The Board received a presentation from K Burley on the bespoke Scottish Trauma Network (STN), covering the whole pathway from prevention to rehabilitation. The Network team had been in place since June 2017, and since its inception, significant progress had been made (further details available at https://www.scottishtraumanetwork.com/) Members were particularly interested in the development of the Trauma App. K Burley responded to Member's questions around the governance of the Network and would liaise with L Ramsay around the clinical governance elements of this work.

6.   FINANCE REPORT

6.1   This item was chaired by M McDavid. The Members were provided with an update on NSS's financial performance as at 31 July 2018 (paper **B/18/110** refers). NSS remained on course to meet its statutory financial targets for 2018/19 with a break-even position projected in revenue and capital, although there were a number of key assumptions and risks as part of the forecast position. These were detailed in the report. C Low advised that a comprehensive mid-year review of the financial position would be undertaken during October 2018, which would inform planning assumptions to be applied to RAM planning for 2019/20, and consideration of options to release further funds from Reserves where appropriate. Collectively, the National Boards had made provisions within their financial plans to contribute £11.6 million of the £15 million savings target for 2018/19. Financial pressures in year had resulted in a number of Boards reducing

their contributions at this stage. NSS had committed £5.350 million of the £5.5 million provision made in the financial plan for 2018/19 as part of that initial allocation. The Board reinforced its position that NSS's contribution should remain at £5.5 million. J Burgess reported that this had also been supported by the NSS Finance, Procurement and Performance Committee. The Committee would continue to monitor the position on income, savings and use of contingency funding. It was anticipated that the eHealth Service Level Agreement funding would be agreed and allocated in the September 2018 letter from Scottish Government.

7.   CONSISTENT ANALYTIC FOR GOVERNANCE

7.1   This item was chaired by J Deffenbaugh.   Paper **B/18/111** had been prepared in response to concerns previously raised by the Board about the inadequacy of the presentation of data at Board meetings. The discussion was supported by a presentation from P Couser which showed examples of various models, dashboards and charts that could be used to present data. The Board in common with other large organisations was required to consider a complex array of data covering a variety of topics. It was important that the data being considered allowed the Board to have oversight of delivery against strategy. It should be presented in a simple and clear format while maintaining its effective use and supported by interpretation. The development of common platforms and a more joined up approach (e.g. between finance and HR) should be encouraged. However, it should not be allowed to develop into an industry.   The forthcoming Board/EMT Development Days would provide an opportunity to revisit this subject.

8.   PEOPLE REPORT

8.1   This item was chaired by J Deffenbaugh. Members had been circulated with a copy of the People Report for the financial year as at 31 July 2018 (paper **B/18/112** refers).   In relation to sickness absence, July 2018 had seen a year to date position of 3.91 percent, which was a decrease of 0.02 percent from June. The movement between short and long term absence continued to be closely monitored. Health and Safety was a key focus for NSS and dedicated support had been put in place for Procurement, Commissioning and Finance to assist the development of its Health and Safety structure, Risk Profile and identify best practice. There had been a slight increase in the number of bullying and harassment cases however this suggested employees were beginning to feel more empowered to raise their issues in line with the NSS Policy provisions. Members noted that the iMatter survey was due to complete on 19 September 2018 and the communications plans for this had been revised with ongoing support from HR Business Partners. A Stewart reported that a programme of work had been established for the Once for Scotland workforce policy process and this would be discussed by the NSS Staff Governance Committee.   In the meantime, NSS would postpone any reviews of its policies. E Ireland requested more details on the planned relaunch of NSS's Values.   **A Stewart**

9.   INTERNATIONAL ENGAGEMENT TEAM AND mPOWER PROGRAMME

9.1   This item was chaired by J Davidson. Following a request at the June 2018 Board meeting, M Keith and A Pavlickova had been invited to present an introduction to the International Engagement Team (IET) (paper **B/18/113** refers). The IET's role was to act on behalf of the Scottish Government to deliver the International Engagement Action Plan for Technology Enabled Care and Digital Healthcare Innovation. Members were taken through some

of the key activities of the team and future plans for building on this positive work.

10.   DEVELOPMENT OF ADVANCED THERAPEUTICS

10.1   This item was chaired by J Burgess. The Board received a presentation from M Turner on Advanced Therapeutics. This included an overview of Advanced Therapy Medicinal Products (ATMP), SNBTS involvement in ATMP research and development, clinical trialing and implementation, the Advanced Therapy Treatment Centre, and strategic intent. The Board recognised that with the Jack Copland Centre and staff expertise there were real opportunities in this area for NSS/SNBTS. However, due to the sensitive nature of some projects, a mechanism would need to be found to allow these strategic conversations to take place in a timely manner. This would be explored further at the forthcoming Board/EMT Development Days and brought back to the February 2019 Board meeting.

**M Morgan
[Board –
01.02.19]**

11   HIGHLIGHTS FROM NSS FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE

11.1   This item had been covered earlier in the meeting under the Finance Report.

12.   NSS POLICIES

12.1   The Board had been circulated with a copy of the Fire Safety policy for noting [paper **B/18/114** refers].

13.   ANY OTHER BUSINESS

13.1   <u>Brexit Planning</u> The level of work around this was increasing and C Sinclair would ensure Members were kept informed of NSS's involvement.

14.   DATE OF NEXT MEETING

14.1   The next Public NSS Board Meeting would be held on Friday, 2 November 2018 at the The Jack Copland Centre, Heriot-Watt Research Park, Edinburgh.

There being no further business, the meeting finished at 1305hrs.

B/18/116

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.

- **Audit Scotland report on NHS Scotland** (see attached link)

- **Digital Strategy**
    - o I am delighted to welcome Deryck Mitchelson to the Board to facilitate a discussion on the implementation of the Digital Strategy today with Christine McLaughlin, Director of Health Finance, Corporate Governance and Value and Caroline Lamb. I have met with Deryck since the last Board meeting and see the skills and expertise that he brings in developing partnerships and capacity across the Health and Care environment to implement real change.

- **Health and Social Care Transformation**
    - o **National Board Chairs and CEO meeting**
        - ▪ See CEO report
    - o **National Transformation Plan Board**
        - ▪ Verbal update at Board meeting

- **NHS Chairs**
    - o **Meeting with Cabinet Secretary**
        - ▪ Cab sec priorities.
            - • Performance – waiting times
            - • Mental health
            - • Integration and once for Scotland
            - • Governance
    - o **Offsite**
        - ▪ **Governance**
            - • Blueprint for Governance (see attached)
            - • Information systems for assurance
            - • Health and Sport Committee report on governance of NHS in Scotland, July 2018 (see Admincontrol – Corporate Governance/External)
- **NSS**
    - o **Offsite**
        - ▪ Good discussion with EMT – emergent cross cutting themes being brought to the Board
    - o **Non executive update**
        - ▪ Verbal at Board
    - o **Interviews for Director of Strategy**
    - o **Medical Director**
    - o **Stakeholder engagement**
    - o **Facilities conference**
    - o **Governance committees**

Professor Elizabeth Ireland
NSS Chair
02.11.18

See attached documents:

- (i) Audit Scotland Report on NHSScotland
  http://www.audit-scotland.gov.uk/report/nhs-in-scotland-2018
- (ii) Blueprint for Good Governance
- (iii) Transferral of powers currently vested in the Scottish Dental Practice Board (SDPB) to NSS
- (iv) PVG Scheme for Members of Boards of Health Bodies: consultation
  https://beta.gov.scot/publications/pvg-scheme-members-boards-health-bodies-consultation/pages/2/

NHS SCOTLAND

A BLUEPRINT FOR GOOD GOVERNANCE

October 2018

Foreword

NHS Boards across the UK operate in an increasingly demanding environment. The impact of demographic change and the growth in long term health conditions bring their own challenges at a time of financial constraint.
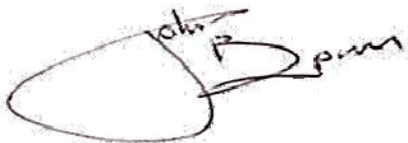
Good governance is essential in addressing the challenges the public sector faces and providing high quality, safe, sustainable health and social care services depends on NHS Boards developing robust, accountable and transparent corporate governance systems.

Governance issues are increasing in the public sector, as is the public interest in governance problems being experienced by public bodies.
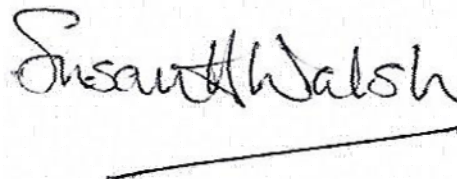
The Scottish Government and the NHS Chairs Group have recognised the need to ensure that the governance arrangements in NHS Scotland keep pace with the changing policy and financial environment. The changes in how services are delivered and who is responsible for delivery as a result of health and social care integration also need to be considered. In response to this challenge, the Scottish Government commissioned a review of best practice in corporate governance with the aim of providing a blueprint for an effective corporate governance system that could be adopted across NHS Scotland.

This document emphasises the importance of good corporate governance, introduces a refreshed corporate governance blueprint and describes how adopting this blueprint can help NHS Boards improve their corporate governance system and deliver a consistent and transparent governance approach.

We would like to thank all those in the Scottish Government, NHS Scotland and the other public and private sector organisations who have contributed to this review into best practice in corporate governance. We are also grateful to NHS Highland and NHS Tayside for providing an opportunity to test the application of the corporate governance blueprint in a live environment. This has given us confidence that the approach described in this report has the potential to improve corporate governance across NHS Scotland.

John Brown CBE
NHS Greater Glasgow and Clyde
NHS Tayside

Susan Walsh OBE
Health Improvement Scotland

15th October 2018

Contents

A Blueprint for Good Governance

1.	Introduction

The Review

1.1 The purpose of this report is to provide the Scottish Government and the NHS Chairs Group with the findings of the latest review of best practice in corporate governance and includes details of a refreshed corporate governance blueprint for NHS Scotland.

1.2 The scope of this review did not include the governance arrangements of the integrated health and social care system or the delivery of the national and regional planning initiatives being developed to deliver the NHS Scotland Health and Social Care Delivery Plan. These issues are key to the success of the Delivery Plan and are the subject of other initiatives currently being taken forward by NHS Scotland, working in partnership with COSLA as appropriate.

1.3 As the principles and framework that the governance blueprint offers can equally be applied to the Integration Joint Boards and the arrangement currently being developed to implement regional service planning, this report will be shared with colleagues considering those challenges.

Describing Corporate Governance

1.4 The UK Corporate Governance Code defines corporate governance as the system by which organisations are directed and controlled.

1.5 While this definition remains relevant today, the Independent Commission on Good Governance in Public Services emphasised that effective governance also leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes.

1.6 The Commission also stated that weak or ineffective governance fosters low morale and adversarial relationships that lead to poor performance or even, ultimately, to dysfunctional organisations. Therefore, effective governance is essential in addressing the challenges the NHS faces in Scotland.

1.7 The purpose of corporate governance is to facilitate effective, innovative and prudent management that can deliver the long–term success of the organisation.

1.8 In the NHS corporate governance includes not only financial, staff and information governance but also clinical and care governance and the governance of clinical education and training.

1.9 Corporate governance is about what the Board does and should be distinguished from the day-to-day operational management of the organisation by the Executive Leadership Team. A good governance system helps individuals avoid the tension and conflict that can arise in an organisation where these boundaries are not clear.

1.10 Corporate governance involves setting strategic aims; holding the executive to account for the delivery of those aims; determining the level of risk the Board is willing to accept; influencing the organisation's culture; and reporting to stakeholders on their stewardship.

A Blueprint for Good Governance

Leadership and Corporate Governance

1.11   When considering the importance of good governance, and the place of the Board in achieving this, it is important to acknowledge that securing high quality, effective and efficient organisational performance also relies on the leadership skills of Board Members and members of the Executive Team.

1.12   If the NHS is to achieve the ambitions of the Scottish Government, then work on developing leadership capability and capacity must be carried out in parallel to work on enhancing governance. This work is being taken forward by NHS Education Scotland and includes initiatives on Board leadership, executive leadership and clinical leadership.

2.   The Corporate Governance Blueprint

Constructing the Blueprint

2.1   To construct a blueprint that clearly defines an effective corporate governance system, the review team considered multiple sources of evidence, including governance frameworks, models and codes of conduct, such as that of the Care Inspectorate, CIPFA and the UK Corporate Governance Code.

2.2   The NHS Chairs Group's Quality Portfolio Committee's work and publications on improving Board effectiveness were also considered in the construction of the blueprint. As was the Scottish Parliament Health and Sport Committee's review of the governance of the NHS in Scotland.

2.3   The review team also systematically sourced academic literature and grey literature, for example, Parliamentary Audit Committee Reports from both the UK and Scottish Parliaments and other governance codes. A list of the research material examined by the review team is included as **Appendix One**.

2.4   Finally, the team also looked at other lessons learned from positive governance initiatives and failures across the UK public sector.

Using the Blueprint

2.5   By creating a corporate governance blueprint for NHS Scotland, the review team expect to not only create a shared vision of what a good governance system looks like but also to support the following activities:

-   Setting standards for corporate governance in NHS Scotland by defining the functions, enablers and support required of an effective governance system.

-   Contributing to the development of the policies and processes required by the Scottish Government's Public Appointments Team by describing the skills, experience and diversity required by NHS Board Members to deliver the corporate governance functions.

-   Improving the induction training, targeted education and the development activities available to Board Members by highlighting the skills required to deliver their roles and responsibilities.

-   Supporting the Board in holding the NHS executive leadership to account by providing a template for the design of assurance information systems.

- Ensuring administration arrangements effectively support the operation of the governance system by describing the Board's expectations of the Board Administrator and their support team.

- Facilitating the performance appraisal of Board Members by clearly describing their roles and responsibilities and the values and standard of behaviours expected of them, individually and collectively.

Ownership of the Blueprint

2.6   Ownership of the corporate governance blueprint rests with the Cabinet Secretary for Health & Sport, the Scottish Government and the NHS Scotland Chairs Group. To discharge this responsibility, a forum is required to provide the necessary leadership, support and guidance to the development of NHS Scotland's approach to corporate governance. The terms of reference and membership of this steering group have still to be finalised but they should include the following remit:

- To set the standards for corporate governance in NHS Scotland by approving the framework and blueprint to be applied across all 22 NHS Boards. The blueprint will define the functions, enablers and support required of an effective governance system.

- To input to the development of the policies and processes required by the Scottish Government's Public Appointments Team to ensure NHS Boards have the appropriate skills, experience and diversity to deliver their functions.

- To commission and approve the induction and skills training and the development activities required to support Board Members in delivering their roles and responsibilities.

- To commission and approve an appropriate assurance information system to support Boards in holding the NHS executive leadership to account. This to include introducing national systems to report on service delivery, human resources, finance and risk.

- To oversee the arrangements for the procurement, delivery and evaluation of the Internal and External Audit services being delivered to NHS Boards.

- To commission and approve effective administration arrangements for NHS Boards, including templates for Standing Instructions, Schemes of Delegation, Sub-Committee Terms of Reference, etc.

- To agree the Non-Executive resources required to deliver the governance functions and recommend the appropriate level of remuneration for the variety of Non-Executive roles across NHS Scotland.

- To determine and roll out an effective performance appraisal system for Board Members that reflects the functions and roles described in the governance blueprint.

- To determine and roll out an appropriate system for reviewing Board effectiveness, including annual self-assessments by Boards and external validation of these assessments at regular intervals.

- To commission and approve written guidance on corporate governance arrangements in NHS Scotland.

- To advise and support NHS Scotland colleagues in discussions with COSLA concerning the development of more effective governance arrangements for the integrated health and social care system in Scotland.

- To oversee the conduct of any external, ad-hoc reviews of NHS Boards; ensuring lessons learned are shared across other Boards as appropriate.

- To engage with key stakeholders to ensure that NHS Scotland arrangements continuously improve and reflect best practice in corporate governance in the public sector.

- To promote and share the NHS Scotland approach to colleagues in other parts of the public sector.

The Model

2.7   The corporate governance blueprint developed by the review team describes a three-tiered model that defines the functions of a governance system, the enablers and the support required to effectively deliver those functions.
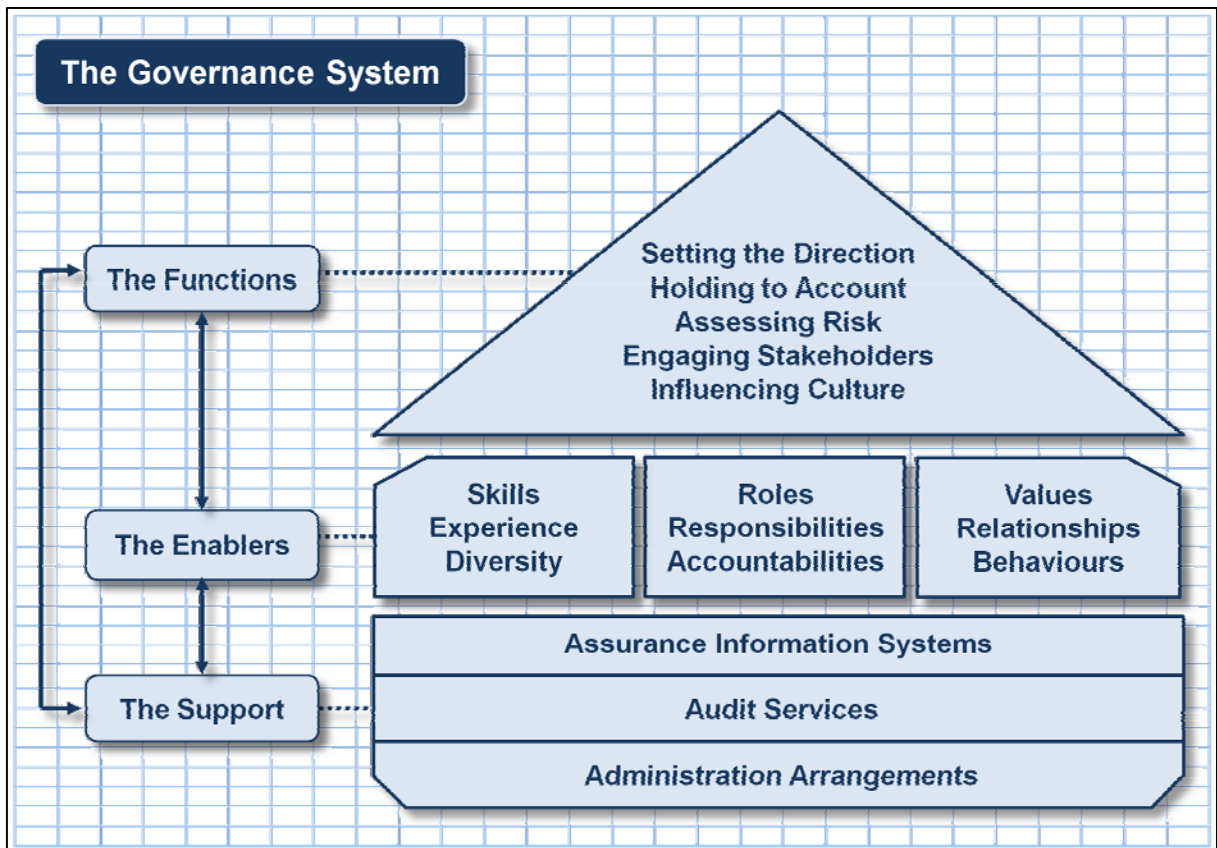
2.8   What distinguishes this model from other governance models is its clear acknowledgement of the importance of how the Board approaches the achievement of its strategic aims and objectives as well as its focus on performance and outcomes. Although the model is presented as three distinct sections, they are in reality inter-dependent.

2.9   As the values, attitudes and behaviours that individuals demonstrate through their work as Board Members and Executive Team members play a major part in influencing the organisation's culture and ethos, we contend that having positive values, attitudes and behaviours underpin Board success.

The Functions

2.10   The detailed version of the blueprint defines the functions of a corporate governance system as:

- Setting the direction, clarifying priorities and defining expectations.

- Holding the Executive Leadership Team to account and seeking assurance that the organisation is being effectively managed.

- Managing risks to the quality, delivery and sustainability of services.

- Engaging with stakeholders.

- Influencing the Board's and the organisation's culture.

The Enablers

2.11   The enablers identified in the blueprint are:

- Acquiring and retaining the necessary skills, experience and diversity at Board level.

- Defining clear roles, responsibilities and accountabilities for the Board Members and the Executive Leadership Team.

- Creating relationships and conducting business in line with agreed values and standards of behaviour.

The Support

2.12   The blueprint also identifies three categories of the support required for effective governance:

- Assurance information systems that help the Board to hold the Executive Leadership Team to account.

- Audit services that provide the Board with independent assurance.

- Administration arrangements that ensure the smooth operation of the Board and its sub-committees.

3.	Delivering the Functions

Setting the Direction

3.1   To set the direction the NHS Board should:

- Provide leadership, support and guidance to the organisation, including determining the organisation's purpose and ambition.

- Approve the strategies and plans to deliver the policies and priorities of the Cabinet Secretary for Health and Sport and the Scottish Government.

- Allocate the budgets and approve the capital investments required to deliver strategic and operational plans.

Holding to Account

3.2 In order to hold the Executive Leadership Team to account the Board should:

- Monitor, scrutinise, challenge and then, if satisfied, support the Executive Leadership Team's management of the organisation's activities in order to ensure that the organisation's aims, objectives, performance standards and targets are met.

- Safeguard and account for public money to ensure resources are used in accordance with Best Value principles.

- Ensure compliance with the requirements of relevant regulations or regulators.

- Ensure the application and implementation of fair and equitable systems of pay and performance management for the Executive Leadership Team.

- Ensure continuous improvement is embedded in all aspects of service delivery, identifying system failures and receiving assurances of remediation action

Assessing Risk

3.3 Assessing risk requires that the Board should:

- Agree the organisation's risk appetite.

- Approve risk management strategies and ensure they are communicated to the organisation's staff.

- Identify current and future corporate, clinical, legislative, financial and reputational risks.

- Oversee an effective risk management system that assesses level of risk, identifies mitigation and provides assurance that risk is being effectively treated, tolerated or eliminated.

Engaging Stakeholders

3.4 To effectively engage with its stakeholders the Board should:

- Involve stakeholders in the development of policies and the setting of priorities.

- Take into account the views of stakeholders when designing services.

- Ensure priorities are clear, well communicated and understood by all stakeholders, including staff, service users and the general public.

- Establish and maintain public confidence in the organisation as a public body.

- Report on stewardship and performance and publish an Annual Report and Accounts.

- Contribute to the development of Scottish Government policies.

Influencing Culture

3.5   To influence the organisation's culture the Board should:

-    Determine and promote shared values that underpin policy and behaviours throughout the organisation.

-    Demonstrate the organisation's values and exemplify effective governance through Board Members' individual behaviours.

-    Develop a cultural blueprint consistent with the organisation's purpose and ambition that describes an organisation where:

     -    People are treated fairly, with respect and valued for their individual differences.

     -    People are clear about their objectives and are sufficiently challenged.

     -    People have an input to how they deliver their responsibilities and are involved in relevant decisions that affect their work.

     -    People are well informed and get the right information, at the right time, delivered in the right way.

     -    People receive the right training at the right time.

-    Encourage a leadership approach where:

     -    Leaders are sufficiently visible and give a clear sense of purpose and ambition.

     -    Leaders help people understand how they contribute to achieving the Board's purpose and ambition.

     -    Leaders recognise good performance and deal with poor performance.

     -    Leaders encourage people to challenge and look for ways to improve performance.

     -    Leaders help people identify and make best use of development and career opportunities.

4.	Describing the Enablers

Skills, Experience and Diversity

4.1   Research has shown that Boards require a common set of competences and experience in order to discharge the minimum level of their responsibilities. Clearly having a highly skilled and diverse Board membership, with rich life and work experience would be preferable and beneficial; however, not every member of the Board will require every skill or experience. It is the responsibility of the Chair to ensure across the Board, all necessary skills, experience and diversity are present. This includes determining the Board's requirements during recruitment and the on-going development of the skills of existing Board Members.

4.2   The principles and personal attributes that individuals bring to the Board are as important as their skills and knowledge. These qualities enable Board Members to use their skills and knowledge to function well as part of a team and to make an active contribution to effective

governance. The personal attributes that are required to ensure Board Members add value to the Board include being:

- **Committed** - able to devote the required time and energy to the role and being ambitious to achieve best possible outcomes for patients and service users.

- **Confident** - demonstrating an independence of mind, be able to lead and contribute to constructive conversations, to express their opinion and to play an active role on the Board.

- **Critical** - valuing their role as critical friend which enables challenge and support, self-reflection and the pursuit of learning and development opportunities to improve their own and whole Board effectiveness.

- **Creative** - able to challenge conventional wisdom and be open-minded about new approaches to problem-solving; recognising the value of innovation and creative thinking to organisational development and success.

Skills

4.3   To effectively operate an effective governance system Board Members should have the following skills:

- The insight into the organisation and an awareness of its operating environment.

- The capacity to question and challenge constructively.

- The ability to analyse and review complex issues, weighing up conflicting opinions and making evidence-based, well-informed and risk-assessed decisions.

- The interpersonal skills to communicate and engage with a wide range of organisations and individuals.

- The confidence and self-awareness to Chair, or participate as a member of, key committees that support corporate governance.

Board Membership should collectively cover all of these areas and where there are gaps these should be filled by alternative means.

Experience

4.4   Board Members should have experience gained in the public, private, third or voluntary sectors of some of the following:

- Leadership.

- Strategic planning.

- Change management.

- Operations management.

- Financial management.

- Risk management

- Patient/service user experience

- Procurement.

- Capital investment.

- Human Resources management.

- Customer relationship management.

- Digital/Information Technology.

- Media and communications.

- Legal issues.

- Equality and diversity issues.

Diversity

4.5   Whilst Board Members do not represent any particular group, it is advantageous to secure a diverse range of people to join Boards. Diversity has been demonstrated as bringing many benefits to Boards. Boards should therefore actively pursue widening access and inclusion initiatives to bring greater diversity to their membership and encourage applications from a wide range of talented people irrespective of their religion or belief, gender, age, gender identity, disability, sexual orientation, ethnic origin, political belief, relationship status or caring responsibilities.

4.6   Applications should be particularly welcomed from groups currently under-represented on Scotland's public bodies, such as women, disabled people, those from minority ethnic communities, and people aged under 50. Boards should also be mindful of the Gender Representation on Public Boards (Scotland) Act 2018 which describes the 'gender representation objective' for a public board as having 50% of Non-Executive members who are women.

Roles, Responsibilities and Accountabilities

4.7   There should be clarity and a common understanding of the roles and responsibilities and accountability of the groups and individuals involved in the corporate governance system, namely:

The Chair

4.8   The Chair is personally responsible for:

- Leadership of the Board, ensuring that it effectively delivers its functions in accordance with the organisation's corporate governance arrangements.

- Appointing Board Members to Standing Committees, Integration Joint Boards and other roles within the NHS Board and partner organisations.

- Keeping the organisation's governance arrangements and the Board's effectiveness under review.

- Setting the agenda, format and tone of Board activities to promote effective decision making and constructive debate.

- Developing the capability and capacity of the Board by advising on the appointment of Board Members; appraisal and reporting on their performance; identifying appropriate training and development opportunities; and ensuring effective succession planning is in place.

- Providing performance management and development opportunities for the Chief Executive.

- Representing the organisation in links with Ministers, the Scottish Parliament and other key stakeholders. (Dual responsibility with the Chief Executive.)

The Vice Chair

4.9   In addition to that of a normal Board Member, the role of the Vice Chair to:

- Deputise for the Chair as required in any of his/her duties.

- Chair key Committees.

- Provide support and assistance to the Chair in carrying out his/her responsibilities.

- Act as a 'sounding board' and 'critical friend' to the Chair, Board Members and members of the Executive Team.

- Provide an alternative route for other Board Members to raise issues or concerns if they are unable to do so with the Chair. This is an important part of the checks and balances within governance and accountability and is analogous to the role of Senior Independent Governor recommended in the UK Code of Corporate Governance.

The Board Members

4.10   Board Members are personally responsible for:

- Ensuring the Board keeps focus on developing and maintaining its strategic direction in order to deliver the Scottish Government's policies and priorities.

- Providing effective scrutiny, challenge, support and advice to the Executive Leadership Team on the delivery of the organisation's aims, objectives, standards and targets.

- Contributing to the identification and management of strategic and operational risks.

- Bringing independence, external perspectives and impartial judgement to the business of the Board to support evidence-based, well-informed and risk-assessed decision making at Board meetings.

- Upholding the highest standards of integrity and probity and acting in accordance with the principle of collective and corporate responsibility for Board decisions. (No member is appointed on a representative basis for any body or group.)

- Undertaking ongoing personal development activities.

- Understanding and promoting diversity and equality.

- Engaging with stakeholders, including service users, the public, managers and staff.

In addition to discharging the above responsibilities, Board Members may also be required to support the business of the Board by chairing committees and meetings.

These responsibilities apply to all Board Members, including Non-Executive, Executive and Stakeholder Members.

The Chief Executive

4.11   In addition to their responsibilities as a Board Member, the Chief Executive is personally responsible for:

- Developing the policies, strategies and plans required to deliver the organisation's purpose and ambition.

- Building the organisational capability and capacity necessary to deliver the agreed outcomes and objectives.

- Leadership of change where required to improve services, including development of joint working with other organisation involved in the delivery of health and social care on a local, regional and national basis.

- Leadership and day-to-day management of the organisation and its staff, ensuring the Board's decisions are implemented and the organisation's aims, objectives, standards and targets are met.

- Proper management of public funds and for ensuring the regularity, propriety and value for money in the management of the organisation. Accountability for this function is directly to the Scottish Parliament under Section 15 of the Public Finance and Accountability (Scotland) Act 2000.

- Introducing an appropriate management structure and recruiting, training and developing an Executive Leadership Team that will deliver an appropriate and effective leadership and management approach for the organisation.

- Representing the organisation in links with Ministers, the Scottish Parliament and other key stakeholders. (Dual responsibility with the Chair.)

The Executive Leadership Team

4.12   Members of the Executive Leadership Team are personally responsible for:

- Providing advice and support to the Board to assist in the development of strategies and policies to deliver the Scottish Government's priorities.

- Developing strategic and operational delivery plans and processes to implement the Board's decisions.

- Monitoring progress towards aims, objectives, performance standards and targets for service delivery and providing the Board with appropriate information on performance, expenditure, issues, risks and successes.

- Developing the organisation's capability and capacity to meet the Board's current and future expectations.

The Board Secretary

4.13   The Board Secretary is personally responsible for:

- Leading the continuous development and implementation of the Board's corporate governance system, providing expert advice and support to the Chair, Chief Executive, Board Members and other stakeholders on governance matters as required.

- Providing advice and guidance to ensure the Board acts within its legal authority and statutory powers and that its Members comply with the Ethical Standards in Public Life (Scotland) Act (2000) and the Model Code of Conduct for Members of Devolved Public Bodies (2014).

- Ensuring that Board business is conducted in a spirit of openness and transparency.

- Managing the administrative and secretarial support to the Board and other appropriate governance Committees to deliver effective administration support to Board business.

- Providing personal support and guidance to the Chair and Chief Executive and managing the business of their private office, including the handling of Parliamentary Questions and enquiries from Ministers and other elected representatives,

Values Relationships and Behaviours

4.14   Board Members should consider what is expected of them individually and collectively in terms of demonstrating the values, conducting the relationships and demonstrating the behaviours expected of a NHS Board.

Values

4.15   Board Members are expected to demonstrate and uphold the core values of NHS Scotland, as published in the 2020 Workforce Vision Everyone Matters in June 2013. These values are:

- Care and compassion.

- Dignity and respect.

- Openness, honesty and responsibility.

- Quality and teamwork.

Behaviours

4.15   The standards of behaviour expected from Board Members are laid down in the Model Code of Conduct for Members of Devolved Public Bodies (2014). This document describes the key principles underpinning public life in Scotland as:

- Duty.

- Selflessness.

- Integrity.

- Objectivity.

- Accountability and stewardship.

- Openness.

- Honesty.

- Leadership.

- Respect.

4.16 Board Members must also comply with the Board's rules regarding remuneration; allowances; expenses; gifts and hospitality; lobbying; registration of interests; and the confidentiality of information.

Relationships

4.17 Board Members should apply the values of NHS Scotland and the principles of the Model Code of Conduct for Members of Devolved Public Bodies to their dealings with fellow members of the Board, its employees and other stakeholders.

4.18 Board Members should also observe the principles of this Model Code in dealings with the public when performing duties as a member of the Board.

4.19 Board Members must respect the Chair, colleagues and management and staff in meetings and comply with rulings from the Chair in the conduct of the business of Board meetings.

5.	Providing the Support

5.1 To support the Board in delivering good governance, the organisation needs to provide suitable assurance information systems, effective audit services and efficient administrative arrangements.

Assurance Information Systems

5.2 The Board should commission assurance information systems that deliver the necessary information to assist them in obtaining assurance on the delivery of the organisation's strategic, operational and financial plans.

5.3 The assurance information systems should be designed to provide frequent and informative performance and financial reports to assure the Board that it is delivering safe, accessible, quality, affordable and sustainable services. These systems should deliver relevant, accurate and timely information on:

- Performance Management.

- Quality Management.

- Financial Management.

- Human Resource Management.

- Change Management.

- Risk Management.

- Information Management.

5.4   The assurance information systems should also measure the organisation's performance by benchmarking results against those of similar organisations.

Audit Services

5.5   The corporate governance system includes the audit services required to provide the Board and key stakeholders with assurance that the system of internal controls is functioning as intended.

Internal Audit

5.6   The role of the internal audit team should include:

- Reviewing accounting and internal control systems.

- Reviewing the economy efficiency and effectiveness of operations.

- Assisting with the identification of significant risks.

- Examining financial and operating information.

- Special investigations.

- Reviewing compliance with legislation and other external regulations.

To ensure that internal audit is an independent objective assurance activity, the Board should ensure that the internal auditors are independent of executive management and should not have any involvement in the operations or systems they audit. The Head of Internal Audit should report directly to the Audit Committee and the Chief Executive, but also have direct access to the Board Chair.

External Audit

5.7   Boards employ external auditors primarily to give an independent opinion on the annual report and accounts. The role of the external auditors also includes reviewing and reporting on the arrangements within NHS Boards to manage their performance, regularity and use of resources such as money, staff and assets. In doing this, external auditors add value by supporting improvement and accountability

Audit Committee

5.8   The Board's Audit Committee has a key role in ensuring the effectiveness of the internal audit functions including:

- Overseeing the selection process for new internal auditors.

- Reviewing and agreeing the annual internal audit work plan.

- Ensuring recommendations are actioned by the Executive Leadership Team.

- Disseminating audit reports to the relevant Board Committees.

- Encouraging the use of audit reports as improvement tools.

- Monitoring and assessing the effectiveness of the audit team.

- Approving the appointment and termination of the Head of Internal Audit.

The Audit Committee is also responsible for oversight of the Board's relations with the external auditors, including reviewing the scope of the annual audit plan.

Administration Arrangements

5.9   The administration arrangements required to support the Boards consist of:

- Development of a strategic planning cycle that clearly indicates where the Board is involved in considering options, debating risk, giving approval and thereafter in monitoring delivery of the Board's strategic plans.

- An integrated annual work programme and coordinated timetable for Board meetings, Board seminars and Committee meetings. This programme should not only ensure that strategic planning is co-ordinated and the appropriate level of scrutiny is delivered, but also that decisions are taken in a logical sequence.

- A standard template and guidance on writing papers and reports, including setting the requirements for financial assessment and risk assessment of the impact of options presented to the Board.

- Secretariat support for meetings.

6.	Assessing Effectiveness

6.1   In order to assess the effectiveness of a corporate governance system and report appropriately, it is important to have a consistent and systematic approach to assessing the Board's current arrangements.

6.2   Using the corporate governance blueprint to support the systematic audit of the current status of the functions, enablers and systems that make up the governance system will ensure that the criteria against which an assessment is being made is valid, reliable and transparent and that it represents best practice in corporate governance.

Self-assessment

6.3   The Board should annually assess the effectiveness of the corporate governance system, conducting a self-assessment to review progress with the development plan and identify any new and emerging issues or concerns.

6.4   Therefore the self-assessment questionnaire used by NHS Boards should be drafted to include questions on the delivery of the functions, enablers and support described in the corporate governance blueprint.

Independent Reviews

6.5   The self-assessment should be validated and enhanced by the Board commissioning a tri-annual independent review of their corporate governance system.

6.6 The approach recommended for independent reviews involves using the governance blueprint to structure and facilitate the external review, is qualitative in nature and involves three strands:

- Initial desk research exercise to consider relevant NHS Board documents.

- Face-to-face interviews with Board Members and members of the Executive Leadership Team using a semi-structured interview technique based on the corporate governance blueprint described above. These interviews should be conducted under Chatham House Rules and ensure all aspects of the governance system are discussed whilst still allowing interviewees to contribute their personal insights into the effectiveness of corporate governance.

- Observation of Board and Standing Committee meetings.

6.7 This approach not only allows the external review to triangulate data and strengthen the validity of findings but also is designed to not place undue pressures on busy NHS Boards and Executive Leadership Teams, nor require duplication of activity with other assurance frameworks.

6.8 Once all the evidence gathering and assessment stages have been completed, any recommendations for improvement in the delivery of the governance functions can then be described in terms of developments to the enablers and systems in the governance blueprint. A development plan can then be agreed to prioritise and deliver any actions necessary to meet these development needs, with scheduled reporting on progress to the NHS Board and the Scottish Government.

6.9 Recognising that governance is a system which extends beyond the immediate corporate Board, the views of key stakeholders (including the Scottish Government) should also be gathered by the review team.

6.10 Self-evaluation and tri-annual independent review should be supported by ad hoc thematic reviews of areas identified by the Board, for example, where governance issues have been identified in other sectors.

October 2018

Appendix One: Research Material

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Requirement to amend the NHS (Functions of the Common Services Agency) (Scotland) Order 2008.

Purpose

The Scottish Government Oral Health Improvement Plan (OHIP) published in January 2018 contains a commitment to explore the transferral of powers currently vested in the Scottish Dental Practice Board (SDPB) to NSS. This will require changes to be made to the functions of the CSA and this paper is to alert the Board to this and to note that work is currently underway to draft the required changes.

Recommendation

The Board is asked to note this and also to note that fuller discussions have taken place at the NSS Clinical Governance Committee.

At this stage there are no identified financial risks as a result of the proposed transfer of powers from the SDPB to NSS. Legal advice given to NSS previously states that the CSA is already liable for the payment decisions made by Practitioner & Counter Fraud Services.

Timing

Scottish Government had intended the transfer to be complete by the 31st of December 2018, but have since advised that the necessary legal requirements will not be made by then and so the date of implementation is now given as the 1st March 2019.

Background

- NSS through Practitioner & Counter Fraud Services act as agents of the Scottish Dental Practice Board a statutory body whose functions are set out in the SDPB regulations 1997 (made originally under the 1978 NHs Scotland Act). The principle function of the SDPB is to authorise the payment of fees to dentists in accordance with the regulations.
- The Scottish Government's Oral Health Improvement Plan published in January 2018 specifies an action to consider the transfer of the SDPB powers directly to NSS. This action will require the functions of the CSA to be amended in order for NSS to accept these additional powers.
- Considerable discussion has taken place with the Scottish Government to agree how the action contained in the OHIP will be enacted. This concluded that NSS should be the authorising body for payments but e guided by the NHS Board Directors' of Dentistry to ensure that decisions made are in line with clinical priorities.
- The proposal was presented and agreed at the NSS Clinical Governance Committee on the 13th September 2018. Further work is being done by Strategy & Governance to ensure that the ToR of NSS remaining Governance Committees fit with the proposed approach.
- Scottish Government Lawyers are responsible for drafting the amendment to the Functions Order and this will be done in consultation with CLO.

Engagement

The proposals have been discussed and agreed with SG Dentistry Policy and Chief Dental Officer. NSS Director of Dentistry and P&CFS Senior Management have drawn up the proposal.   The full presentation has been made to the NSS Clinical Governance Committee.

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B/18/117

Chief Executive's Update

1   Context

The last two months have seen the Cabinet Secretary set our her priorities for the next 2-3 years with a focus on waiting times reduction, mental health, integration and governance. These priorities will run in tandem with the Reform Agenda and it will be important across the service to ensure these equal priorities of short term improvement and long term change are met. NSS has a significant role to play within reform and contributes in many ways to the Cabinet Secretary's immediate priorities. Operationally we continue to deliver effective service and are on track to achieve our financial and operational targets.

NSS has played a significant role during the last couple of months in supporting the ongoing delivery of clinical waste services to NHSScotland.   The contractor providing services to NHSScotland has had challenges with activities in England impacting on his business. NSS has been involved in ensuring continuity of service from the supplier and putting in place contingency arrangements should they be required. This has involved a significant amount of time and effort by a number of people in the organisation and has been handled very professionally.

We received some significant press coverage about an email issued to staff in Gyle Square concerning Travellers. An email was issued which was not appropriate and within the Values of our organisation concerning site security and Travellers. It was an internal email which was quickly withdrawn and an apology issued but the National press became aware of its existence. A further apology was issued on our website and follow up actions have been agreed including the approval process around internal notices to staff. The email in no way reflected the values of NSS and appropriate action has been taken as a result.

The Board offsite in early October was a good opportunity to discuss our strategic direction and this will be covered in a separate paper on today's agenda. Overall I felt we made progress in terms of our mission, vision and purpose and the development of cross cutting themes which, in parallel with our core service provision, will support the delivery of our strategy.

The development of Public Health Scotland continues with the new organisation having a vesting date of 1st December 2019. It will be a special health board and this will ensure all staff who transfer will retain their health service status. It has been confirmed that shared services will be delivered from NHSScotland and that it is expected that NSS will be the lead organisation. Members of the Scottish Government team are currently developing service requirements for Public Health Scotland in areas such as HR, Finance and IT.

NSS is leading the implementation of Office 365 which not only updates the current Microsoft Office suite but gives a real opportunity for new ways of working. In addition I anticipate GPIT, CHI and Child Health systems will be approved during November for NSS led implementation. These systems are of particular importance to primary care and we have been asked by them to play a lead role in the development of primary care digital systems on top of our existing broad ranging engagement. Primary Care will be a key cross cutting theme for NSS and will involve engagement with other National Boards.

2   Response to Health and Social Care Delivery Plan

<u>NHSS Approach</u>

The overall reform programme will now be running in tandem with the Cabinet Secretary's priorities. The NHSScotland Waiting Times Improvement Plan was published last week and will clearly require significant focus from Government and Boards. It is intended that the Regional and National discussion documents will be published in early November. The financial framework has also been published. These documents should be read in tandem with the Audit Scotland report again published last week. This highlighted a lot of the good work that is going on in the Health Service, the increasing level of demand and the need for reform to ensure ongoing sustainability.

NSS continues to support the Regions through shared service, primary care and information and intelligence. The recently published Atlas of Variation covering 3 disciplines namely elective primary hip replacement, elective primary knee replacement, and cataract surgery for 65 years and over, are examples of where our work is contributing to increased understanding, for example of the levels of variation across NHSScotland.

<u>Public Health</u>

Public Health Scotland will be formally vested on 1st December 2019. It is expected to be set up from 1st April 2019 to allow the recruitment of a Chair and Chief Executive and formally starting to operate from December 2019. The Scottish Government Team continue to work to both establish the public health priorities and the shape and form of the new body. NSS is contributing significantly to this through PHI and Carolyn Low. As we move into the resource allocation processes for 2019/20 we will be engaging in detailed discussions with representatives of the new body to ensure full understanding of the financial position specifically around what budget and resource will transfer. This will also link in to the provision of shared services where NSS staff in corporate areas who currently support PHI will be expected to continue this support but delivered as a shared service provider. There is still much work to do but good progress has been made around the nature of the organisation, its start date and shared services.

<u>National Board Collaboration</u>

National Board collaboration and relationship building continues to progress. There have been a range of workshops bringing staff from the Boards together which has been helpful in setting some priorities and building understanding. The Chairs and Chief Executives met and agreed on the need for continued collaboration and joint working and tasked the Chief Executives with developing ways in which increased service and efficiency can be delivered through increased collaboration. There was a recognition that SG are not intending to make any structural changes and that the individual services provided by the National Boards were important and unique but there was a real need to drive benefit through collaboration where appropriate. A follow up workshop with National Board EMT's identified a range of areas for increased collaboration and focus including mental health, digital and workforce, among others. We also continue to work with HIS on the development of a National Board transformation offering, trying to balance ongoing improvement science with transformational change. Work continues on 4 target operating models in areas of shared service but progress remains slow. To date only £10m of the £15m savings have been identified and I remain concerned around the routes for finding the required £5m.

3 **Performance Summary**

Finance/Operations/People
Overall performance for the half year is generally on track.   Delivery against our operational plan is above 90% and we continue to forecast a financial break even.   A range of issues in regards to funding, revenue and savings delivery require to be worked through and resolved but overall position is positive.

Sickness absence levels have increased slightly and an increased focus has been brought to bear at EMT as we go into the traditionally higher winter months.

eHealth
Our action plan on eHealth Finance issues is being fully implemented and will be reviewed through Finance, Procurement and Performance Committee.   Currently it remains fully on track.

Resource Allocation Process
The annual RAM process will kick off in the next 3 weeks and be brought together in a report to the Board in February 2019.   Early indications suggest break even will be significantly more challenging in 2019/20.   Achievement will be through a combination of SBU targeted efficiencies and cross NSS initiatives.   The new financial framework allows health boards to have a 1% flexibility on an annual basis but boards must balance over the 3 years.   This, for example, would allow NSS in year 1 to invest in a programme which would delivery efficiencies in years 2 and 3.   A Board discussion on this topic would be valuable as it presents both opportunity and risk.

CHI/GPIT
Both CHI and Child Health and GPIT programmes were given outline approval by the Chief Executives on 11th September.   There is follow up work to be completed in advance of these programmes being presented to the Digital Oversight Board on 15th November.   In both cases, funding still has to be finalised with Scottish Government and in the case of GPIT the final procurement process and evaluation is to be concluded.   This is very positive progress on two important pieces of work with primary care colleagues particularly pleased with our work on GPIT.   We continue to work with NES Digital Agency to ensure this work either is fully in line with developing the digital strategy or is recognised as an immediate requirement that needs to be implemented while the future roadmap is worked out. The process for further engagement with the Board on these programmes is being developed.

The Digital Agency, based in NES, is beginning to take shape but there is still significant work to do around role and remit.   The discussions at today's Board with Christine McLaughlin who is leading for Digital within Scottish Government and Caroline Lamb, Chief Executive of NES, will be helpful.

4 **Key Issues**

Current key operational issues are as follows:

Senior Management Roles – Mary Morgan has taken up post as Directory of Strategy, Performance and Service Transformation with effect from 29th October 2018.   It is my intention to make Lorna Ramsay's appointment as Medical Director permanent and a process has been put in place to ensure proper governance around this process. This should be complete before the board meeting on 2nd November.   Recruitments have been launched for the Director of SNBTS, the Nurse Director and the Director of Practitioner and Counter Fraud Services.   These will be issued within the next couple of weeks.   I am increasingly seeing the need for a member of the EMT to have overall responsibility for our primary care offering and I am looking at potentially including this within the responsibilities of the Director of P&CFS.   Gordon James is currently operating as Interim Director of

Health Facilities Scotland. Recruitments are underway for the vacant posts of Chairs and Chief Executives across NHSScotland but particularly with the Chief Executives, no formal appointments have been made as yet.

IT – Demand levels remain high with significant discussion around a range of IT and digital initiatives. Our key task over the next 18 months will be to successfully manage the implementation of Office 365, CHI and Child Health and GPIT. The Planning process for this activity is underway awaiting final approval on CHI and GPIT.

Brexit – Brexit planning is taking up an increasing amount of both leadership and operational time particularly within PCF. This is predominantly around the potential of a no deal scenario where ensuring the availability of products and medicines is a key priority and decisions around both purchasing and stock holding resource have to be made just now to ensure appropriate delivery. Clearly the potential remains for a deal to be reached but it is increasingly unlikely we will be able to wait on this outcome before starting our contingency planning. The level of work is increasing and the need to commit cost for contingency is becoming more urgent. Full engagement is ongoing with Scottish Government particularly to ensure NSS is not left with a financial liability for Brexit stockholding capacity which is not funded. I will update the Finance, Procurement and Performance Committee on 23rd November in regards to the current planning situation.

Bridge View – The Marischal Square building formally opens on 3rd December. Transition plans are fully under way.

PCF Safety Planning – PCF and the Healthy Working Lives team have been working closely on a safety improvement plan for Canderside which will be relevant for spread across other parts of NSS. The plan includes specific operational changes in Canderside to reduce risk but mainly involves engagement with staff in understanding everyone's responsibility for safety and a significant communication programme and awareness raising. A positive foundation has been laid and will continue to be built on over the next 3 months.

5   Next Steps

- Developing strategic direction for Board review in November
- Primary Care Support offering
- Deliver recommendations and actions from eHealth reports
- Continue to work with Scottish Government and NES around Digital Strategy implementation
- Continue to support regional development
- Develop Shared Services proposition for Public Health Scotland
- Continue to manage NHSScotland waste management requirements
- Brexit preparation

COLIN SINCLAIR
October 2018

NSS FORMAL BOARD
ACTION LIST 2018-2019

| | CLOSED | B/18/119 |

Ref Item	Action	Responsible	Deadline	Status
FROM 7 SEPTEMBER 2018 MEETING				
4.4	**Trinity Park Foundation (TPF)** Circulate interim update on TPF to Board Members.	C Low	November 2018	
8.1	**NSS Values** Provide more information on the planned relaunch of NSS Values.	A Stewart	September 2018	Detail presented at NSS Staff Governance Committee meeting on 28.09.18
10.1	**Advanced Therapeutics** Consider mechanism to allow strategic discussions to be held in NSS on opportunities presented by Advanced Therapeutics.	M Morgan	Board – 01.02.19	On the Forward Programme for the February 2019 Board meeting.
FROM 29 JUNE 2018 MEETING - **NO OUTSTANDING ACTIONS**				
3.4	**Trinity Park Foundation** Update on Trinity Park Foundation to be provided to the Board on an annual basis.	C Low / M McDavid	Future Board	On the Forward Programme for June Board meetings.
8.1	**Standing Financial Instructions (SFIs)** Share some of the staff communications around SFIs with Members and feedback on how staff had responded to overall challenges.	C Low	BDS - March 2019	On the Forward Programme for the Board Development Session in March 2019.
15.1	**End of Year Performance** Issue thank you communication to staff.	E Ireland / C Sinclair	July 2018	Completed. Communication issued 03.07.18.
16.1	**Finance** Provide Members with the update on NSS's financial risks.	C Low	Future Board	[CL 31.081.8] Section to be added to the biannual risk management update to the Board meeting in November 2018.
17.2	**eHealth Action Plan** Review learning at the March 2019 NSS Board Development Session together with learning from the SFIs.	C Low	March 2019	On the Forward Programme for the March 2019 Board Development Session.
18.1	**Health and Safety** Provide more detailed report on number of RIDDORS and near misses as part of the next People Report.	J Jones	September 2018	[JJ 30.08.18] People Report refers.
18.2	**Bullying and Harassment** Discuss NSS activity on this at the next Staff Governance Committee meeting.	J Deffenbaugh / J Jones	SGC – 28.09.18	[JJ 30.08.18] For discussion at the next SGC meeting on 28.09.18.
18.3	**Statutory and Mandatory Training** Review dashboards presented in People Report to provide assurance around interrogation of training data by Staff Governance Committee.	J Deffenbaugh / J Jones	SGC – 28.09.18	[JJ 30.08.18] For review as part of the People Report at the next SGC meeting on 28.09.18.
19.1	**Public Health Scotland** Provide update in Chief Executive's Report to the Board.	C Sinclair	Future Board Meetings	Actioned.

Ref Item	Action	Responsible	Deadline	Status
20.2	**International Engagement Team (IET) and mPower Programme** Provide update on the IET (including role and risks to functions and funding) and mPower Programme.	M Bell / C Low	Board – 07.09.19	On the Agenda for the NSS Board meeting on 07.09.18. IET and C Low to give presentation.
29.1	**Gosport Independent Panel Report** Circulate report to Members and discuss at the Clinical Governance Committee in the first instance.	C Lang / J Burgess	CGC – 13.09.18	Copy circulated to Board Members on 11.07.18. L Ramsay to raise at the CGC meeting on 13.09.18.
FROM 6 APRIL 2018 MEETING – NO OUTSTANDING ACTIONS				
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.

Meeting: NSS Board of 02/11/2018

Paper Number: B/18/120

Title of Paper: NSS Strategy Update

Paper Type: Routine Report

This is an update on the strategy development following the off-site sessions in early October.

Decisions Required

The paper is for noting progress and we would welcome any feedback as we develop towards the final paper in February.

Analysis:

The Board is asked to note progress in the development of the NSS strategy since the offsite session in October. The paper provides an update on key points relating to:

- The drivers of change
- Our strategic focus
- The type of organisation we want to be
- And new propositions (cross-cutting themes) for creating additional value

The paper and key activities highlighted within the report have been developed by the Executive Management Team and are based on the outputs and agreements made at the Board/EMT development sessions.

Strategy development will continue through RAM meetings and further development of cross-cutting themes with the EMT providing leadership and oversight.

Final papers relating to our new strategy will be presented to the Board in February. We welcome any feedback or input the Board wishes to make in this period.

Colin Sinclair
Chief Executive
colin.sinclair@nhs.net

NSS Strategy Review Update

The NHS NSS Board and Executive Management Team (EMT) undertook its annual review of strategy at development sessions held on 1-2 October 2018.

The sessions identified that NSS needs to deliver its service with optimum efficiency and effectiveness, but also needs to go beyond its existing services and deliver service propositions that create new value and greater impact for health and care.

The changing context in which NSS operates is driving the need for new and additional value. NSS needs to adapt and respond to this new environment if it is to remain relevant.

Considerations were made with the understanding that:

- The new Cabinet Secretary for Health and Sport, Jeane Freeman OBE MSP, has set out three areas for immediate attention: mental health; reducing waiting lists; and integration.

- Political uncertainty remains around Brexit, potentially impacting the cost and availability of supplies, our ability to retain and recruit staff and how we work with and collaborate with partners in the EU.

- NSS financial projections highlight the need to drive out approximately £52m on a recurring basis in years 2-5 of the FY19-23 plan. This requires NSS to deliver savings beyond the 5% CRES target and means we need to transform our services.

- Regional and national board plans are completed and engagement around them is due to start this quarter. NSS will be a key partner in the National Board Collaborative and will play an important role supporting national planning.

- Customers want us to be more flexible, more customer focused and more joined up in our approach. Doing so will ensure that existing services are improved and new services are designed around their needs.

- Public Health Scotland is critical to the future success of health and care. NSS will play a significant role in establishing and supporting the new body. However, it also creates a gap in our data offering that will need to be addressed.

The board agreed that for NSS to be focused on fulfilling its existing service commitments, while also supporting health and care transformation, the strategy needs to adapt to the changing operating environment. Critical questions the board were asked to consider to help us refine our approach included strategic focus, the type of organisation we want to be and the cross-cutting themes (propositions) where we can create new value.

Strategic Focus

The Board and the EMT agreed a shift in the strategic focus for NSS.

STRATEGY OVERVIEW	NOTES
Purpose We provide national solutions to improve the health and wellbeing of the people of Scotland.	Our purpose continues to capture the core role of NSS and remains unchanged.
Vision To be integral to a world-leading national health and care service.	The vision has been simplified to give a clearer sense of ambition and direction.
Values Respect and care; excel and improve; integrity; openness; customer focus; committed to each other.	Our values remain critical to our success and the focus will be on re-launching them with staff.
Approach NSS will: • Underpin NHSScotland with operationally excellent services • Enable health and care transformation with new service propositions • Assist other public bodies in support of our purpose and vision	Components of our original vision have been reworked to guide how we will deliver our purpose and vision and who we will work with to achieve them. Examples of where this is already happening include: the Home Oxygen Service; and the Continence Promotion Care Bundle.
Services Information and intelligence; health protection; specialist healthcare; logistics; procurement; programme management; facilities; legal; IT; blood, tissues and cells; practitioner; counter fraud.	NSS will continue to provide core infrastructure services to NHSScotland and will seek to develop them further so they can support health and care. Delivering key infrastructure across our service range will be one of our lead offerings.
Priorities • Closing the 2-5 year financial gap • Increasing levels of national board collaboration • Delivering the new public health body	These were agreed to be the immediate challenges NSS will be required to meet based on current Scottish Government financial and strategic requirements.

Type of organisation

Recently, our focus has been on presenting NSS as single entity to customers and stakeholders. This has successfully supported the development of new relationships with

the wider public sector, but has had less success with existing health board customers, where there is a stronger relationship with individual services.

Our new strategic focus aims to blend a customer-led service focus with a stakeholder-led value proposition (cross-cutting themes) focus.
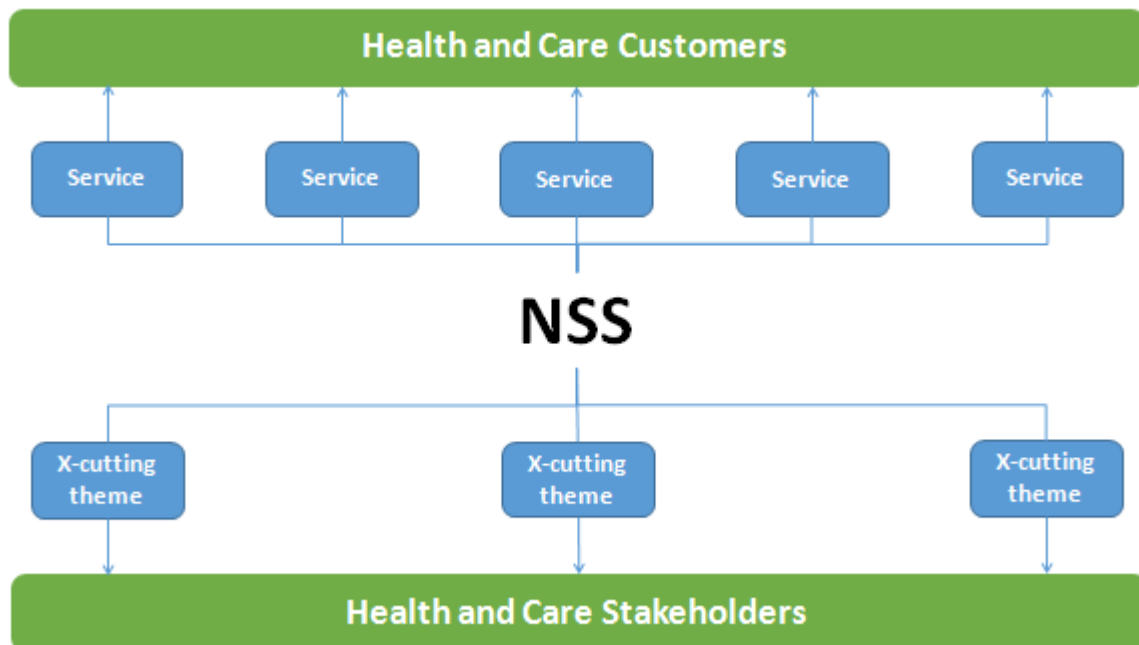
Our core services will underpin NHSScotland and other health and care organisations, such as Public Health Scotland, by providing an expert infrastructure with economies of scale.

The cross-cutting themes will enable health and care transformation by delivering new multi-service propositions that together can achieve greater value and impact.

NSS unites the organisation by supporting the SBUs to be operationally excellent and enabling the delivery of cross-cutting themes

Our values define and underpin our organisation, but we have further work to do to be clear how we will position ourselves with customers, stakeholders and staff. This will focus on what type of organisation we want to be in terms of attitude and aspiration. Key elements are already held in our values but will include listening to our customers and being responsive to their needs. In relation to staff, we will consider how we continue to make NSS an attractive place to work, one that encourages people to both join and stay. This builds on our Great Place to Work approach.

Cross-cutting themes

The development sessions enabled us to identify the external and internal cross cutting themes of work through which NSS will be able to create greater value and impact. Each theme will require the involvement and support of more than one area of NSS if it is to be successful. A member of the executive team has been appointed to lead and develop a theme.

The EMT has reviewed each theme and recommends the following external propositions are prioritised.

- **Primary care.** The programme has been agreed with Scottish Government and will focus on general practice (GP) and optometry. Our main focus will be on GP service redesign and the associated general medical services (GMS) contract. PHI, IT, P&CFS, PCF, PGMS and the clinical directorate are all involved. Governance arrangements and initial planning is underway.
  David Knowles.

- **Shared services**. NSS has been playing a leading role in supporting shared services over the last 18 months. The health portfolio has achieved the most traction with radiology, laboratories, aseptic pharmacy and clinical engineering programmes close to implementation. Corporate shared services for Public Health Scotland is an opportunity for NSS to take a lead role in administrative services. Going forward, NSS needs to determine where it can legitimately and sensibly take a lead role.
  Carolyn Low.

- **Infrastructure provider.** NSS is well placed to deliver a national property solution that meets new patient and clinical needs. NSS is hosting the NHSScotland National Planning Board and is a member of the Scottish Government Infrastructure Board. We also advise on health board property matters and host 3rd party market solutions. NSS is in a unique position to link clinical planning with physical infrastructure and provide a property management solution (e.g. lease negotiations, acquisitions, disposals) for the whole of NHSScotland.
  Jim Miller.

Other external cross-cutting themes were considered and require more development or will be taken forward by the SBU or through national board collaboration.

To be further developed:

- **Medicines**. With an overall NHSScotland budget of £1.8bn there is opportunity for NSS to optimise its own medicines activity and explore where it can further support Scottish Government and Boards requirements. Paperless prescribing, non-medical prescribing, regional analytics, an information roadmap for secondary care prescribing and leading the development of Advanced Therapeutic Medical Products could underpin our proposition. An oversight group will be established to help NSS align cross-SBU activity and determine if there is cross-cutting theme potential.
  Lorna Ramsay.

- **Transformation support**. By bringing together specialist skills and capabilities (user research, design, digital, data etc.) from across the organisation in a collaborative way NSS is able to deliver against transformation programme needs. This approach is currently supporting: health board programmes (e.g. NHS Tayside elective care); NSS programmes (e.g. CLO digital transformation); and national programmes (e.g. transformation of clinical services such as radiology, labs, aseptic dispensing and

clinical engineering). We are working with other national boards to develop a proposition, based on a similar model of collaboration, to support NHSScotland. *Carolyn Low and Mary Morgan.*

- **Data as a service**. NSS has pockets of data and analytical capability spread across the organisation that can be aligned, structured and optimised to create a new data service proposition. NSS data assets relating to primary, acute and social care could be leveraged to aid automation, drive tactical improvements and provide strategic insights that help improve and transform health care. External user research is being commissioned to help develop the proposition.
Lorna Ramsay.

SBU Developed:

- **Advanced therapy medicinal products**. ATMPs consist of somatic cell therapies, gene therapies and tissue engineered products and offers the potential to control or cure some of the intractable degenerative and neoplastic diseases which are giving rise to a substantial and increasing burden of ill health. They are highly complex medicinal products and require a similar supply chain to 'living' products (e.g. blood, tissues and cells). Through SNBTS, who have been involved in the development of ATMPs for around 20 years, NSS could play a pivotal role in developing this new generation of medicinal products. SNBTS will be developing plans to drive stakeholder support and sponsorship.
Hazel Thomson.

- **Home oxygen and incontinence services**. The home oxygen service is run by PCF. It has high levels of satisfaction and has achieved high levels of saving efficiencies. The service is integrated into care home settings and constantly reviews the potential to extend the service with complimentary therapies, e.g. sleep services. PCF is also considering ways to drive wider adoption of the Continence Promotion Care Bundle developed in partnership with NHS Lanarkshire and local care homes.
Jim Miller.

The EMT also prioritised its internal cross-cutting themes. Once for NSS will be the main driver of activity along with Service Transformation. Further work is needed to develop our data as a service proposition and on innovation and best practice spread.

- **Once for NSS**. The programme is in its second year and has delivered incremental changes in travel practice, pool car management, administration recruitment and meeting room usage. Next steps are to driver deeper adoption of centralised business/corporate services and to use the forthcoming RAM sessions to drive an 'invest to save' approach in all our investment decisions.
Jim Miller and Carolyn Low.

- **Service transformation**. Work is now commencing to support SBUs and their services to develop strategic change plans. We will undertake 3 sprints to identify the case for change, a vision and a blueprint. The programme will provide support through user research, creative problem solving, facilitation and report generation.

SBUs will provide leadership and staff engagement. SBUs are consider the support they need and activity will commence in November.
Lorna Ramsay.

- **Innovation and best practice spread**. There is an opportunity for NSS to orchestrate innovation and provide project end-to-end support. This could include establishing an innovation pipeline for health and care based on the key design principles of discovery, alpha, beta, live. NSS could play a pivotal role in ensuring successful innovations are scaled up and delivered nationally. More analysis and development of the proposition is needed before testing through a proof of concept. *Lorna Ramsay*.

Summary

The Board has agreed a shift in strategic focus so that NSS is better able to meet the needs of customers and stakeholders in an increasingly changing and challenging operating environment.

NSS will ensures its core services underpin health and care and are delivered to the highest quality and with increasing levels of efficiency, achieved through service transformation. It will also look to create new value and greater impact for health and care by developing cross-cutting themes into service propositions.

Our immediate focus will be on closing the 2-5 year financial gap, increasing levels of national board collaboration and delivering the new public health body.

Activity is already started on the prioritised cross-cutting themes of primary care, shared services and infrastructure provider. Additionally, we will drive a programme of 'invest to save' through our internal cross-cutting theme of Once for NSS.

Further development activity will determine the viability of other cross-cutting themes and the EMT will continue to review their progress.

The organisation we want to be is one that is truly valued by its customers and stakeholders and where staff really want to work.

Meeting: NSS Board of 02/11/2018

Paper Number: B/18/121

Title of Paper: Operational Delivery Plan Half Year Report

Paper Type:

Regular quarterly monitoring report showing progress against Operational Delivery Plan.

Decisions Required

The Board is asked to note the organisation's performance during 2018-19 set out in this paper and challenge as appropriate on areas where measures were not achieved.

Analysis:

The paper shows progress against the Operational Delivery Plan 2018 / 19, 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.*

A performance rating of 90% was achieved against 58 performance indicators. Five of those indicators were rated as amber due to being less than 10% away from the intended target. One indicator was rated as red due to a greater than 10% divergence from their intended target.

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NHS National Services Scotland
2018/19 Operational Delivery Plan (ODP), Half Year Monitoring Report
Sept 18

NHS
National
Services
Scotland

1.0   Overview

This report summarises the half year position against the Operational Delivery Plan 2018 / 19 and Issues raised via the corporate risk register, which have recently been reviewed. This information is also available on the Decision Support Tool. The performance, against the ODP is rated via 58 performance indicators was as follows.

Achievement –
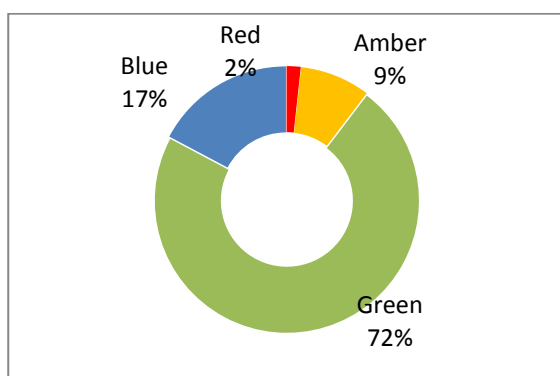
10 (17%)	Blue	Exceeded target
42 (72%)	Green	Completed or ongoing as planned
5 (9%)	Amber	Behind / less than original plan
1 (2%)	Red	More than 10% behind / less than original plan
0 (0%)	Grey	Not yet reported

This shows a performance rate of **90%** 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.

- **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 100% achieved.
- **Review 12 commissioned specialist service and networks against the national designation criteria to ensure ongoing need in Scotland by March 2019.** This is ahead of schedule with 10 services reviewed.
- **PHI test users of CAIR (Care Assurance and Improvement Resource) system** number of test users ahead of schedule at 70 against 27 planned.
- **Payment to primary care practitioners** is at 99.9% accuracy compared to a target of 99.5%.
- **Collaborative contract coverage** at £1.334bn against target of £1.3bn

1.2   Red - Not Achieved as Planned
The following targets were not achieved as per plan (red).

- **Single and consistent eProcurement process in place to enable NHS Boards to procure products in a standard manner. Report on improvements in use of processes by March 19.** This was reported as red in the last quarter report. 9 health boards have currently transferred to single PECOS. Funding secured for backfill of specialist eProcurement resources to complete remaining rollout. Due to the delay on decision on funding position, it is anticipated that this will now be complete by July 19.

1.3 Amber – Behind Schedule

The following measures were delivered to within 10% of their original target:

- **Engaged in both City Deal and Health Data Research UK (HDR UK) – by October 2018, we will have produced a summary of the expected contributions from NSS and ISD.** This is shown as 90% complete against a target of 95%. We continue to work with partners to develop the model for supporting the data innovation workstream of the City Deal as part of the establishment of a world class data infrastructure; we are assured that NSS and in the future PHS will have a key roles to play in this. Calls for bids to be submitted for the HDRUK monies will occur on a regular basis with ISD/eDRIS supporting the provisioning of research ready/linked data to successful projects. The next call will be for funding to support the creation of Data Innovation Hubs. Prof. Cathie Sudlow as Director for the Scottish Partnership of HDRUK will lead the bid for Scotland with contributions from all partner universities and ISD/NSS as needed.
- **Proposal to develop self sufficiency and ongoing capability in whole system modelling for the NHS in Scotland by June 18**. This is shown as 95% complete. Team structure in place but awaiting appointment of member of staff.
- **Data submission and quality assurance of social care data complete by October 18 in order to provide Scottish Government with social care data. Design and input new output on social care activity on Source and publish Official Statistics thereafter.** 30 / 32 Data sharing agreements received. Full submission 19 areas. Partial submission 11 areas. 30% data fully quality assured.
- **NDC Throughput.** This is at £76.2m against a target of £76.7m. Plans are in place to mitigate the shortfall.
- **Deliver a Good Corporate Citizenship score of >80% by March 2019.** This is sitting at 80% at present. The target for sustainability is at risk to drop from 80% rather than improve towards the >80% as necessary for 2018/19 with aim to be at >85% by 2019/20. The programmes that are rated as below average are Facilities Management, Stakeholder Engagement and Transport & Travel. The (postponed) Sustainability Governance Board meets on 19.Oct and will agree plan of action as matter of priority.

2.0 Risks – as at 17.10.18

			Likelihood					Total
			Rare	Unlikely	Possible	Likely	Almost Certain	
		Score	1	2	3	4	5	
Impact	Catastrophic	5	1	0	0	0	0	1
	Major	4	0	5	2	0	0	7
	Moderate	3	0	7	8	5	0	20
	Minor	2	0	3	4	0	0	7
	Negligible	1	0	0	1	0	0	1
	Total		1	15	15	5	0	36

The above table shows risks specifically associated with ODP targets. There are no red risk currently.

Caroline McDermott
Head of Planning
Ext 6518

B/18/122

NSS BOARD – FRIDAY, 2 NOVEMBER 2018

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 30th September 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 the mid-year NSS is on course to meets its statutory financial targets for 2018/19 with a break-even position projected in revenue and capital, and anticipates that delivery of our CRES target will be exceeded.

NSS Target	RAG rating*	Year to Date	Full Year Outturn
Revenue outturn	Green	£0.2m surplus	Break-Even
NSD CRES savings	Green	55%	100%
NSS CRES savings	Green	73%	107%
Capital outturn	Green	£0.1m deficit	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.

1. OVERVIEW OF FINANCIAL PERFORMANCE

At the end of September, NSS continues to forecast that it will meet its statutory financial targets for 2018/19. This projection includes a number of key risks and assumptions, which will continue to be monitored as the year progresses.

Revenue – the forecast outturn for revenue remains break-even for 2018/19. At present, there is a small under spend of £0.2m arising from VAT recoveries at higher than budgeted levels.

Capital – A £0.1m deficit is currently being reported as energy efficiency expenditure originally planned as revenue is actually capital in nature. This will be managed as part of the overall budget so the forecast outturn for capital remains break-even for 2018/19.

CRES – The total CRES target for 2018-19 is £16.7m (£9m from NSD and £7.7m from SBUs) which represents a 5% reduction of baseline funding. Budgets are reduced by 5% at the start of the financial year and SBUs are required to demonstrate achievement against target. To date, NSS has delivered £9.8m of the overall target and is forecasting an outturn position ahead of plan

NSS Target	RAG rating*	Year to Date	Full Year Outturn
Revenue outturn	Green	£0.2m surplus	Break-Even
NSD CRES savings	Green	55%	100%
NSS CRES savings	Green	73%	107%
Capital outturn	Green	£0.1m deficit	Break-Even

Key
Red: Target will not be met
Amber: Uncertainty over whether target will be met
Green: On target

2. NSS REVENUE POSITION AS AT 30th SEPTEMBER 2018

The following table summarises the NSS revenue position as at 30th September 2018, with a £0.2m 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	159,212	159,212	0	327,069
SG Allocation	69,343	69,343	0	150,580

	YTD Budget £000	YTD Actual £000	YTD v Budget £000	FY Forecast £000
NHSS Health Board Trading	117,897	114,290	(3,607)	230,674
SGHD Trading	1,020	862	(158)	2,070
Non NHSS Income	44,191	48,953	4,762	59,232
Total Income	**331,663**	**392,660**	**997**	**769,625**
Expenditure				
Pay	75,674	75,117	557	155,784
Non Pay	106,600	110,760	(4,160)	198,686
Depreciation / Capital Charges	4,479	4,481	(2)	8,883
Purchase of Healthcare	111,863	112,075	(212)	225,160
Cost of Sales	92,893	89,873	3,020	181,011
AME	0	0	0	100
Total Expenditure	**391,509**	**392,306**	**(797)**	**769,625**
Net Surplus/ (Deficit)	**155**	**354**	**199**	**0**

The underlying variances are attributable to the following:

- **Pay costs** are under spent by £0.6m – this position is being driven by vacancies within PHI (£0.2m), SNBTS (£0.5m) and CLO (£0.1m) which are forecast to be filled during the financial year. This is offset by the extension of unfunded contractors for CHI and Service transformation in IT (£0.2m).

- **Non Pay costs** are over spent by £4.1m - this relates mainly to 'pass through' costs including PASAG rebates which is offset by a corresponding increase in income. Similarly, in SNBTS, SCRM medical costs for the purchase of tissues and tendons is higher than expected (but if offset by an over-recovery in income). These costs have been mitigated in part by additional VAT recovery across NSS (£0.2m).

- **Plasma Sales (under Health Board Income and Cost of Sales)** are £2.5m lower than target for the first six months. This is as a result of a worldwide shortage of IVIGg products. Demand management measures have significantly reduced overall demand in 18/19 and a small proportion of the previous demand has shifted to alternative products. Volumes are expected to stay at this level for the remainder of the year with a potential £4.6m reduction in full year income. National Procurement is actively pursuing other supply options for 2019/20.

3. NSS REVENUE TRADING POSITION AS AT 30th SEPTEMBER 2018

The table below summarises the NSS revenue trading position by SBU as at 30th September 2018 (£'000s) with SBU dashboards and supporting narrative presented at Appendix 1.

Strategic Business Unit	YTD Variance (£000's)	Forecast Outturn (£000's)
Central Legal Office	58	0

Information Technology	(212)	(164)
Procurement, Commissioning and Facilities	(61)	(222)
Practitioners & Counter Fraud Services	65	209
Public Health & Intelligence	(457)	0
Scottish National Blood Transfusion Service	151	114
Business Services	6	0
Clinical Directorate	25	0
Customer Engagement and Development	37	0
Human Resources	43	0
Strategy & Governance	31	0
Trading Position	**(312)**	**(63)**
NSS Reserves	511	63
Overall NSS Position	**199**	**0**

The overall YTD position is a small under spend of £0.2m arising from a favourable reserves position with the receipt of VAT income being higher than budgeted levels.

The main pressures reported are within:

- PHI - there is currently a level of unidentified income across a number of areas, though it is forecast the target will be achieved in full by year end
- IT - staff are working on service transformation programmes with no identified funding to pay for this support
- PCF - actual costs for rates and utilities in JCC are higher than budget

These overspends are being offset by smaller surpluses across other SBU areas and within reserves.

Efforts will be made to contain forecast overspends within overall budget provision at SBU level, with the balance being met from reserves as required. At this stage in the financial year, only PCF and IT forecasting a year end deficit, and the SBUs are actively trying to bring this back into line.

A formal mid-year review of financial performance has been carried out. Meetings with SBU Directors enabled direct discussion of underlying financial challenges across the business, and early exploration of emerging pressures and opportunities which will be considered as part of RAM planning. This exercise provided additional assurance that the mid-year financial performance as reported is robust, and fairly reflects the known financial challenges facing NSS at this time.

4. KEY RISKS AND 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 30th September 2018, NSS has received confirmation of funding allocations from SG amounting to £473.3m. This sum represents baseline funding of £334.7m, plus £138.6m of additional allocations. 95% of funding anticipated has been received.

NSS is also anticipating the following returns in October:
- £1.4m for eHealth allocations to NHS Boards who host specific national services;
- £0.4m to be transferred to SAS from NSD for the SCOTSTAR programme;
- £1.8m to be transferred to GG&C for eESS National programme;
- £0.2m duplicate allocation received in error.

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)	£523.7m	£5.4m (1%) (includes Waste Contingency funding)
Information Technology	£88.0m	(£1.4m) (-1.5%) As above
Public Health & Intelligence	£39.4m	£5m (13%) (including LIST £2.8m which has been agreed and will be allocated in the October letter)
Total	**£651.1m**	**£9.0m (1.4%)**

As part of the anticipated allocations balance, NSS expects £0.3m to be returned from National Boards for savings underwritten in 17/18 – this is expected in the October letter.

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. This was included in the financial plan at £1.8m based on 3% to £30k, 2% to £80k and flat £1,600 for all employees earning over £80k.

Importantly, this cost <u>excludes</u> the impact (£1.6m) for staff employed by other Boards but funded by NSD – this has been confirmed and will be received in the October letter.

SG has allocated £2.4m for the AfC and Medical and Dental pay award in the September letter – this has been allocated on a recurring basis and added to our baseline.

c. National Boards Collaboration Savings

Collectively, National Boards had made provisions within their financial plans to contribute £11.6m of the £15m savings target for 2018/19. Financial pressure in year has resulted in NSS and a number of other Boards reducing their contributions at this stage. The reduction of £150k for NSS is due to the removal of payroll services to NHS24 and the collapse of the NSS/SAS payroll collaboration. The savings removed from National Boards in August was £10m (NSS share was £5.35m on a recurring basis).

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. National Boards agreed that a mid-year review process will be used to identify how best to meet the gap.

SG has made it clear that they expect the final distribution of savings to be identified as soon as possible, and that they will apply the same distribution of savings as last year if a revised position cannot be agreed.

In 2017/18 NSS contributed a total of £5.782m towards National Boards savings. Failure to agree a revised position places an additional likely pressure on NSS amounting to £432k (which is the gap between the agreed reduction and last year's actual reduction).

The next meeting of the National Board DoF's in early November will focus on bridging the savings gap and agree any further board contributions.

d. Use of contingency funding

The Board approved £1m contingency funding as part of the Financial Plan. To date, there has been 3 formal commitments made against the contingency fund totalling £283k – all from the IT SBU:

Ref	SBU	Narrative	Additional Funding 2018/19 (Revenue) £000	On-going Recurring Costs £000	Date of DOF Approval
2018/01	IT	**GDPR Compliance:** There are tasks to address remaining matters and ensure suppliers and services are compliant. To conclude, and accelerate completion a budget of £68k is sought	68	0	May 2018
2018/02	IT	**Radiology (PACS) service platform migration:** set up and migration now complete for both live and DR sites. Carestream licences are required to complete data migration which will provide mirrored copy of all live data to support Farr Institute research activity.	81	0	May 2018
2018/03	IT	**MICROFOCUS:** additional costs incurred as a result of under-licensing for identity management software.	134	0	June 2018
		Total additional in-year funding approved	283	0	

IT SBU has identified a further £200k potential exposure in terms of IBM SSPS licensing costs back dated to 2012. A review of IT contracting arrangements with a particular focus on software licensing has been commissioned by the Chief

Executive and will be led by the Director of Finance. A report is expected during November.

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 NHS Scotland. In the following narrative, we outline in turn the position in each area, as at 30th September 2018.

	Position as at 30 September 2018			Full Year Outturn			R A G
	Budget £000	Actual £000	Variance £000	Budget £000	Forecast £000	Variance £000	
Scottish Infected Blood Support Scheme (SIBSS)	3,233	3,233	0	6,500	6,500	0	G
National Services Division (NSD)	115,815	115,804	11	232,403	232,403	0	G
Logistics	82,969	83,103	(134)	167,207	167,207	0	G
Rebate Schemes	44,338	44,338	0	51,000	51,000	0	G
eDRIS	684	658	(26)	1,369	1,369	0	G
eHealth & ATOS	28,600	28,600	0	59,900	59,900	0	G

SIBSS – the forecast for 2018/19 is that the full anticipated allocation of £6.5m 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 – Activity for Stem Cell Transplantation is extremely high at the mid-year point. Liver, Renal & Cochlear activity is also slightly higher than expected, though further CRES from risk share is predicted to offset these pressures. The year-end forecast is predicated on additional funding for the pay uplift being allocated by SG – this has now been confirmed and will be processed in the October letter.

Logistics – Total sales revenue targets have been agreed by the DOFs Logistics Group and there is slight underachievement (0.68%) for the first 6 months of the year. A year end break-even position is forecast – this is based on Logistics Service Charge funding (£13.5m) received from Boards.

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. The Scottish Information Linkage Collaborative meets throughout the Financial Year discussing financial performance and plans as part of its remit.

e-Health & ATOS

The table below outlines the 2018-19 budget for national IT services managed by NSS on behalf of NHS Scotland. The funds managed include on-going SLAs for running and maintaining key National IT systems as well as key projects such as Office 365; CHI Child Health; and GP IT. The reported position is break-even, both year to date and forecast, as below:

	Position as at 30th September 2018			Full Year Outturn			
	Budget £000	Actual £000	Variance £000	Budget £000	Forecast £000	Variance £000	RAG
eHealth SLA	15.5	15.5	0	30.1	30.1	0	G
Office365 – Windows 10	4.0	4.0	0	8.7	8.7	0	G
Office365 – Implementation	0.0	0.0	0	0.4	0.4	0	G
CHI Child Health	0.3	0.3	0	1.6	1.6	0	G
GPIT – SWAN & Re-Provisioning	0.9	0.9	0	1.9	1.9	0	G
ATOS Other	8.1	8.1	0	16.3	16.3	0	G
Other	0.4	0.4	0	0.9	0.9	0	G
Total	**28.6**	**28.6**	**0**	**59.9**	**59.9**	**0**	**G**

SG agreed to fund the initial order for Office 365 and Windows 10 totalling £8.7m in 2018-19. There is also a provisional budget estimate of £0.4m for additional support costs for NSS to take the lead on the roll out across NHS Scotland. The service is currently confirming the additional resource that is required over the next few Financial Years.

The CHI Child Health Programme Board and Chief Executive's Group has recently approved the recommencement of this project. The costs for 2018/19 have been updated to reflect the costs that will be incurred this financial year, in-line with the funding available from SG.

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.

6. NSS CAPITAL POSITION AS AT 30th SEPTEMBER 2018

The YTD deficit position of £0.1m relates to energy efficiency programme work carried out by facilities. This work was approved through PAMS as a revenue requirement but the work carried out is capital in nature, resulting in a year to date pressure.

Although there is limited expenditure to date (£0.8m) mainly on JCC completion, the forecast position is break-even with spend 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.

NSS has requested a revenue to capital transfer of £1m for Radiology and Cyber Security programmes originally funded by SG as revenue but where the expenditure is capital in nature.

NSS also requires a further capital investment of £1.1m for Oracle IT as part of the e-Health SLA. The SLA currently includes a budget for annual support and maintenance of Licences - these licences are due to be renewed on a 5 year rolling basis. Discussion with SG and e-Health leads has identified the replacement is due this financial year and an additional capital allocation has been requested to cover this cost.

7. CRES

The total CRES target for 2018-19 is £16.7m. To date, NSS has achieved £9.8m (NSD £4.2m) of the overall target and is forecasting to exceed the target by £0.5m. However, £3.8m savings identified are non-recurring in nature which will give rise to a recurring pressure carried into 19/20. There are currently two savings schemes rated amber totalling of £0.7m as the specifics are still to be identified. This has reduced by £0.3m in month. A summary table is provided below with a full breakdown in Appendix 3.

	CRES Target (5%) £000	Infrastructure		Procurement		Productivity		Workforce		Total	
		Rec £000	Rec £000	Rec £000	Non Rec £000	Non Rec £000	Non Rec £000	Rec £000	Non Rec £000	Rec £000	Non Rec £000
IT	825	450	0	0	0	0	0	0	0	450	0
P&CFS	1,141	78	0	242	427	0	40	46	368	366	835
PCF	1,117	0	0	0	0	0	267	203	372	203	639
PHI	914	0	0	194	0	357	657	701	0	1,255	657
SNBTS	2,002	0	0	406	0	586	231	1,082	0	2,074	231
BS	163	0	0	0	0	0	64	46	0	46	64
CD	43	0	0	0	0	0	43	0	0	0	43
CEaD	86	0	0	0	0	0	88	0	0	0	88
HR	159	0	0	0	0	0	159	0	0	0	159
S&G	90	0	0	0	0	0	90	0	0	0	90
RESERVES	1,145	0	0	0	1,000	0	0	0	0	0	1,000
NSD	9,019	0	0	9,019	0	0	0	0	0	9,019	0
TOTAL	16,704	528	0	9,861	1,427	943	1,639	2,081	740	13,413	3,806

8. FINANCIAL PLANNING 2019/20 AND BEYOND

Work has commenced on RAM planning, and detailed financial plans for the next five years are being developed. Pre-planning work on our year 2-5 financial position has highlighted the need to do things differently, focus on priorities, and stop doing things if we are to be in a position to operate sustainably going forward.

Rolling forward our projected trading position as at 30th September highlights that we must drive out approximately £52m on a recurring basis by the end of 2023/24. To put that in context, the 5% CRES reduction from baseline generates approximately £6m per annum. The savings required to breakeven equate to a saving of £10m recurring in each and every year of the next planning period.

Going forward the new flexibility provided by the financial framework enables boards to plan to deliver a financial position +/- 1% of RRL providing a breakeven is achieved over a three year period. This provides the potential to use this flexibility to "spend to save" and to reshape our workforce, or invest in digital and new ways of working.

9. SUMMARY

The NSS Board is asked to note this report.

Carolyn Low
Director of Finance & Business Services
26th October 2018

Appendix 1 – SBU Revenue Performance Reports

CLO

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	190	205	⬆ 15	8.0%
Income	7,095	7,453	⬆ 358	5.0%
Total Income	**7,285**	**7,658**	⬆ **373**	**5.1%**
Total Pay	6,536	6,963	427	6.5%
Non Pay	669	694	26	3.8%
Cost Of Sales / Healthcare	0	0	(0)	-100.0%
Total Expenditure	**7,205**	**7,658**	⬆ **453**	**6.3%**
Net Surplus/(Deficit)	🟢 **80**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	111.3
Budget (current period)	112.9
Actual (current period)	110.6
Variance (Current period)	🟢 **2.3**
Movement since Mar 18	⬇ -0.7
Active Vacancies	🟢 0.0

	Budget	Actual	Variance	Forecast
Total Allocations	205	205	🟢 0	205
Income	3,865	3,814	🔴 (51)	7,453
Total Income	**4,070**	**4,019**	🔴 **(51)**	**7,658**
Total Pay	3,482	3,387	🟢 94	6,851
Non Pay	436	421	🟢 15	806
Cost Of Sales (Logistics)	0	0	0	0
Total Expenditure	**3,918**	**3,808**	🟢 **110**	**7,658**
Net Surplus/(Deficit)	🟢 **152**	🟢 **211**	🟢 **58**	🟢 **0**

(YEAR TO DATE)

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

CLO is reporting a reduced underspend against budget of £58k as at the end of Sep, driven by a £94k pay surplus that has increased in Sep due to two continuing vacancies; however, income recovery from Health Boards in Sep was £80k below the monthly target, which has taken CLO to £51k behind its phased YTD HB income budget. The CLO Director expects Oct and Nov to be busy months that will not show a repeat of the Sep shortfall.

Despite the favourable overall position, CLO is forecasting a break even position by financial year end, since income has fluctuated above and below (eg Sep) the phased budget targets, and will continue to vary in future months.

IT

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	27,915	63,282	⬆ 35,367	126.7%
Income	56,992	24,850	⬇ (32,143)	-56.4%
Total Income	**84,908**	**88,132**	⬆ **3,224**	**3.8%**
Total Pay	18,304	20,219	1,914	10.5%
Non Pay	65,158	68,895	3,737	5.7%
Cost Of Sales / Healthcare	0	(982)	(982)	-98241193.0%
Total Expenditure	**83,462**	**88,132**	⬆ **4,669**	**5.6%**
Net Surplus/(Deficit)	🟢 **1,445**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 17)	333.8
Budget (current period)	341.4
Actual (current period)	347.8
Variance (Current period)	🔴 **-6.4**
Movement since Mar 17	⬆ 14.0
Active Vacancies	

	Budget	Actual	Variance	Forecast
Total Allocations	29,470	29,470	🟢 0	63,282
Income	13,609	13,405	🔴 (203)	24,754
Total Income	**43,079**	**42,875**	🔴 **(203)**	**88,036**
Total Pay	9,265	9,416	🔴 (151)	20,850
Non Pay	33,814	33,671	🟢 143	67,350
Cost Of Sales (Logistics)	0	0	🔴 (0)	0
Total Expenditure	**43,079**	**43,088**	**(9)**	**88,200**
Net Surplus/(Deficit)	**(1)**	🔴 **(212)**	🟢 **(212)**	🔴 **(164)**

(YEAR TO DATE)

CRES	£000
Target YTD	434
Actual YTD	175
Variance	🔴 (259)

IT SBU is reporting an overall YTD deficit of £212k at the end of September and a full year deficit of £164k. This is mainly as a result of staff working on the NSS Service Transformation Programme above funded baseline levels. A signifcant level of SG e-Health funding has been agreed and allocated in the September letter, including full SLA funding of £30.1m as well as Office 365 funding for licences totalling £8.7m. The first Quarterly Finance Performance review with SG takes place in October, with an expectation that any surplus would be returned to SG and any pressure funded by SG.

P&CFS

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	33,757	31,637	⬇ (2,120)	-6.3%
Income	707	770	⬆ 63	9.0%
Total Income	**34,464**	**32,407**	⬇ **(2,057)**	**-6.0%**
Total Pay	16,016	16,377	361	2.3%
Non Pay	15,933	16,029	97	0.6%
Total Expenditure	**31,949**	**32,407**	⬆ **458**	**1.4%**
Net Surplus/(Deficit)	🟢 **2,515**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	466.2
Budget (current period)	461.2
Actual (current period)	442.3
Variance (Current period)	🟢 **19.0**
Movement since Mar 18	⬇ -23.9

	Budget	Actual	Variance	Forecast
Total Allocations	14,884	14,884	🟢 0	33,084
Income	372	312	🔴 (61)	673
Total Income	**15,257**	**15,196**	🔴 **(61)**	**33,757**
Total Pay	8,016	7,974	🟢 42	16,235
Non Pay	7,240	7,157	🟢 84	17,312
Total Expenditure	**15,257**	**15,131**	🟢 **125**	**33,547**
Net Surplus/(Deficit)	**(0)**	🟢 **65**	🟢 **65**	🟢 **209**

(YEAR TO DATE)

CRES	£000
Target YTD	629
Actual YTD	629
Variance	🟢 0

P&CFS is currently reporting a YTD surplus of £65k, including £42k in pay arising from vacancies which are greater than the budgeted Vacancy Factor. There is an under recovery in income but this is due to the phasing of SHSC events income and it is projected that this budget will break-even by year end with income targets fully achieved. The full year forecast is currently a £209k surplus as the current vacancy level is expected to continue for the remainder of 2018/19 as well as underspends in non-pay. P&CFS Management continue to review the financial postion to ensure risks and opportunities are captured and the projection has been updated to inform the forthcoming mid-year review.

PCF

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	261,769	282,634	⬆ 20,865	8.0%
Income	229,087	245,429	⬆ 16,342	7.1%
Total Income	**490,856**	**528,063**	⬆ **37,207**	**7.6%**
Total Pay	25,360	26,310	949	3.7%
Non Pay	285,078	315,673	30,595	10.7%
Cost Of Sales / Healthcare	180,717	186,080	5,363	3.0%
Total Expenditure	**491,156**	**528,063**	⬆ **36,907**	**7.5%**
Net Surplus/(Deficit)	🔴 **(300)**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	646.1
Budget (current period)	632.2
Actual (current period)	623.9
Variance (Current period)	🟢 **8.4**
Movement since Mar 18	⬇ -22.2

Active Vacancies	

	Budget	Actual	Variance	Forecast
Total Allocations	139,747	139,747	🟢 0	282,982
Income	135,771	137,547	🟢 1,775	240,688
Total Income	**275,518**	**277,294**	🟢 **1,775**	**523,670**
Total Pay	12,884	12,879	🟢 5	26,263
Non Pay	169,745	174,600	🔴 (4,855)	316,614
Cost Of Sales	92,886	89,873	🟢 3,013	181,015
Total Expenditure	**275,516**	**277,352**	🔴 **(1,837)**	**523,893**
Net Surplus/(Deficit)	**3**	🔴 **(58)**	🔴 **(61)**	🔴 **(222)**

(YEAR TO DATE)

CRES	£000
Target YTD	4,748
Actual YTD	4,755
Variance	🟢 7

PCF are reporting a small deficit of £58k for the half year. NSS have utilised the £850k year end carry forward to cover additional dual running and JCC costs. Further pressures on the Operational FM budget are driving an expected deficit of £400k. The PCF PPP/PFI team continue to working closely with Operational FM management to ensure any opportunities are exploited to reduce the financial impact. Non recurring savings within Business Development continue to counter the effect of the OFM deficit.
The income variance includes Rebates £4.5m ahead of target netted against an income shortfall on Plasma products £2.5M (IVIG) due to shortages.
Overall PCF forecast deficit of £222k remains similar to that reported last month. The main area of risk in the PCF forecast relates to the level of certainty around decommissioning costs at Ellens Glen Road. This will become clearer within the next reporting period.

PHI

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	31,355	31,855	⬆ 499	1.6%
Income	6,256	7,577	⬆ 1,322	21.1%
Total Income	**37,611**	**39,432**	⬆ **1,821**	**4.8%**
Total Pay	31,314	34,363	3,049	9.7%
Non Pay	6,049	5,069	(980)	-16.2%
Total Expenditure	**37,363**	**39,432**	⬆ **2,069**	**5.5%**
Net Surplus/(Deficit)	🟢 **248**	**0**		

(FULL YEAR)

YEAR TO DATE	Budget	Actual	Variance	Forecast
Total Allocations	14,953	14,953	🟢 0	31,854
Income	3,908	3,209	🔴 (698)	7,578
Total Income	**18,861**	**18,162**	🔴 **(698)**	**39,432**
Total Pay	16,781	16,508	🟢 273	34,363
Non Pay	2,080	2,111	🔴 (31)	5,069
Total Expenditure	**18,861**	**18,619**	🟢 **242**	**39,432**
Net Surplus/(Deficit)	**(0)**	🔴 **(457)**	🔴 **(457)**	🟢 **0**

STAFFING	WTE
Actual (Mar 18)	711.1
Budget (current period)	734.7
Actual (current period)	717.5
Variance (Current period)	🟢 **17.2**
Movement since Mar 17	⬆ 6.4

Active Vacancies	🟢 10.0

CRES	£000
Target YTD	955
Actual YTD	1,641
Variance	🟢 685

The reported deficit shows a similar position to last month, with income falling further behind schedule, but being largely offset by reducing staff costs. Staff vacancies have increased and future turnover can be anticipated and controlled to match income, should circumstances require. CRES remains ahead of schedule and non-pay costs are on target. There is a risk to income of about £750k but the position is being closely monitored and several significant income streams are being progressed. Should income not improve as planned, staff turnover still provides sufficient flexibility to control any deficit, so a balanced outturn remains forecast and there are no particular concerns that require escalation at this time.

SNBTS

FINANCIAL POSITION		Actual 16/17 £000	Budget 18/19 £000	Movement / Variance £000	
FULL YEAR	Total Allocations	47,068	41,630	⬇ (5,438)	-11.6%
	Income	8,018	6,497	⬇ (1,521)	-19.0%
	Total Income	**55,086**	**48,126**	⬇ **(6,960)**	**-12.6%**
	Total Pay	35,677	34,604	(1,073)	-3.0%
	Non Pay	17,654	13,773	(3,881)	-22.0%
	Cost Of Sales / Healthcare	11	(251)	(262)	-2385.6%
	Total Expenditure	**53,342**	**48,126**	⬇ **(5,216)**	**-9.8%**
	Net Surplus/(Deficit)	🟢 **1,744**	**0**		

STAFFING	WTE
Actual (Mar 18)	780.8
Budget (current period)	812.1
Actual (current period)	769.0
Variance (Current period) 🟢	**43.1**
Movement since Mar 18 ⬇	-11.8

		Budget	Actual	Variance		Forecast
YEAR TO DATE	Total Allocations	20,510	20,510	🟢	0	41,630
	Income	3,655	3,699	🟢	44	6,630
	Total Income	**24,165**	**24,209**	🟢	**44**	**48,259**
	Total Pay	17,388	16,903	🟢	486	33,985
	Non Pay	6,777	7,155	🔴	(379)	14,164
	Cost Of Sales (Logistics)	0	0	🔴	(0)	(4)
	Total Expenditure	**24,165**	**24,058**	🟢	**107**	**48,145**
	Net Surplus/(Deficit)	**(0)**	🟢 151	🟢	**151**	🟢 **114**

Active Vacancies	🟢	**32.0**

CRES	£000
Target YTD	1,380
Actual YTD	1,321
Variance 🔴	(59)

SNBTS has a year to date underspend of £151k resulting from :

INCOME: £44k surplus
Higher year to date income results from 3rd party income mainly recovery of consumable on stem cell project, higher Millipore sales, income from taxi cost recovery, income from BBTP LearnPro and Blood tests for GP surgeries but lower volumes of water testing in PTU.
Health Board Income is now invoiced to date for submitted activity figures with the exception of NHS GG&C

PAY: £486k surplus
Pay variance is due to the 48.3 vacancies (less 16.3 vacancy factor) within Quality, Donor Services, Processing & Testing, SCRM, AT, Clinical Services and Medical staffing. There has also been some turnover of staff with P&T and several staff are on training contracts and will not be paid their full band salary until training complete. These underspends are however reduced by some increased pay bands and temporary upgrades.

NON PAY: £379k deficit
Non pay variance is due to:
Increased medical costs in AT but these have been recovered from the customer, compensated by lower medical costs on managed service contracts
Unbudgeted purchase of tissue and tendons
Price increase on reagent kits although these will be recovered
Increased storage costs as more Quality documents are being stored
Higher lab costs in Tissues during dual running until move to JCC completed
Higher rental costs due to additional lab at Pentland
Increased cost of contract taxis (although full recovery of these is being pursued)
Higher transportation costs and maintenance costs for ageing fleet vehicles (replacement vehicles on order)

FORECAST:
Higher health board income £123k anticipated by end of year due to increased activity
Forecast Pay position £619k assumes vacancies beign filled by end of year
Non Pay costs will be £674k overspent as savings targets yet to be achieved

BS

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	17,019	9,205	⬇ (7,813)	-45.9%
Income	3,176	2,392	⬇ (784)	-24.7%
Total Income	**20,195**	**11,597**	⬇ **(8,598)**	**-42.6%**
Total Pay	6,467	8,026	1,560	24.1%
Non Pay	13,819	3,571	(10,248)	-74.2%
Total Expenditure	**20,285**	**11,597**	⬇ **(8,688)**	**-42.8%**
Net Surplus/(Deficit)	🔴 **(90)**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	164.6
Budget (current period)	161.5
Actual (current period)	157.3
Variance (Current period)	🟢 **4.2**
Movement since Mar 18	⬇ -7.3
Active Vacancies	🟢 **3.0**

	Budget	Actual	Variance	Forecast
Total Allocations	3,257	3,257	🟢 0	9,054
Income	1,249	1,382	🟢 133	2,635
Total Income	**4,506**	**4,639**	🟢 **133**	**11,690**
Total Pay	3,285	3,722	🔴 (437)	8,096
Non Pay	1,221	911	🟢 310	3,594
Total Expenditure	**4,506**	**4,633**	🔴 **(127)**	**11,690**
Net Surplus/(Deficit)	**0**	🟢 **6**	🟢 **6**	🔴 **(0)**

(YEAR TO DATE)

CRES	£000
Target YTD	54
Actual YTD	32
Variance	🔴 (22)

Business Services is currently reporting a small under spend position of £6k at the end of September with a projected year end breakeven. This position includes a surplus in PgMS which is offsetting pressures across Finance, including agency staff to cover absences and maintain service delivery, as well as planned savings not being realised as quickly as anticipated. The PgMS position includes £350k YTD spend on approved corporate projects with a full year spend of £659k anticipated.

CD

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	1,489	1,330	⬇ (159)	-10.7%
Income	3	0	⬇ (3)	-100.0%
Total Income	**1,492**	**1,330**	⬇ **(163)**	**-10.9%**
Total Pay	1,332	896	(436)	-32.7%
Non Pay	143	434	291	203.6%
Cost Of Sales / Healthcare	0	0	(0)	-100.0%
Total Expenditure	**1,475**	**1,330**	⬇ **(145)**	**-9.8%**
Net Surplus/(Deficit)	🟢 **18**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	7.5
Budget (current period)	8.6
Actual (current period)	7.3
Variance (Current period)	🟢 **1.3**
Movement since Mar 18	⬇ -0.2
Active Vacancies	🟢 **0.0**

	Budget	Actual	Variance	Forecast
Total Allocations	492	492	🟢 0	1,330
Income	0	1	🟢 1	1
Total Income	**492**	**493**	🟢 **1**	**1,330**
Total Pay	429	397	🟢 32	867
Non Pay	64	71	🔴 (8)	464
Cost Of Sales (Logistics)	0	0	🔴 (0)	0
Total Expenditure	**492**	**468**	🟢 **24**	**1,330**
Net Surplus/(Deficit)	**(0)**	🟢 **25**	🟢 **25**	🔴 **(0)**

(YEAR TO DATE)

CRES	£000
Target YTD	21
Actual YTD	21
Variance	🟢 0

The Clinical Directorate is reporting a surplus of £25k for the half year to the end of Sep, which has reduced by £10k in Sep due to the requested re-profiling of the NSS Innovation budget of £50k to the second half of the year, when it is expected to be spent. Pay expenditure continues under the budgeted rate; the position of Nurse Director from the start of July was covered by a member of staff in PHI at no cost to the directorate, and thus contributes to the pay savings to date. This arrangement was for July to Sep 2018.
Feedback is awaited from the Oct 8th Programme Board of the Capsular Endoscopy project (ScotCap) for which expected slippage might require discussions to be held with SG to return some of the £270k funding already sent to NSS.

CEAD

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	1,714	2,279	⬆ 565	33.0%
Income	2	0	⬇ (2)	-100.0%
Total Income	**1,716**	**2,279**	⬆ **563**	**32.8%**
Total Pay	1,420	1,736	316	22.2%
Non Pay	155	543	389	251.4%
Cost Of Sales / Healthcare	0	0	(0)	-100.0%
Total Expenditure	**1,574**	**2,279**	⬆ **704**	**44.7%**
Net Surplus/(Deficit)	🟢 **142**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	33.1
Budget (current period)	33.0
Actual (current period)	33.6
Variance (Current period)	🔴 **-0.6**
Movement since Mar 18	⬆ 0.5

Active Vacancies	🟢 0.0

	Budget	Actual	Variance	Forecast
Total Allocations	1,040	1,040	🟢 0	2,279
Income	0	51	🟢 51	51
Total Income	**1,040**	**1,090**	🟢 **51**	**2,329**
Total Pay	846	869	🔴 (22)	1,810
Non Pay	193	184	🟢 9	520
Cost Of Sales (Logistics)	0	0	(0)	0
Total Expenditure	**1,040**	**1,053**	🔴 **(13)**	**2,330**
Net Surplus/(Deficit)	**(0)**	🟢 **37**	🟢 **37**	**(0)**

(YEAR TO DATE)

CRES	£000
Target YTD	44
Actual YTD	44
Variance	🟢 0

CEaD are reporting a breakeven position currently, this is in light of a challenging vacancy factor whilst supporting Digital Transformation.

HR

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	3,503	3,374	⬇ (128)	-3.7%
Income	1,013	1,343	⬆ 330	32.5%
Total Income	**4,516**	**4,717**	⬆ **201**	**4.5%**
Total Pay	3,194	3,473	279	8.7%
Non Pay	1,215	1,244	29	2.4%
Cost Of Sales / Healthcare	0	0	0	0.0%
Total Expenditure	**4,408**	**4,717**	⬆ **309**	**7.0%**
Net Surplus/(Deficit)	🟢 **107**	**0**		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 18)	76.3
Budget (current period)	76.6
Actual (current period)	79.0
Variance (Current period)	🔴 **-2.4**
Movement since Mar 18	⬆ 2.7

Active Vacancies	🟢 0.0

	Budget	Actual	Variance	Forecast
Total Allocations	1,642	1,642	🟢 0	3,374
Income	671	682	🟢 10	1,367
Total Income	**2,313**	**2,323**	🟢 **10**	**4,741**
Total Pay	1,731	1,731	🔴 (0)	3,509
Non Pay	582	549	🟢 33	1,232
Cost Of Sales (Logistics)	0	0	🔴 (0)	0
Total Expenditure	**2,313**	**2,280**	🟢 **33**	**4,741**
Net Surplus/(Deficit)	**(0)**	🟢 **43**	🟢 **43**	**(0)**

(YEAR TO DATE)

CRES	£000
Target YTD	79
Actual YTD	79
Variance	🟢 0

HR are currently reporting a surplus of £42k, this favourable position comes from income generated for EESS support given to HIS and Health Scotland (£13k) plus the fact that the business is underspent on non-pay items at the moment. Going forward the non-pay budget should be fully utilised, there is training planned for NSS in both the Leadership Programme, Health & Safety and OD before the year end.

Thus HR are currently looking to break even in financial year 18/19, this is against a challenging vacancy factor, that though currently being met, will be difficult to do in the long term while still providing the required service. Thus the additional income raised will go towards achieving this, along with any savings that can be met in non-pay areas.

S&G

FINANCIAL POSITION	Actual 17/18 £000	Budget 18/19 £000	Movement / Variance £000	
Total Allocations	1,864	1,950	⬆ 86	4.6%
Income	3	16	⬆ 13	406.8%
Total Income	**1,867**	**1,966**	⬆ 99	**5.3%**
Total Pay	1,620	1,724	105	6.5%
Non Pay	242	241	(0)	-0.1%
Cost Of Sales / Healthcare	0	0	0	#DIV/0!
Total Expenditure	**1,862**	**1,966**	⬆ 104	**5.6%**
Net Surplus/(Deficit)	🟢 6	0		

(FULL YEAR)

STAFFING	WTE
Actual (Mar 17)	37.4
Budget (current period)	40.3
Actual (current period)	43.4
Variance (Current period)	🔴 **-3.1**
Movement since Mar 17	⬆ 6.0

Active Vacancies	🟢 0.0

	Budget	Actual	Variance	Forecast
Total Allocations	973	973	🟢 0	1,950
Income	8	1	🔴 (7)	16
Total Income	**981**	**973**	🔴 **(7)**	**1,966**
Total Pay	861	868	🔴 (7)	1,701
Non Pay	120	73	🟢 46	265
Cost Of Sales (Logistics)	0	0	0	0
Total Expenditure	**981**	**942**	🟢 **39**	**1,966**
Net Surplus/(Deficit)	**(0)**	🟢 **31**	🟢 **31**	🟢 **0**

(YEAR TO DATE)

CRES	£000
Target YTD	44
Actual YTD	44
Variance	🟢 0

S&G is reporting a year to date surplus of £31k due to under spends in non-pay with the final internal audit bill for 2017/18 being £7k less than expected, which has given a favourable variance against the accrual processed to cover the cost. Budget is in place for additional DST work, through internal recharge to IT and outside contractors, this has been spread evenly across the financial year, but as such no charges have been received, contributing £8.3k towards the current position. While budget available for staff training throughout the year has yet to be accessed, contributing a surplus of £8.7 to the position.

There is currently an overspend on pay but this is in part due to a couple of positions not being charged out as of yet. Once this is done, and going forward through the managing of a retrial and maternity period within the existing team, pay should at least breakeven by the year end.

Appendix 2 – NSS Capital Programme 2018-19

SBU	Capital Projects and Programmes	Approved Capital Programme			Position as at 30th Sept 2018			Full Year Outturn		
		LDP Capital Plan £000	Movement in Funding £000	Revised Capital Plan £000	Budget £000	Actual £000	Variance £000	Budget £000	Forecast £000	Variance £000
PCF	Breast screening mobile trailer maintenance	300		300	0	0	0	300	300	0
	Breast screening mobile equipment maintenance	130		130	0	0	0	130	130	0
	General capital programme – transferred to Boards	500	(461)	0	0	0	0	0	39	0
	Molecular genetics – transferred to Boards	300		0	0	0	0	0	300	0
	NDC Warehouse Management System upgrade	1,000		1,000	0	0	0	1,000	700	300
	Gyle Courtyard – NSS Funding	0	31	0	0	1	1	0	31	0
	Gyle Courtyard – GEP Funding	0	61	0	0	0	0	0	61	0
	Aberdeen Property OBC	0	941	941	0	48	48	941	941	0
	Catering Information System / e-Patient meal ordering	0	634	634	0	0	0	634	634	0
	Energy Efficiency Project				0	58	58	0	58	(58)
	Automated dispatcherless Portering Task Tracking System	0	104	104	0	0	0	104	104	0
	Sub-total PCF	2,230	1,309	3,539	0	107	107	3,108	3,108	242
IT	Audio Visual / Video conferencing replacement	300		300	0	0	0	300	300	0
	Network replacement	300		300	0	0	0	300	300	0
	Server replacement	300		300	0	0	0	300	300	0
	Legacy burning platform programme	120		120	0	0	0	120	120	0
	Cyber Security	0	442	442	0	0	0	442	442	0
	Sub-total IT	1,020	442	1462	0	0	0	1,020	1,462	0
SNBTS	Fleet replacement	360		360	15	15	0	360	360	0
	Equipment replacement and improvement programme	356		356	158	158	0	356	356	0
	eProgresa (semester patch)	100		100	25	25	0	100	100	0
	Hospital web based ordering	0	150	150	0	0	0	150	150	0
	National Centre completion	0	741	741	540	540	0	741	741	0
	Gametes	15	0	15	0	0	0	15	15	0
	Sub-total SNBTS	831	891	1,722	738	738	0	1,722	1,722	0
PHI	Homelessness	0	5	5	0	0	0	5	5	0
	SCRIS	0	303	303	0	0	0	303	303	0
	Sub-total PHI	0	303	308	0	0	0	308	308	0
BS	Radiology shared services programme	0	1323	1323	0	0	0	1323	1323	0
	Sub-total Business Services	0	1323	1323	0	0	0	1323	1323	0
RES	Capital to be allocated / (savings to be identified)	78	(181)	(103)	0	0	0	(103)	139	(242)
	Reserves	78	(181)	(103)	0	0	0	(103)	139	(242)
TOTAL Capital Portfolio		4,164	4087	8251	738	845	107	8251	8251	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			**15,610**	**8,633**	**15,566**
TOTAL RED EFFICIENCIES		**R**	**0**	**0**	**0**
Savings identified by SMT	PCFS	A	427	65	**427**
Non Recurring Saviings / Efficiencies	PCF	A	225	70	**225**
TOTAL AMBER EFFICIENCIES		**A**	**652**	**135**	**652**
A&I - Increase efficiency/automation	PHI	G	33	33	**33**
A&I - Realignment of teams	PHI	G	95	95	**95**
A&I - Reduction in frequency	PHI	G	45	45	**45**
A&I - Reduction in service	PHI	G	246	246	**246**
CKRS - Income Generation	PHI	G	171	87	**171**
CKRS - Realignment of teams	PHI	G	114	114	**114**
CKRS - Reduction in service	PHI	G	195	195	**195**
CKRS - Reduction in service	PHI	G	102	102	**102**
Clinical - Income Generation	PHI	G	198	102	**198**
DM&SD - Income Generation	PHI	G	184	94	**184**
DM&SD - Realignment of teams	PHI	G	53	53	**53**
DM&SD - Streamline processes	PHI	G	113	113	**113**
HPS - Income Generation	PHI	G	104	104	**104**
HPS - Reduction in service	PHI	G	92	92	**92**
HPS - Reduction in service	PHI	G	166	166	**166**
Vacancies not Filled/reduction of travel costs	PCFS	G	268	268	**268**
Reduction in GP Stationery & NHS Publications	PCFS	G	200	100	**200**
eSystems Automation (inc termination of QOF charges)	PCFS	G	78	39	**78**
reduction in travel costs and leased cars	PCFS	G	42	21	**42**
Increase in SHSC income target	PCFS	G	40	0	**40**
Increase in Vacancy Factor	PCFS	G	100	90	**100**
Reduction in Clinical budget (sessional Fees)	PCFS	G	46	46	**46**
Staff Rationalisation - dis-established posts & associated costs	SNBTS	G	867	867	**867**
Pay protection reduction	SNBTS	G	100	50	**100**
G&S demand reduction	SNBTS	G	200	0	**0**
Reduction in Leuco costs due to Quality Analyst	SNBTS	G	100	40	**100**
Diamed contract savings	SNBTS	G	175	0	**340**
Collaborative procurement - euro packs	SNBTS	G	91	41	**91**
Apheresis reduction	SNBTS	G	115	0	**115**
National Centre synergies	SNBTS	G	148	20	**148**
Reduction in sample storage	SNBTS	G	115	0	**115**
MVS Supplied maintenance reductions	SNBTS	G	100	40	**70**
HTLV Savings	SNBTS	G	20	0	**20**
Additional savings	SNBTS	G	274	264	**340**
Non Pay Savings	Clincal	G	43	21	**43**
Non Pay Savings	CEaD	G	88	44	**88**
Non Pay Savings	S&G	G	89	44	**90**
Shared Service - Financial Services	Business Services	G	92	0	**46**
Additional Income- FP&A	Business Services	G	64	32	**64**
Non Pay Savings	HR	G	159	79	**159**
Savings to NSS from collaborative working IT tools such as Office 365	IT	G	50	0	**50**
NSS portion (including benefit to P & CFS) of National IT Contract (NITC) Atos OA eg up	IT	G	150	75	**150**
Hosted Only power efficiency & increased transaction volume efficiency from modernisi	IT	G	100	50	**100**
eLinks data transfer efficiencies	IT	G	100	50	**100**
Local Networks BW increase for same cost (cost aviodance)	IT	G	50	25	**50**
NSD Efficiencies	PCF	G	9,019	4,153	**9,019**
Contract Implementation Manager (Lothian)	PCF	G	74	74	**74**
Warehouse Manager Role removed from Budget	PCF	G	51	51	**51**
CI Supervisor Role removed from Budget	PCF	G	28	28	**28**
Data Analyst role	PCF	G	50	50	**50**
L&D costs	PCF	G	17	9	**17**
CLO costs	PCF	G	25	0	**25**
Business Development (Admin Support 2.6wte)	PCF	G	70	70	**70**
Stores Assistants	PCF	G	51	0	**51**
Masnet / Locums staff	PCF	G	189	189	**189**
Programme Manager	PCF	G	62	62	**62**
Reduction in Contingency	RES	G	1,000	1,000	1,000
TOTAL GREEN EFFICIENCIES		**G**	**16,610**	**9,633**	**16,566**
TOTAL EFFICIENCIES			**17,262**	**9,768**	**17,218**

NHS
National
Services
Scotland

NSS Board
Friday, 2 November 2018

People Report September 2018

Purpose

The purpose of this paper is to inform the NSS Board of progress against the key workforce targets in the Great Place to Work Plan and to provide a summary of key workforce information as at 30 September 2018.

Recommendation

The Board are asked to note the information contained in the report and the key discussion points summarised below.

Timing

The report covers the month of September 2018.

Summary

The People dashboard is appended to this report for the NSS position. However in summary, sickness absence has increased with the YTD at 4%; the hours lost to stress and mental health issues has seen a decrease in September, although HR are forecasting that the target figure will be exceeded by the year end and HR are predicting that staff turnover will be above target by the year end. However, there are no concerns regarding the level of staff turnover as it should remain in single figures. Agency workforce numbers and spend has also increased and we are forecasting that both will be over target by the year end. However, the workforce figures and budget all remain under target and therefore not a concern. All other workforce measures are on target including statutory and mandatory training.

HR have demonstrated the new tableau NSS people dashboards to the EMT and Staff Governance Committee. These dashboards will be made available to Directors each month and will provide instantaneous insight into data and will enable greater monitoring by both Directors and HR of all workforce data, but in particular sickness absence. It is anticipated that this, along with a re-energised focus on proactive measures by HR will drive improvements in the management of sickness absence.

The results of the iMatter survey are largely positive with a small increase in the response rate and only a small decrease in the employee engagement index and responses to questions.

Health and Safety

No RIDDOR reportable injuries were reported in September and therefore the total number of 2018 remains at two.

The accident incident rate for September shows a decrease although the overall position remains at amber. The highest rate of accidents over the year has been in slips and trips, struck by a falling/moving object and collision with object.

Sickness Absence

The year to date Sickness absence figures at the end of September for NSS is 4% which is an increase from the August figure of 3.95%. Sickness absence for the month of September also rose to 4.10%. Overall this increase is due to small increases in both long and short term sickness absence in September. Six SBU's had very small increases in long term sickness absence and five SBU's reduced long term sickness absence. The same pattern of six SBU's having a slight increase in short term and five SBU's reducing short term sickness has occurred. Four SBU's have seen a slight increase in both long and short term sickness absence and three SBU's have reduced both long and short term sickness absence.

Promoting Attendance workshops continue to be run by HR across NSS although there has been a drop in attendance numbers, primarily due to issues with the on line booking system. This will be rectified going forward. HR will continue to work closely with SBU's and line managers to ensure that sickness absence is managed appropriately.

Work to develop a Reasonable Adjustment Passport continues with recent consultation with the disability network. The majority of the responses from the network were negative and we will continue to work with them to create an understanding and a more balanced view.

The number of hours lost due to stress and mental health issues showed a slow increase over the year but then a decrease in September. We have been unable to ascertain exactly why a sudden reduction in September and will carry out a more detailed analysis when the October figures become available. HR are continuing to deliver awareness and training courses for line managers and staff along with other health promotion activities. More staff are due to be trained to deliver the Mental Health training courses and this will see an increase in this activity once more people can deliver the courses.

Staff Turnover, Workforce Numbers and Agency Spend

As previously stated HR are predicting that staff turnover will be over target at the year end, but we are comfortable that this position is not something to be overly concerned about. We are forecasting that the workforce numbers will be under target at the year end. However, as in previous years the number of agency staff and the spend on agency staff will be over target if it continues at the current levels.

Statutory and Mandatory Training

Statutory training is still recording a decrease and this is due to an increase in the number of staff employed. We remain confident that the end of year target will be reached.

Case Management and Recruitment Activity

HR supported an average of 85 formal active cases in September which was an increase of 2.5% on the previous month. The number of cases being supported through the framework of Management of Capability and Promoting Attendance remained at 79% in September with no new cases being logged. There was one new case of Management of Employee Conduct in September and one case progressed to Dismissal. There were no new Bullying and Harassment cases in September.

There has been a significant reduction in the numbers of staff attending Absence Awareness sessions and we understand that this is due to a reluctance to use the electronic booking system on eESS. Particularly as the HR Advisors are still being asked to deliver sessions.

HR will continue to promote the sessions and we ask SBU Directors to encourage staff to attend these sessions.

Recruitment activity has stabilised in September, with 32 posts being recruited to. The number of e-RAFs has decreased from August (57) to September (33). This is in line with the overall number expected by comparison to the last three years.

Public Health Body

The HR workstream has been established and a steering group set up which is led by Kenny Small the ex Director of HR at NHS Lanarkshire. The steering group will oversee a range of work related to the workforce some of which is already underway within NSS and Health Scotland. This includes compiling a list of the data which requires to be kept on each employee, HR metrics to understand future HR requirements of Public Health Scotland and all issues relating to the transfer of staff.

iMatter

The 2018 iMatter survey closed on 17 September 2018 with NSS having a response rate of 77% which is a 1% increase on 2017. However, the employee engagement index score decreased slightly to 76 from 77 in 2017. 45 out of 328 teams did not receive a report due to insufficient responses being submitted. Overall this is not a bad position for NSS to be in. Team reports have been circulated to managers and we are encouraging them to plan time for all team members to come together to discuss the results and collate the 2018 team action plan. Action plans require to be completed and uploaded to Webropol by 24 December 2018.

HR will be undertaking a detailed analysis and providing this to the EMT and Partnership Forum. Whilst teams across NSS will be developing action plans, the EMT and NSS Partnership Forum will develop a range of actions for NSS and this will feed into the Staff Governance Action Plan. The initial analysis indicates that considering a range of issues such as levels of internal organisational change, the creation of the new Public Health body, re-organisation at EMT, challenges of National Board collaboration and NES is that the position is largely positive for NSS.

Digital 11 questions retained the same percentage as 2017 which is something to be celebrated and built on for next year. These questions covered such areas as:-

- Monitoring work stress and workload
- Valued as an individual
- Consistent application of employment policies
- Clear and appropriate communication
- Job satisfaction
- Recognition and Reward
- Visible and Consistent Leadership

17 questions in the survey had a decrease of 1% for each of the questions compared to the 2017 survey. These questions covered areas such as:-

- Effective Team work
- Access to time and resources
- Performance Management
- Listened to and acted upon

- Empowered to Influence
- Learning and growth

Jacqui Jones
Director of HR and Workforce Development
23 October 2018

Appendices:-

Appendix 1 – Absence Reasons, September 2018
Appendix 2 – NSS People Dashboard, September 2018

The table below provides the September 2018 breakdown of reasons for absence:-

September Absence Reasons	Count of Employee Number
Cold, cough, flu - influenza	92
Gastro-intestinal problems	90
Anxiety/stress/depression/other psychiatric illnesses	72
Other musculoskeletal problems	27
Headache/migraine	23
Other known causes - not otherwise classified	23
Injury, fracture	21
Unknown causes/not specified	20
Chest & respiratory problems	19
Back problems	18
Ear, nose, throat (ENT)	15
Heart, cardiac & circulatory problems	11
Benign and malignant tumours, cancers	9
Dental & oral problems	8
Genitourinary & gynaecological disorders - exclude pregnancy related disorders	8
Nervous system disorders - exclude headache, migraine	5
Skin disorders	5
Endocrine/glandular problems	4
Eye problems	2
Blood disorders	2
Substance abuse - include alcoholism & drug dependence	1
Asthma	1
Pregnancy related disorders	1
Burns, poisoning, frostbite, hypothermia	1
Total	**478**

NSS People Dashboard
September 2018

Great Place to Work Measures

	Target	Current Month	YTD	Forecast	RAG	Progress
Riddors	<4	0	2	5	🔴	⇔
Accident Incident Rate	<30.42	1.59	15.87	31.74	🟡	⇩
Sickness Absence Total (%)	4.00	4.10	4.00	3.79	🟢	⇧
Long Term Total (%)	N/A	1.92	2.54	2.40	🟢	⇩
Short Term Total (%)	N/A	2.19	1.46	1.38	🟢	⇧
Hours Lost (Stress & MH)	63,291	6814	37794	63,595	🔴	⇧

Workforce Capability, Sustainability & Optimisation

	Target	Current Month	YTD	Forecast	RAG	Progress
Staff Turnover (%)	7.00	0.90	4.91	9.04	🔴	⇧
Workforce Numbers (WTE)	3411.74	3320.86	3312.60	3313.31	🟢	⇧
Paybill £	£151.453 M	£12.342 M	£73.375 M	£149.74 M	🟢	⇧
Agency expenditure £	£4.189 M	£0.288 M	£1.942 M	£5.853 M	🔴	⇧
Agency (WTE)	52.18	86.43	77.38	80.28	🔴	⇧
% of Agency (WTE)	1.53%	2.60%	2.34%	2.42%	🔴	⇧
No. Leavers	248.08	32	181	335	🔴	⇧

Key Workforce Data

	Target	Current Position	Progress
Mandatory Training 3 YR Ave (%)	100	93	⇩
Mandatory Training 2 YR Ave (%)	100	72	⇧
Statutory Training 2 Years (%)	100	73	⇩

Case Management Activity

	2016-17	Current Month	YTD	Forecast	Progress
Cases – Informal	202	5	38	48	⇧
Cases – Formal	175	4	52	75	⇩
Total Managed Cases	377	9	90	113	⇔
Active Cases	N/A	118	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		175	N/A
Authorised Recruitment		33	321
Posts Filled		32	273
Vacancy Factor			

People Report Guidance

RIDDORS	Please see link below for information on riddor definition and types of work related injuries: http://www.hse.gov.uk/riddor/reportable-incidents.htm
Data Source	Healthy Working Lives Team
Target	Less than 4 is the overall 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 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

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

B/18/124

NSS Formal Board Meeting – Friday, 2 November 2018

Risk Management Update

Purpose

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

Recommendation

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

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

Timing

There are no time constraints associated with this paper.

Background

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

1. Risks are being managed appropriately by risk owners;
2. As at 30 September 2018 there were four Red risk;
3. Our Red and new Amber risks have been reviewed and challenged according to IRMA guidance;
4. The Risk and Resilience eLearning training awareness module has been completed by 97% of our staff. This mandatory training is completed on a rolling three yearly basis; and
5. Our risk scoring matrix, likelihood and impact descriptions are provided at Appendix 3 for reference.

Engagement

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

Marion Walker
Risk Manager Lead
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RISK MANAGEMENT UPDATE

1. NSS Risk Register

1.1 Summary

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

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

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

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

Risk Rating	Feb '18 No of risks	Movements				Sept '18 No of risks
		New risks	Closed risks	Transfers in	Transfers out	
HIGH	1	2	0	5	(4)	4
MEDIUM	68	16	(20)	14	(13)	65
LOW	47	7	(16)	11	(3)	46
Total	116	25	(36)	30	(20)	115

As at 30 September 2018 there were 115 corporate risks held on the NSS Risk Register, a net decrease of one in the period. While a number of new risks were identified they have been managed effectively, closed or mitigated down to an Amber or Green risk rating.

A summary of the Corporate Red risks on the NSS Risk Register as at 30 September 2018 is provided in Appendix 1. In summary:

o Our overall exposure to corporate Red risks has increased from one to four in the period.

o Two new red risks were raised, 5179 Delay / failure by NSS to deliver new GP IT Managed Services and 5107 Lack of suitably trained staff, both risks continue to be managed as a Red risks.

o Risk 4577 Information Governance Legislation Breach was increased from Green to Amber then Red during the period. The likelihood of the risk happening increasing from 2 to 3 following the Internal Audit findings and recommendations relating to the Information Security Management Systems. The impact of this risk was also increased from 4 to 5, during September, due to the increase costs of potential fines rising from £0.5m under previous legislation, to a maximum of £18m under the GDPR.

o Risk 4885 CHI and Child Health Transformation Programmes was raised as a Red Reputational risk in February 2018. In March, this risk was downgraded from a likelihood of 3 to 2, due to Scottish Government (SG) confidence in the likelihood of the programme going ahead taking the risk to Amber. In May the project was paused for six months whilst SG examined alternative solutions as there was a likelihood that the programme would not be delivered. As a result of this the likelihood was increased to 3 and the risk remains Red. A meeting of Chief Executives will be held in October to ratify the CHI Programme way forward.

o Two Red risks have been mitigated from Red to Amber, 5056 NSS Anderson House Lease and 5057 Accommodation that will relate to Anderson House Lease.

o During the period the likelihood of risk 4608 Dependency on External Programmes was increased from 3 to 4 taking this to a Red corporate risk due to lack of movement on approving the CHI programme, which has a material effect on delivery plans and ability to implement service redesign. In addition, delays in progressing with this programme could result in key staff either leaving or being reassigned to other projects. At the EMT on 22 May the likelihood of this risk was reduced to 3 as the CHI and Child Health Transformation Programmes were on hold reducing the risk to Amber. Whilst the CHI project was on hold risk 4608 would continue to be managed as a project rather than corporate risk until next financial years planning cycle is completed.

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

1.2 Risks by Category

The corporate risks on the NSS Risk Register as at 30 September 2018 are summarised below by Risk Category.

Risk Rating	Risk Category				Sept '18 No. of Risks	% of total
	Business	Staff	Clinical	Reputational		
HIGH	2	0	0	2	4	3%
MEDIUM	36	3	3	23	65	57%
LOW	25	2	9	10	46	40%
Total	63	5	12	35	115	100%
Total Feb'18	*61*	*2*	*17*	*36*	*116*	

The number of risks in Business and Staff categories has increased in the period with the number of Reputational and Clinical risks decreasing.

1.3 Risk Profile

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

			Likelihood					Total	*Feb '18*
			Rare	Unlikely	Possible	Likely	Almost Certain		
		Score	1	2	3	4	5		
Impact	Catastrophic	5	3	3	2	1	0	9	*7*
	Major	4	1	16	28	1	0	46	*44*
	Moderate	3	0	14	23	11	0	48	*53*
	Minor	2	2	4	2	3	0	11	*12*
	Negligible	1	0	0	1	0	0	1	*0*
	Total		6	37	56	16	0	115	
	Feb '18		*1*	*43*	*57*	*15*	*0*		*116*

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

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

Key points to note from the above heat maps are:

o Risks have increased in Red and reduced in Amber and Green rating categories.

o In terms of likelihood no Red risks have been classified as "Almost Certain".

o In terms of impact risks 4885 CHI and Child Health Transformation Programmes, IG Legislation Breach, and Delay/ failure by NSS to deliver new GP IT Managed Services have been classified as "Catastrophic".

2. Risk Challenge & Review

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

- o Business risks – Finance, Procurement & Performance Committee on 5 September 2018;
- o Staff risks - Staff Governance Committee on 28 September 2018;
- o Reputational risks – Audit & Risk Committee on 13 September 2018; and
- o Clinical risks - Clinical Governance Committee on 13 September 2018.

Information Governance risks across all of the above categories were also reviewed during the period with the most recent Information Governance Committee meeting held on 19 September 2018. The Information Governance Group continues to review fully all risks with an information governance impact.

3. Strategic Risks Challenge & Review

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

During the period risk 4184 NSS Workforce Effectiveness has been closed and removed from the Strategic Scorecard. Two Reputational risks have been raised recently, 5179 Delay/ failure by NSS to deliver new GP IT Managed Services and 5114 UK Infected Blood (Langstaff) Inquiry. Could the Board advise whether or not it would like these risks added to the strategic 'watch-list'.

Full details of the suggested additional strategic risks have been included as Appendix 4.

5. Further Development of the Risk Management Application

The Risk Register application is continually updated to ensure that it fulfils the needs of the Risk Champions and business users. The risk application forms a later part of a Strategy & Governance Project, under the Service Transformation Programme, to bring the range of corporate governance and performance applications into an ecosystem of related services that make the process automated, reducing bureaucracy, and providing greater governance and compliance.

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

Decision Support Tool

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

Integrated Risk Management Approach (IRMA) guidance

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

Risk Appetite Statement

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

7. Risk Champions Group Meetings

Risk Champion meetings continue to be held quarterly with meetings being held on 5 June and 30 August 2018. The meetings were joint between Risk Champions and Resilience Leads. The risk elements focused on:
   a. Shared Risks across NSS
   b. Low Probability/High Impact Risks
   c. Risk and Resilience eLearning figures
   d. Progress on Risk and Resilience eLearning
   e. Recording Project risks pan NSS
   f. Risk and Resilience Group Terms of Reference
   g. Quarterly Risk & Resilience Newsletter.

8. Risk Management Training

The Risk and Resilience (R&R) eLearning awareness module forms part of the mandatory training for all NSS staff. All staff are required to complete this training on a rolling three yearly basis. Below are details of the mandatory R&R eLearning undertaken by SBU's as at 30 September 2018.

SBU	Completed Risk & Resilience Training	Headcount	%
Business Services	163	171	95%
Central Legal Office	127	125	100%
Clinical Directorate	11	10	100%
Customer Engagement & Development Directorate	39	38	100%
HR & Workforce Development	88	76	100%
Information Technology	317	352	90%
Practitioner & Counter Fraud Services	508	528	96%
Procurement Commissioning & Facilities	567	647	88%
Public Health & Intelligence	650	780	83%
SNBTS	1059	898	100%
Strategy & Governance Directorate	38	44	86%
TOTAL	**3567**	**3669**	**97.2%**

Appendix 1: Summary of Red Risks as at 30 September 2018

Reputational (Red/High)

ID	Date Raised	SBU	Title	Risk Description	Last Update	Risk Rating	Residual RAG	Movement on prior month	Secondary Category	Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
								Health Impact				
4885	08/02/18	IT	CHI and Child Health Transformation Programmes	There is a risk that the CHI and Child Health Transformation Programmes are not delivered and the new IT system implemented by NSS IT due to decisions by stakeholders not to continue.	28/09/18	15	15	⟺	Business	<5,000	2	>£1,000K
5179	07/09/18	IT	Delay / failure by NSS to deliver new GP IT Managed Services	There is a risk that NSS fails to deliver the new GP IT Systems on behalf of the boards within the required timescales, or at all, due to the Full Business Case not being approved.	28/09/18	20	12	New	Business	500,000-5,000,000	2	>£1,000K

Business (Red/High)

ID	Date Raised	SBU	Title	Risk Description	Last Update	Risk Rating	Residual RAG	Movement on prior month	Secondary Category	Number of People Affected [scale 0 to 5,000,000]	Extent of Potential Adverse Impact [scale 0 (low) to 5 (high)]	Financial Impact
4577			IG legislation breach	There is a risk that NHS NSS breaches relevant legislation in relation to information due to incomplete organisational preparation for new laws e.g. in data protection and also due to inadequate staff awareness of these laws, their responsibilities and understanding of policies, procedures and safeguards in place	11/09/18	15	10	⇧	Reputational	Zero	0	>£1,000K
5107	12/07/18	IT	Lack of suitably trained Staff	There is a risk that due to high workload demand, there is insufficient capacity within Internal IT to enable key resources to be freed up to receive O365 technical training to support the successful deployment of O365 within NSS.	20/09/18	16	4	New	Staff	50,000-500,000	1	£100K-£250K

Appendix 2: Health Impact

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

Appendix 3: <u>NSS INTEGRATED RISK MANAGEMENT APPROACH v1.4</u>

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

KEY

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

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

NSS INTEGRATED RISK MANAGEMENT APPROACH v1.4

Impact					
		Category			
Score	**Description**	**Business**	**Staff**	**Clinical**	**Reputational**
1	Negligible	• Financial impact/penalties/ fines of <£10k • Project delays <2% of remaining timescales • Minimal impact - no operational disruption • IG Adverse Event with negligible business impact	• No obvious harm to staff • Minimal disruption to staff • Very minor delay in recruiting staff • IG Adverse Event with negligible staff privacy impact	• Interruption to a service which does not impact on the delivery of services to patients or the public or the ability to continue to provide service • No obvious harm to patient/public • IG Adverse Event with negligible privacy/ clinical impact	• Rumours – no interest to the press • No damage to reputation with stakeholders • Overspend of <5% of Budget • IG Adverse Event with negligible reputational impact
2	Minor	• Financial impact/ penalties/ fines of £10k-£100k • Project delays 2%-5% of remaining timescales • Minor impact on service provision	• Minor H&S incident due to unsafe working environment or working practice • Minor staff complaint • Short term vacancy • Small number of NSS staff not informed, trained, involved in decisions, treated fairly & consistently • IG breach with personal data relating to <10 staff that poses low privacy risk	• Minor effect on the health impact of our services • Short term disruption to service with minor impact on delivery of services to patients/public • Minor injury – first aid treatment required • IG breach with personal data relating to <10 individuals that pose low risk to privacy and has no impact on their health or safety but causes localised inconvenience or delays	• Some public embarrassment • Minor damage to reputation with stakeholders (1 NHS Board) • Minor effect on staff morale • Overspend of 5-15% of Budget • IG breach which results in an adverse finding but no enforcement action by an external regulator
3	Moderate	• Financial impact./penalties/ fines/of £100k-£250k • Project delays 5%-20% of remaining timescales • Some operational objectives partially achievable	• H&S incident with some harm • Staff unrest • Key post vacant for some time • Moderate number of NSS staff not informed/ trained/ involved in decisions/ treated fairly & consistently • IG breach with personal data or privacy/data integrity breach relating to between 10-100 staff members • IG breach with sensitive staff information causing negative staff impact	• Moderate effect on the health impact of our services • Some disruption in service with unacceptable impact on delivery of services to patients/public • Medical treatment and/or counselling required • IG breach with personal data or privacy/ data integrity breach relating to between 10-100 individuals • IG breach with sensitive clinical information	• Regional media – long-term adverse publicity • Moderate damage to reputation with local Stakeholders (> 1 NHS Board) • MP concern • Moderate effect on staff morale • Overspend of 15-40% of Budget • Enforcement action with no monetary penalties taken by an external regulator
4	Major	• Financial impact/ penalties/ fines of £250k-£1,000k • Project delays 20%-50% of remaining timescales • Significant impact on service provision	• Severe H&S incident • Industrial action • Unable to recruit skilled staff to key roles for extended period • Significant number of NSS staff not; informed/ trained/ involved in decisions/ treated fairly & consistently • IG breach with personal data or privacy/ data integrity breach relating to >100 staff members • IG breach with highly sensitive personal information which could affect the health or safety of >1 individual	• Major effect on the health impact of our services • Sustained loss of service which has serious impact on delivery of services to patients/public (resulting in major contingency plans being invoked) • Extensive injury/ major harm • IG breach with personal data or privacy/ data integrity breach relating to >100 individuals • IG breach with highly sensitive personal information which could affect the health or safety of >1 individual	• Scottish media – adverse publicity of less than 3 days • Major impact on reputation with stakeholders nationally • Significant effect on staff morale • Overspend of 40-60% of Budget • Maximum enforcement action by an external regulator
5	Catastrophic	• Financial impact/ penalties /fines of >£1,000k • Project delays >50% of remaining timescales • Unable to function/ total failure in service provision including irrecoverable loss of operational data	• Death causing termination of operations • Prolonged industrial action • Sustained loss of key groups of staff • NSS Staff not; informed/ trained/ involved in decisions/ treated fairly & consistently • Loss/integrity of data or privacy breach relating to several Health Boards or on a national scale that impacts large numbers of NHS Scotland staff	• Severe effect on the health impact of our services • Permanent loss of service or facility • Incident leading to death or major permanent incapacity • Loss/ integrity of data or privacy breach relating to several Health Boards or on a national scale that could impact large numbers of individuals	• UK wide /International media – adverse publicity of more than 3 days. • Ministerial concern. Court enforcement. Public inquiry. • Severe impact on reputation and stakeholder relations national/international • Overspend of >60% of Budget

Appendix 4 Proposed New Strategic Risks

5179 **Delay / failure by NSS to deliver new GP IT Managed Services**

Date Raised	SBU	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
07/09/2018	IT	There is a risk that NSS fails to deliver the new GP IT Systems on behalf of the boards within the required timescales, or at all, due to the Full Business Case not being approved.	Which will result in reputational damage to NSS due to not having delivered the new systems to the required timescales, thus exposing to the Health Boards to a number of risks, including clinical risk around failure to modernise delivery of care, lack of access enhanced prescribing safety and call-recall features, inability to perform effective cluster working, inability of patients to access online services, loss of data interoperability due to inability to adopt SNOWMED clinical coding standards, and risk of legal action from suppliers as the existing contracts will expire imminently with no options for further extension. Additionally these legacy GP IT systems are increasing hard to modify to accommodate necessary changes and may eventually be withdrawn from service causing an interruption to the life long record held by GPs, with significant impact on patient care.	Deryck Mitchelson	5	4	20	12	Prevention	Reputational	Business

5114   **UK Infected Blood (Langstaff) Inquiry**

Date Raised	SBU	Risk Description	Impact Description	Owner	Impact	Likelihood	Combined Score	Residual RAG	Mitigation Strategy	Primary Category	Secondary Category
17/07/2018	SNBTS	There is a risk the UK Infected Blood (Langstaff) Inquiry may lead to additional cost and adverse reputational impact for SNBTS/NSS.	Reputation -There is a risk of National media interest with the potential for adverse publicity, with associated loss of public confidence in the blood service and a risk of adverse effect on staff morale. Business - There is a risk of additional cost to NSS (£100k - £250k per annum). There is a risk that SNBTS will not be able to achieve its CRES relating to sample archive destruction (£40k per annum) Staff -Limited, although current and previous employees may be called to submit or give evidence to the Inquiry. Clinical -Limited - patient impact is time limited.	Mary Morgan	4	3	12	8	Prevention	Reputational	Business

B/18/125

HIGHLIGHTS FROM
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 Issues:
An update was received in relation to the risks for NSS around the GP IT re-provisioning programme. It was noted that there had been significant internal engagement around these risks on a clinical and non-clinical level. The most important of the risks highlighted was that in relation to the programme not being taken forward. The next significant steps would be the approval of the full business case and the approval of the finance for the project which were required to re-baseline the plan for the programme. It was recognised that the programme had undergone significant delay and this was sought to be minimised in its effect going forward. The main delay had related to source of funding and also to bids being submitted to inform the full business case. It was noted that Scottish Government wished NSS to endorse the full business plan and to do so may require an ad hoc Board meeting.

It was recognised that the programme had reputational and potentially clinical damage risks should it not proceed. Non-executive colleagues commented on the opportunity to possibly unify towards more aligned systems rather than having a bespoke build, which had the potential to reduce variation and delay in the future. Crucially it was recommended to all Board colleagues that there should be no commitment until the finance had been approved, though it was recognised that this may not impede the announcement of preferred bidder(s) status or planning towards completion with those bidder(s). It was noted positively that the Governance Board under the Digital Health and Care Strategy had been established, where oversight of this project would likely rest.

Key Audit Matters:

Internal Audit:
It was noted that there was positive progress with the internal audit plan for the year. It was further noted that the additional audits arising from the eHealth funding issues were in train, though they would not form part of the internal audit opinion for 2018-19, and would be bought to committee depending on management decisions.

The audit on NSS's governance arrangements for the move of part of the organisation to the Public Health Body was well received. It was noted that some of the actions were dependent on decisions to be taken by the Oversight Board and therefore would be completed as soon as clarity was received, in particularly around shared services provision. It was further noted that some actions had already been completed.

In relation to the internal audit actions update report, progress was noted and the extensions required approved.

Service Audit:
In relation to the National IT service audit, the timetable for the audit had been agreed, including what areas would be covered. In particular, printed outputs under the Atos contract were to be considered and a journey followed from end to end. It was noted that GP IT and PACS would not be covered (the latter being part of a separate contract to Atos), though breast screening would be covered. Atos's security around storage of information was highlighted as a risk that had consistently been raised over several years.

In relation to the payroll service audit, it was noted that all outstanding actions were complete and the timetable had been set for 2018/19. It was highlighted that, although NHS24 had requested to stop receiving payroll services from NSS, this service would still be audited as it was part of the in-year provision.

In relation to the practitioner services service audit, it was noted that the timetable and scope had been agreed, and would include additional data analytics. The two partially complete actions from the previous year's audit were underway and would be completed shortly.

External Audit and Annual Accounts:
A positive update was received in terms of follow up from the Annual Audit report. It was noted that all significant issues in relation to the report had been completed by the end of June allowing the report to be brought to the Board. There was a reminder that Audit Scotland had provided an unqualified audit opinion and had highlighted that NSS had adequate financial management in place. Audit Scotland also highlighted that savings for future years needed consideration and NSS's annual report could have a greater focus on performance. Thanks were noted by Audit Scotland to NSS staff and the positive relationship between Audit Scotland and NSS was highlighted.

It was highlighted that the NHS National Overview Report was due to be published shortly and this would be brought for discussion at the next committee meeting. The external audit plan would be brought to the December committee meeting.

Key Risk Matters:
It was noted that the risk update paper was dated 31 July 2018, and since then the number of red risks had increased from 1 to 8. The CHI risk had not changed, and the additional GP IT risks, spoken about at the start of the meeting, had been added to the register. There had been two new risks raised in relation to the implementation of Office365 around staff capacity and lack of preparation by the business to implement. The remaining red risks had been raised from amber status and related to CLO's possible move from Anderson House (3 risks) and the IG legislation breach risk being increased due to the level of fine that could now be imposed by the ICO.

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

There were two themes that were prevalent throughout the conversations on the papers. These were the Once for Scotland agenda and how NSS played into this appropriately, including influencing decision makers on those issues. The second theme was around capacity and capability of current staff to implement large concurrent, primarily IT, projects simultaneously and the contingency planning around that piece.

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

Several governance improvements were identified:-
- For the offsite, there were several areas which merited further discussion: 2-5 year planning and the Shared Services agenda; connected to that was the decision of NHS24 to move payroll services; the assurance around Atos as a contractor and their risk appetite to security; and the Audit Scotland National Overview report.
- Lead service audit commissioning area Directors or deputies were to be invited to future meetings.
- A request was made for an additional, brief, risk update paper should there be changes to the red risk profile prior to the meeting but after the paper deadline.
- A check was to be made on the sequencing of committee meetings in relation to this committee and Board in June next year.

Other Matters of Interest

The quarterly fraud report was well received. There was a focus in NSS on prevention initiatives, and training sessions had been run in many areas. It was noted that it had been a quiet quarter, with only 1 investigation. The annual Counter Fraud Services report was received. For NSS, last year, there had been 14 referrals (this year there had been 4 to date). New initiatives were flagged and it was agreed that it would be useful for counter fraud colleagues to attend a development session shortly.

The quarterly feedback, concerns and complaints report was noted, and in particularly the increase in the opportunity to donate complaints was highlighted. It was explained that there was a change to the opportunity to donate with a more detailed understanding of demand. It was noted that additional training was being carried out and queue management champions had been introduced.

HIGHLIGHTS FROM NSS BOARD COMMITTEES SINCE SEPTEMBER 2018 NSS BOARD MEETING

NSS CLINICAL GOVERNANCE COMMITTEE – 13 September 2018

B/18/126

Issues & Risks for the Board's Attention

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

- The Committee was also updated on a number of issues affecting Breast Screening services:
  - There had been an update to the numbers of women affected by the Public Health England incident currently resident in Scotland. The Committee was assured that all had been contacted and the uptake of appointments was being monitored.
  - The issue of variation in the age parameters across the UK was still to be addressed by the UK National Screening Committee
  - The Committee was given assurances around the work being done to address any issues of slippage in the Scottish Breast Screening Programme (SBSP), looking specifically at final invitation and first invitation, as well as the overall slippage rate. However, at the request of the Cabinet Secretary for Health, NSD's phased plan of addressing final invitation slippage had been changed and all women affected had been contacted as a one group, increasing the ask on NSD in terms of managing this. As a result, the Breast Screening corporate risk would be reviewed.
  - The Committee was given an overview of a "double-click" issue with the SBSP system which resulted in the duplication of results. They were assured that there had been no clinical impact as a result of this glitch and that there would be follow up with Atos to ensure it did not recur.

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

- The Committee were briefed on the dental governance models discussed with the Scottish Government in light of NSS taking on the statutory duty for work it currently undertook on behalf of the Scottish Dental Practice Board under delegated authority. Members noted that the option preferred by Scottish Government was for a reporting line into a separate Directors of Dentistry group (which would have representation from across all NHS boards) and discussed the benefits and risks of this, as well as the next steps to enable its implementation.

- Following on from this, and the presentation on the governance framework for the Scottish Radiology shared services programme, the Committee were keen to give consideration to all legacy shared services work, and its location within NSS.

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

- Nothing to report.

Other Matters of Interest

- The Committee were updated on the response to the Scottish Government's review of governance within NHSScotland. They were assured that while NSS was well placed with its own policies, processes and practices, there was also recognition that there would always be opportunities for continuous improvement.

- Following on from the general governance discussion, the Committee was also satisfied in respect of the mechanisms for assurance in place regarding the work of clinicians.

NSS INFORMATION GOVERNANCE COMMITTEE: Wednesday 19 September 2018

Issues & Risks for the Board's Attention

- Corporate Risk NSS 4577 (IG Legislation Breach) had escalated up to a Red RAG status. Actions were ongoing to manage this risk and the likelihood had not increased, but the impact had been re-evaluated in line with the new penalties. It was this increase in impact score which put the risk score up into the red.
- The single Category 2 event reported (suspected data breach) has been downgraded by SNBTS. It is not yet clear that there had definitely been a data breach but the issue remained under formal investigation.
- NSS's Cyber Essential review was scheduled for 8-9 October 2019. It was unlikely that NSS would pass this assessment due to the high number of issues relating to external facing websites run by NSS. The IT security team were working to address these issues in priority order but were not likely to have them all completely addressed ahead of the review. The Committee requested a paper on the current situation and action plan due to the significant reputational risk this posed.

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

- The new eLearning module seemed to have increased awareness and reporting of all levels of IG incidents. The Committee noted this as a positive outcome which highlighted NSS's improvement approach but would be looking to see this backed up by an eventual reduction in the number of reports. There was clear evidence of a learning culture around all incidents and the Committee asked to see some of these outcomes included in future reports to ensure learning had been embedded.
- NSS was well placed in respect of GDPR and compliance, with an estimated 90% compliance for GDPR coming into force. There was a plan in place to close gap to full compliance by March 2019. The main challenges were with legacy systems and how, or if, we will be able to migrate the data.
- The Committee was pleased to note that there had been no IG related complaints received in the period.

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

- Nothing to report.

Other Matters of Interest

- The Committee wished to comment on the Whistleblowing Policy review, when that happens - the current plan to review was on hold pending the Scottish Government's imminent review of the associated PIN Policy.
- The Committee received a presentation which updated on the background, remit, scope, structure, and the application and scrutiny processes of the Public Benefit and Privacy Panel - NSS supports this group but does not run it although effective running of the group did reflect positively on NSS's reputation. The presentation provided assurances about the independence of the Panel and where accountability lay for the decisions taken. It also recognised the challenges in managing the increasing number of applications from commercial companies and ensuring any benefit to them was fed back in to further improve the public service. In light of this, the Committee asked that the corporate risk relating to the Panel be reviewed.
- An extensive Microsoft update programme was being planned, with licences covering all NHS Staff in Scotland. Multiple elements were involved, including the need to upgrade to Windows 10 before Office 365 could be rolled out. The IT SBU was putting together an implementation team who would draft and deliver the development plan.
- The Committee noted an update on the work around the Information Governance Strategy, which showed continuous progress. A summary 'IG Compliance slide' developed by Martin Bell would be confirmed with SIRO and then shared with all Non-Executive Directors.

NSS STAFF GOVERNANCE COMMITTEE – 28 September 2018

Issues & Risks for the Board's Attention

- Nothing to report.

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

- The Committee received a presentation on the Leadership Programme and Essential Line Manager training and were pleased to see the continued focus on strategy, values and kind of organisation NSS wanted to be.
- The Committee also saw a demonstration of the interactive tool, Tableau, which allowed access to real-time information for viewing trends, absence costs, turnover and workforce demographics.
- A theme of investment to save, and allocating resources to best effect, was beginning to emerge through the Committee's discussions.

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

- The Committee asked paper author to consider the timing of reports and how to provide the most up-to-date information, recognising that there was some information that would benefit from being included "out of quarter".

Other Matters of Interest

- Nothing to report.

B/18/127

NSS Formal Board Meeting – Friday, 2 November 2018

Register of Interests 2018/19

Purpose

In keeping with good governance standards, the Register of Interests as at 19 October 2018 is submitted to the NSS Board for consideration.

Recommendation

The Board Members are requested to agree the Register of Interests as at 19 October 2018 for publication on the NHS NSS web pages.

Timing

No timing issues.

Background

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

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

Engagement

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

Name of the Author: Caroline Lang
Designation: Board Secretary
Tel: 0131 275 7090
Email: clang@nhs.net

2018/19 REGISTER - AS AT 19 OCTOBER 2018

 Changes during year   Changes since last report to Board

Board Member	Gifts & Hospitality	Remuneration	Related Undertakings	Contracts	House, Land & Buildings	Shares & Securities	Non Financial Interests	Election Expenses
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	Self Employed Locum GP Part time salaried GP at Cos Lane Medical Practice, Glenrothes	Nil	Nil	Nil	Nil	NHS Chairs' Representative, CMO task Force - Improving Services for VIctims of Rape and Sexual Abuse Member, National Health and Social Care Delivery Plan Board Fellow of Royal College of Physicians Honorary Chair, University of Stirling Member, Medical & Dental Defence Union, Scotland Member, BMA	Nil
Carolyn Low	Nil	Nil	Nil	Nil	Nil	Nil	Company Secretary, Breeze Media Ltd (Unpaid)	Nil
Mark McDavid	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 (representing NHSS CEOs) of Strategic Leaders Group for the Scottish Leaders Forum. Member, Digital Health and Care Strategy Group Member Scottish Medicines Consortium Member, Infrastructure Delivery Group	Nil

Board Member	Event	Date	Host	Value

NOTE

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

B/18/128

NHS National Services Scotland

Minutes (DRAFT FOR APPROVAL)

NHS NATIONAL SERVICES SCOTLAND CLINICAL GOVERNANCE COMMITTEE

MINUTES OF NSS CLINICAL GOVERNANCE COMMITTEE MEETING, HELD ON THURSDAY, 13 SEPTEMBER 2018 IN BOARDROOM 2, GYLE SQUARE, EDINBURGH, COMMENCING AT 1400 HRS

Present:	Ms Julie Burgess – Non-Executive Director [Chair]
	Professor Elizabeth Ireland – Chair of NSS
	Mr Mark McDavid – Non-Executive Director
In Attendance:	Mr James Cannon – Programme Director, Scottish Radiology Transformation Programme [Item 10]
	Mr Paul Cushley – Director of Dentistry [Item 7]
	Mr Robert Hutton – Implementation Manager, GP IT Project Team [Item 5]
	Dr Hamish McRitchie – Medical Director, Scottish Radiology Transformation Programme [Item 10]
	Mr Martin Morrison – Associate Director, P&CFS [Item 7]
	Dr Lucy Munro – Associate Medical Director, Primary Care [Item 4]
	Ms Fiona Murphy – Director of National Specialist and Screening Services, PCF
	Dr Lorna Ramsay – Interim Medical Director
	Ms Jacqui Reilly – Interim Nurse Director & Executive Lead for Clinical Governance
	Ms Sarah Riches – Business Analyst, GP IT Project Team [Item 5]
	Mr Colin Sinclair – NSS Chief Executive
	Professor Marc Turner – Medical Director, SNBTS
	Dr Mike Winter – Medical Director, PCF
	Mrs Lynsey Bailey – Committee Secretary [Minutes]
Apologies:	Ms Jane Davidson – Non-Executive Director

ACTION

1. WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

1.1 Ms J Burgess welcomed everyone to the meeting and noted the apologies as above. Members were asked to declare any interests in the context of the agenda items but none were declared.

2. MINUTES OF CLINICAL GOVERNANCE COMMITTEE MEETING HELD ON MONDAY, 11 JUNE 2018 [paper CG/18/?? refers]

2.1 Members were content to approve the minutes of the meeting held on Monday, 11 June 2018, subject to a correction to the "Present" list and a few minor typos.

3. MATTERS ARISING AND ACTION LIST [paper CG/18/17 refers]

3.1 The items on the action list were either in progress, scheduled for a future meeting, closed or covered within the agenda and papers for this meeting. Members discussed the clarification in respect of 14.1, that a general discussion on medicines would be held at the NSS Board meeting on Friday, 2 November 2018.

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

Chair   Professor Elizabeth Ireland
Chief Executive   Colin Sinclair

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ACTION

4.   SPOTLIGHT SESSION: PRIMARY CARE

4.1   Dr L Munro spoke to presentation outlining the work being done in respect of supporting NSS's primary care service redesign offer.   Members asked Mrs L Bailey to make the presentation available following the meeting. Members sought and received assurances around the project management, timescales for outputs, and that the appropriate communications were taking place between areas that needed to link up.   They noted that that this work was aligning with the wider digital framework and that the Discovery phase was not dependant on other projects (e.g. GP IT re-provisioning etc) but the implementation phase would be.   Members were keen to ensure there were appropriate contingencies in place for those areas where main solutions identified were not deemed to be appropriate.

5.   GP IT RE-PROVISIONING – CLINICAL RISKS

5.1   Members were updated on the discussion from the Audit and Risk Committee meeting earlier that day, which had concluded that any commitment would be contingent on confirmation of the financial position.   Members acknowledged that the biggest risk would be not doing it and discussed the implications of that.   There would be a significant impact on patients should GP IT systems become unavailable.   Members discussed references to delivery of new systems and using "implementation" instead.   Members were also keen that, for these risks, clinical was not used as a primary or secondary risk category and that the clinical aspects were covered by applying the clinical flag.   With respect to risk 5182 (timescales not being met by suppliers once appointed), Members wished to keep this as a watching brief and review the risks in the event of any delay that might arise.   Overall, Members were content that the risks were sufficiently articulated to agree progression of the Full Business Case for approval.   If these final updates would be ready in time for Board offsite in October 2018, Professor E Ireland would look to hold a short Commercial In Confidence session to get it approved.

    [**Secretary's Note:** The following item was brought forward]

6.   DENTAL SERVICES UPDATE

6.1   Mr P Cushley & Mr M Morrison spoke to the paper and a presentation, which detailed the options being put forward for dental governance structures following implementation of the Oral Health Improvement Plan.   From an NSS perspective, the main difference would be that it would have direct, statutory duty rather than delegated authority for some of the work it already did in this area.   Option 3 (reporting line through a Directors of Dentistry group) was the option that Scottish Government preferred.   Members discussed the benefits and risks, as well as the next steps to enable this.   Members agreed it would be useful to take time at the NSS Board meeting in November 2018 to discuss the impact of accepting the new statutory duties.   In preparation for this, Members asked Mr P Cushley and Mr M Morrison to map out what these duties would entail and, if possible, also develop a slide covering the roles and responsibilities for NSS and the territorial boards, as well as the oversight, scrutiny and assurance mechanisms to be in place.   Members were given a brief overview of the additional responsibilities that NSS would be taking on which would be mainly financial, clinical responsibility for operating dentists would continue to lie with the Board they operated within.

7.   UPDATE ON BLOOD & TISSUE SAFETY MEASURES

7.1   Professor M Turner spoke to his confidential paper **CG/18/22,** which provided an update on blood safety issues within the Scottish National Blood

ACTION

Transfusion Service (SNBTS). The report covered the following areas:
  i.   Transition to the Jack Copland Centre (JCC)
  ii. Regulatory and Professional Inspections and Audits
  iii. Tissue Manufacturing
  iv. Donor Faints
  v.   Closure of Donor Notification Incident
  vi. UK Infected Blood Enquiry

7.2   Members noted the transition to the Jack Copland Cebtre was now practically complete and received updates on the recent inspections which had taken place. In respect of the tissue manufacturing update and the identified non-compliances with good practice guidelines, members were assured that the process redesign would address these. Members discussed the delayed donor faints and were provided with an overview of the preventative measures in place (i.e. asking donors to drink 500mls of water before donating in addition to the drink provided afterwards). Members were also updated on the UK Infected Blood Inquiry, and were pleased to note that SNBTS would be a core participant and was also better placed than other UK blood services due to the work previously done for the Penrose Inquiry.

8.   BREAST SCREENING UPDATES

8.1   Members began by noting NSS response to Healthcare Improvement Scotland's draft screening standards (paper **CG/18/38**) and were advised that updates would continue to be provided as the standards developed further. Mrs F Murphy also provided a brief update to the SBAR paper on the final invitation risk (paper **CG/18/40**) in light of the Cabinet Secretary for Health's statement earlier in the day and assurance of arrangements in respect of any media interest arising from it.   Moving on to the women in Scotland affected by the Public Health England incident, Mrs F Murphy provided an update on the numbers identified. Members were assured that all affected women had been contacted and that uptake of appointments was being monitored. Members asked what was being done in respect of standardising the age parameters across the all the breast screening programmes in the UK. Members noted that this would need to come from the UK National Screening Committee   Members discussed the proposal to try and evaluate the impact of missing the final screening and voiced concerns over the value in this and how accurate any conclusions could be given all the variable factors.

8.2   Going back to SBSS, Members were updated on the work to address issues of slippage that had arisen in the Scottish Breast Screening Programme (SBSP), specifically final and first invitations, as well as the overall slippage rate. However, at the request of the Cabinet Secretary for Health, NSD's phased plan of addressing final invitation slippage had been changed and all women affected had been contacted as a one group, increasing the ask on NSD in terms of managing this. However, Members were provided with an overview of the measures in place such as increased report running and actions plans for the problematic areas. Members felt assured by this but suggested that the Breast Screening corporate risk be reviewed. They also noted that a full review of breast screening services was being proposed. Finally, Members were given an overview of a "double-click" issue with the SBSP system which resulted in the duplication of results. They were assured that there had been no clinical impact as a result of this glitch and that there would be follow up with Atos to ensure it did not recur. Members were pleased to note that Atos had been very helpful in responding to this.

[**Secretary's Note:** The following item was brought forward]

9. SCOTTISH RADIOLOGY TRANSFORMATION PROGRAMME CLINICAL GOVERNANCE [paper CG/18/25 refers]

9.1   Members discussed the paper, which provided further information on the proposed governance arrangements for work underway within the Scottish Radiology Transformation programme (SRTP). Members agreed that it was still unclear in respect of staff in areas without a direct local Clinical Governance Committee, or who were substantively employed by one board but doing work for/within another. It was suggested that a route for determining this could be through following where the patient received services, and possibly any harm, as per Duty of Candour. In that situation, primary approach for clinical governance would be the Board that the member of staff was providing their services to. Using this as a starting point, Members asked for the paper to be developed further and brought back to a future meeting. They agreed that the SRTP itself could have a possible eventual home in the National Services Division as a Managed Clinical Network. In the pilot phase Members were content for the NSS Clinical Governance Committee to be the reporting mechanism, with a view to transitioning this to a more permanent home. Following on from this, and the earlier presentation on the dental governance framework, Members were keen to give consideration to all legacy shared services work, and its location within NSS.

10. NSS CLINICAL ADVERSE EVENTS, RISKS & COMPLAINTS QUARTERLY UPDATE [paper CG/18/23 refers]

10.1   Members briefly discussed the paper, which provided an update on clinical adverse events, risks and complaints since the last meeting. There had been some increases although this was not cause for major concern.   The single Category 1 and 2 adverse events highlighted had already been discussed in detail (women resident in Scotland who had been affected by the PHE Breast Screening Issue and the delayed donor faints). Members went on to discuss the use of syringe drivers in light of the Gosport enquiry and were assured that work was ongoing around monitoring the use of these devices and establishing a central register. Members were pleased to note that there were no red corporate clinical risks which remained open. Looking at the Amber risks, Members noted the update provided on the Scottish Electro Convulsive Therapy Accreditation Network, and the actions which had been taken to close off the risk. Members discussed the follow up on the review of the clinical flag and were assured about the work being done to embed it in processes.

10.2   Members were advised that there had been a slight increase in donor complaints in the wake of new appointment and queue management systems being introduced. Members noted the actions being taken to manage this and expected to see a decrease. Members also sought assurance regarding the uptake of Duty of Candour training and were advised that this was being monitored. The updates on Picture Archiving and Communications System (PACS), and the Community Health Index (CHI) and Child Health System were noted. Members asked to continue to see PACS updates until January 2019. They also noted that the CHI and Child Health had just reached the end of a 6 month pause and a preferred option was being identified. Members looked forward to an update on this at their next meeting in December 2018.

11. GOVERNANCE OF THE NHS IN SCOTLAND

11.1   Members were given an overview of the Health and Sport Committee's report on the governance within NHSScotland and the Cabinet Secretary's response. Members were assured that NSS was well placed with its own policies, processes and practices, although recognised that there were always

ACTION

opportunities for continuous improvement. Following a brief discussion, Members were also satisfied in respect of the mechanisms for assurance that NSS had in place regarding the work of clinicians.

12.   CLINICAL DIRECTORATE REPORT [paper CG/18/28 refers]

12.1   Members were pleased to note the Clinical Update report, which detailed the work undertaken by the Clinical Directorate since the last NSS Clinical Governance Committee meeting on 11 June 2018.

13.   OTHER NSS GOVERNANCE COMMITTEE ISSUES

13.1   There had been nothing discussed at the other NSS governance committees which had a direct clinical governance impact.

14.   ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT TO THE BOARD

14.1   Mrs L Bailey agreed to draft up the Sub-Committee Highlights Report and   L Bailey send it to Mrs J Burgess for approval to issue with the papers for the next formal NSS Board meeting on Friday, 2 November 2018.

15.   ANY OTHER BUSINESS

15.1   Members had no additional business to raise at this point.

16.   DATE OF NEXT MEETING

16.1   Members noted the next meeting was scheduled for Wednesday, 5 December 2018 in Room 030, Gyle Square, Edinburgh at 1400hrs.

There being no further business, the meeting finished at 1710hrs.

Minutes (APPROVED)

B/18/129

NHS National Services Scotland

NHS NATIONAL SERVICES SCOTLAND CLINICAL GOVERNANCE COMMITTEE

MINUTES OF CLINICAL GOVERNANCE COMMITTEE MEETING, HELD ON MONDAY, 11 JUNE 2018 IN MEETING ROOM 6.5, MERIDIAN COURT, GLASGOW, COMMENCING AT 0930 HRS

Present:	Ms Julie Burgess - Non-Executive Director [Chair]
	Ms Jane Davidson - Non-Executive Director
	Mr John Deffenbaugh - Non-Executive Director
In Attendance:	Mr Paul Cushley – Director of Dentistry
	Dr Rachel Green – Regional Director, SNBTS [deputising for Professor M Turner]
	Ms Noreen Kent – NSS Nurse Director
	Mr David Knowles – Director, Practitioner and Counter Fraud Services (PCFS)
	Mrs Eilidh McLaughlin – Associate Director of Corporate Affairs & Compliance
	Mr Martin Morrison – Associate Director, PCFS
	Ms Fiona Murphy – Director, National Specialist and Screening Directorate [via videoconference]
	Dr Lorna Ramsay – Interim NSS Medical Director [via videoconference]
	Professor Jacqui Reilly – Lead Consultant in Healthcare Associated Infection, Antimicrobial Resistance, and Infection Prevention and Control
	Mr Colin Sinclair – NSS Chief Executive [via videoconference]
	Mr Alan Whittet – Dental Adviser
	Mrs Lynsey Bailey – Committee Secretary [Minutes]
Apologies:	Professor Elizabeth Ireland – Chair of NSS
	Professor Marc Turner – Medical Director, SNBTS

ACTION

1. WELCOME, APOLOGIES AND DECLARATION OF INTERESTS

1.1 Ms J Burgess welcomed everyone to the meeting and noted the apologies as above. Members were asked to declare any interests in the context of the agenda items but none were declared.

2. MINUTES OF CLINICAL GOVERNANCE COMMITTEE MEETING HELD ON THURSDAY, 22 MARCH 2018 [paper CG/18/16 refers]

2.1 Members were content to approve the minutes of the meeting held on Thursday, 22 March 2018, subject to a re-wording of minute 7.2 in respect of Clinical Aphaeresis.

3. MATTERS ARISING AND ACTION LIST [paper CG/18/17 refers]

3.1 The items on the action list were either in progress, scheduled for a future meeting, closed or covered within the agenda and papers for this meeting.

4. DRAFT NSS CLINICAL GOVERNANCE COMMITTEE 2017/18 ANNUAL REPORT TO THE BOARD [paper CG/18/18a refers]

4.1 Members noted the final draft of the report and were content to approve it for submission to the Board. They briefly discussed adding a sentence on the eHealth funding issues but agreed this was more relevant to the Audit and Risk and, and Performance and Finance committees.

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ACTION

5.   PRACTITIONER AND COUNTER FRAUD SERVICES (PCFS) DENTAL SERVICES

5.1   Members were given an overview of the work and remit of both the Scottish Dental Practice Board (SDPB) and the Scottish Dental Reference Service (SDRS). They briefly discussed the current governance and accountability arrangements and the question of whether their work should be expanded to cover preventative care. Members also noted the "benchmark" of the level of service in Scotland and how it was rare to get a wholly unsatisfactory rating. Members discussed the suggestion which had been made that Mr P Cushley take on the SDRS to give it some removal from PCFS. Members sought and received clarity around where various responsibilities lay, noting that it was early in the implementation of the Oral Health Improvement Plan to establish this and there was still some scope to settle NSS's specific roles. Operationally, there would be issues for the territorial Boards to take on but oversight and scrutiny from the SDPB was important.

5.2   Within the existing structure, there was a good set of checks and balances in place so therefore it was important to retain that sort of oversight within any future structure and Members were assured that if the SDRS were to come to NSS, this would be the case. The recommendation being put forward was that ultimately, the reporting line would be into the NSS Clinical Governance Committee but the structure below that was open for discussion. Options were being developed in discussion with Scottish Government and others, which would then need to be considered on a wider basis. Members agreed a formal   **D Knowles** commission would be needed for NSS to look at any external governance arrangements for dental services. They requested that the Board be sighted on this discussion through the Highlights Report, and that a further update on   **J Burgess** this was requested for the September 2018 NSS Clinical Governance Committee, with it becoming a standing item beyond that as necessary.

6.   NSS FEEDBACK, COMMENTS, CONCERNS AND COMPLAINTS ANNUAL REPORT [paper CG/18/20 refers]

6.1   Members noted the paper, which provided a summary of the activity surrounding feedback, comments, concerns and complaints received by NSS in 2017/18. Members were pleased to note there had been a drop in the number of complaints and response rate had been maintained. There had also been better input from SBUSs overall and good work been done around donor complaints but there was more to be done Members suggested re-arranging the front cover to make the headline of no referrals to the Scottish Public Services Ombudsman more prominent.   **L MacLennan**

7.   BREAST SCREENING – DRAFT STANDARDS FOR REVIEW

7.1   Members were given an overview of NSS's initial response to the draft standards and noted that there were some late updates to be made. Members were assured that the final response would be circulated to Members once it had been agreed. Members were keen to get assurance around how the new standards incorporated learning from the last year/18 months and whether any   **E McLaughlin/** gaps might still remain. Ms F Murphy agreed to incorporate a summary   **L Bailey** statement in the consultation response and also provide a separate paper to the next NSS Clinical Governance Committee.   **F Murphy**

8.   BREAST SCREENING – IMPACT OF NHS ENGLAND AND WALES INCIDENT

8.1   Members were given a brief overview of how the programmes in England and Wales were run by Public Health England (PHE) and the recent incident wherein women had been missed for their final screening visits due to an IT system fault. Members were advised that a cohort of women had been

ACTION

identified in Scotland (around 530) who had been impacted as they had moved from England and were assured these women had been invited to attend an appointment. Members discussed managing the variation between the various programmes in respect of age parameters and slippage measures. They were advised that that the accountability for slippage lay with provider Boards. NSS, as service commissioner, had responsibility for collating monthly reports from the Boards, requesting action plans as necessary, and passing these on to Scottish Government. NSD would assist in identifying the women affected and working with the Boards and IT providers to develop the safeguarding report to manage them. Members also noted that the UK National Screening Committee were expected to make a decision on aligning age parameters in the near future, and that that slippage issues had been raised as an adverse event. Members requested a further update from NSD at the next meeting NSS Clinical Governance Committee meeting.

F Murphy

[**Secretary's Note:** The following item was brought forward]

9. SCOTTISH RADIOLOGY TRANSFORMATION PROGRAMME CLINICAL GOVERNANCE [paper CG/18/25 refers]

9.1 Members were updated on the Scottish Radiology Transformation Programme's work and the proposed programme reporting structures, highlighting NSS's roles and responsibilities, and where there needed to be more clinical assurance/oversight. After some further discussions, Members were keen to get clarity on how this aligned with the agreed shared services arrangements before identifying the next steps (i.e. whether it would be Board decision or referred back to the steering group for the programme). They also felt incorporating some the lessons learned in respect of the governance arrangements would be useful. Members acknowledged that there may be other commissioning work relating to other shared service agreements which may need reviewed in the same way and that care should be taken in clarifying ownership from the NSS perspective

Programme Board

Programme Board

10. UPDATE ON BLOOD & TISSUE SAFETY MEASURES

10.1 Dr R Green spoke to confidential paper **CG/18/22** which provided an update on blood safety issues within the Scottish National Blood Transfusion Service (SNBTS). The report covered the following areas:
   i. Transition to the Jack Copland Centre (JCC)
   ii. Regulatory and Professional Inspections and Audits
   iii. Closed Hematopoietic Stem Cell Processing, Aberdeen

10.2 Members noted the progress towards transfer of the remaining services to JCC, and the positive inspection outcomes, and wished to record thanks for all the work done so far. Members were assured that all inspection findings were addressed through action plans regardless of the level of the finding. Members were pleased to note that SNBTS was operating above the average benchmark and was continuously looking to improve.

11. NSS CLINICAL ADVERSE EVENTS, RISKS & COMPLAINTS QUARTERLY UPDATE [paper CG/18/23 refers]

11.1 Looking first at the events, Members discussed the Category 2 event report (which was post donation faint), looking at the patient information being provided and what other services were in place. In respect of the Bowel Screening System (BoSS) error reported by NHS Tayside, NSS IT had established BoSS was the only service impacted and Members were provided with an overview of the mitigations put into place. A further report was due to come back to next NSS Clinical Governance Committee. Mr C Sinclair also agreed to raise it with the relevant people at Scottish Government.

ACTION

11.2 Moving on to the risks, Members were advised that a update paper on the Scottish Electro Convulsive Therapy Accreditation Network (SEAN) Database Failure. Members noted the option being taken forward (work with a commercial partner to deliver a new platform at zero cost via a challenge process. Members noted the updated provided on the Cleft Surgical Service and were assured that the Territorial Board involved was fully engaged in supporting and monitoring service. A Safe, Effective and Person Centred service is being delivered Members also received assurances that the actions in respect of the missing GP records were on track.

11.3 Members noted the updates on previously reported risks and issues. They were advised that the Paediatric Allogenic Stem Cell service investigation was in progress, and that work was still ongoing with Royal Mail to resolve the issues with damaged bowel screening test kits. Finally, in respect of feedback and complaints, Members were content to note that NSS was well placed and, for future reports, they agreed that it would not be necessary to include the appendices as a matter of course.

12.   REVIEW OF CLINICAL FLAG

12.1 Members were given an overview of the meeting which had taken place in April, and the feedback received on the clinical flag. They were advised the consensus was that the flag had been useful. Members suggested that it could be beneficial to do a retrospective audit of the risks in the most recent quarter as a sense check - to identify any missed opportunities, or where the flag had been unnecessarily applied. Members supported continued use of the flag and added that it could also be helpful in the retrospective audit to look at the timing and promotion of the use of the flag.

[**Secretary's Note:** The next two items were taken out of order and brought forward]

13.   NSS RESEARCH GOVERNANCE ANNUAL REPORT   [paper CG/18/27 refers]

13.1 Members were content with the report but, for future versions, they suggested including some form of Health Impact/Financial Impact analysis if possible.

14.   CLINICAL DIRECTORATE REPORT [paper CG/18/28 refers]

14.1 Members liked the new format and briefly discussed the highlights – particularly primary care work and Realistic Medicine. Members were keen to see Realistic Medicine on a future Board development session agenda and the felt it was a good strategic opportunity to bring to the Board.   **L Bailey**

15.   NSS HEALTH IMPACT PERFORMANCE REPORT [paper CG/18/24 refers]

15.1 Members were pleased to note that the 2017/18 Key Performance Indicators were sitting at 96% achieved. Only one had not been achieved (remaining at an amber status), which was in relation to uptake of routine childhood vaccinations and Members were briefly given an overview of that.

16.   ANNUAL INFECTION PREVENTION AND CONTROL REPORT   [paper CG/18/26 refers]

16.1 Members noted the report and its highlights which assured NSS was well placed in respect of infection prevention and control. There was also a Virology Report which would be circulated separately for information.

ACTION

17.   OTHER NSS GOVERNANCE COMMITTEE ISSUES

17.1   There had been nothing discussed at the other NSS governance committees which had a direct clinical governance impact.

18.   ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT TO THE BOARD

18.1   Mrs L Bailey agreed to draft up the Sub-Committee Highlights Report and send it to Mrs J Burgess for approval to issue with the papers for the next formal NSS Board meeting on Friday, 29 June 2018.   L Bailey

19.   WATER INCIDENT AT GLASGOW'S ROYAL HOSPITAL FOR CHILDREN [CONFIDENTIAL PAPER CG/18/30 refers]

19.1   Members were advised that this had come by exception and for information only. Health Protection Scotland routinely supported these types of incidents and reported their findings back to the board in question, however this one was being submitted to SGHSCD and may be presented in parliament thus was being shared for corporate oversight.

20   ANY OTHER BUSINESS

20.1   As Ms N Kent was retiring from NSS, Members wished her well for the future and thanked her for all her work. It was also Mr J Deffenbaugh's last Clinical Governance Committee meeting due to an upcoming change of committee membership so Members thanked him for all his work during his time on the committee.

21.   DATE OF NEXT MEETING

21.1   Members noted the next meeting was scheduled for Thursday, 13 September 2018 in Boardroom 2, Gyle Square, Edinburgh at 1400hrs.

There being no further business, the meeting finished at 1245hrs.

minutes (APPROVED)

NHS National Services Scotland

B/18/130

NHS NATIONAL SERVICES SCOTLAND (NSS)

MINUTES OF INFORMATION GOVERNANCE COMMITTEE MEETING HELD ON WEDNESDAY 25 APRIL 2018 IN ROOM 030, GYLE SQUARE, EDINBURGH COMMENCING AT 0930HRS

Present:	Mr Ian Cant, Non-Executive Director
	Ms Kate Dunlop, Non-Executive Director
	Ms Alison Rooney, Non Executive Director
Apologies	Professor Elizabeth Ireland, Chair of NSS
In Attendance:	Mr Martin Bell – Interim Director of Strategy and Governance
	Ms Janet Garcia – Information Governance Manager (Item 11 only)
	Mr Colin Howarth - Principal IT Security Consultant (Item 8 only)
	Mrs Eilidh McLaughlin - Associate Director, Corporate Affairs and Compliance
	Ms Stacey Moffat - Information and Clinical Governance Manager (via teleconference)
	Dr Lorna Ramsay - Interim Medical Director
	Ms Trish Ruddy – NSS Head of Data Protection/Data Protection Officer (Item 9 only)
	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 25 JANUARY 2018 [paper IG/18/12 refers]

2.1. Following a brief discussion, Members were content to approve the minutes as an accurate reflection.

3. MATTERS ARISING FROM THE NSS INFORMATION GOVERNANCE COMMITTEE MEETING OF 25 JANUARY 2018 [Paper IG/18/13 refers]

3.1 All of the action points were complete, covered by the agenda for this meeting, or programmed into a future meeting.

4. FOR HOMOLOGATION – ADVERSE EVENTS MANAGEMENT POLICY [Paper IG/18/14 refers]

4.1. Members had approved the policy via e-mail and were provided with an overview of the work being done around its implementation.   Members agreed that a "just" culture was a very abstract idea and, in particular, there was a need to consider how to ensure it complemented the whistleblowing policy and helped to promote it better. Members suggested it would be worth highlighting the links between this policy (which also covered the Duty Of Candour) and Whistleblowing.

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

Chair   Professor Elizabeth Ireland
Chief Executive Colin Sinclair

ACTION

4.2.   In addition, Members suggested making the policy more user friendly, backed up with easy to follow procedures or guidance documents. They were pleased to note that work was ongoing to look at the mechanisms and toolkits which could be used or developed to support this. Members discussed the policy sign-off process, noting that it was currently the NSS Staff Governance Committee chair that signed off all policies but this would be reviewed at a future Board Development Session.

5.   INFORMATION GOVERNANCE ADVERSE EVENTS AND COMPLAINTS REPORT [Paper IG/18/15 refers]

5.1.   Members noted that there were no new category 1 or 2 adverse events being reported. There were 88 new category 3s which was a reduction on from the previous quarter although none of them were information governance related. Members were given an overview of the work being done with the Adverse Events Leads around the electronic quality management system, QPulse, and the key themes emerging from the information governance walkrounds. Members requested an update on the missing General Ophthalmic Services medical records and were assured that service improvements were in place and there had been no intervention needed from the Information Commissioner's Office.

5.2.   Trend and thematic analysis had shown that loss of mobile electronic devices (mainly phones) was still NSS's biggest issue and therefore QPulse leads had been asked to regularly remind staff of their data security obligations. A similar response had been made to an increase in phishing e-mails received within Procurement, Commissioning and Facilities, with staff reminded of the key actions to take if they received a suspicious e-mail. Members were pleased to note that the action plan had been completed and the main achievement had been the updated policy and implementing the new training module. They were also pleased to note there had been no information governance related complaints this quarter.

5.3.   Members sought and received assurance around the level of follow-up on nil returns, and clarification of what was meant by inappropriate use of confidential waste (i.e. confidential waste not being put in the correct waste bins). They discussed the reported mis-associations of patient data in the Community Health Index system and agreed that the reference to "probability" should be changed to incidence. Members also queried the categories being used for incidents and whether some could be separated (e.g. "information delayed, lost or incorrect" or "lost, unattended or theft of paperwork") or clarified (e.g. "loss of data integrity").

6.   INFORMATION GOVERNANCE RISKS [Paper IG/18/16 refers]

6.1.   Members were advised that there had been no significant change from the last report – there were no red risks and the number of amber rated risks remained static. NSS's corporate-level Information Governance Leads continued to review risks and issues on the risk register for any relating to information governance and Members were assured that any actions in relation to such risks were also being monitored. Members were also assured that these Information Governance Leads were proactive in ensuring that risks were reduced to the lowest tolerable level within agreed timescales.

7.   NSS INFORMATION GOVERNANCE STRATEGY UPDATE [Paper IG/18/17 refers]

7.1.   Members discussed the paper, which provided an update on progress against the 2017/18 Information Governance Improvement Strategy KPIs. Members received an overview of the format of the new training module and

ACTION

were pleased to note that other Boards would be adopting it, since it was compliant with General Data Protection Regulations (GDPR). Members were also provided with an overview of the work NSS was doing to support the "Once for Scotland" Information Governance Strategy, and the sharing of expertise and resource with other Boards (e.g. assisting Healthcare Improvement Scotland with corporate records management).

5.2.   Members were assured that the work around the Information Security Management System was going into the "business as usual" phase and NSS would be well placed for GDPR (an estimated 90% compliance) coming into force on 25 May 2018. There was also ongoing work around horizon scanning within the strategy refresh. Members briefly discussed the slight slippage in the training figures but acknowledged the possible reasons and that it would be raised with the relevant Directors. However, Members recognised that this work was in addition to staff's substantive work, so sought and received assurance that this was factored into the outcomes being aimed for, and also that Once for Scotland successes were being captured. Members asked whether an updated strategy was available and were advised that this would be coming to a future meeting.

8.   CYBER SECURITY

8.1   Mr C Howarth spoke to his presentation which updated Members on recent developments within cyber cecurity. Members then discussed the challenges in getting beyond data control to viewing data as an asset. Members were provided with an overview of the highlights from the National Cyber Security Programme (e.g. funding and rollout of the proposed 2018/19 plan, top priorities, and risks) and the challenges in getting all Boards to buy in to a single, national solution. Members were also given a Cyber Essentials status update which summarised the issues identified and provided assurance around what NSS was able to do, and actively doing, to close the gap between the self-assessment and the device audit.

8.2.   Looking at NSS's Cyber Essentials return, although the failures were high risk, Members were assured by what was being done to address them. They were advised that 10 systems accounted for the majority of the issues being reported so focussed work on these systems should bring about big reductions in the number of issues. Members were advised that an update was being provided at EMT. Members were briefly updated on the latest cyber security alerts relating to Russia, as well as the latest guidance from the National Cyber Security Centre, and were assured that NSS was already following all relevant advice. Members suggested that this item be given longer on future agendas and suggested that it could also form the basis of a potential development session at some point in the future.

9.   GENERAL DATA PROTECTION REGULATIONS (GDPR) UPDATE [Paper IG/18/18 refers]

9.1.   Members noted the contents of the paper which advised that the RAG status for some of the strands of the GDPR preparatory work had moved from ambers to green. The main challenge in closing the gap further was the fact that there were still a significant number of unknowns in respect of the law from a UK perspective. However, having some gaps as at 25 May 2018 would not be an issue, so long as there was a plan in place to address them. The paper also highlighted the accountability principle – there would be a requirement to evidence compliance with the regulations rather than rely on self declaration as before. NSS was reasonably well-placed in respect of GDPR but needed to refine some of its practices to be more coherent. Members acknowledged the risks involved in managing compliance with the

ACTION

Common Law Duty of Confidentiality, and the Right to Restrict introduced within GDPR, alongside some of the legal obligations NSS had as an NHS Board. Openness and transparency would be key. To this end, a statement was being drafted for the NSS website which would clarify NSS's role in respect of the data it received.

10. COMMON LAW DUTY OF CONFIDENTIALITY POSITION STATEMENT [Paper IG/18/19 refers]

10.1. Members were given an overview of the background to risk 4923 ('Lack of clarity regarding grounds for processing confidential information'), the proposed response to this risk and how it tied in with GDPR. A final version of the statement would come to a future meeting.

11. PROJECT UPDATE – INFORMATION ASSEST REGISTER

11.1. Ms J Garcia spoke to her presentation covering the rationale for the Information Asset Register, the project objectives and ouputs, the project closure process, future actions transitioning into BAU and the high level plan. Members were shown the proposed the Governance Model. This provided an overview of the size of the register, how it added value and assisted with GDPR compliance. Members recognised there was a fine line between holding data for a purpose and viewing it as an asset to be exploited and were assured that the Information Asset Officer training covered this.

12. NATIONAL STRATEGIC AND OPERATIONAL GOVERNANCE UPDATE [Paper IG/18/20 refers]

12.1. Members noted the contents of report which highlighted information on the legal basis for using and sharing confidential information in NHSScotland, the imminent publication of the Digital Health and Care Strategy, and how its implementation would address questions regarding leadership and resource for the Public Benefit and Privacy Panel. Mr C Sinclair provided a brief update on progress in the work of the Community Health Index and Child Health Transformation Programme, advising that more information was being gathered to enable the best decision to be taken.

13. NSS INFORMATION GOVERNANCE COMMITTEE ANNUAL REPORT [Paper IG/18/21 refers]

13.1. Following a brief discussion, Members agreed they were content with the report, pending correction of minor typographical errors, and the addition of a paragraph to emphasise the pace of change and challenges in this area.

14. NSS IFORMATION GOVERNANCE COMMITTEE TERMS OF REFERENCE [Paper IG/18/22 refers]

14.1. Members discussed the Terms of Reference and were broadly content. However, they suggested the addition of some references to Cyber Security and Adverse Events. Members also briefly discussed a reviewing attendees and agreed this was a potential topic for a development session. Members also suggested including reference to information asset management – Mrs E McLaughlin and Dr L Ramsay would liaise on this.

15. BOARD HIGHLIGHTS REPORT [Paper IG/18/23 refers]

15.1. Mrs L Bailey agreed to liaise with Mr I Cant to compile the highlights report and submit it to the Board Secretary for the next NSS Board Meeting on Friday, 28 June 2018   **L Bailey**

ACTION

16.   ANY OTHER BUSINESS

16.1   Members were pleased to note that NHS Highland had appointed a Senior Information Risk Owner, who had signed off on the report relating to the missing records discussed at a previous meeting. With it being his last Information Governance Committee meeting, Mr I Cant whished to record his thanks to all members for their work in his time as Chair of the Committee.

17.   DATE OF NEXT MEETING

17.1   The next NSS Information Governance Committee Meeting would be held on Wednesday 19 September 2018 at 09.30 hrs in Gyle Square Edinburgh.

18.   DOCUMENTS CIRCULATED FOR INFORMATION/GENERAL UPDATE ONLY

18.1.   NSS Information Governance Committee Forward Programme **[**Paper **IG/18/24** refers**]**

18.2.   NSS Data Protection Policy **[**Paper **IG/18/25** refers**]**

There being no further business, the meeting finished at 1256hrs

Minutes (DRAFT FOR APPROVAL)

B/18/131

NHS National Services Scotland

NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON FRIDAY, 28 SEPTEMBER 2018 IN ROOM 5, NATIONAL DISTRIBUTION CENTRE, CANDERSIDE, 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
In Attendance:	Mr Iain Cruwys – Logistics Director, PCFS (Item 1)
	Mr Paul Cushley – Director of Dentistry
	Ms Jane Fewsdale – HR Workforce Information, Systems & Business Support Manager [Items 1-5]
	Mrs Mairi Gaffney – Head of Healthy Working Lives
	Ms Louise MacLennan - Head of Equality and Engagement
	Ms Angela Paton – HR Workforce Information and Systems Team Leader [Items 1-5]
	Mr Neil Redhead – Programme Manager, Health Facilities Scotland
	Mr Colin Sinclair – Chief Executive
	Ms Aileen Stewart – Interim Associate Director of HR
	Mrs Lynsey Bailey – Committee Secretary [Minutes]
Apologies:	Mrs Susan Cook – Unison
	Mrs Jacqui Jones – Director of HR and Workforce Development

ACTION

1. APOLOGIES AND INTRODUCTIONS

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

1.2 Mr I Cruwys had been invited by Mr J Deffenbaugh to provide a brief update on incidents reportable under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR), and sickness absence at Canderside. Members noted:

- Members were pleased to note that there had been no RIDDOR reportable incidents at Canderside so far within the current reporting year;
- A redesigned workflow was now in place in the warehouse and would be a constantly evolving process;
- PCF had sought outside advice which had been broadly supportive, constructively critical in places and this had been taken on board;
- Mr I Cruwys was working with Customer Engagement and Development (CEAD) on re-vitalising the message around near-miss reporting;
- Good progress was being made overall with some areas slower than others. However, there was recognition that by the nature of the work done at Canderside, there were some things which would need to be different to the standard office environment and tailored to the business. The basis was the same in terms of policy and principle though and it was more joined up now that it had been previously.

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

Chair   Professor Elizabeth Ireland
Chief Executive   Mr Colin Sinclair

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

2.1   Following a brief discussion, Members approved the minutes of the meeting held on 16 February 2018., pending a correction of E Ireland's title

2.2   Members noted the updates provided on the action list and noted the following:

- Mr J Deffenbaugh was still awaiting the details on the Whistleblowing Champion role. A Stewart agreed to raise this with J Jones;

A Stewart/ J Jones

- In the overall NSS Sickness absence reporting, there were still issues where reasons with numbers below 25 were showing as 0%. This was being investigated but it was taking longer than expected in identify a solution;
- Capacity and capability within workforce planning had emerged as a theme at the recent Audit and Risk Committee meeting. Members were keen this was considered in respect of IT projects, individual specialists (and potential "single points of failure" they represented), NSS's skills profile and succession planning etc.

3.   HOMOLOGATION: NSS GREAT PLACE TO WORK PLAN [paper SG/18/?? refers]

3.1   Members were content with what had previously been circulated although sought and received clarification around how NSS's Staff Governance objectives aligned to the Staff Governance Standards.

3.2   Members went to discuss the Values relaunch:

- There was less of a focus on what the words said and more on the behaviours being modelled to fit them;
- Members received an overview of the two hour team sessions being offered and quarterly leadership days;
- Members enquired about the use of values-based recruitment. They noted that for senior level positions they used psychometric testing and it was laso built into competency-based interviews;
- Members were also pleased to note that CEAD was looking at an awareness campaign and the associated tools and materials;
- Members were keen for consideration to be given to how NSS could engender an environment where staff felt they would be listened to when they challenged.

Following this discussion, Members were keen that the Great Place to Work plan was slightly updated to include more of the detail on upstream Leadership actions that have downsteam impact.

HR

4.   SPOTLIGHT SESSION – LEADERSHIP PROGRAMME AND ESSENTIAL LINE MANAGER TRAINING

4.1   Members were provided with the background to the review of the Leadership Programme:

- Members were pleased to note that the focus was not solely on skills but on the mindset as well;
- Members discussed Project Lift and its aims, and framework, noting that it was mostly geared towards aspiring directors but had elements of talent management that could be more generally applied;
- Members noted that the revised Leadership Programme was more tailored and values based with development pathways that could be layered depending on the level of leadership training required;
- Digital solutions for delivery of the modules were also being investigated;
- Members were also provided with an overview of Essential Line Manager and

the modules that it consisted of;

- Mr P Cushley gave his personal overview of the Leadership Programme and Project Lift, adding he felt exposure to some of this early on in career development could be beneficial;
- Members were keen to capture some of the "energy" from induction;
- Consideration was also being given to maintaining a similar approach to covering Partnership Working as the previous industrial relations module;
- Members agreed that personal development should be looked at as an area for "spending to save";
- Members were reassured regarding the number of staff that could access the leadership modules to get the benefit of cross-divisional working and developing a collegiate. Members also discussed cross-Board working opportunities– either on secondment or joining matrix style project teams;
- Members were keen to ensure that mechanisms were in place to fully realise the potential of this kind of career development opportunity. They were also keen to ensure mentoring was in place to support those who may need the additional confidence.

[**SECRETARY'S NOTE**: The following was due to be provided under the People Report item but was brought forward]

5.   TABLEAU PRESENTATION

5.1   Ms J Fewsdale and Ms A Paton spoke to presentation which summarised the changes to the way HR data was being delivered. They provided a demonstration of the interactive tool, Tableau, which allowed access to real-time information for viewing trends, absence costs, turnover and workforce demographics.
- This was welcomed as a tool to allow decisions to be made;
- This re-enforced that mental ill health was NSS's biggest challenge and that there was a need to consider how this was addressed;
- Inclusion of information about race and sexuality was part of public sector equality duty. It was helpful for generating more discussion at PF and would be helpful when it comes in for case management info too;
- Going back to sickness absence, Members were keen that "Other known causes" were further categorised so we can be assured that other numbers **HR** were not skewed;
- Members recognised there was a risk that having this level of information could lead conversations into operational territory. Members were assured that work would be done to ensure that the information was distributed appropriately to ensure that Members could be assured NSS was focussing its efforts to get the best results.

6.   NSS PARTNERSHIP FORUM UPDATE [SG/18/?? refers]

6.1   Members noted the content of the NSS Partnership Forum update. Mr C Sinclair advised the November 2018 meeting would be used to go over the outputs from the Board offsite and prepare for the first round of Resource Allocation Meetings.

7.   HR PEOPLE REPORT

7.1   Members noted the content of paper **SG/18/??**, which provided an update on HR case management, the management of employee capability, sickness absence figures and workforce issues:
- Sickness absence figures had increased slightly. HR were still confident of achieving the target of 4% but work was being done to ensure this;
- Breaking down the absence figures, the number of short-term absences was decreasing but the number of long-term absences was increasing. Members were keen to establish the extent to which absences initially reported as

short-term ended up becoming long-term;

- NSS had achieved an overall iMatter response rate of 77% and team reports were due in the coming weeks. This response rate was up 3% from last year and benchmarked well against other Boards. Members asked about learning which could be taken from other Boards (e.g. West Midlands Ambulance Service) and were assured that this was being looked at;
- Mr C Sinclair provided an overview of his Chief Executive Roadshows, which had so far been positively received.

8.   **OCCUPATIONAL HEALTH, SAFETY, WELLBEING AND FIRE QUARTERLY REPORT [paper SG/18/?? refers]**

8.1   Mrs M Gaffney and Mr N Redhead took Members through the paper and noted the contents:
- Members noted that this report had not been merged with the People Report as previously suggested due to concerns that discussions may end up focussing on RIDDORS to the exclusion of other items;
- No new RIDDORS so far within the current quarter but there had been two in the first quarter of 2018/19. Both had occurred within SNBTS, were fully investigated and had been addressed accordingly;
- Flu vaccination clinics were planned to start in the latter half of October 2018.
- A new H&S system was being developed and this was also looking at making near miss reporting easier;
- Members were assured that NSS was well placed from a statutory and mandatory perspective;
- No notable issues had arisen from the recent fire risk assessments but reviews of unwanted fire alarm activations were being undertaken;
- Members discussed the timing of reports and how to provide the most up-to-date information, recognising that there was some information that would benefit from being included "out of quarter".

8.2   Members had a more in-depth discussion about the availability, procurement and supply of flu vaccine:
- Members were provided with an overview of how Scotland dealt with its supply and procurement, and how that varied from England;
- Members discussed the enhanced vaccine, noting the concerns about its sustainability as it was produced by a single supplier;
- The agreed current position for this year was to have some enhanced vaccine for the most vulnerable groups and but still maintaining the regular supply for the majority of patients This would be reviewed in future though and Members received assurance about the expertise and consideration that had gone into this decision.
- Members were keen to see the figures for NSS staff uptake of the vaccine and any information that might be available on the impact of clinicians not taking it.

M Gaffney

9.   **RESOURCING OVERVIEW [paper SG/18/?? refers]**

9.1   Ms A Stewart took members through the paper which provided an update on workforce resource team and redeployment figures.
- Members were pleased to note the Workforce Support Programme and the work around that.
- NSS was well positioned at this point in time and Members commended the success of the Workforce Resource Team and Redeployment processes;
- Members recognised the challenging areas – namely encouraging recruiting managers to be less rigid in their required skill set for a role and more open to giving people a chance.

- Members discussed the sickness absence figures for the Workforce Resource Team, noting that it only included those who had been displaced due to organisational change. Members asked that, in future, the figures included those in the pool for all reasons.

HR

10.   EQUALITY UPDATE

10.1   Ms L MacLennan provided Members with an update on the Equalities work:
- Timescales for the implementation of the Reasonable Adjustment Passport (RAP) had been pushed back slightly to ensure that it did not become a "tick box" exercise;
- Feedback on the RAP had been received from disAbility Network and consideration was being given as to how it could be best recorded;
- A full update on user testing etc, for the RAP would be provided at the next meeting in December 2018;
- Members asked about other models out there that we could adopt and noted that this needed to be tailored to NHS policy and cover a broad base rather than focus on specific issues;
- Members asked if this work was being done on Once for Scotland basis. They were advised that the proposed testing would be helpful for providing scope to share across NHSScotland through Trade Unions, Occupational Health Leads etc.

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

11.1   Members noted the paper, which summarised of the number and nature of feedback received relating to staff and how it had been responded to:
- The report highlighted that SBUs were picking up on the learning and increased customer service training
- Model Complaints Handling "Train the Trainer" training had been rolled out, along with the guidance on dealing with vexatious complaints, managing deadlines etc,
- Members were pleased to see the progress that had been made and found the trend lines helpful.
- Members were advised that the increase in complaints relating to opportunity to donate had also been discussed at the Clinical Governance Committee earlier in the month.

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

12.1   Ms A Stewart took members through the paper :
- There were 2 new amber risks:-
  - 5163 (Occupational Health and Safety) - Members were assured that the appropriate mitigating actions had been identified and taken forward.
  - 5164 (Impact of EU withdrawal) – Members noted that an NHSScotland survey would be conducted to get more accurate information on the numbers of non-UK EU workers. NSS was conscious of the potential staff impact of the UK's withdrawal from the EU and was keen to provide staff with the best possible support once the full implications of EU withdrawal were known. Members also briefly discussed the secondary impact in terms of funding for research and development and resilience around "single experts" in areas within the organisation.
- IT programmes were still awaiting approval for implementation and Members discussed the potential challenges around workforce planning and ensuring NSS was able to retain sufficient resource. This would also be monitored through both the Audit and Risk Committee and the Board;
- Members went back to discussion risk 5163 and whether this should be was a true risk or part of business as usual.   They were assured this would be reviewed at the next EMT meeting.

ACTION

13. GOVERNANCE OF THE NHS IN SCOTLAND

13.1   Members were assured that NSS was well placed in terms of its governance arrangements, based on Scottish Government's presumed direction:

- Professor E Ireland provided an overview of the information she had received from the Cabinet Secretary for Health and Sport and Members noted that the priority would be governance.
- The Chair of NHS Greater Glasgow and Clyde was developing a framework/template and NSS seemed to be in line with that.

14. OTHER RELEVANT COMMITTEE GOVERNANCE ISSUES

14.1   Members were advised that conversations had taken place at the recent Clinical Governance Committee about the impact on staff within the National Screening Services Division of PCF arising from an additional ask on the Scottish Breast Screening Programme.   The Information Governance Committee had also discussed the potential loss of staff expertise to Public Health Scotland and how that would be managed.

15. ITEMS FOR THE SUB-COMMITTEE HIGHLIGHTS REPORT

15.1   Members agreed that the following should be covered within the highlights report:

- The discussion about the Leadership Programme and OD Strategy.
- Presentation of information through Tableau.
- Opportunities for investment/allocation of resources to achieve best impact.
- Aligning reporting for the most up-to-date information.

16. REVIEW OF MEETING

16.1   Members fed back that they felt this had been a positive meeting. Presenters advised that they felt better placed and appreciated the direct feedback. Members were hopeful that Tableau would provide an opportunity to interrogate the data differently and potentially bring forward more "issues". Members agreed that the People Report and Occupational Health, Safety, Well-being and Fire report should be left as separate reports. Mrs L Bailey was asked to include a list   **L Bailey** of bullet points provided by Mr J Deffenbaugh for this item for future meetings.

17. ANY OTHER COMPETENT BUSINESS

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

There being no further business, the meeting finished at 1232hrs.

Minutes (APPROVED)

B/18/132

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. Professor 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, as part of the work supporting the NSS Values, to review the content of the toolkit relating to the previous programme with respect to behavioural aspects.**

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.

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

- Professor 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.

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.

- Professor 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 Professor E Ireland for their info. **Action: Ms J Jones to forward role description/guidelines to Mr J Deffenbaugh and Professor 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 Professor E Ireland asked that HR make sure that all possible risks had been identified and bring more detail to the next meeting.   J Jones
Action: Mrs J Jones to review all HR risks and update at next meeting.

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.

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   Professor 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 with regards to sickness absence. 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.

minutes (APPROVED)

NHS National Services Scotland

B/18/134

NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF MEETING OF THE PERFORMANCE AND FINANCE COMMITTEE HELD IN MEETING ROOM 18, GYLE SQUARE, EDINBURGH COMMENCING AT 0930HRS ON WEDNESDAY 30 MAY 2018

Present:	Ms Kate Dunlop, Non Executive Director (in the Chair)
	Mr Mark McDavid, Non Executive Director
	Ms Julie Burgess, Non Executive Director
	Professor Elizabeth Ireland, NSS Chair
In Attendance:	Mr Martin Bell, Associate Director Planning, Performance & Service
	Mr Markus Hiemann, Sustainability Lead, (Item 11 only)
	Ms Carolyn Low, Director of Finance and Business Services
	Mr Peter McConnell, Strategic Sourcing Director, (Item 14 only)
	Ms Caroline McDermott, Planning Lead, (Items 8 & 9)
	Mr Stevie McLaughlin, Head of Procurement (Item 4 only)
	Ms Marion Walker, Risk Manager Lead, (Item 10 only)
	Mrs Caron Aird, Personal Assistant (Minutes)
Apologies:	Mr Colin Sinclair, NSS Chief Executive

ACTION

1. INTRODUCTION AND APOLOGIES FOR ABSENCE

1.1 Mrs K Dunlop welcomed everyone to the meeting and apologies were noted as above. 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 23 FEBRUARY 2018 [paper PFC/18/14 refers]

2.1 Members approved the minutes of the meeting held on 23 February 2018.

3. ACTION SHEET [paper PFC/18/15 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 PACs and it was agreed that a general IT update, including eHealth, would be given at the next Board meeting.

C Sinclair/ M Bell

3.2 In respect of sustainability, Mr M Bell advised that a more up to date report would be given as part of the update provided by Mr M Hiemann.

4. NSS ANNUAL PROCUREMENT REPORT [paper PFC/18/16 refers]

4.1 Mr McLaughlin attended the meeting and spoke to the paper. He advised Members that the report demonstrated the considerable progress that NHS NSS Procurement had made over the initial period under the Procurement

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

Chair   Professor Elizabeth Ireland
Chief Executive   Colin Sinclair

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ACTION

Reform (Scotland) Act 2014 regime. As outlined within the document, focus was on governance, benefit realisation and sustainable procurement.

4.2.   The £1m savings target was exceeded but more importantly we demonstrated where public procurement, through its activities can make lives better; for example;
- a 3 year manufacturing contract with a Supported Business based in Dundee to support our Blood Transfusion Service, and providing additional job security to disadvantaged workers has been signed;
- a number of community benefits through our Facilities Management contracts including 2 new apprenticeship places, supported the creation of 10 new jobs to deliver the contracts and saw a number of community sponsorship activities realised through our supply chain has been delivered;
- taken advantage of a different approach to Public Contracting (section 3.3, Commitment 6 - Engaging with Suppliers) in which we set up a publicly available purchasing system highlighting our contracting opportunities which actively encourages smaller suppliers to bid through its reduced admin burden and automatic notification of opportunities as and when they arise.

4.3.   Mr M Bell enquired as to where the National Distribution Centre would report their element of performance and Members were advised that because Procurement was a centre of expertise, they had their own reporting structure. Mr Bell and Mrs Low agreed to speak to Mr M Street to investigate this further.   **C Low/M Bell**

4.4   In response to a question from Ms Burgess, Mr McLaughlin advised that the Framework agreement was put in place by Scottish Government and when an award notice is placed, as we are mandated to do, the register is automatically populated.

4.5   With regard to the compliance aspect, Mr McLaughlin went on to advise that it was thought there would be a gap in the register and in fact, £1m spend (equating to less than ten contracts) was identified which should have gone through the tendering process.

4.6   Ms Dunlop queried section 3.2 of the report (How we review our regulated procurements) in respect of the six Councils, it appeared that the regulations would not be considered legal if the Framework was not followed. Mrs Low confirmed that this would be linked into National Procurement and felt that it would be beneficial for NSS to have their own mechanism for reviewing procurements, in particular Eden Red, on behalf of NHS Scotland. Mrs Low agreed to ask Mr M Street to look into this further.   **C Low/M Street**

4.7   Mr Bell commented that the fact that the efficiency target of £1m had been exceeded (£1.25m) via the contracts NSS has in place should be recognised.

4.8   In response to a question from Mr McDavid about publishing the report, Mr McLaughlin advised that the strategy had already been completed, this report was to effectively 'close the loop'. In respect of savings made, Mr McLaughlin advised that 2 members of staff had saved the organisation around £600,000 through renegotiation and retendering of contracts and this has made a difference to people's lives.

4.9   Mr McDavid asked what the biggest impact had been in respect of the report and Members were advised that 2 Modern Apprentices had been recruited, nine staff had been employed to deliver community work. Mr McLaughlin also mentioned the work undertaken with Dovetail in Dundee.

4.10   Members felt that the report should start with a good news story as well as

ACTION

including an Executive Summary and Mr McLaughlin agreed to make these amendments prior to publishing.   **S McLaughlin**

4.11   Mrs Low felt that overall the report was very good and showed how much work had been undertaken. Members thanked Mr McLaughlin on this. Mr McLaughlin thanked Mrs Low for her comments and advised Members that the draft report had been shared with Heads of Procurement in the National Boards and that they had asked to use the template for their own purposes.

4.12   Members agreed that, subject to the inclusion of an Executive Summary, the report was approved and was to be included in the June 2018 Board papers.

4.13   Mr Bell agreed to assist Mr McLaughlin with the Executive Summary.   **M Bell/ S McLaughlin**

5.   NSS PERFORMANCE AND FINANCE COMMITTEE ANNUAL REPORT TO NSS BOARD [paper PFC/08/17 refers]

5.1.   The Committee noted their thanks to Mrs L Bailey for the work undertaken to prepare the draft report on Mrs Dunlop's behalf. Following discussion, it was felt that the report should be expanded to include a section on the business undertaken by the Committee and key accountabilities. The report was also to be triangulated with other Board reports.

5.2   It was agreed that Mr Bell would update the report and this would be circulated to the Committee for approval prior to the Board meeting. It was also agreed that a reference to eHealth would be included (the same form of words as contained in the Audit and Risk Committee report should be used).   **M Bell/L Bailey**

6.   ANNUAL REVISIONS TO THE NSS STANDING FINANCIAL INSTRUCTIONS [paper PFC/18/18 refers]

6.1.   Mrs C Low advised that the paper proposed changes to the SFI's prior to the Board meeting on 29th June 2018. Members were advised that a number of governance issues had come to light during NSS's management of the NHS Scotland eHealth portfolio late in the last financial year and the outcome of that process was contained in the paper.

6.2   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.

6.3   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.

6.4   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.

6.5   With regard to next steps, Mrs Low advised that the CEAD Business Partner and her staff were developing a communications package to ensure that all staff understood their responsibilities in respect of financial management, governance and compliance. Mr McDavid asked whether the process was fit for purpose and Mrs Low confirmed that it was.

6.6   Professor E Ireland thanked Mrs Low for pulling the revised document together and for confirming that the document was now fit for purpose. It was agreed that the paper should also confirm that there was insufficient time to undertake a re-write of the whole document.

6.7   Mrs Low confirmed that she would finalise the paper in advance of the Board meeting.   **C Low**

7.   FOR HOMOLOGATION: APPROVAL OF NSS PROCUREMENT STRATEGY REFRESH FOR 2018 TO 2023

7.1.   Members were advised that the approval of the NSS Procurement Strategy refresh for 2018 to 2013 was approved outwith Committee in March 2018.

7.2.   There were no other items for homologation.

8.   END OF YEAR PERFORMANCE REPORT AND OPERATIONAL DELIVERY PLAN [paper PFC/18/19 refers]

8.1   Ms C McDermott spoke to the paper, advising Members that in 2017/18, NSS had achieved 93% performance, against a target of 90% in the final quarter. Ms McDermott highlighted the three red performance targets which had not been met, along with the two amber targets which were behind schedule, which Members were aware of.

8.2   Professor Ireland recognised the work involved in reaching this target and thanked everyone for their efforts.

9.   RESILIENCE UPDATE [paper PFC/18/20 refers]

9.1.   Ms C McDermott spoke to the paper and asked Members to provide comment on the actions being taken to further improve resilience across the organisation and also to consider future resilience challenges and developments

9.2   Ms McDermott advised that three areas had not yet submitted their 2017/18 business impact assessments, and this had been highlighted to EMT who had offered support to ensure that the deadline of 30th June 2018 was met.

9.3   In response to a question from Ms J Burgess, Ms McDermott advised that IT, CEAD and Business Services SBUs had not submitted paperwork. This concerned Members especially around IT resilience and communications aspects.

9.4   Ms McDermott advised that although the IT SBU had undertaken a lot of work and had recently undergone an audit, a strategy/framework document was still to be finalised. The remaining SBUs had submitted good quality impact assessments, with minor points still to be resolved.

9.5   Professor Ireland asked that examples of the recent communications with Scottish Government be included, and at the Audit and Risk Committee the previous week, it had been noted that more executive support had been received.

9.6   Mr Bell advised Members that he had held discussions with EMT colleagues in respect of the cumulative risks and the support which could potentially be given.

9.7   Mrs Dunlop felt it was indefensible that IT resilience was not currently fit for purpose. Members were advised that, in respect of Business Services, there had been an increase in staff absence. However, all services had been maintained and had recently been reviewed against the ISO standards. There were a few things which the SBU wished to do following this review,

ACTION

but overall the standards had been met.

9.8   Mr Bell advised that the Scottish Government Health Resilience Unit had met   **M Bell**
        yesterday and he would feedback the outcome of those discussions to Ms
        McDermott later.

9.9   Members thanked Ms McDermott for attending the meeting.

10.   REVIEW OF BUSINESS RISKS ON NSS RISK REGISTER [paper PFC/18/21 refers]

10.1   Mrs M Walker, Risk Manager Lead joined the meeting and advised Members
        that there was one red business risk (4608) relating to Practitioner and
        Counter Fraud Services dependency on external programmes. This risk
        related to the CHI project which had now been frozen by Scottish
        Government and had subsequently been downgraded to Amber for the
        Committee's review and comment.

10.2.   Mrs Dunlop advised Members that the Chief Executive had previously
        advised Board Members that thought was being given by the Scottish
        Government to the CHI project being redesigned, or built again from new.
        EMT members believed that the programme should continue as previously
        planned given the money already spent on it. Mrs Dunlop asked if this was
        also the Board's view and was advised by Professor Ireland that it was.
        Professor Ireland also advised that she would be meeting the Chief Executive
        shortly to discuss this matter further.

10.3.   Mrs Low advised that the project had been stopped at a natural break in the
        programme but Ms Burgess questioned whether Scottish Government was
        aware of the full implications of halting the project and asked what NSS
        should do if they were not. Professor Ireland advised that she would ask the   **E Ireland/C**
        Chief Executive to update Members of the Board at either the next Audit and   **Sinclair/C Aird**
        Risk Committee or Board meeting.

10.4   Risk 4129, support to JCC, will be closed once the full transition to JCC was   **M Walker**
        complete. Mrs Walker advised that there would be potential risks in the
        corporate risk register once PHI moves to the public health body and agreed
        to draft a new risk and add this to the register.

10.5   Ms Burgess asked that the nuances of risk 4184 be changed as there are   **M Walker**
        currently a lot of interim appointments and the risks were materialising now.
        Mrs Walker agreed to reword this risk.

11.   SUSTAINABILITY UPDATE

11.1   Mr M Hiemann advised that NSS had met the Good Corporate Citizenship
        target of 80% for 2017/18, although this required to be improved upon in
        future years. Good work had taken place in procurement (especially the work
        undertaken by Mr M Street and Mr S McLaughlin, electric charging points,
        solar panels and green areas at the Jack Copland Centre. However
        improvements were required in transport, facilities and waste recycling.

11.2   With regard to environmental performance, there had been a number of
        increases in spending across a number of areas and Mrs Low questioned
        whether this was a multiple site occupancy issue, e.g., Gyle Square/Meridian
        Court, or a single site issue, e.g., NDC or SNBTS. It was agreed that this   **M Hiemann/**
        would be discussed in more detail at the next Sustainability Board meeting.   **M Bell**

11.3   In respect of business travel, Members noted that the original baseline figure
        was £1.8 m but in FY 2017/18, actual spending had increased to £2.5m.
        Members enquired as to the reasons behind this, specifically the spike in
        March 2018. Mr Hiemann advised that he was unaware of the specific
        reasons for the spike but suggested that this could be because of excess

travel, expenses being submitted late and the hire of 4 x 4 vehicles by SNBTS during the inclement weather.

12. NSS FINANCIAL PERFORMANCE: PERIOD 1 APRIL 2017 TO 31 MARCH 2018 [paper PFC/18/22 refers]

12.1. Mrs C Low spoke to paper PFC/18/22 highlighting

- current financial performance to 31 March 2018 which showed an £800,000 surplus in revenue and break-even capital position,
- substantial movement of £3.2m from SBUs' reported forecast in February to final out-turn position (significant variances related to P&CFS and IT)
- reserves position included an income deferral of £2.7m to 2018/19 to match the timing of expenditure

12.2 Members noted the report and thanked Mrs Low and her team for their efforts in getting NSS to this position.

13. FINANCE UPDATE REPORT FOR THE FINANCIAL YEAR 2017/18 [paper PFC/18/23 refers]

13.1 Mrs C Low introduced the paper which outlined the proposed reporting arrangements (using the 2017/18 pre-audit position as an exemplar) to ensure an appropriate level of scrutiny, challenge and oversight over funds managed by NSS on behalf of NHS Scotland.

13.2 The Committee were asked to review the reporting arrangements and to confirm that the level of detail and frequency of reporting proposed met the Committee's requirement for improved governance. Members also noted that the new reporting arrangements would apply to all financial reporting in respect of the 2018/19 financial year. Members confirmed that it did.

13.3 Mrs Dunlop enquired as to how activity owners receive feedback in a timely fashion and was advised by Mrs Low that this happens via their own governance processes. Unfortunately eHealth was not included in this at the time. Membership of the group requires to be reviewed although a decision has been taken that the group would not be quorate without an NSS finance representative and a Scottish Government finance representative being present.

13.4 There was discussion around Fiona Murphy, Director of National Specialist and Screening Services, attending the Committee on a regular basis to update Members around the lines of professional accountability and reporting. It was agreed that Dr Murphy would be invited to attend future meetings.   **L Bailey**

13.5 Ms Burgess reiterated her views that the Committee did not spend sufficient time discussing the financial position and in light of the recent eHealth concerns, she felt it was time to review the Committee's approach. After discussion, Members agreed with the suggestion that the Committee meet on a quarterly basis, with meetings held in August, November, February and May and that at each meeting the quarterly position and trends should be discussed, alongside the eHealth projects for which NSS holds the funds, as well as receiving year end reports on projects that NSS oversees. Mrs Low agreed with this approach. It was also agreed that Professor Ireland would take a proposal, bearing in mind the availability and commitment required by Non Executive Directors, to the June Board meeting. The proposal would also include alternative ways of meeting, e.g., teleconference.   **E Ireland**

13.6 Ms Burgess also questioned whether it would be beneficial to invite a Scottish Government representative to attend the meetings to hear the discussions and to be assured on the robustness of the NSS debate, as well as referring

ACTION

any actions back to Scottish Government.

14. NATIONAL PROCUREMENT CONTRACT SCHEDULE [paper PFC/18/24 refers]

14.1   Mrs K Dunlop welcomed Mr P McConnell to the meeting.

14.2   Mr McConnell spoke to paper and advised that it had been submitted in order to update the Committee on the PCF Strategic Sourcing report for all contracts to be awarded in 2018/19.

14.3   Mr McConnell highlighted the following items from the IT Procurement Summary:

a) Software reseller – this activity has gone through two National Procurement Board meetings and will be with the Chief Executive to sign off in the next 10 days.

b) GP IT managed services – Members were advised that this activity would not save NSS money per se, but was more about improving patient services.

c) Laboratory communications system – this related to technology underpinning a joining up of the lab system communications supplier for this contract has been sourced. Mrs Dunlop asked if due diligence had been followed for this supplier; Mrs Low confirmed that it had.   This contract was around buying in capability so that NSS could manage the system independently.   Mr McConnell agreed to circulate more **P McConnell** information to the Committee outwith the meeting, and as well as the business case.

d) iRec replacement – a business case for the iRec costs had been approved by the NHS Chief Executives Group

14.4   With regard to the work plan for 2018/19, Mr McConnell advised that 90 NP contracts for the fiscal year have been/will be awarded, with 56 NP contract extensions awarded/to be awarded, with £11m funding being awarded through National Boards

14.5   With regard to the DenPro Agreement, Mr McConnell advised that this was single supplier award for minimally invasive surgical products and although no savings have been identified. An income target of £150,000 per annum has been identified for 2018/19.

14.6   Members thanked Mr McConnell for attending the meeting.

15. OCCURRENCES WHERE SFIs HAVE NOT BEEN FOLLOWED

15.1.   Mrs C Low advised Members that, since the last meeting, there had been no reported instances of NSS's Standing Financial Instructions being breached.

16. FEEDBACK ON RELEVANT ISSUES FROM OTHER COMMITTEES OF THE NSS BOARD

16.1.   Members noted that that HIS breast screening report would be discussed at the NSS Clinical Governance Committee meeting on 11 June 2018.

17. SUB-COMMITTEE HIGHLIGHTS REPORT FOR BOARD MEETING ON 29 JUNE 2018

17.1   Members agreed the key points for the Sub-Committee Highlights report to **C Aird** the next formal NSS Board meeting on Friday, 29th June 2018. Mrs C Aird agreed to send a draft of the report to Mrs Dunlop as soon as possible.

18. PROPERTY ASSET MANAGEMENT STRATEGY [paper PFC/18/25 refers]

18.1   Mrs C Low advised Members that NSS was required to provide an interim

ACTION

report to update on progress against the Strategy. The interim report formally recognised the progress made in respect of the Jack Copland Centre and the ongoing discussions around renegotiating the Meridian Court lease to 2030. Mrs Low advised that there was a natural break in the current lease in around 18 months time and a decision would be made at that time as to whether to extend the lease or not.

18.2   Mrs Low also advised that an Outline Business Case in respect of a move to new premises in Aberdeen had been signed off, and this would be submitted to Scottish Government Finance for final sign off.

19.   **PERFORMANCE AND FINANCE COMMITTEE FORWARD PROGRAMME [paper PFC/18/26 refers]**

19.1   Following discussion, it was agreed that the forward programme would be updated and meeting dates would be changed to August and November 2018.   2019 meeting dates would fall into line with other governance committees and, as such, meetings would be held on a quarterly basis.   **C Aird/C Lang/ L Bailey**

20.   DATE OF NEXT MEETING

20.1   Further to earlier discussions, the date of the next meeting is to be confirmed.

21.   ANY OTHER BUSINESS

21.1   Professor Ireland wished to place on record her thanks to both Mrs Dunlop and Mr McDavid for their help in the recent eHealth discussions.

There being no further business, the meeting finished at 1351hrs.

NSS Flexible Working Policy

DOCUMENT CONTROL SHEET

Key Information:

Title:	*NSS Flexible Working Policy*
Date Published/Issued:	
Date Effective From:	September 2018
Version/Issue Number:	V2.1
Document Type:	Policy
Document status:	Final
Author:	Employee Relations and Reward
Owner:	HR
Approver:	Staff Governance Committee
Approved by and Date:	Staff Governance Sept 2018
Contact:	ERR
File Location:	HRBCS

Revision History:

Version:	Date:	Summary of Changes:
V1.0	October 2013	
V2.0	March 2018	Previously incorporated V-time, Compressed Working Hours and Flexi-time guidance – now standalone policy
V2.1	March 2018	Following discussion at WPTC Meeting on 21 March 2018 minor amendments related to frequency of requests.

Contents   <u>**Page Number**</u>

1. Introduction

National Services Scotland, being an employer committed to the principles of work/life balance, recognises that, as one of a range of options, a flexible working arrangement may give staff some discretion as to their starting and finishing times each day. This policy outlines the procedure for requesting types of flexible working:

There are many forms of flexible working. It can describe a place of work, for example, home working, or a type of contract. Other common variations include: part-time working, flexitime. job sharing and shift working. The request can cover hours of work, times of work and place of work and may include requests for different patterns of work.

Employers have a duty to consider all requests in a reasonable manner; however, managers will have the flexibility to refuse requests on business grounds.

2. Right to Request Flexible Working

All employees who meet the eligibility criteria outlined in Section 2.2 below have the right to request flexible working.

2.1 Scope

Eligible employees are entitled to request:

- A change in the hours they work;
- A change in the times when they are required to work; or
- A change to the place they are required to work.

An acceptance of an employee's request for flexible working will result in a permanent change to that employee's terms and conditions of employment unless otherwise agreed (for example any temporary arrangement under review). Any permanent change should be documented as a formal contract variation in order to be effective. The employee has no right to revert back to the previous working pattern once a formal contract variation is in place. For medical staff in the Consultant and Specialty Doctor/Associate Specialist grades, this is normally achieved through the contractual job planning process.

2.2 Eligibility

To be eligible to make a request, the employee must:

- Have been continuously employed by NSS for at least 26 weeks at the date of application;
- Not be an agency worker; and
- Not have made another application to work flexibly during the previous 52 weeks (additional applications may be considered where an employee's circumstances have changed within this time period)

This does not preclude a line manager agreeing with an employee that their request

can be approved within that time period in circumstances where the request was originally refused, but the work environment can now sustain the change requested.

2.3 Application

Whilst the statutory entitlement is for an employee to make one application for flexible working in any 12 month period (from the date on which any previous application was made), subsequent applications may be considered where an employee's circumstances have changed within this time period.

3. Range of Flexible Working Policies

National Services Scotland supports a wide range of flexible working options. These include, but are not limited to:

- Annualised Working Hours
- Flexi-Time
- Job Share
- Reduced Working Year
- Team Based Self Rostering
- Working at Home/Working from Home
- Zero Hours

A full list of current policies and further details can be found on HR Connect.

4. Submitting a Flexible Working Application Form

All individual applications for flexible working must be made on the Flexible Working Application Form. The completed form should then be submitted to the employee's line manager. This application should be acknowledged in writing by the line manager.

There are two exceptions to this: the procedure for women returning from maternity leave who wish to job share is described in the NSS Job Share Policy, and the procedure for introducing annualised hours is described within the annualised hours policy.

The following procedure must be followed:

4.1 Initial Meeting

The line manager will hold a meeting with the employee to discuss the application within 28 calendar days of the date on which the application is made. In appropriate circumstances, this period can be extended by mutual agreement.

4.2 Communication after Initial Meeting

The line manager will inform the employee of their decision in writing within 7 calendar days of the date of the initial meeting.

4.3 Request Accepted

If the request is accepted, the line manager must confirm this in writing to the employee, specifying the new working pattern and the date from which it will take

effect. The line manager must also complete the appropriate confirmations to Payroll. The line manager must also consider whether the employee's contract of employment requires to be amended to reflect the change to the working patterns. If so, this should progress with the support of HR Services.

4.4 Request Unsuccessful

Non-acceptance of an application for flexible working can only be for valid and objective service/operational reasons. The line manager must, therefore, confirm the reasons in writing to the employee. The employee should also be provided with details of the formal appeal procedure.

There is also the provision that, before progressing to appeal, it may be preferable for the line manager and the employee to seek advice on resolving the matter from an appropriate member of the HR Team and a Trade Union/or Professional Organisation representative. This approach will not preclude the employee's right to raise a formal appeal in the event that they consider that the matter has not been satisfactorily resolved.

5. Appeal Procedure

An employee can appeal against the decision to refuse their application by submitting a Notice of Appeal form to the line manager within 14 calendar days of receiving the written confirmation that their application for flexible working has been refused. The notice of appeal must be dated and clearly set out the grounds of appeal. The employee should receive confirmation of receipt of the Notice of Appeal.

5.1 Appeal Hearing

A hearing will be held to discuss the appeal within 14 calendar days of the Notice of Appeal form being given to the line manager by the employee. The Appeal Panel will ideally consist of a manager who is at a more senior level than the manager who made the original decision and a member of the HR Team, neither of whom should have been involved in making the original decision.

N.B. A hearing will not be required where, within 14 calendar days of the Notice of Appeal form being received by the line manager, the matter has been satisfactorily resolved informally as outlined above.

5.2 Notice of the Decision

The employee will be informed, in writing, of the outcome of the appeal within 7 calendar days of the hearing.

Where the appeal is upheld, the notice of the decision will specify the new agreed working pattern and the date on which it will take effect. The line manager must also complete the appropriate notifications to Payroll. The line manager must also consider whether the employee's contract of employment requires to be amended to reflect the change in working pattern. If so, this should be progressed with the support of HR Services.

Where the appeal is unsuccessful, the notice of the outcome will provide a clear and detailed explanation of the reasons for this decision.

6. Extension of Time Limits

The above timescales can be extended but only if both parties agree in writing to an extension.

7. Representation

Employees are entitled to be accompanied by a trade union or professional organisation representative (including full-time Trade Union Officers), or a workplace colleague, at all stages of the procedure.

8. Service Reasons for Refusing a Request

An application can only be refused for one of the following service/operational reasons where it is deemed that a change to the employee's work pattern would:

- Create an unacceptably burden of additional cost;
- Have a detrimental effect on the organisation's ability to meet a service demand;
- Have a detrimental impact on service quality;
- Have a detrimental impact on the performance of the organisation, their colleagues or the employee;
- Result in an inability on the part of the organisation to re-organise work among existing staff;
- Result in an inability on the part of the organisation to recruit additional staff; or
- Include periods where there would be insufficient work for the employee to undertake.

In addition, there may be occasions where planned structural changes might make it impracticable for the organisation to agree to an employee's request for flexible working. An application may also be declined on this basis.

9. Withdrawal of Application

NSS will treat an application as withdrawn if the employee has:

- Notified their line manager in writing that their application is being withdrawn;
- Failed, without reasonable cause, to attend a meeting/Appeal Hearing convened under the procedure on more than one occasion; or
- Refused, without reasonable cause, to provide information which NSS considers necessary to assess whether the employee's request to work flexibly should be granted.

The appropriate line manager will confirm the withdrawal of the application in writing to the employee, unless the employee has provided written notice of the withdrawal.

10   Useful Information

Other policies/guidance that you may find useful include:

- NSS Flexi-time Guidelines
- NSS Team Based Self Rostering Guidance
- NSS Working at Home/Working from Home Policy
- NSS Job Share Policy
- NSS Reduced Working Year Policy
- NSS Voluntary Reduced Working Time Guidance
- NSS Compressed Working Hours Guidance
- NHS Scotland "Supporting the Work Life Balance" PIN Policy
- NHS Terms and Conditions of Service Handbook (Section 34)

The following websites may also be of interest:

- NHS Scotland 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
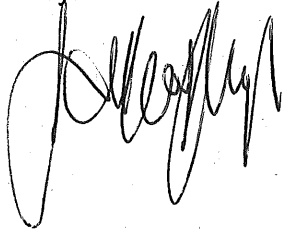
11. POLICY REVIEW

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: 29.8.

NSS ZERO HOURS CONTRACT POLICY

DOCUMENT CONTROL SHEET:

Title:	Zero Hours Policy
Date Published/Issued:	September 2018
Date Effective From:	September 2018
Version/Issue Number:	V3.1
Document Type:	Policy
Document status:	Final
Author:	Employee Relations and Reward
Owner:	HR
Approver:	Staff Governance Committee
Approved by and Date:	Chair of Staff Governance Committee
Contact:	Employee Relations and Reward
File Location:	HRBCS

Revision History:

Version:	Date:	Summary of Changes:
V1.0	December 2002	Finalised policy
V2.0	June 2016	Draft policy- updated into new format but not published.
V3.0 Draft	October 2016	Following further amendments, new draft brought to WPTC for approval. Policy put on hold.
V3.1	May 2017	Policy approved by WPTC for organisational consultation, minimal changes made to policy.

Contents   **Page Number**

1.   **INTRODUCTION**

Zero hours contracts can be used only in circumstances where work demands are irregular or where there is not a constant demand for staff.

Zero Hours contracts provide a level of flexibility for the individual which allows them to work around other commitments such as study or childcare.

Zero Hours Contracts are not intended for use of reducing the numbers of established posts within NSS.

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**

- Zero hours contracts are contracts where NSS is under no obligation to provide any working hours and the individual is under no obligation to accept any hours which are offered.

- There are no "exclusivity clauses" within NSS's Zero Hours contract. This means that individuals who have such a contract with NSS can work or perform services for another employer and NSS will not require consent or permission. The number of working hours worked with another employer may be sought to ensure there is no breach of the Working Time Regulations.

- NSS will always consider whether a zero hours contract is the best type of contract for the organisation's and individual's needs depending on the nature of the work to be offered and specific circumstances.

- When a member of staff is only engaged on a Zero Hours Contract with NSS then they will likely have the employment status of "worker". If they hold any other post within NSS which is not Zero Hours then their employment status is likely to be "employee".

- For the purposes of this policy, the term "staff" is a generic term to define a person working for NSS, regardless of the type of contract which they are contracted under.

2.1 Eligibility

Any request to work on a zero hours contract should be discussed and agreed with managers. Any such arrangement must be considered by the line manager and balanced with operational needs.

It should be noted that the majority of posts within NSS are not suitable to be performed on the basis of a zero hour's contract.

However, as with other flexible working options, a request to work on a zero hours' contract will be given full consideration. Refusal of such a request must be for sound organisational

and operational reasons and if request is refused a full explanation should be given to the member of staff.

2.2 Appropriate use of a Zero Hours Contract

Zero Hour Contracts should only be used when appropriate due to these types of contracts being associated with job and financial insecurity. The following examples of when a Zero Hour Contract might be appropriate:

- Seasonal work or peaks in staffing demand, where it is known that for short periods of time additional staff are needed to manage surges in demand.
- NSS may require additional staff on a short term basis to cover periods of unexpected staff sickness and be able to call on experienced staff when required.
- When there is a potential need to have a number of staff on stand-by or on-call to be potentially available to work when and if it arises. These staff will be free to turn down any offer of work without detrimental effect.

The following examples of when a Zero Hour Contract might not be appropriate:
- Zero hours contracts might not be appropriate if the job offered will mean the individual will work regular hours over a continuous period of time. For example; if an individual is asked to work from 9am to 1pm, Monday to Wednesday for a 12 month period, it may be more appropriate to offer that worker a fixed term contract.

- Zero hour contracts allow flexibility for both employers and individuals. However, they should not be considered as an alternative to proper business planning and should not be used as a permanent arrangement if it is not justifiable.

3.   **TERMS AND CONDITIONS OF EMPLOYMENT**

Staff on zero hours contracts are entitled to the same basic terms and conditions of employment as those Staff on fixed hours contracts.

3.1   Annual Leave

3.1.1   Staff engaged on zero hours contracts are entitled to annual leave as laid down within the Working Time Regulations. Staff are entitled to 5.6 weeks holiday per holiday year, including bank and public holidays calculated on a pro rata basis depending on the number of hours worked.

For guidance on holiday entitlement will be calculated, please see the 'Zero Hours Contract Holiday Pay Guidance'.

3.1.2   In order to ensure that they take this leave entitlement, the member of staff needs to be "booked" on to work, but then given the time off for annual leave.

3.1.3   For Staff who have two contracts with NSS, one of which is for zero hours and one of which is a contract of employment, they will be entitled to annual leave in respect of hours worked on the zero hours contract. This is,

however, on the understanding that they do not exceed the annual entitlement of 5.6 weeks under their contract of employment.

3.2   Sick Leave

Staff on zero hours contracts are not entitled to Occupational Sick Pay and will only be entitled to Statutory Sick Pay, if they meet the qualifying requirements.

3.3   Increments

3.3.1   Staff on zero hours contracts may be entitled to increments as relevant to the salary scale for which they are engaged on and as defined within the appropriate

3.3.2   The incremental date for Staff who are currently engaged on fixed hours contracts but also have a zero hours contract for bank work will be the same as that date defined within their fixed hour's contract. They will therefore be entitled to receive an increment for both contracts on the same date.

3.4   Superannuation

3.4.1   Staff on zero hours contracts are entitled to become a member of the National Health Service (Scotland) Superannuation Scheme. Unless a member of staff decides to opt out of the scheme, their salary will be superannuable. However, if a member of staff has a fixed hours' contract in addition to their zero hours contract, the number of days superannuable salary for which they are paying contributions cannot exceed 365 days per year.

3.5   Record Keeping

3.5.1   Employers must ensure that they keep adequate and appropriate records of the hours worked by staff on zero hours contracts.

3.6   Continuous Employment and Reckonable Service

For staff engaged on zero hours contracts, their continuous employment is determined by their date of commencement with NSS but only hours worked will count as reckonable service.

3.7   Health and Safety

3.7.1   Under the Health and Safety at Work Act 1974, NSS has a duty to ensure, so far as reasonably practicable, the health, safety and welfare at work of all its employees/staff. Every employee/staff is also under a duty to take reasonable care of themselves and others who may be affected by their activities at work, and to co-operate with their employers and others in meeting statutory requirements. Additionally they are required to report all accidents and to use any safety equipment provided for their protection.

3.7.2 All zero hours contracts staff must receive appropriate fire training on a regular basis, repeated at regular intervals.

3.7.3 As with NSS employee's, those staff engaged on zero hours contracts, have a duty to take reasonable care of themselves and others who may be affected by their activities at work, and to co-operate with their employers and others in meeting statutory requirements.

3.8 Training

Staff engaged on zero hours contracts are entitled to receive training as commensurable to staff on fixed hours contracts.

3.9 Registration

All staff that are required to register with their appropriate Professional Body are responsible for ensuring that their registration is up to date and in accordance with the regulations laid down by their professional body.

4. Staff Engaged with Two Employers

4.1 The Working Time Regulations require employers to take all reasonable steps to ensure that staff does not exceed an average of 48 hours of weekly working time. Such steps would include enquiring whether a member of staff was working elsewhere or requesting that they be notified of a member of staff getting other work. Requests to exceed the normal maximum limit may only be approved in exceptional circumstances

4.2 Where the member of staff's main employer is elsewhere, the NSS must ensure that the member of staff is not working during their annual leave period from their main employer. The zero hours contract of engagement should include a statement where the member of staff is advised that they cannot undertake any work for the NSS during any annual leave period from their main employer.

4.3 Employers are also be responsible for ensuring that they provide adequate rest breaks according to the hours worked for them.

5..

ADVICE ON APPLICATION OF POLICY

SBUs should contact HR for advice on precedents, circumstances not immediately covered by the policy statement, or regarding difficulties in individual cases.

6..   **USEFUL INFORMATION**

Other NSS policies that you may find of interest include: -

- Flexible Working Policy
- NSS Equal Opportunities Policy
- NSS Management of Employee Capability Policy
- Dealing with Employee Grievances in NSS Policy
- NSS Recruitment and Selection Policy
- NSS Data Protection Policy

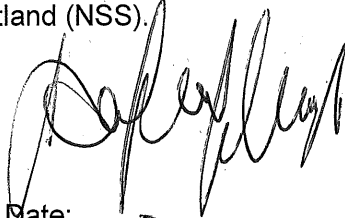The following websites may also be of interest: -

- Department of Business, Enterprise and Regulatory Reform - www.berr.gov.uk
- geNSS NSS Values page
- Staff Governance - *www.staffgovernance.scot.nhs.uk*
- NHS Scotland Dignity at Work Toolkit
- Department for Business Innovation and Skills – www.bis.gov.uk
- ACAS – www.acas.org.uk

7.. **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).

Agreed by:

Date: 7.9.15

Chair, Staff Governance Committee

NSS Flexi-Time Guidelines

DOCUMENT CONTROL SHEET

Key Information:

Title:	NSS Flexi-Time Guidelines
Date Published/Issued:	September 2018
Date Effective From:	September 2018
Version/Issue Number:	V2.0
Document Type:	Guidelines
Document status:	Final
Author:	Employee Relations and Reward
Owner:	HR
Approver:	Staff Governance Committee
Approved by and Date:	
Contact:	Employee Relations and Reward
File Location:	HRBCS

Revision History:

Version:	Date:	Summary of Changes:
V1.0	October 2013	Final
V2.0	May 2018	Draft following receipt of the NHS Scotland "Supporting the Work Life Balance PIN Policy July 2015". As this is a provision which supports flexible working within NSS, it is recommended that this be a guidance document linked to the NSS Flexible Working Policy.

<u>Contents</u>   **<u>Page Number</u>**

1. **Introduction**

   National Services Scotland is committed to embedding Staff Governance Standards across the organisation and to making NSS a better place to work. Staff Governance focuses on how NSS staff are managed and feel they are managed. In order to comply with the Staff Governance Standards, NSS works at improving how our staff are treated at work, in terms of the 5 key principles. One of these principles is treating staff fairly and consistently.

   The aim of these Guidelines is to support a fair and consistent approach to the operation of flexi-time across Strategic Business Units (SBUs)/Corporate Support Functions in NSS by defining agreed flexi-time parameters. The Guidelines also aim to define the parameters to be applied to the administration and operation of the flexi-time system.

   These Guidelines should be read in conjunction with the NSS Flexible Working Policy.

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

2. **General Principles**

   Flexi-time is a system where employees can vary their contracted working hours within agreed set limits by varying their start and finish times and lunch breaks provided they are present to meet the business needs in their SBUs/Corporate Support Functions.

3. **Flexi-time Arrangements**

   3.1 Hours

   It is recognised that NSS provides some services which do not require staff to be at work during defined core time periods, and some services that do. It is therefore left to Directors of SBUs/Corporate Support Functions to define those areas that require core time periods to be in operation, what these core time periods are and what the staffing levels need to be.

   Please refer to SBU specific flexi-time arrangements for further details.

   This additional flexibility is designed to ensure that the business needs are met whilst enabling flexible working.

   The flexi-time system enable staff to build up a debit or credit of hours worked. Accrued hours can then be taken as time off by prior agreement with the Line Manager

   3.2 Record of Hours Worked

   Members of staff should record their hours worked. Inaccurate time recording will be regarded as fraud.

3.3 Flexi-time Period

NSS flexi-time operates within Flexi-Time Accounting Periods. This is normally 150 hour (4 calendar weeks).

3.4 Rest Breaks

Staff will not be required to clock out for breaks away from their desk, but staff will be expected to comply with the break arrangements in place within their SBU/Corporate Support Function or working area. The approach should be applied consistently to all staff, irrespective of the purpose of the break ie if staff are allowed a 10 minute break and follow the guidelines for their work area then it is for the employee to decide how to use the break eg tea break, visit to the staff restaurant, etc.

3.5 Lunch Breaks

Staff will be expected to clock out for lunch breaks. The minimum duration of a lunch break is 30 minutes and the maximum duration of a lunch break will be determined by whether or not core time periods are in operation **(please refer to SBU specific flexi-time arrangements for further details)**.

Where a member of staff does not clock out for lunch, 30 minutes will be deducted. Where a member of staff forgets to clock out and takes more than 30 minutes, they should arrange for the appropriate corrections to be made.

3.6 Flexi-Time Accrual

The maximum amount of accrued flexi hours which a member of staff can carry forward in any four week accounting period will be limited to two standard working days (15 hours) and the maximum deficit, one standard working day (7.5 hours), both pro rata for part-time staff. The maximum amount of flexi hours which a member of staff who is working compressed hours can carry forward in any four week period will also be limited to one standard working day

There will be limited occasions when business needs may require staff to work additional hours and this may require hours in excess of the 15 hour limit to be carried forward. Where this is required it must be authorised by the individual's Line Manager or individual nominated in the SBU/Corporate Support Function and the flexi balance must be brought back within guidelines within a period of 12 weeks. It is expected that this will only be required on an exceptional basis and approved by the SBU/Corporate Support Functions Director.

3.7 Taking Flexi

Authorisation of leave and overtime should be undertaken in advance by Line Managers. All leave should be booked as far ahead as possible to ensure that adequate cover exists and Line Managers should endeavour to be as flexible as possible.

A maximum of two flexi leave days can be taken in any accounting period. Flexi time must be accrued before the leave is requested and approved.

3.8 Medical and Dental Appointments

Medical and dental appointments are defined as attending a GP, dentist or other medical practitioner for NHS provided services, or to attend a referral made by OHS, a

GP or other NHS practitioner. Staff should endeavour to make appointments out with working hours or to minimise the impact on their working day. Where this is not possible, staff will be credited time back. The time credited will be equivalent to the duration of the appointment plus the time for a single journey between the appointment location and their work base location, but will not result in the hours recorded exceeding the employee's contracted hours for that day. Where time is to be credited for such an appointment the member of staff should arrange for the appropriate corrections to be made.

Where a member of staff works compressed hours, the time credited for medical and dental appointments will be in line with the hours which they would normally have worked on that particular day.

3.9 Other Leave

Where a member of staff is absent they should arrange for the appropriate corrections to be made.

Where a member of staff attends a training course they will be credited a full day/half day subject to the course location and the course start/finish times.

Where a member of staff works compressed hours, the time credited for attendance at a training course will be in line with the hours which they would normally have worked on that particular day.

4. Leavers

Where a member of staff is leaving the organisation they should ensure that their flexi-time balance is near as possible to zero hours on their last day.

Line Managers are responsible for ensuring that, if they have staff who are in their notice period prior to termination of their employment, that their flexi should be closely monitored and staff given the opportunity to clear their flexi credit or debit. Any debit balances will be deducted from an employee's final salary.

5. Complying with the Flexi-Time arrangements

Where a member of staff fails to comply with the agreed flexi-time arrangements the matter will be fully investigated and considered in accordance with the NSS Management of Employee Conduct Policy and may result in disciplinary action. This may result in the agreement for the member of staff to work flexi-time being reviewed or removed.

6. Opting Out of Flexi-Time Arrangements

It is recognised that inclusion in the flexi system is not always appropriate for business reasons. In this situation the member of staff and Line Manager may agree that the member of staff can opt-out of the flexi system.

7. Useful Information

Other policies/guidance that you may find useful include:

- NSS Flexible Working Policy
- NSS Working Time Regulation Guidelines
- NSS Working at Home/Working from Home Policy
- NHS Scotland PIN Policy – Supporting the Work Life Balance (2015)
- NHS Scotland Agenda For Change Handbook – Section 34
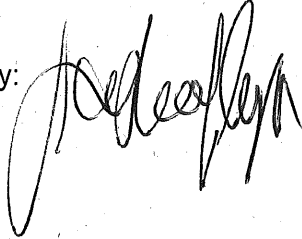
The following websites may also be of interest:

- NHS Scotland Staff Governance website – www.staffgovernance.scot.nhs.uk

8. 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: **September 2018**

Agreed by: Date: 7.9.18.