

Agenda

B/23/01

NSS BOARD FORMAL

**THURSDAY, 9 March 2023 COMMENCING 0930HRS IN BOARDROOMS
1&2, GYLE SQUARE, EDINBURGH (AND VIA TEAMS)**

Lead: Keith Redpath, NSS Chair

In Attendance: Lee Neary, Director SPST
Hayley Barnett, Assoc. Dir Governance and Board Services (Board Secretary)
Karen Nicholls, Committee Services Manager [Minutes]

Apologies:

Observers: Janette Telford, Member of the public
Luis Loureiro Harrison, Scottish Clinical Leadership Fellow
Michelle Clark, NSS
David Stirling, NSS
Fiona Callan, NSS
Tracey Turnbull, NSS
Ann Hargie, NSS
Laura Wilson, NSS
Susan Murray, NSS
Marie Brown, NSS

0930 – 1100 hrs

1. Welcome and Introductions

2. Items for Approval

- 2.1 Minutes of the previous meeting held on 9 December 2022 and Matters Arising **[B/23/02 and B/22/03]** - Keith Redpath
- 2.2 Corporate Governance Framework **[B/23/04]** – Hayley Barnett
- 2.3 NSS Budget 2023-24 [presentation] – Carolyn Low

3. Items for Scrutiny

- 3.1 Chairs Report (verbal) - Keith Redpath



Chair
Chief Executive

Keith Redpath
Mary Morgan

- 3.2 Chief Executive's Report (verbal) - **Mary Morgan**
- 3.3 Integrated Performance Report **[B/23/05]** – **Lee Neary**
 - 3.3.1 NSS Annual Delivery Plan Quarter 5 **[B/23/10]** – **Lee Neary**
- 3.4 Risks and Issues Report **[B/23/06]** – **Lee Neary**

4. Items for Information

- 4.1 Public Inquiries **[B/23/09]**
- 4.2 NSS Committees Approved and Draft Minutes **[B/23/07]**
 - 4.2.1 NSS Audit & Risk Committee 6.12.22 Approved Minutes
 - 4.2.2 NSS Staff Governance Committee 24.11.22 Approved Minutes
 - 4.2.3 NSS Staff Governance Committee 25.10.22 Approved Minutes
 - 4.2.4 NSS Clinical Governance & Quality Improvement Committee 30.11.22 Approved Minutes
 - 4.2.5 NSS Finance, Procurement and Performance Committee 16.11.22 Approved Minutes
 - 4.2.6 NSS Finance Procurement and Performance Committee 3.2.23 Draft Minutes
- 4.3 Board Forward Programme **[B/23/08]**

5. Any other business

- 5.1 Date of next meeting: Friday, 30 June 2023 at 09:30 am – Hybrid Meeting

Minutes

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NHS NATIONAL SERVICES SCOTLAND BOARD

MINUTES OF MEETING HELD ON FRIDAY 9 DECEMBER 2022 IN BOARDROOMS 1&2, GYLE SQUARE, EDINBURGH AND VIA TEAMs DIGITAL PLATFORM AT 0930 HRS

Present:

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

In Attendance:

Sarah Moffat, HR Services Manager, HR Service & Resourcing, Depute for Jacqui Jones, HR Director
Lee Neary, Director Strategy, Performance and Service Transformation (SPST)
Marc Turner, Director SNBTS
Hayley Barnett, Assoc. Dir. Governance and Board Services (Board Secretary), SPST
Matthew Neilson, Assoc. Dir. Customer & Stakeholder Engagement, SPST
Karen Nicholls, Committee Services Manager [Minutes]

Apologies:

Observers:

Liz Maconachie, Audit Scotland
Carol Grant, Audit Scotland
Sarah Bowman-Lynne, Scottish Government
Elaine Allan, Scottish Government
Matthew Cook, Member of the Public
5 NSS Staff

1. WELCOME AND INTRODUCTIONS

1.1 K Redpath welcomed all to the meeting.



Chair Keith Redpath
Chief Executive Mary Morgan

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

2. DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest or transparency statements made in respect of any item on the agenda.

3. MINUTES AND MATTERS ARISING [Papers B/22/35 and B/22/36 refer]

- 3.1 Members approved the minutes as a true reflection of the meeting.

Action: Board Services to update minute as approved.

- 3.2 Action Item 4 (23.9.22): K Redpath advised that this could now be closed as the presentations had just been received this week and would be circulated outwith the meeting. All other actions had been closed.

4. NSS RISK APPETITE [paper B/22/37 refers]

- 4.1 Members noted the paper and the recommendation of the NSS Audit & Risk Committee meeting held on Tuesday 6 December 2022.

- 4.2 After a short discussion Members approved the NSS Risk Appetite but asked that a Board seminar session to look at risk in detail be set up for early 2023.

Action: Board Services to identify date for Risk Seminar.

5. CHAIR'S REPORT

- 5.1 K Redpath took Members through a verbal report and highlighted the following:

- As is the case with the whole NHS system, NSS was still under tremendous pressure but there was confidence in the organisation's performance;
- Good work ongoing around partnership working, particularly in response to the potential action in relation to the pay awards;
- Review of Board governance was ongoing and new formats for reporting etc would be in use for the next cycle of meetings;
- Excellent new Board Services SharePoint site had now been launched providing a single reference point for governance;
- A review of Board and Committee Membership would be taking place imminently;
- The NHS Assure Conference had very successful and thanks to all staff involved;
- Opening of the new Cyber Security Centre in Dundee would take place the following week on 15th December;
- Had had a positive meeting with Public Health Scotland Chair looking at the ongoing relationship between the two organisations;
- Congratulations to NSS staff who had received awards;
 - GO Awards – awards for Highly Commended – Collaborative Procurement Initiative (National Procurement); Winner – Contract & Supplier Management Award – COVID Testing Team and Individual Overall Winner, David Taggart, Category Manager NP;

- Scottish Health Awards – Winners Top Team Covid and Flu National Vaccination Programme Team, Scottish Government (SG) Partnership;
- NSS Excellence Awards – final preparations for the event in January were progressing.

Members noted the verbal updates provided.

6. CHIEF EXECUTIVE'S REPORT

6.1 M Morgan provided a verbal update and noted the following;

- Director recruitment for the Legal Advisor to NHS Scotland had completed and Jennifer Thomson would start in December for induction, commencing fulltime in role from the new year;
- Events attended:
 - 13 October – Scottish Leaders Forum;
 - 14 October – NSS Nursing Engagement event;
 - 24th – 26th October – EMT & Board development sessions;
 - 3rd & 4th November – Assure conference brought together parties interested in the built environment across Health and for the first time included Infection Prevention and Control delegates. The conference was well supported by commercial exhibitors, well attended and was very successful overall;
 - 14th November – participated in CLO development session, led by Carolyn Low and attended by Jennifer Thomson;
 - 23rd November – As the appointed Duty Holder for NSS, successfully completed Asbestos Awareness Training;
 - 28th November – NSS held the second Senior Leadership Forum which focussed on Leadership as a component of our workforce sustainability strategic objective. We heard from Christine McLaughlin, Co-Director of Population Health and Richard Foggo, Co-Director of Population Health about leading for Care & Wellbeing through the portfolio, from Jacqui Reilly who took a further opportunity to promote the NSS approach to Quality Improvement, and from Jacqui Jones who set the leadership context. A leadership development design group has also been set up;
 - 5th December – Visit to Bain Square to meet some of the Counter Fraud Service (CFS) staff. Focus of the visit was to better understand the pharmacy scanning processes and to meet the staff providing that service. The Board should note that NSS were progressing the organisational change that would see staff and services relocating to one of the warehouses and to the Gyle Square building as the Bain Square lease ends in February 2023.
 - 6th December – Attended an Accountable Officer development event organised by SG.
- NSS currently finalising the purchase of the waste management site which, subject to commercial agreements, would conclude prior to Christmas;
- Subject to final VAT calculations and commercials, the sale of Ellen's Glen Road (previously SNBTS Headquarters) was nearing conclusion and should be finalised by the next formal Board meeting;

- The donor centre in Dundee experienced water ingress during heavy rainfall that resulted in closure of the centre for a period of around 1 week. Despite this, blood stocks remained good and the pre-Festive period stock build up continued;
- SG had now approved the NSS Annual Delivery Plan – system pressures remained high but NSS continued to perform well, whilst mitigating any risks. However, the system pressure may impact on some areas where stakeholder engagement with the Boards was required;
- Work ongoing with Public Health Scotland (PHS) to build on the strategic partnership for corporate shared services. PHS had stated their intention to continue sourcing these services from NSS with improvements identified for both organisations. A more data-led report would be made to the NSS Finance, Procurement and Performance Committee (FPPC) in February 2023;
- NSS had received a legal challenge to a major re-procurement process and court proceedings had now been initiated. The date for the preliminary hearing was set for 15th December, and a further update would be provided in due course.

Action: Board Services to add PHS update to February 2023 FPPC agenda.

6.2 Members noted the verbal update provided.

7. NSS INTEGRATED PERFORMANCE REPORT [paper B/22/38 refers]

7.1 Members discussed the report in detail and noted the following;

- NSS Annual Delivery Plan (ADP) had now been approved by the SG Sponsors and at end Quarter 2 NSS was already delivering over 80% of the targets with plans in place to achieve 90%. Those areas currently outwith the target had plans for recovery and mitigation;
- Complaints had improved since the previous quarter and were now up to 100% response within the 3 day standard;
- NSS was on track to meet financial targets but there would be challenges in relation to pay, rising energy costs and outstanding allocations;
- Compliance with mandatory and statutory training remained above 90% and high turn-over levels were mainly driven by the National Contact Centre planned reduction;
- Sickness Absence had now returned to pre-pandemic levels with stress, anxiety and depression remaining the highest reported cause. Work was ongoing via the NSS Occupation Health & Safety Committee (OHSAC) and Wellbeing Groups to focus on this. Discussions regarding potential impact on service delivery targets and any more general key themes were ongoing;
- Use of agency staff review ongoing and the work of the new NSS Vacancy Management Group was now well established;
- Status of staff on fixed term contracts was being reviewed and how this linked to non-recurring funding risks.

- 7.2 Members welcomed the new style of reporting and asked that thought be given to further show the linkages between the information provided in the report appendixes for future iterations. Members discussed the highlighted areas above in detail and asked that any visuals used in the report were consistent. All agreed that the paper had provided an acceptable level of assurance and scrutiny.

Action: L Neary to review content suggestions for future meetings.

8. ITEMS FOR INFORMATION

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

- NSS Committees Approved and Draft Minutes **[B/22/39]**
 - NSS Finance, Procurement and Performance Committee 24th August 2022 Approved Minutes;
 - NSS Finance, Procurement and Performance Committee 16th November 2022 Draft Minutes;
 - NSS Audit and Risk Committee 15th September 2022 Draft Minutes;
 - NSS Clinical Governance and Quality Improvement Committee 7th September 2022 Draft Minutes;
 - NSS Staff Governance Committee 9th September 2022 Approved Minutes;
 - NSS Staff Governance Committee 25th October 2022 Approved Minutes;
 - NSS Staff Governance Committee 24th November 2022 Draft Minutes.
- Board Forward Programme **[B/22/40]**

9. ANY OTHER BUSINESS

- 9.1 M Morgan advised that the NSS Annual Report and Accounts 2021-22 had now been laid before Parliament and would be published on the NSS Website. There was no further public business to discuss.

Meeting closed 1052.

NSS BOARD - Action List 2022/23

B/23/03

Formal Meeting held:

Item 4. NSS Risk Appetite

Assigned to: Board Services
Action: Identify and book date for Risk Workshop.
Deadline: 9.3.23
Status: Complete, booked for 20.4.23

Item 6 CEO's Update

Assigned to: Board Services
Action: Board Services to add PHS update to Feb 23 FPPC Agenda
Deadline: Immediately
Status: Complete.

Item 7 NSS Integrated Performance Report

Assigned to: Lee Neary
Action: Look to update/include suggested items into future reporting.
Deadline: 9.3.23
Status: Agenda item for 9.3.23

Formal Meeting held: 23.9.22

Item 4 Chair's Report

Assigned to: Keith Redpath
Action: Circulate slides/feedback from Chair's Away Day September 2022

Deadline: Outwith meeting

Status: Complete.

Item 7.2 Items for Information

Assigned to: Board Services

Action: Add Meridian Court item to forward programme for future meeting.

Deadline: Immediately

Status: Complete.

Formal Meeting held: 29.7.22

Item 9.3 Integrated Performance Report

Assigned to: M Neilson/C Low and J Jones

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

Deadline: Next iteration of the report

Status: Complete for next iteration of the report.

Item 9.4 Integrated Performance Report

Assigned to: Board Services

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

Deadline: 9.9.22

Status: Complete.

Formal Meeting held: 10.3.22

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

Assigned to: M Morgan/G Beattie

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

Deadline: Outwith meeting

Status: Complete.

2022-03-10 Item 5.1 Integrated Performance Report

Assigned to: All

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

Deadline: Prior to development session

Status: In progress – see development session 9.9.22

Assigned to: L Neary

Action: LN to liaise with Board Services to identify additional development session.

Deadline: Outwith meeting.

Status: Complete.

2022-03-10 Items for Information

Assigned to: J Jones/A Rooney

Action: Buy back of annual leave discussion

Deadline: Outwith meeting.

Status: Complete.

In Private Session

2022-03-10 Covid Status App

Assigned to: ARC

Action: ARC to follow up on any outstanding actions arising from the ICO's response.

Deadline: Outwith meeting.

Status: Complete.

NHS National Services Scotland

Meeting:	NSS Board
Meeting date:	9 March 2023
Title:	Corporate Governance Framework
Paper Number:	B/23/04
Responsible Executive/Non-Executive:	Lee Neary, Director of Strategy, Performance & Service Transformation
Report Author:	Hayley Barnett, Associate Director Governance and Board Services (Board Secretary)

1. Purpose

- 1.1 This paper presents the National Services Scotland (NSS) Corporate Governance Framework (GCF) for scrutiny and approval, and responds to the publication of the Scottish Government's Blueprint for Good Governance in NHS Scotland, Second Edition.

2. Recommendation

- 2.1 It is recommended that the Board:
 - 2.1.1 approve the Corporate Governance Framework (CGF); and,
 - 2.1.2 agree the approach that NSS will take to achieve the Blueprint for Good Governance in NHS Scotland, Second Edition, outlined in the Executive Summary.

3. Executive Summary

- 3.1 The Blueprint for Good Governance (BGG) in NHS Scotland, Second Edition was published on 23 December 2022 by DL (2022) 38, to provide NHS Boards with guidance on how to deliver and sustain good governance. The guidance aims to improve the effectiveness of governance in the NHS by requiring that the Boards' governance arrangements are subject to continuous review and development.

- 3.2 The BGG sets out 10 principles of good governance and there is an expectation that all NHS Boards adopt the principles, however, the models and frameworks described in the guide are not prescriptive. Boards are expected to be flexible and adapt them to ensure each board has a governance system in place that is appropriate and proportionate for their organisation. The ten principles are set out in the CGF Introduction, attached at Appendix 1.
- 3.3 In response to this publication, a full review of NSS's key corporate governance documentation has been carried out and has been brought together under a CGF. The BGG describes this suite of documents as the Operating Guidance of the Board. Paragraph 3.3.1 - 3.3.5 sets out the key substantive documents reviewed, their purpose, the key amendments proposed and the rationale for the amendments.

Corporate Governance Framework (CGF)

- 3.4 The CGF provides a short introduction to NSS and the governance requirements of the organisation, attached at Appendix 1.
- 3.4.1 **NSS Standing Orders (SOs)** - to regulate conduct of business at the NSS Board and Committee meetings, attached at Appendix 2.

The SOs have been updated to reflect the wording used in the BGG; the revised Code of Conduct for Board Members e.g., gifts and hospitality; clarified procedure in relation to urgent rulings; changed references from specific posts to the Standards Officer, and simplified and separated several SOs.

- 3.4.2 **NSS Committee Terms of Reference and Delegated Functions (ToRs)** – to define the functions delegated by the Board to each committee. The ToRs set out the committee's remit, membership, key duties and reporting requirements of each committee, attached at Appendix 3.

The NSS Board has appointed five Standing Committees: Audit and Risk; Finance, Procurement and Performance Committee; Clinical Governance and Quality Improvement; Remuneration and Succession Planning, and Staff Governance. Each set of ToRs has been reviewed and amended to be presented in a consistent format, to align with any relevant legislation or national guidance, and to align with NSS Statutory Financial Instructions (SFIs). Alignment with the SFIs has led to some additional delegations and duties being included within the ToRs; however, it should be noted that these requirements are already being carried out by the relevant committee (as per SFIs) and are not new delegations.

- 3.4.3 **NSS Scheme of Delegation** - delegates power to individual officers within the NSS management structure, attached at Appendix 4.

Currently, this document is a table of senior officer responsibilities, and detailed financial delegations are set out in the SFIs. This updated document looks significantly different; however, it does not create any new delegations. All delegations included within this updated Scheme were previously detailed in the SOs, SFIs or existing Scheme.

After a detailed discussion with the Scottish Government's Professional Advisor on NHS Governance, this was an area that required clarification and expansion. This comprehensive Scheme will also support a better understanding of roles and responsibilities across the organisation.

- 3.4.4 **NSS Statutory Financial Instructions (SFIs)** – to provide sound control of financial and related activities and ensure they are carried out in accordance with the law and Scottish Government policy, attached at Appendix 5.

The SFIs have been reviewed as per standard process by Finance and have been reviewed at the Finance, Procurement and Performance Committee (FPPC). They will remain a standalone document which forms part of the CGF. There are no substantive changes proposed for the SFIs 2023/24.

- 3.4.5 **NSS Code of Conduct for Board Members** – sets out the standards of conduct that Board Members must adhere to, attached at Appendix 6.

The revised version of the Model Code of Conduct was published on 7 December 2021 and adopted by the NSS Board in June 2022. This version has been updated to reflect NSS rather than 'my public body' as per Model Code. This is a 'cosmetic' change only but with a purpose to encourage Board Member ownership (to align with the key purpose of the national 2021 rewrite).

- 3.5 To meet the expectation in the BGG, and ensure the arrangements are subject to continuous review and development, the CGF will be reviewed annually and approved along with the Board and Committee meeting dates and committee membership for the year ahead, as per SOs. The Board and Committee meeting dates for 2023/24 are set out at Appendix 7. The current committee membership is attached at Appendix 8.

Blueprint for Good Governance (BGG) - Delivery, Evaluation and Improvement

- 3.6 The BGG is clear that to support the delivery of good governance Boards should have an assurance framework and integrated governance system that brings together strategic planning, risk management and assurance information systems. Following approval of the CGF, an overarching review of the Board Assurance Framework is required as well as a specific review into risk management. Two further linked pieces of work which are already progressing are an assessment of the assurance controls for risk and a review of the Integrated Risk Management Approach (IRMA).

- 3.7 A Risk Workshop with all Board and EMT members has been arranged for 20 April 2023 to develop this further. Implementing the outcomes of this session and developing a new corporate management and reporting system for risk is a priority for the Strategy Performance and Service Transformation (SPST) Directorate in 2023/24. The outcome of the risk management review will also shape the development of the organisation's approach to performance management and other assurance information systems.
- 3.8 The BGG sets out the Scottish Government's preferred approach to evaluation:
- Appraisal of Board Members' individual performance
 - Self-assessment of the Board's effectiveness
 - External review of the organisation's governance arrangements.
- 3.9 The Scottish Government is responsible for developing and implementing the performance appraisal system for Board Members and for commissioning and managing a programme of structured external governance reviews over a three-year period. It is the Board's responsibility to ensure you are regularly reviewing your governance arrangements and to carry out an annual structured self-assessment to review your effectiveness, identifying any new and emerging issues or concerns.
- 3.10 The NSS Board has previously carried out two self-assessment exercises in 2016 and 2019 in response to governance changes and the first version of the BGG. The Board responded to a set questionnaire and the outcomes from this formed the basis for development sessions over the period and the development of an action plan. The main areas of focus for improvement were identified as; engagement with stakeholders; review of information coming to the Board/ Committees (content, timing, quality), and understanding and communication of risk. Although all specific detailed actions from the 2019 self-assessment are complete, challenges within the three aforementioned areas still exist.
- 3.11 Scottish Government has established an advisory group to ensure NHS self-assessment and external assessment methods are in line with current good governance practice and have confirmed a refreshed set of questions and guidance will be issued. As soon as this is received, a self-assessment will be carried out and improvement plan developed. To ensure momentum continues, work will commence on the review of the Board Assurance Framework and risk reporting, and this will be reflected in the self-assessment exercise and fed into the improvement action plan.

4. Impact Analysis

4.1 Quality/ Patient Care

4.1.1 There is no direct impact on the quality of care (and services) associated with this paper. Amended ToRs for the Clinical Governance and Quality Improvement Committee and an expanded Scheme of Delegation will support good governance in this area.

4.2 Equality and Diversity, including health inequalities

4.2.1 An equality impact assessment is not required for this paper.

4.3 Data protection and information governance

4.3.1 Data protection and information risks fall within the remit of the Audit and Risk Committee. Amended ToRs and an expanded Scheme of Delegation with a detailed Information Governance section will support good governance in this area.

5. Risk Assessment/Management

5.1 Risk falls within the remit of the Audit and Risk Committee. Amended ToRs, alignment with the SFIs and an expanded Scheme of Delegation will provide clarity of roles and responsibilities in relation to Risk Management.

5.2 There is no requirement for any additional risks to be added to the Risk Register at this stage.

6. Financial Implications

6.1 The SFIs set out the financial governance arrangements of the organisation. Finance colleagues have been engaged to align the SFIs with wider corporate governance documentation. Alignment of corporate governance documentation is an essential component of the organisational financial controls.

7. Workforce Implications

7.1 Clarity of roles and responsibilities within governance documentation will support a better organisational understanding of governance responsibilities.

8. Climate Change and Environmental Sustainability Implications

8.1 Climate Change and Environmental Sustainability sits within the Finance Procurement and Performance Committee (FPPC) remit. Amended FPPC ToRs will ensure matters are fully considered.

9. Route to Meeting

This report is being considered at EMT for submission to Board, as per SOs.

10. List of Appendices and/or Background Papers

10.1 Appendix 1 – Corporate Governance Framework Introduction
Appendix 2 – Standing Orders
Appendix 3 – Committee Terms of Reference and Delegated Functions (ToRs)
Appendix 4 – Scheme of Delegation
Appendix 5 – Standing Financial Instructions
Appendix 6 – Code of Conduct for Board Members
Appendix 7 – Board and Committee meeting dates, 2023/24
Appendix 8 – Committee Membership, 2023/24

CORPORATE GOVERNANCE FRAMEWORK

SECTION 1 - INTRODUCTION

SECTION 2 – STANDING ORDERS

SECTION 3 – TERMS OF REFERENCE

3.1 Audit and Risk Committee

3.2 Clinical Governance and Quality Improvement Committee

3.3 Finance, Procurement and Performance Committee

3.4 Staff Governance Committee

3.5 Remuneration and Succession Planning Committee

SECTION 4 – SCHEME OF DELEGATION

SECTION 5 – STANDING FINANCIAL INSTRUCTIONS

SECTION 6 – CODE OF CONDUCT FOR BOARD MEMBERS

APPENDIX 1 – BOARD AND COMMITTEE MEETING DATES

APPENDIX 2 – BOARD AND COMMITTEE MEMBERSHIP

SECTION 1 - INTRODUCTION

- 1.1 National Services Scotland's (NSS) Code of Corporate Governance (CGG) is based on the general principles of the UK Corporate Governance Code and the NHS Scotland Health Boards and Special Health Boards – Blueprint for Good Governance (BGG) Second Edition.
- 1.2 The UK Corporate Governance Code defines corporate governance as the system by which organisations are directed and controlled.
- 1.3 The NHS Scotland *Health Boards and Special Health Boards – Blueprint for Good Governance Second Edition* includes a definition of governance in healthcare and has been developed for use by NHS Scotland. This definition has been expressed as:

“Governance is the means by which NHS Boards direct and control the healthcare system to deliver Scottish Government policies and strategies and ensure the long-term success of the organisation. It is the ability to ask questions and make decisions to improve population health and address health inequalities, while delivering safe, effective and high quality healthcare services. It is to be distinguished from executive-led operational management.”

- 1.4 The Blueprint also identifies ten principles of good governance. These are:
 1. Good governance requires the Board to set strategic direction, hold executives to account for delivery, manage risk, engage stakeholders and influence organisational culture.
 2. Good governance requires a Board that consists of a diverse group of people with the necessary skills, experience, values, behaviours and relationships.
 3. Good governance requires that roles, responsibilities and accountabilities at Board and executive level are clearly defined and widely communicated.
 4. Good governance requires an assurance framework that aligns strategic planning and change implementation with the organisation's purpose, aims, values, corporate objectives and operational priorities.
 5. Good governance requires an integrated governance system that coordinates and links the delivery of strategic planning and commissioning, risk management, assurance information flows, audit and sponsor oversight.
 6. Good governance requires operating guidance that is agreed, documented, widely- communicated and reviewed by the Board on a regular basis.
 7. Good governance requires regular evaluation of governance arrangements to ensure it is proportionate, flexible and subject to continuous improvement.

8. Good governance requires an active approach that anticipates and responds to risks and opportunities which could have a significant impact on the delivery of corporate objectives, the Board's relationships with stakeholders and the management of the organisation's reputation.
 9. Good governance requires a collaborative approach that ensures the organisation's systems are integrated or aligned with the governance arrangements of key external stakeholders.
 10. Good governance requires governance arrangements that are incorporated in the organisation's approach to the management of day-to-day operations and the implementation of change.
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- 1.5 The NSS CGF sets out the governance framework for the organisation. This includes; the **Standing Orders** to regulate conduct of business at the NSS Board and Committee meetings; the **Committee Terms of Reference and Delegated Functions (ToRs)** to define the functions delegated by the Board to each committee; the **Scheme of Delegation** to delegate power to individual officers within the NSS Management Structure; the **Standing Financial Instructions** to provide sound control of financial and related activities; the **Code of Conduct for Board Members** to set out the standards of conduct that Board members must adhere to.
 - 1.6 To meet the expectation in the BGG, and ensure the arrangements are subject to continuous review and development, the CGF will be reviewed annually and approved along with the Board and Committee meeting dates and committee membership for the year ahead, as per SOs. The Board and Committee meeting dates for relevant year will be appended to the CGF.

NATIONAL SERVICE SCOTLAND (NSS) - INTRODUCTION

- 2.1 NSS is a Non-Departmental Public Body (NDPB), accountable to Scottish Ministers. NSS was established as the Common Services Agency in 1974 under The National Health Service (Functions of the Common Services Agency) (Scotland) Order 1974, with a mandate to provide national strategic support services and expert advice to Scotland's health sector whilst maximising health impacts and cost savings.
- 2.2 In 2013, the Public Services Reform (Functions of the Common Services Agency for the Scottish Health Service) (Scotland) Order 2013 extended the remit of NSS enabling the provision of services to other bodies, including local authorities and government departments.
- 2.3 The framework within which NSS operates is agreed with Scottish Government and set out within the Scottish Government – NHS NSS Framework Agreement, 2018 (currently being reviewed). It defines the key roles and responsibilities which underpin the relationship between NSS and the SG.
- 2.4 The Scottish Ministers are ultimately accountable to the Scottish Parliament for the activities of NSS and its use of resources. Their responsibilities include:
 - agreeing NSS's strategic aims and objectives and key targets as part of the corporate planning process,
 - agreeing the budget and the associated grant in aid requirement to be paid to NSS, and securing the necessary Parliamentary approval,
 - carrying out responsibilities specified in the founding legislation such as appointments to NSS's board, approving the terms and conditions of board members,
 - other matters such as approving NSS's chief executive and staff pay remit in line with SG Pay Policy and laying the accounts (together with the annual report) before the Scottish Parliament.
- 2.5 The roles and responsibilities of the Board and NSS officers are set out within the other sections of the CGF.



STANDING ORDERS

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

March 2023

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

1 General

- 1.1 National Services Scotland (NSS) was established as the Common Services Agency in 1974 under The National Health Service (Functions of the Common Services Agency) (Scotland) Order 1974.
- 1.2 These Standing Orders for regulation and the conduct and proceedings of the Common Services Agency (more commonly known as NSS) Board are in line with The Common Services Agency (Membership and Procedure) regulations (1991 No.564 (S.49).
- 1.3 The procedures set out below also take into account the terms of The Health Boards (Membership and Procedure) (Scotland) Regulations 2001 (2001 No. 302), as amended up to and including The Health Boards (Membership and Procedure) (Scotland) Amendment Regulations 2016 (2016 No. 3)., where appropriate, to better align with the Health Boards that it serves.
- 1.4 The NHS Scotland Health Boards and Special Health Boards - Blueprint for Good Governance Second Edition (issued through DL (2022) 38) has informed these Standing Orders. The Blueprint states Boards are primarily responsible for the delivery of the five primary functions of governance. These are described as:
 - 1.4.1 Setting the direction**, including clarifying priorities and defining change and transformational expectations.
 - 1.4.2 Holding the Executive Leadership Team to account** by seeking assurance that the organisation is being effectively managed and change is being successfully delivered.
 - 1.4.3 Managing risks** to the quality, delivery, and sustainability of services.
 - 1.4.4 Engaging with key stakeholders**, as and when appropriate.
 - 1.4.5 Influencing** the Board's and the wider organisational culture.

Further information on the role of the Board, Board members, the Chair, Vice-Chair, and the Chief Executive is available on the NHS Scotland Board Development website (<https://learn.nes.nhs.scot/17367/board-development>)
- 1.5 The Scottish Ministers shall appoint the members of the Board. The Scottish Ministers shall also attend to any issues relating to the resignation and removal, suspension, and disqualification of members in line with the above regulations.
- 1.6 Any statutory provision, regulation, or direction by Scottish Ministers, shall have precedence if they conflict with these Standing Orders.
- 1.7 Any one or more of these Standing Orders may be varied or revoked at a meeting of the Board by a majority of members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly

states the extent of the proposed repeal, addition, or amendment. Standing Order 1.6 will not be capable of suspension.

- 1.8 The Board will annually review its Standing Orders.
- 1.9 Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances. The Scottish Ministers may by determination suspend a member from taking part in the business (including meetings) of the Board. Paragraph 5.4 sets out when the person presiding at a Board meeting may suspend a Board member for the remainder of a specific Board meeting. The Standards Commission for Scotland can apply sanctions if a Board member is found to have breached the NSS Code of Conduct for Board Members, and those include suspension and disqualification. The regulations set out at 1.2 also set out grounds for why a person may be disqualified from being a member of the Board.

Board Members – Ethical Conduct

- 1.10 Members have a personal responsibility to comply with the NSS Code of Conduct for Board Members. The Code has been issued by the Scottish Ministers, with the approval of the Scottish Parliament, as required by the Ethical Standards in Public Life (Scotland) Act 2000, as amended. Complaints of breaches of the NSS Code of Conduct for Board Members are investigated by the Ethical Standards Commissioner and adjudicated upon by the Standards Commission for Scotland.
- 1.11 The Board have appointed a Standards Officer. This individual is responsible for carrying out the duties of that role, however he or she may delegate the carrying out of associated tasks to other members of staff. The Board's appointed Standards Officer shall ensure that the Board's Register of Interests is maintained. When a member needs to update or amend his or her entry in the Register, he or she must notify the Board's appointed Standards Officer of the need to change the entry within one month after the date the matter is required to be registered.
- 1.12 The Board's appointed Standards Officer shall ensure the Register is available for public inspection at the principal offices of the Board at all reasonable times and will be included on the Board's website.
- 1.13 Members must always consider the relevance of any interests they may have to any business presented to the Board or one of its committees. Members must observe paragraphs 5.6 - 5.10 of these Standing Orders and have regard to Section 5 of the NSS Code of Conduct (Declaration of Interests) for Board Members.
- 1.14 In case of doubt as to whether any interest or matter should be declared, in the interests of transparency, members are advised to make a declaration and not to participate in consideration of that item.

- 1.15 Members must comply with Section 3.13 - 3.21 of the NSS Code of Conduct for Board Members in relation to gifts and hospitality. Having done so there is no need to register any gifts and hospitality.
- 1.16 The Standard's Officer shall provide a copy of these Standing Orders to all members of the Board on appointment. A copy shall also be held on the Board's website.

2 Chair

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

3 Vice-Chair

- 3.1 The Chair shall nominate a candidate or candidates for vice-chair to the Cabinet Secretary. The candidate(s) must be a non-executive member of the Board. The Board's Whistleblowing Champion and Board Members who are employees of the organisation are disqualified from being Vice-Chair. The Cabinet Secretary will in turn determine who to appoint based on evidence of effective performance and evidence that the member has the skills, knowledge and experience needed for the position. Following the decision, the Board shall appoint the member as Vice-Chair. Any person so appointed shall, so long as he or she remains a member of the Board, continue in office for such a period as the Board may decide.
- 3.2 The Vice-Chair may at any time resign from that office by giving notice in writing to the Chair. The process to appoint a replacement Vice-Chair is the process described at paragraph 3.1.
- 3.3 Where the Chair has died, ceased to hold office, or is unable for a sustained period to perform his or her duties due to illness, absence from Scotland or for any other reason, then the Board's Standard's Officer should refer this to the Scottish Government. The Cabinet Secretary will confirm which member may assume the role of interim chair in the period until the appointment of a new chair, or the return of the appointed chair. Where the Chair is absent for a short period due to leave (for whatever reason), the Vice-Chair shall assume the role of the Chair in the conduct of the business of the Board. In either of these circumstances references to the Chair shall, so long as there is no Chair able to perform the duties, be taken to include references to either the interim chair or the Vice-Chair. If the Vice-Chair has been appointed as the Interim Chair, then the process described at paragraph 3.1 will apply to replace the Vice-Chair.

4 Calling and Notice of Board Meetings

- 4.1 The Chair may call a meeting of the Board at any time and shall call a meeting when required to do so by the Board. The Board shall meet not less than once

in every three months in any given year and will annually approve a forward schedule of meeting dates.

- 4.2 The Chair will determine the final agenda for all Board meetings. The agenda may include an item for any other business; however, this can only be for business which the Board is being informed of for awareness, rather than being asked to make a decision. No business shall be transacted at any meeting of the Board other than that specified in the notice of the meeting except on grounds of urgency. The Chair must rule that it is a matter of urgency and give the reasons for the ruling to be noted in the minutes. The item must be made known at the start of the meeting when the order of business is decided.
- 4.3 Any member may propose an item of business to be included in the agenda of a future Board meeting by submitting a request to the Chair. If the Chair elects to agree to the request, then the Chair may decide whether the item is to be considered at the Board meeting which immediately follows the receipt of the request, or a future Board meeting. The Chair will inform the member which meeting the item will be discussed. If any member has a specific legal duty or responsibility to discharge which requires that member to present a report to the Board, then that report will be included in the agenda.
- 4.4 In the event that the Chair decides not to include the item of business on the agenda of a Board meeting, then the Chair will inform the member in writing as to the reasons why.
- 4.5 A Board meeting may be called if one third of the whole number of members including at least two members who are also not officers signs a requisition for that purpose. The requisition must specify the business proposed to be transacted. The Chair is required to call a meeting within 7 days of receiving the requisition. If the Chair does not do so, or simply refuses to call a meeting, those members who presented the requisition may call a meeting by signing an instruction to approve the notice calling the meeting provided that no business shall be transacted at the meeting other than that specified in the requisition.
- 4.6 Before each meeting of the Board, a notice of the meeting (in the form of an agenda), specifying the time, place and business proposed to be transacted at it and approved by the Chair, or by a member authorised by the Chair to approve on that person's behalf, shall be circulated to every member to be available to them at least three clear days before the meeting. The notice shall be distributed along with any papers for the meeting that are available at that point.
- 4.7 With regard to calculating clear days for the purpose of notice under 4.6 and 4.9, the period of notice excludes the day the notice is sent out and the day of the meeting itself. Additionally, only working days (Monday to Friday) are to be used when calculating clear days; weekend days and public holidays should be excluded.

Example: If a Board is meeting on a Wednesday, the notice and papers for the meeting should be distributed to members no later than the preceding

Thursday. The three clear days would be Friday, Monday, and Tuesday. If the Monday was a public holiday, then the notice and papers should be distributed no later than the preceding Wednesday.

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

5 Conduct of Meetings

Authority of the Person Presiding at a Board Meeting

- 5.1 The Chair shall preside at every meeting of the Board. The Vice-Chair shall preside if the Chair is absent. If both the Chair and Vice Chair are absent, the members present at the meeting shall choose a Board member who is not an employee of a Board to preside.
- 5.2 The duty of the person presiding at a meeting of the Board or one of its committees is to ensure that the Standing Orders or the committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.
- 5.3 The person presiding may direct that the meeting can be conducted in any way that allows members to participate, regardless of where they are physically located, e.g., videoconferencing, teleconferencing. For the avoidance of doubt, those members using such facilities will be regarded as present at the meeting.
- 5.4 In the event that any member who disregards the authority of the person presiding, obstructs the meeting, or conducts himself/herself inappropriately the person presiding may suspend the member for the remainder of the meeting. If a person so suspended refuses to leave when required by the person presiding to do so, the person presiding will adjourn the meeting in line with paragraph 5.12. For paragraphs 5.5 to 5.20, reference to 'Chair' means the person who is presiding the meeting, as determined by paragraph 5.1.

Quorum

- 5.5 The Board will be deemed to meet only when there are present, as per paragraph 5.3 and entitled to vote, a quorum of at least one third of the whole number of members, including at least two members who are not employees of a Board. The quorum for committees will be set out in their terms of reference, however it can never be less than two Board members.
- 5.6 In determining whether a quorum is present the Chair must consider the effect of any declared interests.
- 5.7 If a member, or an associate of the member, has any pecuniary or other interest, direct or indirect, in any contract, proposed contract or other matter under consideration by the Board or a committee, the member should declare that interest at the start of the meeting. This applies whether that interest is already recorded in the Board Members' Register of Interests. Following such a declaration, the member shall be excluded from the Board or committee meeting when the item is under consideration and should not be counted as participating in that meeting for quorum or voting purposes.
- 5.8 Paragraph 5.7 will not apply where a member or an associate of theirs, interest in any company, body or person is so remote or insignificant that it cannot reasonably be regarded as likely to affect any influence in the consideration or discussion of any question with respect to that contract or matter. In March 2015, the Standards Commission granted a dispensation to NHS Board members who are also voting members of integration joint boards. The effect is that those members do not need to declare as an interest that they are a member of an integration joint board when taking part in discussions of general health & social care issues. However, members still must declare other interests as required by Section 5 of the NSS Code of Conduct for Board Members.
- 5.9 If a question arises at a Board meeting as to the right of a member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting be referred to the Chair. The Chair's ruling in relation to any member other than the Chair is to be final and conclusive. If a question arises about the participation of the Chair in the meeting (or part of the meeting) for voting or quorum purposes, the question is to be decided by the members at that meeting. For this latter purpose, the Chair is not to be counted for quorum or voting purposes.
- 5.10 Paragraphs 5.6-5.9 shall equally apply to members of any Board committees, whether they are also members of the Board, e.g., stakeholder representatives.
- 5.11 When a quorum is not present, the only action that can be taken are to either adjourn to another time or abandon the meeting altogether and call another one. The quorum should be monitored throughout the conduct of the meeting in the event that a member leaves during a meeting, with no intention of returning. The Chair may set a time limit to permit the quorum to be achieved before electing to adjourn, abandon or bring a meeting that has started to a close.

Adjournment

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

Business of the Meeting

The Agenda

- 5.13 If a member wishes to add an item of business which is not in the notice of the meeting, he or she must make a request to the Chair ideally in advance of the day of the meeting and certainly before the start of the meeting. The Chair will determine whether the matter is urgent as per paragraph 4.2, and accordingly whether it may be discussed at the meeting.
- 5.14 The Chair may change the running order of items for discussion on the agenda at the meeting. Please also refer to paragraph 4.2.

Decision-Making

- 5.15 The Chair may invite the lead for any item to introduce the item before inviting contributions from members. Members should indicate to the Chair if they wish to contribute, and the Chair will invite all who do so to contribute in turn. Members are expected to question and challenge proposals constructively and carefully to reach and articulate a considered view on the suitability of proposals.
- 5.16 The Chair will consider the discussion, and whether a consensus has been reached. Where the Chair concludes that consensus has been reached, then the Chair will normally end the discussion of an item by inviting agreement to the outcomes from the discussion and the resulting decisions of the Board.
- 5.17 As part of the process of stating the resulting decisions of the Board, the Chair may propose an adaptation of what may have been recommended to the Board in the accompanying report, to reflect the outcome of the discussion.
- 5.18 The Board may reach consensus on an item of business without taking a formal vote, and this will be normally what happens where consensus has been reached.
- 5.19 Where the Chair concludes that there is not a consensus on the Board's position on the item and/ or what it wishes to do, then the Chair will put the decision to a vote. If at least two Board members ask for a decision to be put to a vote, then the Chair will do so. Before putting any decision to vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.

- 5.20 Where a vote is taken, the decision shall be determined by a majority of votes of the members present and voting on the question. In the case of an equality of votes, the Chair shall have a second or casting vote. The Chair may determine the method for taking the vote, which may be by a show of hands, or by ballot, or any other method the Chair determines.
- 5.21 While the meeting is in public the Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting.

Board Meeting in Private Session

- 5.22 The Board may agree to meet in private to consider certain items of business. The Board may decide to meet in private on the following grounds:
- 5.22.1 The Board is still in the process of developing proposals or its position on certain matters and needs time for private deliberation.
- 5.22.2 The business relates to the commercial interests of any person and confidentiality is required, e.g., when there is an ongoing tendering process or contract negotiation.
- 5.22.3 The business necessarily involves reference to personal information and requires to be discussed in private to uphold the Data Protection Principles.
- 5.22.4 The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.
- 5.23 The minutes of the meeting will reflect when the Board has resolved to meet in private.

Minutes

- 5.24 The names of members present at a meeting of the Board, or of a committee of the Board, shall be recorded in the minute of the meeting. The names of other persons in attendance shall also be recorded.
- 5.25 The Board's Standard's Officer (or his/her authorised nominee) shall prepare the minutes of meetings of the Board and its committees. The Board or the committee shall review the draft minutes at the following meeting. The person presiding at that meeting shall sign the approved minute.

6 Matters Reserved for the Board

Introduction

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

6.2 The matters reserved to the Board are:

- 6.2.1 Corporate Governance Framework, including the Standing Orders, terms of reference of all its committees and appointment of committee members, Standing Financial Instructions, and the Scheme of Delegation.
- 6.2.2 Organisational Values.
- 6.2.3 The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
- 6.2.4 The Annual Delivery Plan (ADP) for submission to the Scottish Government for its approval. (Note: The Board should consider the draft for submission in private session. Once the Scottish Government has approved the Annual Delivery Plan, the Board should receive it at a public Board meeting.)
- 6.2.5 Corporate objectives or corporate plans which have been created to implement its agreed strategies.
- 6.2.6 Risk Management Policy.
- 6.2.7 Financial plan for the forthcoming year, and the opening revenue and capital budgets.
- 6.2.8 Annual accounts and report. (Note: This must be considered when the Board meets in private session. To respect Parliamentary Privilege, the Board cannot publish the annual accounts, or any information drawn from it before the accounts are laid before the Scottish Parliament. Similarly, the Board cannot publish the report of the external auditors of their annual accounts in this period.)
- 6.2.9 Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the Scottish Capital Investment Manual.
- 6.2.10 The Board shall approve the content, format, and frequency of performance reporting to the Board.
- 6.2.11 The appointment of the Board's chief internal auditor. (Note: This applies either when the proposed chief internal auditor will be an employee of the Board, or when the chief internal auditor is engaged through a contract with an external provider. The audit committee should advise the Board on the appointment, and the Board may delegate to the audit committee oversight of the process which leads to a recommendation for appointment.)
- 6.2.12 Arrangements for the approval of all policies.
- 6.2.13 The system for responding to any civil actions raised against the Board.
- 6.2.14 The system for responding to any occasion where the Board is being investigated and / or prosecuted for a criminal or regulatory offence.

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

7 Delegation of Authority by the Board

- 7.1 Except for the Matters Reserved for the Board, the Board may delegate authority to act on its behalf to committees, individual Board members, or other Board employees. In practice this is achieved primarily through the Board's approval of the Standing Financial Instructions ([NSS SFI's](#)) and the Scheme of Delegation.
- 7.2 The Board may delegate responsibility for certain matters to the Chair for action. In such circumstances, the Chair should inform the Board of any decision or action subsequently taken on these matters.
- 7.3 The Board and its officers must comply with the [NHS Scotland Property Transactions Handbook](#), and this is cross-referenced in the Scheme of Delegation.
- 7.4 The Board may, from time to time, request reports on any matter or may decide to reserve any particular decision for itself. The Board may withdraw any previous act of delegation to allow this.

8 Execution of Documents

- 8.1 Where a document requires to be authenticated under legislation or rule of law relating to the authentication of documents under the Law of Scotland, or where a document is otherwise required to be authenticated on behalf of the Board, it shall be signed by an executive member of the Board, or any person duly authorised to sign under the Scheme of Delegation in accordance with the Requirements of Writing (Scotland) Act 1995. Before authenticating any document, the person authenticating the document shall satisfy themselves that all necessary approvals in terms of the Board's procedures have been satisfied. A document executed by the Board in accordance with this paragraph shall be self-proving for the purposes of the Requirements of Writing (Scotland) Act 1995.
- 8.2 Scottish Ministers shall direct which officers of the Board can sign on their behalf in relation to the acquisition, management, and disposal of land.
- 8.3 Any authorisation to sign documents granted to an officer of the Board shall terminate upon that person ceasing (for whatever reason) from being an employee of the Board, without further intimation or action by the Board.

9 Committees

- 9.1 Subject to any direction issued by Scottish Ministers, the Board shall appoint such committees (and sub-committees) as it thinks fit. NHS Scotland Board Development website will identify the committees which the Board must establish.
- 9.2 As of April 2022, the NSS Board has appointed the following Committees:
- 9.2.1 NSS Audit & Risk Committee

- 9.2.2 NSS Finance, Procurement & Performance Committee
- 9.2.3 NSS Clinical Governance & Quality Improvement Committee
- 9.2.4 NSS Remuneration & Succession Planning Committee
- 9.2.5 NSS Staff Governance Committee

- 9.2 The Board shall appoint the chairs of all committees. The Board shall approve the terms of reference and membership of the committees. The Board shall review these as and when required and shall review the terms within 2 years of their approval if there has not been a review.
- 9.3 The Board shall appoint committee members to fill any vacancy in the membership as and when required. If a committee is required by regulation to be constituted with a particular membership, then the regulation must be followed.
- 9.4 Provided there is no Scottish Government instruction to the contrary, any non-executive Board member may replace a committee member who is also a non-executive Board member, if such a replacement is necessary to achieve the quorum of the committee.
- 9.5 The Board's Standing Orders relating to the calling and notice of Board meetings, conduct of meetings, and conduct of Board members shall also be applied to committee meetings. The general expectation is that committee meetings shall not be held in public, and the associated committee papers shall not be placed on the Board's website, unless the Board specifically elects otherwise.
- 9.6 Generally, Board members who are not members of a committee may attend a committee meeting and have access to the meeting papers. However, if the committee elects to consider certain items as restricted business (in private), then the meeting papers for those items will normally only be provided to members of that committee. The person presiding the committee meeting may agree to share the (private) meeting papers for restricted business papers with others.
- 9.7 The Board shall approve a calendar of meeting dates for its committees. The committee chair may call a meeting any time and shall call a meeting when requested to do so by the Board.
- 9.8 The Board may authorise committees to co-opt members for a period up to one year, subject to the approval of both the Board and the Accountable Officer. A committee may decide this is necessary to enhance the knowledge, skills, and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of National Services Scotland NHS Board and is not to be counted when determining the committee's quorum.

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE



1. Remit

- 1.1 The National Services Scotland (NSS) Audit and Risk Committee (ARC) is established in accordance with Scottish Public Finance Manual, the Scottish Government Audit and Assurance Committee Handbook (3 April 2018), and is established as a committee of the NSS Board.
- 1.2 The purpose of the Committee is to provide independent advice and support the Chief Executive (as the Board's Accountable Officer) and the Board in to support their responsibilities of risk, control and governance and meeting their assurance needs.
- 1.3 The Committee has no executive authority and is not charged to make or endorse any decisions. The Committee may draw attention to strengths and weaknesses in internal control and make recommendations for how such weaknesses might be dealt with.
- 1.4 The Board authorises the committee to:
 - 1.4.1 Investigate any activity which is within its terms of reference, and in doing so, is authorised to seek any information it requires from any Board member or employee. All members and employees are directed to co-operate with any request made by the Committee.
 - 1.4.2 Obtain specialist ad-hoc advice at the expense of the organisation, subject to the budgets agreed by the Board and the Chief Executive.
 - 1.4.3 Co-opt additional members for a period not exceeding one year to provide specialist skills, knowledge, and experience.

2. Membership

Membership

- 2.1 The Committee's membership shall consist of six non-executive members of the Board. The Board must ensure that at least one member has recent and relevant financial experience. The Board will appoint one of these members to be the chair of the committee. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.
- 2.2 A non-executive Board member who is also an employee of an NHS Board will not be regarded as independent. The Chair of the Board and any employee of the Board may not be a member of the Committee.
- 2.3 The Board may appoint independent external members if there is an insufficient number of non-executive Board members to form the Committee.

- 2.4 The Board will appoint independent external Committee members for a period of no more than three years but may re-appoint a member if the Board is satisfied with the member's contribution.

Attendees

- 2.5 The Director of Finance shall be the lead executive officer to the Committee. The Committee will normally invite the Chief Executive, Director of Finance, Chief Internal Auditor, and a representative of the external auditor to attend its meetings. The Committee may invite other officers to attend meetings to support the consideration and discussion of agreed items of business.

Private Meetings

- 2.6 The Committee may agree to meet in private to consider certain items of business without any non-members present. The Committee may also meet in private with the internal auditors and external auditors as required but this should happen at least once a year at a minimum.
- 2.7 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present.

4. Meetings

Frequency of Meetings

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

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.
- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

5. Reporting Arrangements

- 5.1 The Committee Chair will provide a report to the Board and the Chief Executive after each meeting of the committee. A copy of the minutes may form the basis of this report. The Chief Internal Auditor and the external auditor should receive a copy of the report.

- 5.2 The ARC will provide an annual report to the Board to provide assurance as set out in the remit at 1. This report will be timed to support the preparation of the Governance Statement and the content of the report will reflect the requirements set out in paragraphs 5.5 and 5.6 of the Scottish Government Audit and Assurance Committee Handbook (3 April 2018).
- 5.3 The Committee will develop a work plan to discharge its remit and duties, which will determine the information that it requires at meetings and consequently the agenda for those meetings. The Committee will normally require at every meeting:
 - 5.3.1 A report on the risk register which summarises any changes.
 - 5.3.2 Progress reports from the internal and external auditors, including details of any work they have performed and the key issues that have emerged.
 - 5.3.3 Identified information governance risks.

6. Key Duties

- 6.1 The key duties of the committee are:
 - 6.1.1 Helping the Chief Executive and the Board identify and formulate their assurance needs regarding risk management, governance, and internal control.
 - 6.1.2 Reviewing and constructively challenging the assurances that have been provided as to whether their scope meets the needs of the Chief Executive and the Board.
 - 6.1.3 Reviewing the reliability and integrity of those assurances, i.e., considering whether they are founded on reliable evidence, and that the conclusions are reasonable in the context of that evidence.
 - 6.1.4 Drawing attention to weaknesses in systems of risk management, governance, and internal control, and making suggestions as to how those weaknesses can be addressed.
 - 6.1.5 Commissioning further assurance work for areas that are not being subjected to sufficient review.
 - 6.1.6 Seeking assurance that management are remedying previously identified areas of weakness.
 - 6.1.7 Monitor and review NSS's performance and compliance in respect of Information Governance and Data Protection legislation and processes.
- 6.2 The Committee will specifically advise the Board and Chief Executive on:
 - 6.2.1 The strategic processes for risk, control, and governance and the governance statement, and how they support the achievement of the Board's strategies and objectives.
 - 6.2.2 The accounting policies, the annual accounts, and the Board's annual report. This includes the process for review of the accounts before they are submitted for audit, levels of error identified, and management's letter of representation to the external auditors.
 - 6.2.3 The planned activity and results of both internal and external audit.
 - 6.2.4 The performance of the internal audit function.

- 6.2.5 The adequacy of management response to issues identified by audit activity, including external audit's management letter or report.
 - 6.2.6 The effectiveness of the internal control environment.
 - 6.2.7 Assurances relating to the corporate governance requirements for the Board.
 - 6.2.8 The appointment of the Chief Internal Auditor.
 - 6.2.9 The purchase of non-audit services from contractors who provide audit services.
 - 6.2.10 The Board's policies, procedures, and processes where they relate to risk management, governance, and internal control. Examples are the Board's Standing Orders, Standing Financial Instructions, Scheme of Delegation, risk management policy, ethical conduct, prevention of bribery and corruption, fraud management policy and action-plan, and Whistleblowing.
 - 6.2.11 The skills required for committee effectiveness, to inform the selection of members of the committee.
 - 6.2.12 Review annually the nature of and expenditure incurred by each Directorate on the employment of Management Consultants in the preceding year.
 - 6.2.13 Review annually all detailing all losses written off and special payments made including ex-gratia payments made to staff in line with Section 18 of NSS SFIs – Losses and Special Payments
 - 6.2.14 Review annually NSS's Fraud and Other Illegal Acts Register
 - 6.2.15 Review reports presented on instances of banking accounts being overdrawn
- 6.3 In addition, the committee also has specific duties in relation to information governance:
- 6.3.1 Consider and scrutinise NSS's compliance with relevant legislation, duties under Common Law and performance against national standards with regards to information governance. This duty covers the following components of information governance: Caldicott Guardianship and Confidentiality; Data Protection; Information Security; Freedom of Information and Records Management.
 - 6.3.2 Review at each meeting reports on performance relating to information governance matters across NSS and satisfy itself that appropriate progress is being made to improve the quality of information governance across NSS.
 - 6.3.3 Satisfy itself that each NSS Directorate has processes in place to monitor and report information governance incidents, risks, and complaints.
 - 6.3.4 Review at each meeting identified information governance risks, issues, and complaints, and satisfy itself that appropriate action has been taken, lessons learnt, and improvements implemented.
 - 6.3.5 Review annually the risk appetite of NSS in relation to information governance.

7. Supplementary Information for Boards and Committee Members

- 7.1 The Scottish Government Audit and Assurance Committee Handbook (3 April 2018) includes further advice on audit committees as follows:
- Annex A: The role of the Chair: Good Practice
 - Annex B: Committee support: good practice
 - Annex C: Model Letter of Appointment
 - Annex D: Model Terms of Reference
 - Annex E: Example Annual Core Work Programme
 - Annex F: Key Lines of Enquiry
 - Annex G: Competency Framework
 - Annex H: Self-Assessment Checklist
- 7.2 The NHS Scotland Board Development website also has a wealth of material on NHS Scotland which is relevant to governance, risk management, and internal control.
- <https://learn.nes.nhs.scot/17367/board-development>

CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE TERMS OF REFERENCE



1. Remit

- 1.1 The National Services Scotland (NSS) Clinical Governance and Quality Improvement Committee (CGQIC) is established in accordance with the guidance given in MEL (1998) 75, reinforced by MEL (2000) 29, and is established as a committee of the NSS Board.
- 1.2 The purpose of the Committee is to provide assurance to the NSS Board that the clinical activities of NSS are appropriately governed and monitored as to their safety, quality and effectiveness and that Quality Improvement and Realistic Medicine are at the core of its work.

2. Membership

Membership

- 2.1 Membership shall comprise six non-executive members of the Board, including the Board Chair. The Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

Attendees

- 2.2 The Medical Director and Director of Nursing shall be the lead executive officers to the Committee and will arrange for such other officers to attend as required by the business of the committee.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present.

4. Meetings

Frequency of Meetings

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

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.
- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or

unconfirmed format, as the means of updating the Board on the work of the Committee.

Private Meetings

- 4.4 The Committee may agree to meet in private to consider certain items of business without any non-members present.
- 4.5 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

5. Reporting

- 5.1 The CGQIC is to report activities and progress annually to the NSS Board as described in these terms of reference. The CGQIC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.
- 5.2 The CGQIC will produce an Annual Report of the Committee's activities to provide assurance as set out in remit at 1 above for inclusion in NSS Annual Report and Accounts.

6. Key Duties

- 6.1 The CGQIC will provide assurance to the Board that:
 - 6.1.1 Process and reporting arrangements are in place, as required, in order to provide assurance that the clinical and related activities under NSS direction and control are at all times appropriately governed and monitored as to their safety, quality and effectiveness.
 - 6.1.2 All aspects of Quality Management are reflected including Quality Planning, Quality Improvement and Quality Control and the application of the principles of Realistic Medicine.
 - 6.1.3 Clinical activity is challenged from the perspectives of equity, inequality/ equality, diversity, and value (expressed as triple value).
 - 6.1.4 Services compliance with clinical regulatory requirements is in place.
- 6.2 The GGQIC will provide advice, as required, to the Board on the clinical impacts of any new service developments proposed for adoption by NSS.
- 6.3 In order to assure themselves, the CGQIC will review and scrutinise reports on:
 - 6.3.1 Clinical adverse events, Duty of Candour events, clinical risks and complaints (related to safety of services or clinical staff fitness to

practice) including their identification, causes, management, learning identified and service improvement and implementation.

- 6.3.2 Blood and tissue safety to satisfy itself that appropriate action is being taken to provide an adequate and safe supply.
- 6.3.3 Healthcare Associated Infection in NSS as per required national policy on HAI, using the HAI reporting template.
- 6.3.4 Major NSS programmes in support of clinical services.
- 6.3.5 Activity relating to national clinical governance functions delivered by NSS, e.g., screening, and dental.
- 6.3.6 Annual reports on:
 - Infection Prevention and Control
 - Duty of Candour
 - Research, Development, and Innovation
 - Clinical Professional Appraisal and Revalidation
 - Patient Group Directions Audit
 - Relevant Intellectual Property activity facilitated by SNBTS.

FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE - TERMS OF REFERENCE

1. Remit

- 1.1 The NHS National Services Scotland (NSS) Finance, Procurement and Performance Committee (FPPC) is established, as a committee of the Board
- 1.2 The purpose of the Committee is to provide an independent and objective view and keep under review the financial position of NSS, procurement activity and performance management, and provide assurance to the NSS Board that suitable arrangements are in place to secure economy, efficiency, and effectiveness in the use of all resources, and that the arrangements are working effectively.

2. Membership

Membership

- 2.1 Membership shall comprise six non-executive members of the Board, including the Board Chair. A Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

Attendees

- 2.2 The Director of Finance shall be the lead executive officer to the Committee and will arrange for such other officers to attend as required by the business of the committee.
- 2.3 The Chief Executive and Directors of National Procurement (NP) and Strategy, Performance, and Service Transformation (SPST) will also be in attendance.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present.

4. Meetings

Frequency of Meetings

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

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.
- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

Private Meetings

- 4.4 The Committee may agree to meet in private to consider certain items of business without any non-members present.
- 4.5 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

5. Reporting

- 5.1 The FPPC is to report activities and progress annually to the NSS Board as described in these terms of reference. The FPPC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.

6 Key Duties

- 6.1 The key duties of the Committee are:

- 6.1.1 To scrutinise and recommend to the Board for approval:

6.1.1a Annual 3-year or 5-year (as required) Delivery Plan and Financial Plans prepared consistent with statutory financial responsibilities.

6.1.1b Draft NSS Annual Delivery Plan (ADP) for submission to the Scottish Government.

6.1.1c NSS Property and Asset Management Strategy and action plan.

6.1.1d NSS Climate Sustainability Strategy and action plan.

6.1.1e NSS Standing Financial Instructions, Standing Orders and Scheme of Delegation.

- 6.1.2 To approve:

6.1.2a At Outline Business Case or Full Business Case stage property transactions undertaken in accordance with the NHS Scotland Property Transactions Handbook.

6.1.2b NHS Scotland Procurement Strategy, Workplan and Annual Report.

6.1.2c NSS Procurement Strategy, Workplan and Annual Report.

6.1.2d To approve any procurements which require the authority of the Board under NSS Standing Financial Instructions.

6.1.2f Budget limits and set business performance targets for all Directorates except in respect of earmarked funds allocated for specific purposes by Scottish Government.

6.1.3 In order to assure themselves, the FPPC will review and scrutinise reports on:

6.1.3a Financial and operational performance against plans and delivery against ADP targets, and to consider the appropriateness and effectiveness of current and planned management actions.

6.1.3b Any occurrences where the Standing Financial Instructions have not been followed and reports specifically required by the SFIs (see appendix 1)

6.1.3c The performance of programmes delivered by NSS on behalf of NHS Scotland.

6.1.3d Delivery against the NSS Financial Sustainability Plan.

6.1.3e The Business risks contained in the NSS corporate risk register and associated management actions as set out in the Integrated Risk Management Approach.

6.1.3f the content of financial reporting and information presented to the Board.

6.1.4 To review the financial aspects and make recommendations for any Business Cases beyond the scope of delegated financial authority before it is presented to the Scottish Government for approval. All business cases shall comply with the Scottish Capital Investment Manual.

Appendix 1 – Reports specifically required by SFIs.

SFI Reference	Requirement	Frequency	Lead officer as per Scheme of Delegation
6.07	Family Health Services Payments – payments and performance	Regular Reported to ARC via Service Audit	Director of Practitioner and Counter Fraud Services
6.07	Family Health Services – financial governance and control	Regular Reported to ARC via Service Audit	Director of Finance
6.12	Exceptions to procurement guidelines.	Quarterly	Director of Finance
6.28	Advance payment (non-contractual) for goods/services.	Annual	Director of Finance
8.04	Procurement staff/CLO advice not accepted	Quarterly	Director of National Procurement
8.12/9.14	Sole Source Justification report.	Annual	Director of Finance
9.13	Supplier management activity.	Annual	Director of National Procurement

STAFF GOVERNANCE COMMITTEE - TERMS OF REFERENCE

1. Remit

- 1.1 The NHS National Services Scotland (NSS) Staff Governance Committee (SGC) is established in accordance with the guidance given in the Staff Governance Standard 4th Edition published by the Scottish Government in June 2012 and is established as a committee of the NSS Board.
- 1.2 The purpose of the committee is to support and maintain a culture within NSS where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone and is built upon partnership and collaboration. It will ensure that robust arrangements to implement the Staff Governance Standard are in place and monitored.

2. Membership

Membership

- 2.1 Membership shall comprise six non-executive members of the Board (including the Board Chair and Employee Director) and four trade union representatives. A Committee Chair shall be nominated by the Board Chair and thereafter confirmed by the Board. The Committee will then select a Vice-Chair from among the membership to deputise for the Committee Chair as required.

Attendees

- 2.2 The Director of Human Resources shall be the lead executive officer to the Committee and will arrange for such other officers to attend as required by the business of the committee.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present and one trade union representative present.

4. Meetings

Frequency of Meetings

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

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.
- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

Private Meetings

- 4.4 The Committee may agree to meet in private to consider certain items of business without any non-members present.
- 4.5 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

5. Reporting

- 5.1 The SGC is to report activities and progress annually to the NSS Board as described in these terms of reference. The SGC is to determine the style and content of these reports, subject to guidance and direction by the NSS Board.
- 5.2 The committee will submit an annual report to give the Board assurance around the detail of staff governance arrangements and monitoring process and to assure the Board that the SGC's aims are being met.
- 5.3 The NSS Partnership Forum has a key role in the delivery and implementation of the Staff Governance Standards through the Staff Governance Action Plan. Regular reports from the Partnership Forum will be received to SGC to provide the necessary evidence and assurance.

6. Key Duties

- 6.1 The key duties of the Committee are to:
 - 6.1.1 Ensure an effective system of Governance and oversight for the management, safety and welfare of the workforce including a strategic workforce planning strategy.
 - 6.1.2 Oversee the development of frameworks which ensure delivery of the Staff Governance Standard.
 - 6.1.3 Review evidence of attainment and maintenance of the Staff Governance Standard through the Great Place to Work Plan (Staff Governance Action Plan). Where there is evidence of short falls the Staff Governance Committee will ensure that causes are identified, and remedial action recommended.

- 6.1.4 Oversee the development and monitoring of all organisational policy related to workforce ensuring compliance with National Workforce Policies.
- 6.1.5 Approve any policy amendment, funding, or resource submission to achieve the Staff Governance Standard, providing support as required to drive forward.
- 6.1.6 Agree detailed and timely staff governance data reporting standards, ensuring that information is provided to support both NSS operating activities and national monitoring.
- 6.1.7 Provide staff governance information for the Statement of Internal Control.
- 6.1.8 Review quarterly staff risks contained in the NSS Corporate Risk Register and set out in the Integrated Risk Management Approach, identifying, and reporting on specific areas of concern.
- 6.1.9 Review quarterly the NSS complaints report in the context of staff risk.
- 6.1.10 Oversee the NSS values programme, ensuring that the values are embedded within NSS structures and processes.
- 6.1.11 Review Quarterly and Annual Whistleblowing Reports.
- 6.1.12 Provide assurance that systems and procedures are in place to manage the issues set out in MEL (1993) 114 (amended).

REMUNERATION AND SUCCESSION PLANNING COMMITTEE TERMS OF REFERENCE

1. Remit

- 1.1 The NHS National Services Scotland (NSS) Remuneration and Succession Planning Committee (RSPC) is established, in accordance with MEL (1993)114 and subsequent amendments, and is established, through its Standing Orders, as a committee of the NSS Board
- 1.2 The purpose of the committee is to ensure the application and implementation of fair and equitable pay systems on behalf of the Board. The Committee will give full consideration to succession planning, taking into account the challenges and opportunities facing the organisation and the skills and expertise required.
- 1.3 The Committee is also, through the Staff Governance Committee, required to provide assurance that systems and procedures are in place to manage the issues set out in MEL (1993)114 so that the overarching staff governance responsibilities can be discharged.

2. Membership

Membership

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

Attendees

- 2.2 The Director of Human Resources shall be the lead executive officer to the Committee and will arrange for such other officers to attend as required by the business of the committee. The Chief Executive will be in attendance.

3. Quorum

- 3.1 The Committee is quorate when there are three non-executive Board members present.

4. Meetings

Frequency of Meetings

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

Minutes of Meetings

- 4.2 Minutes of the proceedings of the Committee shall be drawn up by or on behalf of the Board Secretary and submitted for approval to the next meeting of the Committee.

- 4.3 The Minutes of the Committee will be presented for information to the next scheduled meeting of the NSS Board, in either confirmed or unconfirmed format, as the means of updating the Board on the work of the Committee.

Private Meetings

- 4.4 The Committee may agree to meet in private to consider certain items of business without any non-members present.
- 4.5 The minutes of the meeting will reflect when the Committee has resolved to meet in private.

5. Reporting

- 5.1 A report on the proceedings of the RSPC Committee shall be drawn up by or on behalf of the Standards Officer and submitted for information to the first ordinary meeting of the Staff Governance Committee held after the meeting of the Committee and to the NSS Board.
- 5.2 The Committee is to submit an annual report to the NSS Board and the NSS Staff Governance Committee to give assurance around the detail of the remuneration and succession planning arrangements and monitoring process and that the Committee's aims are being met.
- 5.3 The Committee must submit the approved Consultants' Discretionary Points to the NSS Board annually.
- 5.4 The Committee must submit the remuneration arrangements for members of the Executive and Senior Management Cohorts to the External Auditor for scrutiny, in accordance with normal audit requirements.

6. Key Duties

- 6.1 The key duties of the committee are:
- 6.1.1 Conduct a regular review of the NSS Board's policy for the remuneration and performance management of members of the Executive and Senior Management Cohorts in the light of any guidance issued by the Scottish Government and the National Performance Management Committee remaining in force. A direction order or specific Scottish Government instruction will be required for any payments which fall out with the terms of the guidance.
- 6.1.2 Agree all the terms and conditions of employment of members of the Executive Cohort, including job description, basic pay, performance pay and bonuses (individual and team) and benefits (including pension, removal arrangements & cars), with reference to Scottish Government guidance, Ministerial directions, and protocols.

- 6.1.3 Agree objectives for members of the Executive Cohort in the light of any guidance issued by the Scottish Government and the National Performance Management Committee remaining in force and ensure that their performance and potential is rigorously assessed throughout the year against these objectives; objectives may, by agreement with the individual being assessed, be revised in the year to reflect changes in circumstances.
 - 6.1.4 Ensure that effective arrangements are in place for carrying out 6.1.2 and 6.1.3 above in respect of members of the Senior Management Cohort.
 - 6.1.5 To review and approve annually the Discretionary Points awarded by the NSS Committee on Consultants' Discretionary Points, for reporting to the NSS Board and to provide confirmation of the process followed in the allocation of the points.
 - 6.1.6 To give full consideration to succession planning, taking into account the challenges and opportunities facing the organisation and the skills and expertise required.
- 6.2 As set out in the Scheme of Delegation, the Chair of the Committee, on behalf of the NSS RSPC, will agree appointments, terminations, and early retirement settlements in line with the Protocol attached at appendix 1.

Appendix 1

Remuneration and succession planning committee responsibilities

Protocol for managing appointment, performance, and termination of staff.

- 1.1 The Chair of the Committee will approve all new or additional jobs created for AfC band 8d, 9 and Executive Grades. In addition, they will agree all appointments where the lower half of the range, will not secure the preferred candidate.
- 1.2 When making appointments, consideration should be given to any agreed position between the National Boards on recruitment.
- 1.3 A report on decisions will be submitted to the next meeting of the Committee. The Committee will also receive monthly reports on new posts at AfC band 8c, 8d, 9 and Executive Grades.
- 1.4 Director of Human Resources to submit a yearly report analysing trends for all salaries equivalent to the minimum salary of the Executive Cohort grades.
- 1.5 Director of Human Resources to submit a yearly report analysing trends for all salaries equivalent to the minimum salary of the Executive Cohort grades.
- 1.6 The Chair of the Committee will approve all termination settlements which exceed £75,000. The Chief Executive will be responsible for authorising settlements where the total cost is less than £75,000. An annual report of all such instances will be presented to the Remuneration Committee by the Chief Executive.
- 1.7 Chair of the NSS Board to undertake the performance appraisal of Chief Executive.
- 1.8 Chair of the NSS Board to review the Chief Executive's performance assessment of other members of the Executive Cohort.
- 1.9 Committee to satisfy itself that the performance management process and its application is transparent, rigorous, evidence-based, and fully documented in respect of the Chief Executive and other members of the Executive Cohort prior to individuals being informed of the performance appraisal ratings.
- 1.10 Director of Finance to submit a yearly report presenting all ex-gratia payments made to staff in line with Section 18 of NSS SFIs – Losses and Special Payments.

**NHS NATIONAL SERVICES
SCOTLAND
SCHEME OF DELEGATION**

SCHEME OF DELEGATION

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1. INTRODUCTION

- 1.1 National Services Scotland (NSS) Board has developed and approved this Scheme of Delegation.
- 1.2 This Scheme of Delegation should be implemented together with the requirements of the Board's Standing Financial Instructions and all other policies and procedures.
- 1.3 Any reference to a statutory or other provision shall be interpreted as a reference amended by any subsequent legislation.
- 1.4 This Scheme of Delegation delegates power to individual officers within the management structure. The holders of those positions can further delegate to other employees. Delegation must be made in writing. Nevertheless, the holders of the positions identified in the Scheme of Delegation remain personally accountable, and the actions of the individuals to whom they delegate.
- 1.5 If a position identified in the Scheme of Delegation is vacant, or an officer with delegated authority is not available, then the matter should be referred up to the next level of authority as described in the relevant section of this Scheme of Delegation.
- 1.6 The Board has delegated authority to the Standard's Officer to approve amendments relating to job titles in this Scheme of Delegation (and wider Corporate Governance Framework), so as to keep it up to date with any changes to the organisation's management structure.

2. MATTERS RESERVED TO THE BOARD

- 2.1 The Scottish Government retains the authority to approve certain items of business. There are other items of the business which can only be approved at an NHS Board meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.
- 2.2 The following matters shall be reserved for agreement by the Board:
- a) Corporate Governance Framework including the Standing Orders, terms of reference of all its Committees and appointment of Committee members, Standing Financial Instructions, and the Scheme of Delegation
 - b) Organisational Values
 - c) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval
 - d) The Annual Delivery Plan for submission to the Scottish Government for its approval
 - e) Corporate objectives or corporate plans which have been created to implement its agreed strategies
 - f) Risk Management Policy
 - g) Financial plan for the forthcoming year, and the opening revenue and capital budgets
 - h) Annual accounts and report
 - i) Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the Scottish Capital Investment Manual
 - j) The Board shall approve the content, format, and frequency of performance reporting to the Board
 - k) The appointment of the Board's chief internal auditor
 - l) Arrangements for the approval of all policies
 - m) The system for responding to any civil actions raised against the Board
 - n) The system for responding to any occasion where the Board is being investigated and / or prosecuted for a criminal or regulatory offence
- 2.3 The Board itself may resolve that other items of business be presented to it for approval.

3. MATTERS DELEGATED TO OFFICERS

3.1 The Chief Executive

The Chief Executive, as Accountable Officer, can exercise delegated authority across all NSS services and functions.

The Chief Executive is authorised to take such measures as may be required in emergency situations, subject to consulting, where possible, the Chair of the Board, and the relevant Committee Chair. Such measures that might normally be outwith the scope of the authority delegated by the Board or its Committees shall be reported to the Board or appropriate Committee as soon as possible thereafter.

The Chief Executive is authorised to give a direction in special circumstances that any official shall not exercise a delegated function subject to reporting on the terms of the direction to the next meeting of the appropriate Committee.

3.2 The Executive Management Team (EMT)

The Executive Management Team (EMT), led by the Chief Executive is the senior management decision making body for NSS.

The EMT is appointed by the Board and given authority by the Board to act in accordance with its remit.

The EMT has the primary responsibility for the implementation of change and the day-to-day management of operations.

The EMT manages the business of the Board by reviewing and endorsing Board-wide strategies, policies and actions to ensure a corporate position is achieved prior to submission to the NSS Board and, where appropriate, its Standing Committees for consideration and approval.

3.3 Appointed Officers

There are a number of roles that NSS must appoint due to legislative (or other) requirements that are referenced within this Scheme of Delegation. A summary table of these Officers has been included below for reference.

Role	Area of Responsibility	Delegated to
Accountable Officer	To be the principal adviser to the Board. To provide operational leadership to staff working for NSS and to ensure that its aims and objectives are met, its functions are delivered, and its targets are met through effective and properly controlled executive action.	Chief Executive

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Standards Officer	To support and promote a high standard of conduct of Board Members.	Associate Director of Governance and Board Services
Senior Information Risk Officer	To monitor and review the organisation's compliance with applicable information security legislation, regulation, and standards	Director, Digital & Security
Data Protection Officer	To monitor and review the organisation's compliance with applicable data protection legislation, regulation, and standards.	Data Protection Officer
Fraud Liaison Officer	To act as the first point of contact between Counter Fraud Services and NSS.	Associate Director (Finance Operations)
Caldicott Guardian	To ensure NSS satisfy the highest practical standards for handling patient identifiable information.	NSS Medical Director
Whistleblowing Executive Lead	To ensure Whistleblowing Standards are functioning across the organisation.	Director of Nursing

4. SCHEME OF DELEGATION ARISING FROM BOARD STANDING ORDERS

Reference in Standing Orders	Area of Responsibility	Committee Approval Required	Delegated to
SO 1.11	Maintenance of Register of Board Members interests		Standards Officer
SO 1.8 & 9.2	Preparation of Update for the Corporate Governance Framework	Board	Standards Officer
SO 7.3	Execution of documents on behalf of Scottish Ministers relating to property transactions	Finance, Procurement and Performance Committee	Chief Executive or Director of Finance (All signatures to be in accordance with the Property Transactions Manual)

5. SCHEME OF DELEGATION ARISING FROM THE STANDING FINANCIAL INSTRUCTIONS

A scheme of delegation operates for various Standing Financial Instructions (SFIs), each of which is described in the tables that follow the list below. The list below therefore includes a cross reference to the relevant section of the Standing Financial Instructions. The Scheme of Delegation should be read in conjunction with the SFIs.

Reference in SFIs	Area of Responsibility	Committee Approval Required	Delegated to
Section 1: General	SFIs are in place, up to date and observed	Finance, Procurement and Performance Committee and Board	Director of Finance
	Reporting SFI adverse events (breaches)	Finance, Procurement and Performance Committee and then on to relevant Committee.	Director of Finance
Section 4: Suspected Theft, Fraud and Other Irregularities	Notification to appropriate agency of discovered fraud/criminal offences	Audit and Risk Committee	Fraud Liaison Officer Approved Alternate Officer(s): Chief Executive
Section 5: Audit and Financial Performance Arrangements	Provision of Internal Audit Service as detailed in SFI 5.03	Audit and Risk Committee	Director Strategy, Performance and Service Transformation. Approved Alternate Officer(s): Director of Finance
	Provision of Service Audit as detailed in SFI 5.08	Audit and Risk Committee	Director of Finance

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			<p>Approved Alternate Officer(s):</p> <p>Director of Practitioner and Counter Fraud</p> <p>Director of Digital and Security</p> <p>Associate Director (Finance Operations)</p>
	Appointment of External Auditor	Scottish Ministers	<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Associate Director (Finance Operations)</p>
Section 6: Financial Planning and Budget Control	Prepare and submit financial plans in accordance with the requirements of Scottish Government (Revenue and Capital)	Finance, Procurement and Performance Committee and Board	<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Deputy Director of Finance</p> <p>Associate Director (Finance Operations)</p>
	Preparation and Submission of Budgets		<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Deputy Director of Finance</p>

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			Associate Director (Finance Operations)
	Devise, introduce and maintain systems of financial control		Director of Finance Approved Alternate Officer(s): Deputy Director of Finance Associate Director (Finance Operations)
	Delegation of Budgetary Control		Chief Executive Approved Alternate Officer(s): Director of Finance
	Authority to use non-recurring budget to fund recurring expenditure		Chief Executive Approved Alternate Officer(s): Director of Finance
	Approve expenditure not covered by an approved budget	Board, delegated to Finance, Procurement and Performance Committee, over £1m	Chief Executive up to £1m Director of Finance up to £500,000
	NSD Virement - allocation of revenue funds to national services		Director of National Specialist and Screening Division.
	Family Health Services – payments and performance	Finance, Procurement and Performance Committee	Director of Practitioner and Counter Fraud Services

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			<p>Approved Alternate Officer(s):</p> <p>Director of Finance</p>
	Family Health Services – financial governance and control	Finance, Procurement and Performance Committee	Director of Finance
Section 7: Staff Appointments, Remuneration and related matters	Staff employment contracts and appointments as set out in SFI 7.02	Remuneration and Succession Planning Committee and Board	Director of HR and Workforce Development
	Approval of a termination settlement under £75,000 and submission of annual report	Remuneration and Succession Planning Committee over £75,000	Chief Executive up to £75,000
	Ex gratia payments and annual reports.	Board, delegated to Finance, Procurement and Performance Committee, over £1m and Remuneration and Succession Planning Committee	<p>Chief Executive up to £1m</p> <p>Director of Finance up to £500,000</p>
Section 8: Non-Pay Expenditure	Procurement Strategy and professional advice.	Finance, Procurement and Performance Committee	<p>Director of National Procurement</p> <p>Approved Alternate Officer(s):</p> <p>National Procurement Operations Manager</p>
Section 9: Tenders, Quotations and Contracting Requirements	Maintenance of systems for the invitation, receipt, safe-keeping and		Director of National Procurement

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	selection of tenders and quotations		
	Approval of tenders for goods, services or works outwith the Directorate budget or business plan.	Board, delegated to Finance, Procurement and Performance Committee, over £1m	Chief Executive up to £1m Director of Finance up to £500,000
	Annual Report – Sole source justification	Finance, Procurement and Performance Committee	Chief Executive or Director of Finance Approved Alternate Officer(s): Director of National Procurement
	Awarding Contracts as per SFI 9.03 and contract extensions.	Board, delegated to Finance, Procurement and Performance Committee, over £1m	Chief Executive up to £1m Director of Finance up to £500,000 Director up to £100,000
	Procurement Strategy and professional advice.	Finance, Procurement and Performance Committee (Board when Committee assess this is required due to reputational risk)	Director of National Procurement Approved Alternate Officer(s): National Procurement Operations Manager
	Contract/Framework agreements on behalf of Scottish Ministers NHSS or combinations of public bodies	Contracts Approvals Board	Chief Executive more than £5m+ (following the PCF Approval Board) Up to £5m Director of Finance, Director

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			<p>of Practitioner and Counter Fraud Services, Director of National Procurement and for IT approvals the Director of Digital and Security (following the PCF Approval Board)</p> <p>Up to £2m</p> <p>Director of Practitioner and Counter Fraud Services, Director of National Procurement and for IT approvals the Director of Digital and Security (following the PCF Approval Board)</p>
	To act as a proxy for NHS Scotland Health Board Capital Expenditure Procurements		<p>Director of National Procurement Above £500,000</p> <p>Head of Strategic Sourcing Up to £500,000</p> <p>Relevant Category Manager Less than £100,000</p>
	Maintain a public register for all contracts in excess of £50,000		Director of National Procurement
Section 10: Tenders, Quotations and Contracting Requirements for Research	Approval of research services outwith Directorate budget		Director of Finance
	Approval and variation of	Board, delegated to Finance,	Chief Executive up to £1m

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	research contract award (including collaborative agreements)	Procurement and Performance Committee, over £1m, following approval of CE.	Director of Finance up to £500,000 Director up to £100,000
	Notification of research contract with an estimated expenditure of more than £1m (in total)	Finance, Procurement and Performance Committee	Director of Finance
Section 11: Appointment of advisers and non-permanent staff	Departure from contract of employment and fee aligned to an established job description		Director of HR and Workforce Development and Director of Finance.
Section 12: Income Generation and Intellectual Property	Entering Income Agreements that does not meet authority criteria set out in SFI 12.02		Director of Finance and/or Chief Executive
	Determination of charges outwith directorate income generation strategy (or externally governed)		Director of Finance and/or Chief Executive
	Approval of proceeding with participation or investment in any legal entity (e.g. joint venture)		Director of Finance
Section 13: Capital Investment, Private Financing, Fixed Asset Registers	Approval of Capital of expenditure	Board, delegated to Finance, Procurement and Performance Committee, over £1m	Chief Executive up to £1m Director of Finance up to £500,000
	Implementation of Capital Investment Procedures		Director of Finance
	Approve Asset Control Procedures		Director of Finance
	Approve arrangements of receipts		Director of Finance

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Section 14: Banking arrangements	Approval of subsidiary bank accounts and banking procedures including corporate purchasing cards		Director of Finance
Section 15: Stocks and Stores	Approve the management, control and safety of stocks		Director of Finance
	Purchase replenishment stock and issue stock		Director of National Procurement Director of Scottish National Blood Transfusion Service Director of Digital and Security
	Purchase replenishment stock and issue stock from the Scottish Government Health Resilience Unit Pandemic Stock for the following sectors: Healthcare Sector, Acute Hospital Sector, Independent Sector, GP, Scottish Ambulance Service, Social Care Sector		Director of National Procurement
Section 16: Annual Report and Accounts	Preparation of Annual Report and Accounts	Audit and Risk Committee Board	Director of Finance Approved Alternate Officer(s): Associate Director (Finance Operations)
	Preparation of the governance statement		Director of Finance

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			<p>Approved Alternate Officer(s):</p> <p>Standards Officer</p>
Section 17: Information Governance	Implementation of financial governance systems.		<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Deputy Director of Finance</p>
	Information governance, freedom of information and data protection	Audit and Risk Committee	<p>Director of Digital and Security</p> <p>Approved Alternate Officer(s):</p> <p>Head of Information & Cyber Security</p>
Section 18: Losses and Special Payments	Writing off of losses	Board, delegated to Finance, Procurement and Performance Committee, over £1m	<p>Chief Executive up to £1m</p> <p>Director of Finance up to £500,000</p> <p>Director All expenditure contained in Annual Financial Plan in accordance with SFIs</p>
	Maintenance of the Losses and Special Payments Register and associated reported requirements	Audit and Risk Committee	<p>Director of Finance</p> <p>Approved Alternate Officer(s):</p> <p>Associate Director (Finance Operations)</p>

6. SCHEME OF DELEGATION ARISING FROM OTHER AREAS OF CORPORATE GOVERNANCE

Clinical Governance – Table 6.1

Staff Governance – Table 6.2

Risk Management and Emergency Planning – Table 6.3

Performance Management – Table 6.4

Information Governance – Table 6.5

CLINICAL GOVERNANCE – TABLE 6.1

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved Alternate Officer(s)
6.1.1	Clinical Governance (includes Strategy/Framework; clinical adverse events; Duty of Candour; clinical risk; clinically related complaints)	NSS Clinical Governance and Quality Improvement Committee	Medical Director	Director of Nursing
6.1.2	Clinical Quality Improvement	NSS Clinical Governance and Quality Improvement Committee	Director of Nursing	NSS Medical Director
6.1.3	Compliance with clinical regulatory requirements (includes clinical professional regulations, medical device regulations, IR(ME)R)	NSS Clinical Governance and Quality Improvement Committee	NSS Medical Director	Director of Nursing
6.1.4	Research, Development and Innovation (including research governance, Intellectual Property)	NSS Clinical Governance and Quality Improvement Committee	NSS Medical Director	Director of Healthcare Science
6.1.5	Blood and Tissue Safety	NSS Clinical Governance and Quality Improvement Committee	Director, Scottish National Blood Transfusion Service (SNBTS)	Medical Director, SNBTS
6.1.6	Healthcare Associated Infection	NSS Clinical Governance and Quality Improvement Committee	Director of Nursing	NSS Medical Director

STAFF GOVERNANCE – TABLE 6.2

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved alternate officer
6.2.1	Staff Governance Framework and compliance	Staff Governance Committee	Director of HR and Workforce Development	
6.2.2	Workforce Strategy	Staff Governance Committee	Director of HR and Workforce Development	
6.2.3	Equality and Diversity	Staff Governance Committee	Director of HR and Workforce Development	Associate Director, HR and Workforce Development
6.2.4	Whistleblowing	NSS Staff Governance Committee	Director of Nursing	Director Strategy, Performance and Service Transformation

RISK MANAGEMENT AND EMERGENCY PLANNING – TABLE 6.3

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved alternate officer
6.3.1	Risk Management – including risk framework, governance, risk appetite and internal controls	Audit and Risk Committee	Director Strategy, Performance and Service Transformation	Head of Planning & Performance
6.3.2	Statutory and Regulatory Compliance	Audit and Risk Committee	Director Strategy, Performance and Service Transformation	Associate Director Strategy, Performance and Communications
6.3.3	Business Continuity and Emergency Planning	Finance, Procurement and Performance Committee	Director Strategy, Performance and Service Transformation	Head of Planning & Performance
6.3.5	Health and Safety	Staff Governance Committee	Director of HR and Workforce Development	Head of Healthy Working Lives
6.3.6	Fire Safety	Staff Governance Committee	Director of NHS Scotland Assure	Head of Estates & Facilities

PERFORMANCE MANAGEMENT – TABLE 6.4

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved alternate officer
6.4.1	Approval of Performance Management Framework and oversight of the system.	Finance Planning and Performance Committee	Director Strategy, Performance and Service Transformation	Associate Director Strategy, Performance and Communications

INFORMATION GOVERNANCE – TABLE 6.5

Ref	Area of Responsibility	Committee Approval Required	Delegated to	Approved alternate officer
6.5.1	Oversight of Information Governance, Strategy and Systems	Audit and Risk Committee	Director Digital and Security	Head of Information & Cyber Security
6.5.2	ATOS (non eHealth) Services		Director of Digital and Security	Director of Cloud Engineering & Operations
6.5.3	eHealth Services		Director of Digital and Security	Director of Cloud Engineering & Operations
6.5.4	Data Protection Act	Audit and Risk Committee	Director of Digital and Security	Head of Information & Cyber Security
6.5.5	Freedom of Information Policy	Audit and Risk Committee	Director of Digital and Security	Head of Information & Cyber Security
6.5.6	Records Management Plan	Audit and Risk Committee	Director of Digital and Security	Head of Information & Cyber Security
6.5.7	Caldicott Guardian	NSS Clinical Governance and Quality Improvement Committee	Medical Director	NSS Deputy Caldicott Guardian
6.5.8	Oversight of financial data governance	Audit and Risk Committee	Director of Finance	Deputy Director of Finance

APPENDIX 1 - DIRECTOR RESPONSIBILITIES

HR Directorate (Human Resources and Workforce Development)

Jacqui Jones – Director of Human Resources and Workforce Development

- Human Resources
- Workforce Development
- Learning & Development
- Healthy Working Lives
- Occupational Health

Finance Directorate

Carolyn Low – Director of Finance

- Payroll
- Finance

Strategy, Performance and Service Transformation Directorate

Lee Neary – Director of Strategy, Performance and Service Transformation

- Corporate Governance
- Executive Support
- Communications
- Planning
- Resilience
- Programme Management Services
- National Contact Centre

NHS Assure Directorate

Julie Critchley – Director of NHS Assure

- Engineering
- Research and Intelligence
- Property and Capital Planning
- Decontamination
- Sustainability
- ARHAI, Oxygen Therapy
- Mammography
- FM Services

National Procurement Directorate

Gordon Beattie – Director of National Procurement

- NP centre of expertise service for NHS Scotland
- National Commercial and Logistics Services
- NHS Scotland National Distribution Service, three warehouses stock over 9,000 product lines
- National frameworks inc. medicines, medical and general products, IT, workforce, community services, innovation and catering
- Procurement and Commercial services to NSS

National Specialist and Screening Directorate

Susan Buchanan – Director of National Specialist & Screening Division

- Screening programmes including breast screening etc.
- Specialist networks

Practitioner & Counter Fraud Services Directorate

Martin Bell – Director of Practitioner & Counter Fraud Services

- Practitioner Services
- Scottish Dental Practice Board (SDPB)
- Counter Fraud Services (CFS)
- Scottish Infected Blood Support Scheme (SIBSS)
- Mesh Compensation Scheme (Mesh)
- Clinical Negligence and Other Risks Indemnity Scheme (CNORIS).

Digital and Security Directorate

Steven Flockhart – Director of Digital and Security

- National Digital Programmes
- Service Management & Operations
- NSS Application Development & Support
- SWAN
- Microsoft 365

Central Legal Office

Jennifer Thompson – Legal Adviser to NHS Scotland

- Legal Services

Scottish National Blood Transfusion Services (SNBTS) Directorate

Marc Turner – Director of Scottish National Blood Transfusion Service

- Donor & Transport Services
- Tissues Cells and Advanced Therapeutics – Good Manufacturing Practice
- Tissues Cells and Advanced Therapeutics Development
- Manufacturing
- Quality & Regulatory Compliance
- Patient Services
- Planning, Performance & Business Support

Clinical Directorate

Lorna Ramsay – Medical Director

- Caldicott Guardian
- Clinical Governance
- Compliance with clinical regulatory requirements
- Research, Development and Innovation

Clinical Directorate

Jacqui Reilly – Director of Nursing

- Clinical Quality Improvement
- Healthcare Associated Infection
- Whistleblowing

Standing Financial Instructions

April 2023 – March 2024

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Section 1: Introduction

General

1.01 Background

These Standing Financial Instructions (“SFIs”) replace all previous instructions and are issued for compliance by all officers of the Common Services Agency, more commonly known as NHS National Services Scotland (and referred to as NHS National Services Scotland or NSS throughout these Standing Financial Instructions) from 1 April 2022.

These SFIs and supporting policies and procedures detail the financial responsibilities adopted by NHS National Services Scotland. Their purpose is to provide sound control of NHS National Services Scotland's financial and related activities and are carried out in accordance with the law and Scottish Government policy. They should be used in conjunction with the Standing Orders and in particular the Schedule of Matters Reserved to the Board and the Scheme of Delegation therein.

All NSS policies referred to in this document can be found on geNSS or the ServiceNow portal.

1.02 The purpose of the scheme of control is:

- To ensure the NSS acts within the law and that financial transactions are in accordance with the appropriate authority.
- To ensure that proper accounting records, which are accurate and complete, are maintained.
- To ensure that financial statements, which give a true and fair view of the financial position of NSS and its expenditure and income, are prepared timeously.
- To protect NSS against the risk of fraud and irregularity.
- To safeguard NSS assets.
- To ensure proper standards of financial conduct are maintained.
- To enable the provision of appropriate management information.
- To ensure that NSS seeks best value from its resources by making proper arrangements to pursue continuous improvement, having regard to economy, efficiency and effectiveness in NSS operations; and
- To ensure that any delegation of responsibility is accompanied by clear lines of control and accountability, together with reporting arrangements

NSS shall exercise financial supervision and control by:

- Formulating the financial strategy.
- Requiring the submission and approval of financial plans and budgets within approved allocations/overall income.
- Defining and approving essential features of financial arrangements in respect of procedures and financial systems (including the need to obtain value for money).
- Defining specific responsibilities placed on directors and officers as indicated in the Scheme of Delegation.

1.03 Responsibilities & Application of the SFIs

These SFIs identify the financial responsibilities that apply to everyone working for NSS. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures and any consequent amendments must be approved by the Director of Finance.

Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance must be sought before you act.

1.04 Compliance

The Director of Finance is responsible for assisting the Chief Executive as Accountable Officer and therefore has ultimate responsibility ensuring that SFIs are in place, up to date and observed in NSS. The responsibilities of the Director of Finance are specified in the SFIs may be carried out by such other senior finance officers as he or she might specify.

Members and officers of NSS shall observe these SFIs. Directors shall be responsible for ensuring that the SFIs are made known within the services for which they are responsible and shall ensure they are adhered to.

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

Failure to comply with the SFIs shall be a disciplinary matter.

1.05 Variation and Revocation

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

1.06 Terminology

The following terminology applies throughout these Standing Financial Instructions:

- (a) “Accountable Officer” means the Scottish NHS Officer responsible and accountable for funds entrusted to NSS. The Accountable Officer will be responsible for ensuring the proper stewardship of public funds and assets. For NHS National Services Scotland it will be the Chief Executive.
- (b) “Board” means the Board of NHS National Services Scotland.
- (c) “Budget” means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all the functions of NSS.
- (d) “Budget Holder” means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- (e) “Chief Executive” means the chief officer of NSS.
- (f) “Contract” means any arrangement giving rise to right and obligations between NSS and any one or more third parties whether legally enforceable or otherwise.
- (g) “Director of Finance” means the chief financial officer of NSS.
- (h) “Executive Management Team (EMT)” means the committee of executive officers of NSS appointed by the Board and given authority by the Board to act in accordance with its remit.
- (i) “Financial Services” means the central finance function of NSS.
- (j) “Framework Agreement” means a framework agreement in terms of the Public Contracts (Scotland) Regulations 2015.
- (k) “Director” means the chief officer of a Directorate of NSS; “Legal Advisor” means the properly qualified person appointed by NSS to provide legal advice.
- (l) “Officer” means employee of NSS or any other person holding a paid appointment or office with NSS.
- (m) “NSS” means NHS National Services Scotland, the common name of the “Common Services Agency for the Scottish Health Service”; and
- (n) “SGHSC” means the Scottish Government Health and Social Care Directorates.
- (o) Virement – the reallocation of budget authority

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

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

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

Section 2: Responsibilities of Chief Executive, Director of Finance, Directors and Employees

2.01 Responsibilities of Chief Executive as Accountable Officer

Under the terms of Sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer for the Scottish Government has designated the Chief Executive of NSS as Accountable Officer.

Accountable Officers must comply with the terms of the Memorandum to National Health Service Accountable officers, and any updates issued to them by the Principal Accountable Officer for the Scottish Government. The memorandum was updated in April 2006.

2.01 (a) General Responsibilities

The Accountable Officer is personally answerable to the Scottish Parliament for the propriety and regularity of the public finance for NSS.

The Accountable Officer must ensure that the Board takes account of all relevant financial considerations, including any issues of propriety, regularity or value for money, in considering policy proposals relating to expenditure, or income.

It is incumbent upon the Accountable Officer to combine his or her duties as Accountable Officer with their duty to the Board to whom he or she is responsible and from whom he or she derives his/her authority. The Board is in turn responsible to the Scottish Parliament in respect of its policies, actions and conduct.

The Accountable Officer has a personal duty of signing the Annual Report and Accounts for NSS. Consequently, he or she may also have the further duty of being a witness before the Audit Committee of the Scottish Parliament and be expected to deal with questions arising from the Accounts, or, more commonly from reports made to Parliament by the Auditor General for Scotland.

The Accountable Officer must ensure that any arrangements for delegation promote good management, and that he or she is supported by the necessary staff with an appropriate balance of skills. This requires careful selection and development of staff and the sufficient provision of special skills and services.

2.01 (b) Specific Responsibilities

Ensure that from the outset proper financial systems are in place and applied, and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes.

Ensure that the Board's financial obligations and targets are met. The Chief Executive shall be responsible for the implementation of the Boards financial policies and for co-ordinating any corrective action necessary to further these policies. In fulfilling this responsibility, the Chief Executive shall take account of advice given by the Director of Finance on all such matters. The Director of Finance shall be accountable to the Board for this advice.

Sign the Accounts assigned to him or her, and in doing so, accept personal responsibility for ensuring that they are prepared under the principles and in the format directed by the Scottish Ministers

Ensure that proper financial procedures are followed incorporating the principles of separation of duties and internal check, and that accounting records are maintained in a form suited to the requirements of the relevant Accounting Manual, as well as in the form prescribed by the published Accounts.

Ensure that public funds, and assets such as land, buildings or other property including stores and equipment for which he or she is responsible are properly managed and safeguarded, with the appropriate checks in place.

Ensure that, In the consideration of policy proposals relating to expenditure, or income, for which he or she has responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are considered, and where necessary brought to the attention of the Board.

Ensure that effective management systems appropriate for the achievement of the organisation's objectives, including financial monitoring and control systems have been put in place.

Ensure that risks, whether to achievement of business objectives, regularity, propriety or value for money, are identified, that their significance is assessed and that systems appropriate to the risks are in place in all areas to manage them.

Ensure that best value from resources is sought, by making proper arrangements to pursue continuous improvement having regard for economy, efficiency and effectiveness, and in a manner which encourages the observance of equal opportunities requirements.

Ensure that managers at all levels have a clear view of their objectives, and the means to assess and measure outputs for performance in relation to those objectives.

Ensure that managers at all levels are assigned well defined responsibilities for making best use of resources, including a critical scrutiny of output and value for money.

Ensure that managers at all levels have the information (particularly about costs), training and access to the expert advice which they need to exercise their responsibilities effectively.

2.01 (c) Regularity and Propriety of Expenditure

The Accountable Officer has a particular responsibility for ensuring compliance with Parliamentary requirements in the control of expenditure. A fundamental requirement is that funds should be applied only to the extent and for the purposes authorised by Parliament in the Budget Acts (or otherwise authorised by Section 65 of the Scotland Act 1998).

Parliament's attention must be drawn to losses or special payments by appropriate notation of the organisation's Accounts. In the case of expenditure approved under the Budget Act, any payments made must be within the scope and amount specified in that Act.

All actions must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional Codes of Conduct. Care must be taken to avoid actual, potential, or perceived conflicts of interest when employing external consultants and their staff.

2.01 (d) Advice to the Board

The Accountable Officer has a duty to ensure that appropriate advice is tendered to the Board on all matters of financial propriety and regularity, and more broadly, as to all considerations of prudent and economical administration, efficiency and effectiveness.

If the Accountable Officer considers that, despite their advice to the contrary, the Board is contemplating a course of action which they consider would infringe the requirements of regularity or propriety, and that they would be required to take action that is inconsistent with the proper performance of his or her duties as Accountable Officer, they should inform the SGHSCD's Accountable Officer, so that the Department if it considers is appropriate, can intervene and inform the Scottish Ministers. If this is not possible, the Accountable Officer should set out in writing his or her objection and the reasons, to the proposal. If their advice is overruled, and the Accountable officer does not feel that he or she would be able to defend the proposal to the Audit Committee of the Scottish Parliament, as representing value for money, he or she should obtain written instructions from the Board for which he or she is designated, and send a copy of his or her request for instruction and the instruction itself as soon as possible to the External Auditor and the Auditor General for Scotland.

It is the duty of the Chief Executive to ensure that the Directors, employees and all new appointees are notified of and understand their responsibilities within the SFIs.

2.01 (e) Absence of Accountable Officer

The Accountable Officer should ensure that they are generally available for consultation, and that in any temporary period of unavailability a senior officer is identified to act on their behalf.

If the Accountable Officer would be unable to discharge their responsibilities for a period of four weeks or more, NSS will notify the Principal Accountable Officer of the Scottish Government, in order that an Accountable Officer can be appointed pending their return.

Where the Accountable Officer is unable by reason of incapacity or absence to sign the Annual Report and Accounts in time for them to be submitted to the Auditor General, the Board may submit unsigned copies, pending the return of the Accountable Officer.

2.02 Responsibilities of the Director of Finance

Provision of financial advice to the Board and its employees.

Implementing the Board's financial policies and for co-ordinating any corrective action necessary to further those policies.

Ensuring that sufficient financial records are maintained to show and explain the Board's transactions, to disclose, with reasonable accuracy, the financial position of the Board at any time.

The design, implementation and supervision of systems of internal financial control incorporating the principles of separation of duties and internal checks.

The preparation and maintenance of such accounts, certificates, estimates, records and reports as the Board may require for the purpose of carrying out its statutory duties and responsibilities.

Setting accounting policies consistent with Scottish Government guidance and generally accepted accounting practice.

2.03 Responsibilities of all Directors and Employees

All directors and employees of the Board, severally and collectively, are responsible for:

- security of the Board's propriety,
- avoiding loss.
- exercising economy and efficiency in the use of NSS resources.
- complying with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.
- reporting on discovery of any non-compliance of the SFIs to the Director of Finance.

All staff must be aware of the Fraud Management Policy (including the Fraud Action Plan) and the Whistleblowing Policy. The Counter Fraud Champion (also the Chair of the Audit and Risk Committee) is responsible for ensuring the requirements of Fraud Action 'Plan are met, and processes followed in every relevant situation.

The Director should ensure that these SFIs and associated documents are made known to all staff within the Directorates and ensure that they are adhered to.

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

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

Section 3: Code of Conduct

3.01 Introduction

The [Model Code of Conduct for Members of Devolved Public Bodies \(nhs.scot\)](https://www.nhs.uk) was issued by the Scottish Ministers on 7 Dec 2021, with the approval for the Scottish Parliament, as required by the Ethical Standards in Public Life etc, (Scotland) Act 2000 . Its purpose is to set out the conduct expected of those who serve on the Boards of public bodies in Scotland.

The Code has been developed in line with the nine key principles of public life in Scotland. The financial responsibilities are set out in this section. The code of conduct for members of NSS are discussed further in the NSS standing orders.

3.02 General Principles

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

- Not put themselves in a position where their official and private interests may conflict.
- To be aware off the presumption of influence on a potential purchasing decision or strategic decision relating to the business objectives of NSS; and
- Not make use of their official positions to further their private interests.
- These guidelines should be read in conjunction with section 3 on bribery

3.03 Activities involving the use of official information or experience

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

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

3.04 Outside Occupation

Employees of NSS are not allowed to accept any outside employment which would require their attendance at any time during their normal working hours with NSS. Employees should notify NSS if they propose to take up outside employment which would, when both or more

employments are combined, result in their average working week exceeding the maximum working week laid down in the Working Time Regulations 1998, currently 48 hours per week.

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

3.05 Confidentiality

No employee of NSS shall use for their own benefit or gain, or divulge to any persons, firms, companies or other organisation whatsoever, any confidential information belonging to NSS, or relating to its affairs or dealings, which may come to the employee's knowledge during the course of their duties. Employees will not disclose confidential information or information which should reasonably be regarded as being of a confidential or private nature, without the express consent of a person or body authorised to give such consent, or unless required to do so by law. I note that if I cannot obtain such express consent, I should assume it is not given

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

3.06 Contracts and use of services of NSS contractors

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

Board Members have a duty to declare any interests at any meeting when they are acting in their capacity as a Board Member. If a Board Member declares an interest, then the Member must remove themselves from the meeting.

In addition, Board Members, Directors, Senior Managers and Senior Procurement staff of NSS will be asked quarterly to confirm their declarable interests.

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

3.07 Acceptance of Gifts

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

Employees must never ask or seek any gift. Where gifts are sent to an employee, these should only be accepted when the gift is of minimal or nominal value and in any case where the value is presumed to be less than £5. All other gifts should be returned to the sender.

It is recognised that, on occasion, a gift may be received from a patient or a donor as a “thank you” for services received. These gifts would be difficult to refuse without causing offence. If they are of low intrinsic value, the principles outlined above should be applied. Should they be expensive, the Director should be consulted for a view on acceptance.

In all cases in relation to gifts, it is recognised that it is NSS who is the owner of the received gift and not the individual employee.

Casual gifts offered by contractors or others e.g. at Christmas time should be declined.

3.08 Acceptance of Hospitality

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

As a guiding principle, hospitality should be refused. Modest hospitality, provided it is normal and reasonable in the circumstances, e.g. lunches in the course of working visits, may be acceptable when the scale of hospitality is similar to that which the NHS would be likely to offer in the circumstances. Where hospitality is provided at free events or conferences - where the object is to maintain knowledge or develop networks – this may be accepted, provided the hospitality is proportionate,

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

3.09 Procedure for completing and recording forms

Full guidance on accepting and recording of gifts and hospitality can be found on the Service Now portal.

3.10 Reporting

An annual report of all accepted gifts and hospitality offered and accepted will be submitted to the EMT and Audit and Risk Committee for noting.

3.11 Use of official Accommodation, Equipment or Vehicles

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

Employees should not use, or in any way enable others to use, public bodies resources imprudently, unlawfully, for any political activities or matters relating to these or improperly.

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

3.12 Bribery

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

- (a) Active bribery (section 1 of the Act) makes it an offence for a person to offer, give or promise to give a financial or other advantage to another individual in exchange for improperly performing a relevant function or activity.
- (b) Passive bribery (section 2 of the Act) makes it an offence for a person to request, accept or agree to accept a financial or other advantage in exchange for improperly performing a relevant function or activity.
- (c) Bribery of a foreign public official (section 6 of the Act) makes it an offence to offer, promise or give a financial or other advantage to a foreign public official with the intention of influencing the official in the performance of his or her official function. Previously such payments may have been known as Facilitation Payments.
- (d) Corporate offence (section 7 of the Act) states that an organisation may be liable if it fails to have adequate procedures in place to prevent bribery.

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

The NSS approach to addressing fraud, which includes bribery, is set out in Section 4.

Section 4: Suspected Theft, Fraud and Other Irregularities

4.01 Introduction

This section should be read in conjunction with the Fraud Management Policy and the Fraud Action Plan.

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

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

4.02 Theft, Fraud, Embezzlement, Corruption, Bribery and Other Irregularities

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

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

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

The Chair has the responsibility to designate a Non-Executive Member of the Board who is also a member of the Audit and Risk Committee as the Counter Fraud Champion (CFC). Their role is to raise the profile of counter fraud initiatives and publicity across the organisation. The CFC will support the Fraud Liaison Officer (FLO), whose role it is to co-ordinate action where there are reasonable grounds for believing that an instance of fraud, theft, embezzlement, corruption, bribery, or other financial irregularity has occurred. Contact details for the CFC and FLO can be found in the Fraud Management Policy and on the finance pages on geNSS.

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

Where any officer has grounds to suspect any of the above activities has occurred, they should report this to the FLO without delay. The FLO will ensure that there is consultation with CFS as set out in the Fraud Action Plan. It is essential that preliminary enquiries are carried out in strict confidence and with as much speed as possible.

Where the suspicion involves an Executive or Non-Executive Director the matter will be reported to the CFC. It is the CFC's responsibility, supported by Counter Fraud Services, to co-ordinate any such investigation. The CFC will inform the appointed External and Internal Auditors and the Chair of the Board, where the allegation relates to the Chair of the Board the CFC will inform Scottish Government.

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

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

4.03 Remedial Action

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

4.04 Reporting to SGHSC

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

4.05 Responses to Press Enquiries

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

4.06 National Fraud Initiative

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

Section 5: Audit and Financial Performance Arrangements

5.01 Audit and Risk Committee

In accordance with Standing Orders the Board will establish an Audit and Risk Committee, with clearly defined terms of reference, which will provide an independent and objective view of internal control.

5.02 Finance, Procurement and Performance Committee

In accordance with Standing Orders the Board will establish a Finance, Procurement and Performance Committee, with clearly defined terms of reference, which will provide an independent and objective view on any financial matters referred to it by the Board.

5.03 Director Strategy, Performance and Service Transformation

The Director of Strategy Performance and Service Transformation is responsible for:

- 1) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function.
- 2) ensuring that the internal audit is adequate and meets the NHS best practice.
- 3) ensuring that an Internal Audit Plan is prepared for the consideration of the Audit and Risk Committee. The plan must cover:
 - a) strategic audit plan covering the coming three years; and
 - b) a detailed plan for the coming year.
- 4) ensuring that an annual Internal Audit Report is prepared for the consideration of the Audit and Risk Committee. The report must cover:
 - a) a clear opinion on the effectiveness of internal control in accordance with current controls assurance guidance issued by SGHSC including for example compliance with control criteria and standards.
 - b) major internal financial control weaknesses discovered.
 - c) progress on the implementation of internal audit recommendations; and
 - d) progress against plan over the previous year.

The Director of Finance, the Head of Internal Audit or their authorised representatives and CFS in relation to a fraud investigation will have authority, without necessarily giving notice, and on production of identification, to require and receive:

- 1) access at all reasonable times to any land, premises or employee of NSS.
- 2) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature (in which case, he will have a duty to safeguard that confidential nature).
- 3) the production or identification by any employee of any NSS cash, stores, or other property under the employee's control; and
- 4) explanations concerning any matters under investigation.

5.04 Irregularities

Whenever any matter arises which involves, or is thought to involve, irregularities concerning stores or other property of NSS or any suspected irregularity it will be notified immediately to the Fraud Liaison Officer (FLO) who will inform Counter Fraud Services and the Director of Finance. Where appropriate, the Director of Finance will inform the Chief Executive and the Head of Counter Fraud Services.

Any decision to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption will be taken by the Chief Executive and the Director of Finance. Such decisions will be taken after obtaining appropriate advice from NSS Counter Fraud Services.

Further details pertaining to suspected theft, fraud, embezzlement, corruption, bribery and other irregularities are contained at Section 4.

5.05 Audit Reporting

Annual and longer-term audit plans will be prepared and laid before NSS's Audit and Risk Committee for approval by 31 March preceding the audit year commencing 1 April, or at such other time as the Committee may approve.

5.06 Internal Audit

Detailed Internal Audit Reports will be submitted to and agreed with management following all audit visits. Management must respond formally to audit reports within five working days of receipt of the final draft. The finalised report will be provided to the Director, Director of Finance and NSS's statutory auditor.

Each year NSS's Internal Audit Service provider will prepare and present to the Audit and Risk Committee an annual Internal Audit Report which summarises internal audit findings in the preceding year. This will be submitted before 30 June following the audit year in question.

Periodic review of the responses to agreed actions will be carried out by the Internal Auditors and the findings presented to the Audit and Risk Committee.

5.07 External Audit

The Public Finance and Accountability (Scotland) Act 2000 places responsibility on the Auditor General for Scotland to decide who is to undertake the external audit of each health body in Scotland.

The appointed External Auditor will conduct their audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland.

5.08 Service Audit

Annual Service Audit Reports will be submitted to and agreed with management following audits of the key services we provide to NHS Boards. Management must respond formally to audit reports within three weeks of receipt. The finalised reports will be provided to the Director, Director of Finance, NSS's statutory auditor and to the Audit and Risk Committee.

Each Service Auditor Report will provide an opinion on the controls in place and how effectively they have been operating during the year under review. This will be submitted before 30 June following the audit year in question.

The report will also detail the exceptions that were identified during the course of the testing, and management's responses to these. Management will be required to ensure that action is taken to address the risks or issues identified by the agreed deadlines.

Periodic review of the actions taken will be carried out by the Service Auditors and the findings presented to the Audit and Risk Committee.

5.09 Risk Management

The Audit and Risk Committee is responsible for overseeing the risk management framework for NSS.

The Chief Executive is responsible for reviewing the effectiveness of the system of internal control, which includes the maintenance of an NSS risk register. The NSS risk register should be reviewed by the Board, Board Committees and Executive Management Team and management teams as set out in the NSS Integrated Risk Management Approach (IRMA).

The Directors are responsible for ensuring that risk registers are appropriately maintained and reviewed, and that appropriate risk management strategies and practices are adopted within their Directorates as outlined in the IRMA.

Section 6: Financial Planning and Budget Control

6.01 Introduction

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

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

NSS's income consists of four elements:

- the NSS baseline allocation which is to be treated as an aggregate sum.
- specific additional allocations of funding for projects and services sponsored by SGHSC and managed by NSS on behalf of NHSScotland.
- bottom sliced allocation from other Health Boards to fund National Services provided by NSS; and
- Income earned from trading with other Health Boards and other third parties.

NSS's financial planning cycle in respect of all income and expenditure will be co-ordinated with its business planning arrangements and timetables as approved by the Board. The financial plans will be reviewed in detail by the EMT and the Finance, Procurement and Performance Committee before being put to the Board for approval.

All requests for additional funding and income whether capital or revenue should be made using the Service Now Demand portal. Requests will be approved and prioritised on both an annual basis through the Resource Allocation Meetings and monthly at the EMT meetings.

The funding for specific ring-fenced projects will be agreed in advance of the project's commencement with NSS and SGHSC and will be supported by request through the Demand tool in the Service Now portal and an approved business case where required by SGHSC. The Director of Finance should be notified of any such projects at the earliest opportunity and will be responsible for ensuring funding is secured via additional allocations

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

The financial planning cycle in respect all NSS functions, including projects, programmes and services managed by NSS on behalf of NHSScotland will be co-ordinated with SGHSC's planning cycle.

6.02 Preparation of budgets

The Directors will prepare and submit budgets, which reconcile to the approved financial plan to Director of Finance in line with the agreed timetable for NSS. Such budgets will:

- 1) be prepared within the limits of available funds as advised by the Director of Finance or SGHSC in the case of additional allocations.
- 2) meet any requirements of the Board and SGHSC.
- 3) be in accordance with the aims and objectives set out in the Annual Operating Plan and reflected in the Directorate's Business Plan
- 4) accord with workload, workforce plans and funded establishment; and
- 5) identify potential risks and opportunities.

The Directors will be required to formally approve the delegated budget for their Directorate on an annual basis.

6.03 New Funding Requests

The Director is responsible for securing additional revenue or capital funds for new projects, programmes or services for NSS or delivered by NSS on behalf of NHSScotland. All additional funding, whether through NSS or SGHSC allocations or income from health boards or third parties must be requested through the Business Case process in the Service Now Demand portal. This will ensure the Board have full visibility of all funds they are accountable for.

Once approved these additional funds will form part of the budget for the duration of the project, programme or service.

6.04 Systems of budgetary control

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

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

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

Such systems will incorporate:

- 1) monthly financial reports to the Board in a form approved by the Board containing:
 - a) income and expenditure to date showing trends and forecast year-end position.
 - b) capital projects spend and projected outturn against plan on a monthly basis.

- c) comparison of the agreed annual workforce establishment to the actual in month, year to date and forecast position.
- d) specific programme level reporting in respect of all major projects, programmes and services managed by NSS on behalf of NHSScotland, in line with the specific requirements defined by the Finance, Procurement and Performance Committee.
- e) explanations of any material variance from Directorate's Finance Plans (material being defined as the higher of 10% and £100,000). For the purpose of reporting, materiality should be considered in relation to the total income, and the total pay and non-pay expenditure; and
- f) details of corrective action where necessary and the Director of Finance's view of whether such actions are sufficient to correct the situation.

investigation and reporting of variances from financial, workload and workforce budgets, including a requirement for finance staff to escalate any significant changes to income and expenditure to both the Director of Finance and the Director.

- 2) monitoring of management action to correct variances; and
- 3) arrangements for the authorisation of budget transfers in the case of NSS's general allocation.
- 4) arrangements for the return of specific additional allocations or proposed virement in line with agreed conditions of funding award for funds managed by NSS on behalf of NHSScotland (see section 4.24 for rules of virement).

The Director is responsible for ensuring that:

- 1) any likely overspending or reduction of income, which is not offset by corresponding reduction in expenditure, which cannot be met by virement within agreed limits is not incurred without the prior consent of the Director of Finance in respect of the general allocation, in addition to SGHSC in respect of ring-fenced funds.
- 2) the amount provided in the approved budget is not used in whole or in part for any other purpose other than that specifically authorised subject to the rules of virement.

The monthly financial returns from Directorate's will report actual results against a revised budget reflecting in year allocations.

6.05 Budget limits and Delegation

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

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

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

Each Director is the designated budget holder and is accountable to the Chief Executive and to the Board for the financial performance of their Directorate.

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

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

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

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

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

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

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

6.06 Virement

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

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

Subject to the foregoing rules, planned or fortuitous savings within delegated limits (see Appendix 1) may be redeployed within NSS's general allocation provided that the Director has verified that:

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

- (b) they are not part of an efficiency savings initiative.
- (c) the level of service defined in the Business Plan has been or will be achieved.
- (d) details of the savings figures have been provided to the Director of Finance.
- (e) non-recurring savings are not committed recurrently.
- (f) the Budget Centre in total is expected to remain within budget by the end of the year.
- (g) the alternative use does not conflict with NSS policy.

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

- a) the level of service defined in National Healthcare and Screening Service Agreements has been or will be achieved.
- b) waiting times are within the limits set by SGHSC.
- c) funding shifts do not generate major service change unless prior approval by SGHSC has been granted.
- d) use or application of savings across the total earmarked funds of NSD (subject to the virement reference above) should be agreed in conjunction with the relevant funding bodies, i.e. SGHSC for top sliced allocation for designated specialist and screening services, and NHS Boards for NHS Scotland financial risk share arrangements; and
- e) savings against earmarked funds of NSD will not be used to support NSS activity; similarly NSS funds will not be used to support activity funded through NSD.

The Director of NSD must report significant virements to the Director of Finance in the first instance and to the National Corporate Finance Network.

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

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

All virements must be recorded in the finance ledger against the appropriate service.

6.07 Family Health Service Payments

NSS is responsible for the payments to primary care practitioners, Scottish Infected Blood Scheme and MESH payments on behalf of the NHS Scotland territorial Health Boards. Cash is drawn down from Scottish Government on a monthly basis to ensure payment to all contractors under the Medical, Pharmacy, Dental and Ophthalmic contractor streams.

The Director of Practitioner and Counter Fraud Services is responsible for the delivery of this service.

The Director of Finance is responsible for:

- a) all aspects of financial control, the management of cash requirements and the processing of payments.
- b) setting the delegated authority limits for the authorisation of payments on a monthly basis.
- c) regular reviews of financial controls; and
- d) reviewing and approving changes to financial controls.

The Finance, Procurement and Performance Committee will receive regular reports from the Director of Finance on financial governance, control and performance in year.

6.08 Financial consequences of change

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

Section 7: Staff Appointments, Remuneration and related matters

7.01 Remuneration Committee

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

7.02 Staff Appointments

The Board will delegate responsibility to a manager for:

- a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board; and
- b) dealing with variations to, or termination of, contracts of employment.
- c) both in a form which complies with employment legislation.

Directors will authorise termination of contracts of employment. Termination of contracts also require to be authorised by the Director of HR and Workforce Development.

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

- a) unless within the limit of his approved budget and funded establishment; or
- b) in exceptional circumstances if authorised to do so by the Chief Executive.

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

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

The Remuneration Committee will approve all new or additional jobs created for AfC band 8c, 8d, 9 and Executive grades. In addition, they will agree all senior appointments where the lower half of the salary range will not secure the preferred candidate.

7.03 Processing of Payroll

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

- a) specifying timetables for submission of properly authorised time records, expense claims and other notifications.
- b) the final determination of pay and allowances.
- c) making payment on agreed dates; and
- d) agreeing method of payment.

The Director of Finance will issue instructions regarding:

- a) verification and documentation of data.
- b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances.
- c) maintenance of subsidiary records for superannuation, income tax, national insurance contributions and other authorised deductions from pay.
- d) security and confidentiality of payroll information.
- e) checks to be applied to completed payroll before and after payment.
- f) authority to release payroll data under the provisions of the Data Protection Act and National Fraud Initiative.
- g) methods of payment available to various categories of employees and officers.
- h) procedures for payment by bank credit to employees and officers.
- i) procedures for the recall of cheques and bank credits.
- j) pay advances and their recovery.
- k) maintenance of regular and independent reconciliation of pay control accounts.
- l) regular reconciliation of key standing data between the payroll system and the Human Resources Business Systems.
- m) a system to ensure the recovery from leavers of sums of money and property due by them to NSS.
- n) procedures for reclaiming expenses incurred wholly, necessarily and exclusively for business purposes.
- o) procedures for the recovery of any over/under payments; and
- p) procedures for the regular review of protection payments to ensure compliance with policy.

Appropriately nominated managers and EMT members have delegated responsibility for:

- a) completing and authorising time records, and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance.
- b) submitting time records, and other notifications in accordance with agreed timetables; and
- c) submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil Executive Management Team obligations in circumstances that suggest they have left without notice, the Director of Finance must be informed immediately.

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

7.04 Termination Settlements

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

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

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

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

7.05 Organisational Change

The Director is responsible for setting out the requirements and following the Organisational Change Policy. A full financial appraisal must support the organisation change programme and be submitted to the Change Oversight Group (COG) for approval.

The financial budget for any established posts is removed from the Directorate budget as a gross saving and reinvested within the NSS Workforce Resource Team as required.

7.06 Extension to Pay during periods of absence

The line manager with support from HR advisors is responsible for requesting an extension to pay during extended periods of absence. The Section 14 Workforce review panel, chaired by the Director of Finance will assess the circumstances of the individual and where appropriate approve any extension to pay.

7.07 Ex Gratia Payments

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

7.08 Trade Union Facility Time

All trade union representatives are required to submit the time spent on trade union activities on a biannual basis to the Head of Payroll Services. This information will be used to support the required disclosures for the Annual Report and Accounts and other regulatory disclosures.

Section 8: Non Pay Expenditure

8.01 Introduction

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

All procurement activity must be undertaken in line with the [Scottish Government Procurement Journey](#) and all specific NHSScotland procurement policies.

The NSS procurement team will provide advice and support to the Directorate's on all aspects of procurement to ensure compliance with all relevant Acts and regulations. The NSS Procurement Team will manage all route 2 and 3 procurement requirements as defined within the Scottish Government Procurement Journey,

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

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

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

8.02 Delegation of Authority

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

8.03 Responsibilities

The Chief Executive is responsible for

- setting out procedures on the seeking of professional advice regarding the supply of goods and services in line with SGHSC guidance and recognised best practice.

The Director of Finance is responsible for:

- Issuing instructions for staff regarding the handling, checking and payment of accounts and claims within the Finance Operations team.

- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained.
- the account is arithmetically correct.
- appropriate entries have been made in purchasing and payment systems, registers, inventories, stores or similar records as required.
- the appropriate expenditure code numbers are charged with the cost.
- payments for goods and services are only made once goods and services are received.
- appropriate segregation of duties for placing orders, receipting goods and services and authorising payment of invoices.
- ensure that appropriate arrangements are in place for the prompt payment of accounts and claims. Payment of contract invoices will be in accordance with contract terms, or otherwise, in accordance with national guidance.
- only invoices with a valid purchase order number will be paid.
- VAT has been appropriately applied; and
- the account is in order for payment.

Director is responsible for:

- compliance with the guidance and limits specified by the Director of Finance/
- the purchase of goods be in accordance with Scottish Government Procurement Journey and NHSScotland procurement policies
- ensure the procedures are followed when placing an order and invoking competitive quotation or tendering arrangements are outlined in Section 8.
- where consultancy advice is being obtained, the procurement of such advice must be in accordance with Section 9.
- goods and services are received timeously and accurately.
- no contract will be entered into, or purchase order issued for any item or items to any organisation or person which has made an offer of gifts, inducement, reward or benefit to directors or employees,

- no requisition/order or contract acceptance is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive.

8.04 Requisitioning of goods and services

The requisitioner or officer placing the order, in choosing the goods to be supplied (or the service to be performed) and the procurement process to be followed must always seek to obtain the best value for money for NSS and NHS Scotland. In so doing, where deemed appropriate, the advice of NSS's procurement staff and where appropriate CLO shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance (and/or the Chief Executive) must be consulted. Details of any such occurrences should be reported quarterly as appropriate to the Finance, Procurement and Performance Committee

Full guidance for ordering and receipting of goods and services can be found on the knowledge base of the Finance and Procurement Service Now portal.

Section 9: Tenders, Quotations and Contracting Requirements

9.01 Introduction

These Standing Financial Instructions define the arrangements for tendering or receipt of quotations and contracting requirements. They apply for procuring or ordering goods or services for which no applicable public sector contract or framework agreement currently exists that NSS can use.

The Director of Finance is responsible for ensuring the maintenance of systems for the invitation, receipt, safe-keeping and selection of tenders and quotations, which will include a register of tenders.

9.02 Thresholds for Purchasing of goods, services and works

The thresholds for the purchasing/ordering of all goods, services and works are as follows: -

Thresholds	Purchasing Process
Contract value < £10,000	Achievement of value for money should be demonstrated. Where possible, this will be through receipt of three competitive quotations from reputable suppliers. (In the absence of such quotes, the purchaser must be prepared to justify the procurement route chosen to the Director of Finance if asked to do so).
Contract value > £10,000 and < £50,000 (except public works) Public Works <£2m	Procurement Journey Route 1
Contract value £50,000 or more over its lifetime (4 years maximum) (except public works) Public Works £2m or greater	Procurement Journey Route 2 . This must be done with full advice and guidance of NSS procurement, CLO and other technical advisers as required. The contract must be advertised on Public Contracts Scotland.
Contract with an estimated value equal to or greater than the published thresholds detailed within SPPN 08/2019 (valid until January 2022)(see 8.07 below)	Procurement Journey Route 3 This must be done with full advice and guidance of NSS procurement, CLO and other technical advisers as required. The contract must be advertised on Public Contracts Scotland.

In order to ensure that value for money is achieved it is essential that a sufficient number of competent, financially sound suppliers with adequate capacity to undertake the work or provide the goods/service are identified. As part of value for money, due regard to other relevant organisational policies is important, for example, policies in relation to corporate social responsibility/sustainability and risk management.

In the case of Goods and Services, the estimated value of the contract must include all possible options under the contract. For example, if the contract allows NSS to aggregate requirements, purchase additional supplies or services or extend the contract period beyond its original duration, the financial implications of these must be included in the estimate of the potential contract value, even if the likelihood of taking up these options is small. This will assist in ensuring the appropriate best practice procurement route is chosen

In the case of Works, purchasers are required to estimate the value of the whole works project, irrespective of whether or not it comprises a number of separate contracts for different activities, stages or phases of an individual project.

Any contract with an anticipated value of over £50,000 must be routed through the NSS Procurement team. The NSS Procurement manager will ensure that standardised NSS procurement processes are followed and that NSS complies fully with regulations and SG policy.

In certain circumstances, public procurement regulations may not apply. This is permitted using the general exclusions and Specific Situations of the Public Contracts (Scotland) Regulations 2015 Sections 4 or 7 through 18 or by being a service listed in Schedule 3 of the aforementioned regulations. To ensure probity the Sole Source Justification form should be completed in these circumstances. If the purchase is of an ongoing nature, a single form for the requirement should be completed at the start of each financial year and attached to the initial Purchase Order for NSS Procurement records. All subsequent Purchase Orders should reference the initial Purchase Order number. The Sole Source Justification form can be found in the NSS Procurement pages on geNSS (see Section 6). These exemptions require careful consideration and the advice of the NSS Head of Procurement must be sought at the earliest opportunity if circumstances may require their use.

No tender may be invited for goods, services or works unless the estimated expenditure is included in the Directorate's Budget or Business Plan or has been previously approved by the Chief Executive.

Tender submissions should be sought by use of the SG supported e-Tendering system or the Public Contracts Scotland web portal or another approved Public Sector web portal.

All Tenders must be appraised against the Scottish Procurement Document (SPD). This is a statutory requirement that ensures all mandatory & discretionary exclusion criteria are appropriately assessed for each bidder. Where existing Framework Agreements are to be used, the procedures set out in that Agreement must be followed. Guidance on the use of the SPD should be sought at all times from the NSS Procurement Department.

Where, in exceptional circumstances, three competitive written quotations or tenders cannot be provided by reputable suppliers the tender process and selection must be approved by the Chief Executive or the Director of Finance via a sole source justification. The sole source justification form can be found on Service Now). The Director of Finance will present, on an

annual basis, a report to the Finance, Procurement and Performance Committee detailing the nature and justification for any such circumstances.

The Director is the responsible for:

- must be satisfied that all required processes and procedures in compliance with public procurement regulations have been adhered to prior to accepting a tender.
- must ensure that all accepted tenders have the appropriate details entered onto the NSS contract register which will be maintained by the NSS Procurement Department.
- ensure that all tender documentation, reports and records must be retained and stored in line with NSS document management and retention policy.
- ensure that every contract contains a clause entitling NSS to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation if the contractor or his representative, with or without his knowledge, has colluded in tendering for the contract or any other contract with NSS or has employed any corrupt or illegal practice in obtaining or executing that or any other contract with NSS.

An officer or executive having a pecuniary interest, whether direct or indirect, in any tender with NSS must declare this interest to the Director of Finance who must ensure such details are entered in the Register of Pecuniary Interest. Such officers must also disqualify themselves from any involvement in the tender procedures.

Except where otherwise agreed all contracts will be in writing and subject to the Law in Scotland.

9.03 NSS Contract / Framework Agreement

Prior to award on behalf of NSS itself of any contract or Framework Agreement or call off by NSS of any Framework Agreement (or extension of any contract or Framework Agreement or call off same), where the annual amount (or amount relating to the extension period if shorter) which NSS is committing to pay is:

- less than £50,000, three quotes are required, and approval is required from Director.
- £50,000 to £100,000 must follow formal procurement regulations and approval is required from the Director.
- more than £100,000 but less than £500,000 approval is required as above and the Contracts Approvals Board and the Director of Finance.
- more than £500,000 but less than £1 million approval is required from Contracts Approvals Board and then from the Chief Executive.
- more than £1 million are reported to the NSS Board through the Finance, Procurement and Performance Committee, following approval from the Chief Executive as above.

9.04 Contract Extensions

Wherever practicable, approval for contract extensions should be sought on a timely basis so that extension approval not be granted that there is sufficient time to run the appropriate procurement process set out in these SFIs. For all contract extensions which require authorisation by the Chief Executive or the NSS Board, NSS procurement must seek CLO advice and ensure approval is sought in sufficient time to run an appropriate procurement process or an exemption must be agreed by the Chief Executive and reported to the NSS Board.

9.05 Contracts on behalf of Scottish Ministers, NHSS or combinations of public bodies

Prior to the new financial year the National Procurement Director will provide the Finance, Procurement and Performance Committee with a procurement strategy detailing all planned contracts/framework agreements awards. Based on an assessment of financial and reputational risk the Committee will identify those contracts/framework agreements which will require approval by the Board.

For contracts/framework agreements awards not identified as requiring Board approval by the Finance, Procurement and Performance Committee the following approval strategy will apply based on the estimated/expected **total annual value** or uptake under the Contract or Framework Agreement:

- less than £2 million, approval is required from the National Procurement Director, the Strategic Sourcing Director and the Director of DaS for an IT-related contract.
- more than £2 million but less than £5 million, approval is required from the Contracts Approvals Board (Director of Finance, National Procurement Director, Strategic Sourcing Director and for IT approvals the DaS Director).
- more than £5 million, approval is required from the Chief Executive of NSS following the Contracts Approval Board.

No award or execution of a contract or a Framework Agreement shall be made by or on behalf of NSS without appropriate authority or in advance of an Approval Certificate being issued.

All NSS officers and employees should be aware of the importance of acting within statutory powers and functions and the requirement of written records.

Verbal contracts are not acceptable. Care must be taken to ensure Contracts and/or Framework Agreements are not concluded informally. Correspondence on contractual issues should contain a statement that the letter or e-mail is not intended to form a contract and that NSS will not be bound by any terms unless and until incorporated within a formal award or document entered into by NSS which satisfies Section 3 of the Requirements of Writing (Scotland) Act 1995.

No award or execution of a contract or a Framework Agreement shall be made by or on behalf of NSS without appropriate authority or in advance of an Approval Certificate being issued.

All NSS officers and employees should be aware of the importance of acting within statutory powers and functions and the requirement of written records.

Verbal contracts are not acceptable. Care must be taken to ensure Contracts and/or Framework Agreements are not concluded informally. Correspondence on contractual issues should contain a statement that the letter or e-mail is not intended to form a contract and that NSS will not be bound by any terms unless and until incorporated within a formal award or document entered into by NSS which satisfies Section 3 of the Requirements of Writing (Scotland) Act 1995.

9.06 NHS Scotland Health Board Capital Expenditure Procurements

Where Equipping Projects are performed by NSS either by direct engagement or under a Service Level Agreement (SLA) with Health Boards and under their own SFIs, with Purchasing Approvals on spend by the Health Board Project Teams under their Capital Expenditure Budget for the Project, with our Procurement Team operating as a proxy HB Procurement Team, the following approval levels will apply.

- less than £100,000, approval is required from the relevant procurement Category Manager
- more than £100,000 but less than £500,000, approval is required from the Head of Strategic Sourcing
- more than £500,000, approval is required from the Director of National Procurement

The above approval levels only apply to contracts where purchase orders are raised by Health Boards and there is no NSS financial commitment.

General Requirements

9.07 Advertising

In accordance with the Procurement Reform Act (Scotland) 2014, any contract between £50,000 and threshold values set out in [SPPN 08/2019](#) (valid until January 2022) over its lifetime is considered a regulated contract. Guidance in tendering these contracts must be in accordance with the Procurement Reform Act (Scotland) 2014, any contract between £50,000 and threshold value over its lifetime is considered a regulated contract. Guidance in tendering these contracts must be sought from NSS Procurement.

9.08 Signing of contracts

The official signing of any contract or framework agreement that requires Board approval (as per sections 9.02 and 9.04 above) will be sealed with the Common Seal of the Common Services Agency.

The Director of Finance must ensure the segregation of duties between negotiating and the signing of contracts. Contracts entered into by NSS for services for NSS or provided on behalf of NHSScotland must be approved by the Director of Finance or the Chief Executive.

9.09 Record of contracts

To effect compliance with the Procurement Reform (Scotland) Act 2014, NSS' utilises the [Public Contracts Scotland](#) (PCS) web portal contract register functionality to maintain a public register of all contracts in excess of £50,000 in value. The Director of Finance will receive a copy of the register on an annual basis.

9.10 Variations to contracts

All agreements with suppliers/contractors to vary contracts for supplies/works of a revenue or capital nature must be in-line with procurement regulations and will require approval should additional expenditure meet thresholds detailed in line with Section 9.

Claims from suppliers/contractors which are not clearly within the terms of the contract concerned will be referred to the Procurement Department, who will inform Chief Executive and/or Director of Finance, if necessary, before agreement is reached and any payments are made.

Where completion of a contract is delayed the matter will be referred to the Director of Finance for further action.

With regard to contracts for works (capital expenditure), the contract will specify the circumstances that will occur before a variation is appropriate. The officer authorised to supervise and control the work must ensure these conditions are observed before authorising any contract variation.

9.11 Interim and final payments

Officers authorised by Directors to supervise and control work under contracts (including both revenue and capital contracts) will certify payments to suppliers/contractors. Directors will provide the Director of Finance with a list of authorised signatures, together with specimen signatures and initials. These lists will be reviewed by senior Financial Services staff at least annually to ensure currency, completeness and accuracy.

9.12 Communications

All contracts (other than for a simple purchase permitted within the Scheme of Delegation and excluding Service Agreements for national specialist healthcare and screening services), leases, tenancy agreements and other commitments which may result in a liability must be notified to the Director of Finance in advance of any commitment being made.

9.13 Contract and Supplier Management

Each Directorate is responsible for ensuring that key contracts and suppliers are managed effectively to ensure agreements meet performance requirements and provide value for money.

Key suppliers should be identified and managed on a quarterly basis utilising the segmentation tool and balanced scorecard within the Scottish Government Procurement Journey (<https://www.procurementjourney.scot/route-3/contract-and-supplier-management/planning-and-governance>).

Each Directorate will be required to provide an annual report to the Finance Performance and Procurement Committee on supplier management activity.

Section 10: Tenders, Quotations and Contracting Requirements for Research

10.01 Introduction

This section defines the arrangements for tendering or receipt of quotations and contracting requirements specifically for purchasing research services.

Research and development services, being a Specific Situation of the Public Contracts (Scotland) Regulations 2015, are generally considered an exclusion from the public procurement regulations.

The public procurement regulations only apply if: a) if the benefits of the research accrue exclusively to NSS for use in the conduct of NSS' own affairs; **and** b) NSS wholly fund the research from its own budget. If both conditions apply, then the public procurement regulations apply – refer to Section 9 of the [Standing Financial Instructions](#). However, if only one or less of these conditions apply then the research is considered an exclusion and the arrangements, as set out below, apply. In such instances, the public procurement regulations do not apply as the research is not considered a commercial contract.

The Director is responsible for ensuring that all research contracts comply with current legislation and the Standing Financial Instructions (SFIs), as appropriate.

10.02. Thresholds for Purchasing of Research Services

The thresholds for the purchasing all research services are as follows: -

Thresholds	Purchasing Process
Contract value < £10,000	By value for money. Where possible, through receipt of three competitive quotations from reputable providers. (In the absence of such quotes, the purchaser must be prepared to justify the rationale for not seeking three quotations to the Director of Finance (if asked to do so).

Contract value > £10,000 and < £50,000	By invitation – seeking three quotations from reputable providers without having to advertise the research contract.
Contract value £50,000 or more over its lifetime (4 years maximum)	By advertisement – advertising the contract on the NSS site. This can be an open or restricted invitation to tender.

The other purchasing process that exists for research services:

- A non-competitive direct award process, used in exceptional circumstances, where three competitive written quotations or tenders cannot be provided. Notable reasons for awarding a research contract directly to a single, identified external research provider are extreme urgency or intellectual property rights.

In order to ensure that value for money is achieved a sufficient number of suitably qualified providers with adequate capacity to undertake the research services are identified.

The estimated value of the contract must include all possible options under the contract. For example, if the contract allows NSS to aggregate requirements, purchase additional supplies or services or extend the contract period beyond its original duration, the financial implications of these must be included in the estimate of the potential contract value; even if the likelihood of taking up these options is small. This will assist in ensuring the appropriate purchasing process is chosen.

No tender may be invited for research services unless the estimated expenditure is included in the Directorate’s Budget or has been previously approved by the Director of Finance. Estimated expenditure must be approved prior to the purchasing process commencing.

10.03 Research contract award approval

Prior to award on behalf of NSS of any contract, where the **total amount** (or amount relating to the variation if shorter) which NSS is committing to pay is:

- less than £50,000, three quotes are required, and approval is required from Director.

- £50,000 to £100,000, research contract is advertised, and approval is required from the Director.
- more than £100,000 but less than £500,000 approval is required as above and the Director of Finance.
- more than £500,000 approval is required from the Director of Finance and then from the Chief Executive.
- more than £1 million are reported to NSS Board through the Finance, Procurement and Performance Committee, following approval from the Chief Executive as above.

General Requirements

10.04 Advertising and notification of research contracts

In accordance with the Public Contracts (Scotland) Regulations 2015, research contracts are considered excluded contracts. Research contracts above £50,000 over its lifetime are advertised on the NSS site.

All research tenders, above £50,000, are appraised against the Scottish Procurement Document (SPD). This ensures all mandatory & discretionary exclusion criteria are appropriately assessed for each bidder. Where existing Framework Agreements are to be used, the procedures set out in that Agreement must be followed.

A research contract with an estimated expenditure of more than £1million (in total) will be notified to the Finance, Procurement and Performance Committee, via the Director of Finance at the contract advertisement stage.

10.05 Research contract agreement signature

The official signing of any contract or framework agreement must follow the financial thresholds and associated personnel set out in section 3 above.

Except where otherwise agreed all contract agreements will be in writing and subject to the Law in Scotland.

10.06 Record of research contracts

The Directorate must maintain a research contract register for all commissioned research contracts. The Director of Finance shall receive a copy of the research contracts register as requested.

10.07 Interim and final payments

Officers authorised by Directors to supervise and control work under contracts (including both revenue and capital contracts) will certify payments to suppliers/contractors. Directors will provide the Director of Finance with a list of authorised signatories. This list will be reviewed by senior Financial Services staff at least annually to ensure currency, completeness and accuracy.

10.08 Research contract variations

Where research contract variations including extensions require additional expenditure, approval for the variation must be sought before agreement is made with the external research provider. For contract variations where the original contract was routed through the Research Office, the Research Office must be notified in the first instance. Approval shall be in line with the financial thresholds and associated personnel set out in section 3 above.

Contract variation agreement signature shall be in line with section 3 above.

Wherever practicable, approval for contract variations including extensions should be sought on a timely basis so that should approval not be granted there is sufficient time to run a purchasing process as appropriate.

Claims from external research providers which are not clearly within the terms of the contract concerned will be referred to the Head of NSS Procurement, if necessary, before agreement is reached and any payments are made. Where completion of a contract is delayed the matter will be referred to the Director of Finance for further action.

10.09 Research collaboration agreements

Where research collaboration agreements require expenditure (including staff time) by NSS, approval for the collaboration must be sought before agreement is made with the other collaborators.

Collaboration agreement signature shall be in line with section 3 above.

10.10 Communications

All research contracts which may result in a liability must be notified to the Director of Finance in advance of any commitment being made.

Section 11: Appointment of advisers and non-permanent staff

11.01 Introduction

These Standing Financial Instructions define the procedures to be followed in the selection and appointment of Advisers and staff not on open-ended contracts and should be read in conjunction with Sections 8 and 9.

Provider	Process
Legal Advisers	CLO must act as appointed legal advisers on all legal matters unless approval has been granted by Chief Executive
Management Consultants/ Contractors (individuals and companies)	This section 9. The authority limits in section 9 also apply.
Agency staff	In line with all establishment posts, agency and contractor staff will be recorded on the relevant NSS Business Systems to ensure compliance with the National Directory and NHS Mail access for all members of staff and to allow for effective monitoring of all staff across NSS. Agency staff must be appointed in line with the NSS Agency Workers Process including a requirement to utilise any national procurement framework or contract in place for such staff within NHSS. Completion of an online “check of employment status for tax” must also be carried out prior to the start of any engagement. The authority limits in section 9 also apply
Secondees	Before appointing any Secondees to work in NSS, the relevant Director must be consulted and their approval to proceed should be given prior to proceeding with any appointment
Temporary/Fixed Term Employees	Normal HR recruitment

11.02 Definition

Contractors are used by NSS -

- a) to provide specific expertise which may not be readily available within NSS.
- b) to perform a task within a defined time span; or
- c) to provide an outside objective view on a particular matter.

11.03 Specification of need

In considering the need for Management Consultants/Contractors it is essential that the following processes are adhered to: -

- 1) Define assignment to be undertaken: The nature of the task requires to be identified and a specification with the timescale prepared. This will enable the quantity and quality of professional skill required to be assessed.
- 2) Consider alternative means of undertaking assignment: Having prepared the specification it should be possible to consider whether the Directorate's own staff can undertake the assignment, within normal working hours, in overtime hours or on a secondment basis. If this is not possible the option of involving other Directorate's staff on a secondment or chargeable basis should be explored before any consideration of an outside source is made. Should outside support be necessary the suitability of temporary staff should be considered before finally deciding to progress to the process leading to the appointment of Management Consultants/Contractors.
- 3) Define the basis of the consultancy: It is necessary to decide the appropriate method of appointment, for example if the end date of the assignment and timescale can be clearly identified a block fee would be appropriate. However, it is recognised that it is not always possible to do this and in such circumstances a day rate basis would be appropriate.

11.04 Procedures for appointment

The applicable procurement procedures and limits set out in sections 8, 9 and 10 must always be followed.

11.05 Appointment considerations for the Director

- For each appointment an online assessment through HMRC must be completed to determine the employment status for tax purposes for the engagement.
- Contract of employment and fee must be aligned to an established job description, any departure from this must be approved by the Director of HR and workforce Development and the Director of Finance.
- Appropriate consideration is given to the particular experience and reputation of the individual(s)/organisation.
- The individual(s)/organisation is competent to undertake the assignment and retain documentary evidence of their consideration.

- Professional competence is vetted, and evidence retained.
- Where appointment is made due to lack of specific expertise being available within NSS, arrangements should be made wherever practical for knowledge or skills transfer into NSS to occur. The anticipated knowledge or skills transfer should be documented and tracked thereafter.
- for conducting a review of the effectiveness and value for money of the assignment prior to the departure of, or as soon as practicably possible thereafter, the appointed Management Consultant/Contractor. Internal Audit or any other body as may be required should record details of such review for the purposes of any subsequent independent scrutiny for ensuring that the work to be undertaken in the assignment has been carried out satisfactorily will certify invoices for work done and will ensure that the fee charged is correct.
- Throughout the whole procurement process of developing need, specification, tendering, appointment and payment the officers involved in the exercise are responsible for ensuring that best value for money is obtained.

11.06 Tendering Arrangements

In all circumstances, the arrangements for tendering set out in Section 9 will be followed.

11.07 Functional continuity

Where for whatever reason it is decided to extend the appointment of a Management Consultant/Contractor, and this will increase the value of the initial or current assignment sufficient to move it into a higher value band (see Section 9) the materiality of any such extension should be measured and appropriate legal advice sought from CLO prior to the approval of the Chief Executive and/or the Director of Finance must be obtained before proceeding to extend the appointment.

Similarly, CLO advice should be sought and the Chief Executive's and/or the Director of Finance's approval must be obtained in all cases where the value or timescale of the extension cannot be estimated.

11.08 Audit and Risk Committee Reporting Requirements

NSS's Audit and Risk Committee can, at any time, call for the justification of expenditure on Management Consultants.

The Director of Finance will present, on an annual basis, a report to the Audit and Risk Committee detailing the nature of and expenditure incurred by each Directorate on the employment of Management Consultants in the preceding year.

Section 12: Income Generation and Intellectual Property

12.01 Introduction

This Standing Financial Instruction refers to all income generation (excluding SGHSC allocations) entered into by NSS, whether or not contractually binding, for the supply of goods and/or services by it to another party and for which money will be receivable by NSS. It applies to “contracts” with NHSScotland bodies, other public sector bodies and to all arrangements with private sector bodies.

Contracts with SGHSC are not subject to this section of the Standing Financial Instructions.

12.02 Authority Levels

Directorate’s may enter into income generating activities with outside parties on their own authority provided that:

- 1) the limits set out in Appendix III (pg76)are adhered to.
- 2) NSS’s standard terms and conditions of business/service level agreement apply.
- 3) if denominated in a foreign currency, approval has been obtained from Director of Finance as described below; and
- 4) section 10.19 on legal entity participation or investment is not relevant.

Any income agreement which does not meet all of the criteria above requires prior approval by the Director of Finance and/or Chief Executive.

Income agreements are frequently negotiated over a period of time which may be prolonged and often require to be ratified as soon as terms and conditions are agreed in order to avoid financial loss through further delay. Where authority from a higher level is required, officers should plan for and provide prior warning to all officers whose authority may be required.

12.03 Determination of charges

Each Director will review on at least an annual basis the charges for services provided by the Directorate. Unless such charges are fixed externally or are governed by specific SGHSC regulations and/or legislation, the Directorate income strategy, including charging principles and proposals for the revision of charges, will be submitted to the Chief Executive and Director of Finance for consideration and approval in advance of such revised charges being published. This will be formally approved as part of the annual business planning process.

In setting the level of fees and charges, Directors should ensure the full recovery of all costs including capital costs represented by capital charges. For recurring income streams there

should be a yearly review as part of the budget process to ensure that full recovery of costs is being achieved.

Where day rates form the basis of any fees and charges the approved NSS day rates should be used. Any variation from the approved day rates must be agreed with the Director of Finance.

Planned cross subsidisation is not permitted and marginal costing may only be used when unplanned spare capacity arises during the year.

Charges to the private sector may be set at any level that the market will bear, provided the price covers all direct and indirect costs.

In order to preserve the real value of income, increases recommended should have regard to at least the current rate of inflation.

12.04 Foreign Currency

Business should normally be conducted in sterling. Any Sales which are to be denominated wholly or in part in a foreign currency must be pre-notified to the Director of Finance at the earliest opportunity.

Foreign currency transactions will normally only be acceptable in “hard” currencies such as US dollars, the Euro or Swiss Francs. Other major world currencies will be acceptable where business is conducted with the appropriate country.

Foreign currency transactions in excess of £2million require to receive advance authorisation through the Government Banking Service. Such transactions will be referred to the Director of Finance for arrangement. Government accounting regulations require NSS to minimise the cost of its overseas (banking) transactions while protecting public funds against loss and uncertainty due to foreign exchange movements. NSS will therefore take steps to minimise its exposure to foreign exchange risks, for example by entering into forward exchange contracts, but must not speculate on foreign exchange movements.

12.05 Third party contracts and agreements

Under certain circumstances NSS may enter into non-financial contracts and agreements with third parties. All such agreements should be approved by the relevant Director. The Director should ensure that an appropriate approval process is followed prior to “sign off” in line with Scottish National Blood Transfusion Service Business Development Execution of Agreement Checklist.

12.06 Intellectual Property and Other Guidance

Directorate’s must comply with MEL(2000)13: “Fund Raising, Income Generation and sponsorship within the NHSiS” at all times.

The registration, other forms of protection, management and exploitation of Intellectual Property Rights (e.g. a brand, patent, domain name, etc.) is subject to compliance with current NSS Intellectual Property Policy and Scheme of Delegation.

Consideration should be given to using the services of Scottish National Blood Transfusion Service's Business Development Department which has particular expertise and experience in providing services necessary for the identification, protection and exploitation of IP as this is a frequent occurrence within Scottish National Blood Transfusion Service R&D programmes and third-party collaborations. Any such requests should be made via the office of the Director, Scottish National Blood Transfusion Service. An annual report on all relevant IP activity facilitated by Scottish National Blood Transfusion Service Business Development Department will be provided to the NSS Board/ Chief Executive via the NSS Clinical Governance Committee.

NSS participation or investment in any legal entity (e.g. joint venture) is subject to prevailing legislation and SGHSC guidance and is subject to approval by the Minister. Before proceeding, legal and procedural advice is required, and any activity in this area must be advised to and approved by the Director of Finance.

12.07 Notification of income to the Director of Finance

All accounts for income due to NSS will be raised under arrangements approved by the Director of Finance.

The Director is responsible for the new projects, programmes or services for NSS or delivered by NSS on behalf of NHSScotland. All new income streams from health boards or third parties must be entered through the Business Case process in the ServiceNow Demand portal for approval by the appropriate authority.

12.08 Recovery of outstanding debt

The Director of Finance will ensure that appropriate systems are maintained for the recovery of outstanding debts in line with the Debt Management Policy.

The Director of Finance is responsible for the recovery of outstanding debts and will ensure agreed credit control procedures are exercised to minimise any loss to NSS.

Outstanding debts that are not recoverable and are to be written off will be dealt with in accordance with the approved procedures for losses (see Section 17 below).

Section 13: Capital Investment, Private Financing, Fixed Asset Registers

13.01 Capital Investment

The Director of Finance will ensure that:

- a) there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans.
- b) adequate arrangements are in place for the effective management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost.
- c) capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences, including capital charges; and
- d) All capital programme requests are agreed and prioritised by the Property and Asset Management Board.
- e) For all capital expenditure a proposal should be produced in line with the NSS Business Case Process.

The Director is responsible for securing capital funds for new projects, programmes or services for NSS or delivered by NSS on behalf of NHSScotland. New projects must be requested through the Business Case process in the ServiceNow Demand portal. Funding will be approved and prioritised on an annual basis through the Resource Allocation Meetings, and any new requirements in year will be approved by the EMT at the monthly meeting. This will ensure the Board have full visibility of all funds they are accountable for.

The Director of Finance will issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

The Chief Executive, Director of Finance or the Board, as appropriate, must approve capital expenditure not covered by an approved budget in advance. Further details are contained at Appendix I.

The approval of a capital programme will not, of itself, constitute approval for expenditure on any scheme. The Director of Finance will issue to the manager responsible for any scheme:

- a) specific authority to commit expenditure.
- b) authority to proceed to tender; and
- c) approval to accept a successful tender.

The Director of Finance will ensure procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes are issued. These procedures will fully take into account the delegated limits for capital schemes included in guidance from SGHSC.

13.02 Asset Registers

Director of Finance is responsible for the maintenance of registers of assets, including the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted at least once a year.

The minimum data set to be held within these registers will be as specified in the Scottish Capital Accounting Manual as issued by SGHSC.

Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

- a) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties.
- b) Stores, requisitions and wages records for own materials and labour including appropriate overheads; and
- c) Lease agreements in respect of assets held under a finance lease and capitalised.

Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).

The Director of Finance will approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

The value of each asset will be indexed to current values in accordance with methods specified in the Scottish Capital Accounting Manual issued by SGHSC.

The value of each asset will be depreciated using methods and rates as specified in the Scottish Capital Accounting Manual issued by SGHSC.

The Director of Finance will ensure that capital charges are calculated and accounted for as specified in the Scottish Capital Accounting Manual issued by SGHSC.

A small equipment registers as specified by the Director of Finance will be maintained within NSS. This register will incorporate high value and portable items of equipment, e.g. IT equipment, that do not fall within the scope of Capital Expenditure. The register will be in a format approved by the Director of Finance and a full count of identified items will occur at a time period specified by the Director of Finance. Any discrepancies will be noted in writing to the Director of Finance who will investigate as appropriate.

13.03 Security of assets

The overall control of fixed assets is the responsibility of the Chief Executive.

The Director of Finance must approve asset control procedures (including fixed assets and donated assets). This procedure will make provision for:

- a) Recording managerial responsibility for each asset.
- b) Identification of additions and disposals.

- c) Identification of all repairs and maintenance expenses.
- d) Physical security of assets.
- e) Periodic verification of the existence of condition of, and title to, assets recorded.
- f) Identification and reporting of all costs associated with the retention of an asset.

All discrepancies revealed by verification of physical assets to fixed asset register will be notified to the Director of Finance.

Whilst each employee and officer has a responsibility for the security of the property of NSS, it is the responsibility of the Board and Executive Management Team members and senior employees in all disciplines to apply such appropriate routine security practices in relation to NSS property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with instructions.

Any damage to NSS's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board and Executive Management Team members and employees in accordance with the procedure for reporting losses. (See Section 17)

Where practical, assets will be marked as NSS property.

Upon the closure of premises or transfer of functions a physical check of all items will be conducted. All items held will be detailed on a list certified by the responsible officer, together with their disposition.

13.04 Treatment of receipts

The Director of Finance is responsible for ensuring appropriate arrangements are in place for:

- a) approving the form of all agreement forms, or other means of officially acknowledging or recording monies received or receivable.
- b) ordering and securely controlling any such stationery.

All electronic receipts received on behalf of NSS will be recorded and deposited in accordance with the arrangements authorised by the Director of Finance. No deduction may be made from such money to meet expenditure of any kind.

The Chief Executive may delegate to nominated officers, authority to make ex-gratia payments below approved thresholds in line with procedures pertaining to such payments, e.g. compensation payments. All such payments must be notified to the Director of Finance and reported to the Audit and Risk Committee on at least an annual basis and reported in the Annual Accounts in accordance with the approved procedure for losses (see Section 17).

Section 14: Banking arrangements

14.01 General

The Director of Finance is responsible for the management of NSS's banking arrangements and for advising NSS on the provision of banking services and operation of accounts.

NSS will operate the bank accounts in accordance with all relevant guidance issued by SGHSC.

The Government Banking Service (GBS) will hold NSS's main bank account. Where necessary, subsidiary bank accounts will be held with a commercial bank. All such bank accounts should be authorised by the Director of Finance.

14.02 Banking Procedures

The Director of Finance must agree in writing with NSS's bankers the conditions under which each account will be operated.

The Director of Finance will ensure that detailed instructions on the operation of bank and GBS accounts are prepared which must include:

- a) the conditions under which each bank account is to be operated.
- b) those authorised to sign cheques or other orders drawn on NSS's accounts; and
- c) the arrangements to be made for payments that may be required in other currency denominations (see also section 10).

14.03 Bank balances

All NSS accounts must be kept in positive balance. Any instance of an account being overdrawn, no matter how temporary, should be reported to the Audit and Risk Committee.

14.04 Provision of Imprests

The Director may request the Director of Finance to provide imprest accounts for the purposes of defraying minor expenses. The request will be in the form of a statement of case and will be by exception where existing processes cannot meet the requirement.

All imprest accounts will be reviewed annually for appropriateness.

14.05 Corporate Purchasing Cards

The Director may request the Director of Finance to provide the use of a corporate purchase card for the purposes of procuring goods and services, where only card payment method is

available The request will be in the form of a statement of case and will be by exception where existing processes cannot meet the requirement.

It is the responsibility of the Director to nominate a card holder or card user for their own area.

All corporate purchase card transactions will be reviewed annually for appropriateness by the Associate Director of Finance with the Director.

Daily and single transaction limits will be set by the Director of Finance. based on the expected use of the card. Increases to those limits must be submitted by the card holder and approved by the Director of Finance.

Section 15: Stocks and Stores

15.01 Introduction

Stocks and stores are those goods normally utilised in day-to-day activity but which at any point in time have not yet been consumed (excluding capital assets).

15.02 Custody of stocks

The management, control and safe custody of stocks will be the responsibility of Directors who may delegate responsibility for specific items to appropriate managers.

The Directors will institute a system, approved by the Director of Finance, for the management, control and safety of stocks. Any stock loss should be considered for further investigation under Section 4 and any subsequent write off be dealt with in accordance with Section 17.

15.03 Stores records

The Director of Finance will specify the form of stores records to be utilised, in conjunction with the control systems in place.

15.04 Movement of stocks

The Director of Finance will ensure appropriate arrangements are in place to control the receipt and issue of stocks designed to safeguard the assets of NSS.

15.05 Valuation of stock

Stock will be valued in line with agreed accounting practice. The use of average purchase price is deemed to represent cost where appropriate. Cost includes an appropriate allocation of overheads. Work in Progress will be valued at the cost of direct materials plus other conversion costs.

15.06 Slow moving and / or obsolete stock

Directors will institute a system, approved by the Director of Finance, for the identification of slow moving and obsolete stock and for the condemnation, disposal and replacement of all unserviceable items.

Those stocks that have deteriorated, or are no longer suitable for their intended purposes or usable for any other reason, or may become obsolete or deteriorate before all of the stocks can be used, will be written down to their net realisable value. Where this is considered necessary, a report giving full reasons for the write down will be sent to the Director of Finance in such a form to enable a report to be prepared for the Chief Executive and the Board of the National Services Scotland. Details of all write downs will be included in the Annual Accounts of NSS and reported in accordance with the losses procedures (see Section 17 and Appendix II).

Any stocks disposed of must be recorded and advised to the Director of Finance for inclusion in such a form to enable a report to be prepared for the Chief Executive and the Board. The report will include details of the method of disposal employed, and the costs and/or income accruing.

15.07 Stock levels

Directors will ensure that excess stocks are not held unnecessarily in any part of the supply chain.

Optimum levels of stock must be established by Directors and subjected to continuous monitoring and review as part of the management process.

Unless operational circumstances dictate otherwise, suppliers should be encouraged to hold goods until they are required by direct delivery.

15.08 Stock taking

In order to monitor the effectiveness of measures taken to control stock, a regular programme of stock taking must be established. All stocks will be counted and recorded at least once during each financial year. Unless a programme for 'perpetual inventory' exists, all stocks will also be counted, valued and reported as at 31 March each year.

15.09 Stock certificates

At each year-end it will be the Directors responsibility to supply the Director of Finance with a certificate for each store that details the value of stock held. The Director of Finance will agree the precise format of this certificate.

15.10 Stocks held on behalf of SGHSC

15.11 Delegation of authority

The Scottish Government Health Resilience Unit (SGHRU) team have delegated authority to purchase replenishment stock and issue stock from their Pandemic Stock to National Procurement for the following sectors:

- Healthcare Sector
- Acute Hospital Sector
- Independent Sector GP
- Scottish Ambulance Service
- Social Care Sector

15.12 Reporting

The Director for National Procurement will maintain an accurate and up-to-date record of stock balances, issues and replenishment order status. Weekly status reports and areas of risk will be provided

15.13 Escalation

In the event there is a dispute over the management of the stock this will be initially resolved at an operational level and if required escalated to the National Procurement Director and the lead manager of the SGHRU.

Section 16: Annual Report and Accounts

16.01 Introduction

Statutory Annual Report and Accounts will be completed each year for submission to the Board, prior to onward submission to SGHSC. These will be prepared in accordance with the provisions of the National Health Service (Scotland) Act 1978 and other related regulations in force.

16.02 Basis for preparation

The Annual Report and Accounts will comply with:

- International Financial reporting standards, as applied to the NHS.
- The accounting and disclosure requirements of the Companies Act.
- The requirements of the Annual Accounts Manual.

The Annual Report and Accounts shall give a true and fair view of the income and expenditure, total recognised gains and losses, balance sheet and the cash flow statement.

16.03 Chief Executive Responsibilities

Preparation of the Governance Statement, which he or she shall seek appropriate assurances from the Directors and that of the Chief Internal Auditor, with regard to the adequacy and effectiveness of internal control throughout the organisation.

16.04 Director of Finance Responsibilities

- Will ensure the maintenance of such detailed financial records as are required under relevant statute and regulations that will form the basis for the preparation of the Annual Accounts of NSS. (see also Section 16 – Information Governance).
- Issue an Annual Report and Accounts completion timetable to Directorate's and Financial Services detailing requirements and associated responsibilities for the provision of information in support of the Annual Accounts process.
- Agree with the External Auditors the timetable for production, audit and approval by the Board of the Annual Report and Accounts by for the Auditor General for Scotland and SGHSC.

16.05 Approval of Annual Report and Accounts

The Annual Report and Accounts will be reviewed by the Audit and Risk Committee, which has responsibility of recommending approval of the Accounts by the Board.

Following the formal approval by the Board, NSS will submit to SGHSC the approved Annual Report and Accounts and such reports prepared in accordance with the requirements of SGHSC and any relevant guidance contained in the Scottish Accounting Manual.

Section 17: Information Governance

17.01 Financial Information Systems

The Director of Finance, who is responsible for the accuracy and security of the financial data (both electronic and paper formats) of NSS, will:

- a) devise and implement any necessary procedures to ensure adequate protection of NSS's financial data, and related computer hardware and software, for which s/he is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for Data Protection principles.
- b) ensure that adequate controls exist over financial data access, entry, processing, storage, transmission, deletion, disposal and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system.
- c) ensure that adequate controls exist such that the computer operation used in relation to financial procedures is separated from development, maintenance and amendment.
- d) ensure that a secure, adequate, management (audit) trail exists through the computerised system used in relation to financial procedures and that such computer audit reviews as s/he may consider necessary are being carried out. All audit data will be held securely and only accessed by those authorised to access it in line with their business duties.
- e) all policies and procedures will be in line with NSS corporate information governance related policies, procedures and guidelines.

The Director of Finance will satisfy them self that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Development, test and live financial systems shall be appropriately segregated to reduce the risk of unauthorised access to and corruption of live data. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation. Any new financial systems or amendments to existing financial systems must be implemented in line with NHS Scotland Information Security Policy and Standards including HDL (2006) 41 and DL(0215)17. Where the new system or amendment involves the processing of personal data then the development will follow appropriate assessment of any data protection risks.

In the case of all computer systems which are to be utilised by the majority of the Directorate's, the Director of DaS will be responsible for maintaining:

- a) details of the outline design of the system.

- b) in the case of packages acquired either from a commercial organisation, from the NHS Scotland, or from another public sector organisation, the operational requirement.

The Director of Finance will ensure that contracts for computer services for financial applications with another health organisation or any other agency will clearly define the responsibility of all parties for the security, data protection, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes and that all applications and/or systems are purchased, developed, implemented, operated and decommissioned in line with the NHS Scotland Information Policy and Standards. Where the contract includes the processing of personal information it will be set in compliance with Data Protection principles and NHS CEL 25 (2011).

Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance will periodically seek assurances that adequate controls are in operation, and they conform to the NHS Scotland Information Security Policy and Standards. If this other organisation is processing personal data as part of the financial application, the assurances sought should, as a minimum, include those set out in NHS CEL 25 (2011).

Where computer systems have an impact on corporate financial systems the Director of Finance will satisfy them self that:

- a) systems acquisition, development and maintenance are in line with corporate policies such as NHS Scotland Information Security Policy and Standards.
- b) data produced for use with financial systems is secure, adequate, accurate, complete and timely, and that a management (audit) trail exists.
- c) staff authorised by/on behalf of the Director of Finance staff have authorised appropriate access to such data in line with their job duties; and
- d) such computer audit reviews as are considered necessary are being carried out.

17.02 Data Protection Act

NSS must comply with provisions and principles of data protection law, including, but not restricted to, the EU General Data Protection Regulation, the Data Protection Act 1998 and the Data Protection Act 2018 including any amendments, subsequent orders under the said Acts or revisions thereto.

NSS's nominated Data Protection Officer (i.e. the Head of Data Protection) is responsible in overall terms for promoting and advising on compliance with the Acts. All staff members must act in compliance with the Acts by observing the NSS Data Protection Policy and approved Information Governance policy and guidelines.

17.03 Freedom of Information

NSS must comply with provisions and principles of the Freedom of Information (Scotland) Act 2002.

NSS's nominated Freedom of Information Officer is the Associate Director, Corporate Affairs and Compliance. Recognising the principal accountability of the Chief Executive, the Associate Director, Corporate Affairs and Compliance is responsible in overall terms for compliance with the Act. All inquiries made under the Freedom of Information (Scotland) Act 2002 should be dealt with in accordance with NSS's Freedom of Information Policy and Information Request Protocol.

17.04 Management, Retention and Disposal of Administrative Records

NSS must comply with the Public Records (Scotland) Act 2011 and the records management guidance set out in the Code of Practice on Records Management issued under Section 61 of the Freedom of Information (Scotland) Act 2002. CEL 31 (2010) Records Management: NHS Code of Practice (Scotland) provides guidance on the retention and disposal of administrative records.

Policies in relation to the above will be approved by the NSS Board in accordance with Standing Orders.

Section 18: Losses and Special Payments

18.01 General

SGHSC has delegated authority to NSS to write-off losses and make special payments up to certain limits. Details are given in Appendix II. For payments to be made above the levels specified SGHSC prior approval must be obtained.

The Board in turn will delegate its responsibility to the Chief Executive and Director of Finance to approve write-off and authorise special payments.

On a regular basis and at least annually, the Director of Finance on behalf of the Chief Executive will submit a report to the Audit and Risk Committee detailing all losses written off and special payments made.

The Director of Finance is responsible for ensuring the maintenance of a Losses and Special Payments Register for recording: -

- the circumstances
- the amount / value involved
- the action taken
- the date of write-off authority

This Register will form the basis of NSS's Annual Scottish Financial Return (SFR 18) which is included in NSS's Annual Accounts.

The Director of Finance will be authorised to take any necessary steps to safeguard NSS's interests in bankruptcies and company liquidations.

Section 19: Non-Public Funds

19.01 General

All receipts of non-public funds must be vested with the Trinity Park Foundation (“the Foundation”) which has its own Board of Trustees, one of which must be a member of the NSS Board.

All gifts, donations and proceeds of fund-raising activities which are intended for the Foundation’s use will be passed immediately to the Treasurer of the foundation to be banked directly in the Foundation’s bank account.

All gifts accepted will be received and held in the name of the Foundation and administered in accordance with the Foundation’s policy subject to the terms of any specific trusts.

The Director of Finance is responsible for the consolidation of the Trinity Park Foundation accounts with the NSS Annual Report and Accounts, where the transactions of the foundation are material.

Appendix I

Protocol for the commitment of resources

Level of Authority

Delegated Limit

1.01 Capital Expenditure within NSS's Baseline Allocation

- | | |
|-------------------------|---|
| (a) Director of Finance | The commitment of funds in respect of projects having a total gross cost of up to £500,000 in value which accord with the agreed Directorate's strategy approved by the Board. |
| (b) Chief Executive | The commitment of funds in respect of projects having a total gross cost of up to £1.0million in value which accord with the agreed Directorate's strategy approved by the Board. |
| (c) The Board | The commitment of funds in respect of projects having a gross total cost exceeding £1.0million. |

These arrangements are also subject to delegated capital limits as specified by SGHSC in the Scottish Capital Investment Manual, where the delegated limit for all capital projects is £1m. For capital projects greater than £1m approval is also required from the Capital Investment Group of SGHSC.

2.1 Revenue Expenditure within NSS's Baseline Allocation

- | | |
|--------------|---|
| (a) Director | All expenditure contained in the Annual Financial Plan, including developments and the specified use of non-recurring funds, subject to the executive approval procedures contained in Standing Financial Instructions and in accordance with agreed policies on, for example, recruitment. |
|--------------|---|

- | | |
|-------------------------|---|
| (b) Director of Finance | <ul style="list-style-type: none">a) The commitment of pre-planned individual developments where funds become available up to £500,000 in value which accord with the agreed Directorate's Strategy but are not included in the Annual Financial Plan for that year.b) The utilisation of non-recurring funds not in the Financial Plan or covered by the delegated arrangements detailed above up to a total of £500,000 per development. |
| (c) Chief Executive | <ul style="list-style-type: none">a) The commitment of pre-planned individual developments where funds become available up to £1million in value which accord with the agreed Directorate's Strategy but are not included in the Annual Financial Plan for that year.b) The utilisation of non-recurring funds not in the Financial Plan or covered by the delegated arrangements detailed above up to a total of £1million per development. |
| (d) NSS Board | <p>The bringing forward of pre-planned individual Revenue developments over £1million in value and the commitment of non-recurring resources not in the plan in excess of the limits specified above.</p> |

2.2 Revenue Expenditure for specific projects funded through separate SGHSC allocation

Project Director	<p>The commitment of funds up to the total gross cost of the agreed revenue budget as specified in the approved Business Case.</p>
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2.3 Revenue Expenditure for Services provided by NSS on behalf of other Health Boards

Director	<p>The commitment of funds up to the total gross cost of the revenue budget set in agreement with the relevant Health Boards.</p>
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Appendix II

Losses: delegated limits

The delegated limits are as per SGHSC circular CEL (2010) 10 are as follows:

		Delegated Authority (per case) £
	Theft / Arson / Wilful Damage	
1	Cash	15,000
2	Stores/procurement	30,000
3	Equipment	15,000
4	Contracts	15,000
5	Payroll	15,000
6	Buildings & Fixtures	30,000
7	Other	15,000
	Fraud, Embezzlement & other irregularities (inc. attempted fraud)	
8	Cash	15,000
9	Stores/procurement	30,000
10	Equipment	15,000
11	Contracts	15,000
12	Payroll	15,000
13	Other	15,000
14	Nugatory & Fruitless Payments	15,000
15	Claims Abandoned	
	(a) Private Accommodation	15,000
	(b) Road Traffic Acts	30,000
	(c) Other	15,000
	Stores Losses	
16	Incidents of the Service –	

	- Fire	30,000
	- Flood	30,000
	- Accident	30,000
17	Deterioration in Store	30,000
18	Stocktaking Discrepancies	30,000
19	Other Causes	30,000

Losses of Furniture & Equipment

And Bedding & Linen in circulation:

20	Incidents of the Service - Fire	15,000
	- Flood	15,000
	- Accident	15,000
21	Disclosed at physical check	15,000

**Delegated
Authority
(per case) £**

22	Other Causes	15,000
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Compensation Payments - legal obligation

23	Clinical	250,000
24	Non-clinical	100,000

Ex-gratia payments:

25	Extra-contractual Payments	15,000
26	Compensation Payments - Ex-gratia - Clinical	250,000
27	Compensation Payments - Ex-gratia - Non-Clinical	100,000
28	Compensation Payments - Ex-gratia - Financial Loss	25,000
29	Other Payments	2,500

Damage to Buildings and Fixtures:

30	Incidents of the Service	
	– Fire	30,000
	- Flood	30,000
	- Accident	30,000
	- Other Causes	30,000
31	Extra-Statutory & Extra-regulatory Payments	Nil
32	Gifts in cash or kind	15,000
33	Other Losses	15,000

Appendix III

Sales contracts and income generation

AUTHORITY LIMITS

1. All income generation requires the prior approval of the Director of Finance or Chief Executive if the total lifetime value of a sales contract or Service Level Agreement (SLA) is or could be in excess of the undernoted limits.

Directorate	SG Funding, Income Generated from NHSScotland and Third Parties	Grant Income
	(£)	(£)
Scottish National Blood Transfusion Services	100,000	500,000
Central Legal Office	100,000	100,000
National Procurement	100,000	500,000
Specialist and Screening Services	100,000	500,000
NHSScotland Assure	100,000	500,000
Practitioner and Counter Fraud Services	100,000	500,000
Digital and Security	100,000	100,000
Finance	100,000	100,000
HR	100,000	100,000
Strategy, Performance and Service Transformation	100,000	100,000

2. Third Party contracts, SLAs new sources of income generation and grant income whose value is or could exceed £500,000 and grant income whose value is or could exceed £1m requires the approval of the Finance, Procurement and Performance Committee prior to entering into any commitment with the customer. Conditional approval may be intimated in writing by the Director of Finance.

Appendix IV

Director of Finance Checklist

Reference	Requirement	Frequency	Committee
1.06	Breaches of SFIs.	Earliest opportunity	Finance, Procurement and Performance Committee
5.14	Ex Gratia payments to staff.	Annual	Remuneration Committee
6.12	Exceptions to procurement guidelines.	Quarterly	Finance, Procurement and Performance Committee
6.28	Advance payment (non-contractual) for goods/services.	Annual	Finance, Procurement and Performance Committee
8.12/9.14	Sole Source Justification report.	Annual	Finance, Procurement and Performance Committee
9.23	Spend on Management Consultancy.	Annual	Audit and Risk Committee
13.06	Any instance of being overdrawn with bank.	Earliest opportunity	Audit and Risk Committee
18.03	Report of losses and special payments made.	Annual	Audit and Risk Committee



Code of Conduct for Board Members of National Services Scotland

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SECTION 1: INTRODUCTION TO THE NSS CODE OF CONDUCT FOR BOARD MEMBERS

1.1 This Code has been issued by the Scottish Ministers, with the approval of the Scottish Parliament, as required by the [Ethical Standards in Public Life etc. \(Scotland\) Act 2000 \(the “Act”\)](#).

1.2 The purpose of the Code is to set out the conduct expected of those who serve on the boards of public bodies in Scotland.

1.3 The Code has been developed in line with the nine key principles of public life in Scotland. The principles are listed in [Section 2](#) and set out how the provisions of the Code should be interpreted and applied in practice.

My Responsibilities

1.4 I understand that the public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. I will always seek to meet those expectations by ensuring that I conduct myself in accordance with the Code.

1.5 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all situations and at all times where I am acting as a board member of National Services Scotland (NSS), have referred to myself as a board member or could objectively be considered to be acting as a board member.

1.6 I will comply with the substantive provisions of this Code, being sections 3 to 6 inclusive, in all my dealings with the public, employees and fellow board members, whether formal or informal.

1.7 I understand that it is my personal responsibility to be familiar with the provisions of this Code and that I must also comply with the law and NSS rules, standing orders and regulations. I will also ensure that I am familiar with any guidance or advice notes issued by the Standards Commission for Scotland (“Standards Commission”) and NSS, and endeavour to take part in any training offered on the Code.

1.8 I will not, at any time, advocate or encourage any action contrary to this Code.

1.9 I understand that no written information, whether in the Code itself or the associated Guidance or Advice Notes issued by the Standards Commission, can provide for all circumstances. If I am uncertain about how the Code applies, I will seek advice from the Standards Officer of NSS, failing whom the Chair or Chief Executive of NSS. I note that I may also choose to seek external legal advice on how to interpret the provisions of the Code.

Enforcement

1.10 [Part 2 of the Act](#) sets out the provisions for dealing with alleged breaches of the Code, including the sanctions that can be applied if the Standards Commission finds that there has been a breach of the Code. More information on how complaints are dealt with and the sanctions available can be found at [Annex A](#).

SECTION 2: KEY PRINCIPLES OF THE NSS CODE OF CONDUCT FOR BOARD MEMBERS

2.1 The Code has been based on the following key principles of public life. I will behave in accordance with these principles and understand that they should be used for guidance and interpreting the provisions in the Code.

2.2 I note that a breach of one or more of the key principles does not in itself amount to a breach of the Code. I note that, for a breach of the Code to be found, there must also be a contravention of one or more of the provisions in sections 3 to 6 inclusive of the Code.

The key principles are:

Duty

I have a duty to uphold the law and act in accordance with the law and the public trust placed in me. I have a duty to act in the interests of NSS of which I am a member and in accordance with the core functions and duties of that body.

Selflessness

I have a duty to take decisions solely in terms of public interest. I must not act in order to gain financial or other material benefit for myself, family or friends.

Integrity

I must not place myself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence me in the performance of my duties.

Objectivity

I must make decisions solely on merit and in a way that is consistent with the functions of NSS when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

I am accountable to the public for my decisions and actions. I have a duty to consider issues on their merits, taking account of the views of others and I must ensure that NSS uses its resources prudently and in accordance with the law.

Openness

I have a duty to be as open as possible about my decisions and actions, giving reasons for my decisions and restricting information only when the wider public interest clearly demands.

Honesty

I have a duty to act honestly. I must declare any private interests relating to my public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

I have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of NSS and its members in conducting public business.

Respect

I must respect all other board members and all employees of NSS and the role they play, treating them with courtesy at all times. Similarly, I must respect members of the public when performing my duties as a board member.

SECTION 3: GENERAL CONDUCT

Respect and Courtesy

3.1 I will treat everyone with courtesy and respect. This includes in person, in writing, at meetings, when I am online and when I am using social media.

3.2 I will not discriminate unlawfully on the basis of race, age, sex, sexual orientation, gender reassignment, disability, religion or belief, marital status or pregnancy/maternity; I will advance equality of opportunity and seek to foster good relations between different people.

3.3 I will not engage in any conduct that could amount to bullying or harassment (which includes sexual harassment). I accept that such conduct is completely unacceptable and will be considered to be a breach of this Code.

3.4 I accept that disrespect, bullying and harassment can be:

- a) a one-off incident,
- b) part of a cumulative course of conduct; or
- c) a pattern of behaviour.

3.5 I understand that how, and in what context, I exhibit certain behaviours can be as important as what I communicate, given that disrespect, bullying and harassment can be physical, verbal and non-verbal conduct.

3.6 I accept that it is my responsibility to understand what constitutes bullying and harassment and I will utilise resources, including the Standards Commission's guidance and advice notes, NSS's policies and training material (where appropriate) to ensure that my knowledge and understanding is up to date.

3.7 Except where it is written into my role as Board member, and / or at the invitation of the Chief Executive, I will not become involved in operational management of NSS. I acknowledge and understand that operational management is the responsibility of the Chief Executive and Executive Team.

3.8 I will not undermine any individual employee or group of employees, or raise concerns about their performance, conduct or capability in public. I will raise any concerns I have on such matters in private with senior management as appropriate.

3.9 I will not take, or seek to take, unfair advantage of my position in my dealings with employees of NSS or bring any undue influence to bear on employees to take a certain action. I will not ask or direct employees to do something which I know, or should reasonably know, could compromise them or prevent them from undertaking their duties properly and appropriately.

3.10 I will respect and comply with rulings from the Chair during meetings of:

- a) the NSS Board, its committees; and
- b) any outside organisations that I have been appointed or nominated to by NSS or on which I represent NSS.

3.11 I will respect the principle of collective decision-making and corporate responsibility. This means that once the Board has made a decision, I will support that decision, even if I did not agree with it or vote for it.

Remuneration, Allowances and Expenses

3.12 I will comply with the rules, and the policies of NSS, on the payment of remuneration, allowances and expenses.

Gifts and Hospitality

3.13 I understand that I may be offered gifts (including money raised via crowdfunding or sponsorship), hospitality, material benefits or services (“gift or hospitality”) that may be reasonably regarded by a member of the public with knowledge of the relevant facts as placing me under an improper obligation or being capable of influencing my judgement.

3.14 I will never **ask for** or **seek** any gift or hospitality.

3.15 I will refuse any gift or hospitality, unless it is:

- a) a minor item or token of modest intrinsic value offered on an infrequent basis;
- b) a gift being offered to NSS;
- c) hospitality which would reasonably be associated with my duties as a board member; or
- d) hospitality which has been approved in advance by NSS.

3.16 I will consider whether there could be a reasonable perception that any gift or hospitality received by a person or body connected to me could or would influence my judgement.

3.17 I will not allow the promise of money or other financial advantage to induce me to act improperly in my role as a board member. I accept that the money or advantage (including any gift or hospitality) does not have to be given to me directly. The offer of monies or advantages to others, including community groups, may amount to bribery, if the intention is to induce me to improperly perform a function.

3.18 I will never accept any gift or hospitality from any individual or applicant who is awaiting a decision from, or seeking to do business with, NSS.

3.19 If I consider that declining an offer of a gift would cause offence, I will accept it and hand it over to NSS at the earliest possible opportunity and ask for it to be registered.

3.20 I will promptly advise NSS’s Standards Officer if I am offered (but refuse) any gift or hospitality of any significant value and / or if I am offered any gift or hospitality from the same source on a repeated basis, so that NSS can monitor this.

3.21 I will familiarise myself with the terms of the [Bribery Act 2010](#), which provides for offences of bribing another person and offences relating to being bribed.

Confidentiality

3.22 I will not disclose confidential information or information which should reasonably be regarded as being of a confidential or private nature, without the express consent of a person or body authorised to give such consent, or unless required to do so by law. I note that if I cannot obtain such express consent, I should assume it is not given.

3.23 I accept that confidential information can include discussions, documents, and information which is not yet public or never intended to be public, and information deemed confidential by statute.

3.24 I will only use confidential information to undertake my duties as a board member. I will not use it in any way for personal advantage or to discredit NSS (even if my personal view is that the information should be publicly available).

3.25 I note that these confidentiality requirements do not apply to protected whistleblowing disclosures made to the prescribed persons and bodies as identified in statute.

Use of Public Body Resources

3.26 I will only use NSS's resources, including employee assistance, facilities, stationery and IT equipment, for carrying out duties on behalf of NSS, in accordance with its relevant policies.

3.27 I will not use, or in any way enable others to use, NSS's resources:

- a) imprudently (without thinking about the implications or consequences);
- b) unlawfully;
- c) for any political activities or matters relating to these; or
- d) improperly.

Dealing with NSS and Preferential Treatment

3.28 I will not use, or attempt to use, my position or influence as a board member to:

- a) improperly confer on or secure for myself, or others, an advantage;
- b) avoid a disadvantage for myself, or create a disadvantage for others or
- c) improperly seek preferential treatment or access for myself or others.

3.29 I will avoid any action which could lead members of the public to believe that preferential treatment or access is being sought.

3.30 I will advise employees of any connection, as defined at [Section 5](#), I may have to a matter, when seeking information or advice or responding to a request for information or advice from them.

Appointments to Outside Organisations

3.31 If I am appointed, or nominated by NSS, as a member of another body or organisation, I will abide by the rules of conduct and will act in the best interests of that body or organisation while acting as a member of it. I will also continue to observe the rules of this Code when carrying out the duties of that body or organisation.

3.32 I accept that if I am a director or trustee (or equivalent) of a company or a charity, I will be responsible for identifying, and taking advice on, any conflicts of interest that may arise between the company or charity and NSS.

SECTION 4: REGISTRATION OF INTERESTS

4.1 The following paragraphs set out what I have to register when I am appointed and whenever my circumstances change. The register covers my current term of appointment.

4.2 I understand that regulations made by the Scottish Ministers describe the detail and timescale for registering interests; including a requirement that a board member must register their registrable interests within one month of becoming a board member, and register any changes to those interests within one month of those changes having occurred.

4.3 The interests which I am required to register are those set out in the following paragraphs. Other than as required by paragraph 4.23, I understand it is not necessary to register the interests of my spouse or cohabitee.

Category One: Remuneration

4.4 I will register any work for which I receive, or expect to receive, payment. I have a registrable interest where I receive remuneration by virtue of being:

- a) employed;
- b) self-employed;
- c) the holder of an office;
- d) a director of an undertaking;
- e) a partner in a firm;
- f) appointed or nominated by NSS to another body; or
- g) engaged in a trade, profession or vocation or any other work.

4.5 I understand that in relation to 4.4 above, the amount of remuneration does not require to be registered. I understand that any remuneration received as a board member of this specific public body does not have to be registered.

4.6 I understand that if a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under Category Two, "Other Roles".

4.7 I must register any allowances I receive in relation to membership of any organisation under Category One.

4.8 When registering employment as an employee, I must give the full name of the employer, the nature of its business, and the nature of the post I hold in the organisation.

4.9 When registering remuneration from the categories listed in paragraph 4.4 (b) to (g) above, I must provide the full name and give details of the nature of the business, organisation, undertaking, partnership or other body, as appropriate. I recognise that some other employments may be incompatible with my role as board member of NSS in terms of paragraph [6.7](#) of this Code.

4.10 Where I otherwise undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and how often it is undertaken.

4.11 When registering a directorship, it is necessary to provide the registered name and registered number of the undertaking in which the directorship is held and provide information about the nature of its business.

4.12 I understand that registration of a pension is not required as this falls outside the scope of the category.

Category Two: Other Roles

4.13 I will register any unremunerated directorships where the body in question is a subsidiary or parent company of an undertaking in which I hold a remunerated directorship.

4.14 I will register the registered name and registered number of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which I am a director and from which I receive remuneration.

Category Three: Contracts

4.15 I have a registerable interest where I (or a firm in which I am a partner, or an undertaking in which I am a director or in which I have shares of a value as described in paragraph 4.19 below) have made a contract with NSS:

- a) under which goods or services are to be provided, or works are to be executed; and
- b) which has not been fully discharged.

4.16 I will register a description of the contract, including its duration, but excluding the value.

Category Four: Election Expenses

4.17 If I have been elected to NSS, then I will register a description of, and statement of, any assistance towards election expenses relating to election to NSS.

Category Five: Houses, Land and Buildings

4.18 I have a registrable interest where I own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of NSS.

4.19 I accept that, when deciding whether or not I need to register any interest I have in houses, land or buildings, the test to be applied is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as being so significant that it could potentially affect my responsibilities to NSS and to the public, or could influence my actions, speeches or decision-making.

Category Six: Interest in Shares and Securities

4.20 I have a registerable interest where:

- a) I own or have an interest in more than 1% of the issued share capital of the company or other body; or
- b) Where, at the relevant date, the market value of any shares and securities (in any one specific company or body) that I own or have an interest in is greater than £25,000.

Category Seven: Gifts and Hospitality

4.21 I understand the requirements of paragraphs 3.13 to 3.21 regarding gifts and hospitality. As I will not accept any gifts or hospitality, other than under the limited circumstances allowed, I understand there is no longer the need to register any.

Category Eight: Non-Financial Interests

4.22 I may also have other interests and I understand it is equally important that relevant interests such as membership or holding office in other public bodies, companies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described. In this context, I understand non-financial interests are those which members of the public with knowledge of the relevant facts might reasonably think could influence my actions, speeches, votes or decision-making in NSS (this includes its committees and memberships of other organisations to which I have been appointed or nominated by NSS).

Category Nine: Close Family Members

4.23 I will register the interests of any close family member who has transactions with NSS or is likely to have transactions or do business with it.

SECTION 5: DECLARATION OF INTERESTS

Stage 1: Connection

5.1 For each particular matter I am involved in as a board member, I will first consider whether I have a connection to that matter.

5.2 I understand that a connection is any link between the matter being considered and me, or a person or body I am associated with. This could be a family relationship or a social or professional contact.

5.3 A connection includes anything that I have registered as an interest.

5.4 A connection does not include being a member of a body to which I have been appointed or nominated by NSS as a representative of NSS, unless:

- a) The matter being considered by NSS is quasi-judicial or regulatory;
- or
- b) I have a personal conflict by reason of my actions, my connections or my legal obligations.

Stage 2: Interest

5.5 I understand my connection is an interest that requires to be declared where the objective test is met – that is where a member of the public with knowledge of the relevant facts would reasonably regard my connection to a particular matter as being so significant that it would be considered as being likely to influence the discussion or decision-making.

Stage 3: Participation

5.6 I will declare my interest as early as possible in meetings. I will not remain in the meeting nor participate in any way in those parts of meetings where I have declared an interest.

5.7 I will consider whether it is appropriate for transparency reasons to state publicly where I have a connection, which I do not consider amounts to an interest.

5.8 I note that I can apply to the Standards Commission and ask it to grant a dispensation to allow me to take part in the discussion and decision-making on a matter where I would otherwise have to declare an interest and withdraw (as a result of having a connection to the matter that would fall within the objective test). I note that such an application must be made in advance of any meetings where the dispensation is sought and that I cannot take part in any discussion or decision-making on the matter in question unless, and until, the application is granted.

5.9 I note that public confidence in a public body is damaged by the perception that decisions taken by that body are substantially influenced by factors other than the public interest. I will not accept a role or appointment if doing so means I will have to declare interests frequently at meetings in respect of my role as a board member. Similarly, if any appointment or nomination to another body would give rise to objective concern because of my existing personal involvement or affiliations, I will not accept the appointment or nomination.

SECTION 6: LOBBYING AND ACCESS

6.1 I understand that a wide range of people will seek access to me as a board member and will try to lobby me, including individuals, organisations and companies. I must distinguish between:

- a) any role I have in dealing with enquiries from the public;
- b) any community engagement where I am working with individuals and organisations to encourage their participation and involvement, and;
- c) lobbying, which is where I am approached by any individual or organisation who is seeking to influence me for financial gain or advantage, particularly those who are seeking to do business with NSS (for example contracts/procurement).

6.2 In deciding whether, and if so how, to respond to such lobbying, I will always have regard to the objective test, which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard my conduct as being likely to influence my, or NSS's, decision-making role.

6.3 I will not, in relation to contact with any person or organisation that lobbies, do anything which contravenes this Code or any other relevant rule of NSS or any statutory provision.

6.4 I will not, in relation to contact with any person or organisation that lobbies, act in any way which could bring discredit upon NSS.

6.5 If I have concerns about the approach or methods used by any person or organisation in their contacts with me, I will seek the guidance of the Chair, Chief Executive or Standards Officer of NSS.

6.6 The public must be assured that no person or organisation will gain better access to, or treatment by, me as a result of employing a company or individual to lobby on a fee basis on their behalf. I will not, therefore, offer or accord any preferential access or treatment to those lobbying on a fee basis on behalf of clients compared with that which I accord any other person or organisation who lobbies or approaches me. I will ensure that those lobbying on a fee basis on behalf of clients are not given to understand that preferential access or treatment, compared to that accorded to any other person or organisation, might be forthcoming.

6.7 Before taking any action as a result of being lobbied, I will seek to satisfy myself about the identity of the person or organisation that is lobbying and the motive for lobbying. I understand I may choose to act in response to a person or organisation lobbying on a fee basis on behalf of clients but it is important that I understand the basis on which I am being lobbied in order to ensure that any action taken in connection with the lobbyist complies with the standards set out in this Code and the [Lobbying \(Scotland\) Act 2016](#).

6.8 I will not accept any paid work:

- a) which would involve me lobbying on behalf of any person or organisation or any clients of a person or organisation.
- b) to provide services as a strategist, adviser or consultant, for example, advising on how to influence NSS and its members. This does not prohibit me from being remunerated for activity which may arise because of, or relate to, membership of NSS, such as journalism or broadcasting, or involvement in representative or presentational work, such as participation in delegations, conferences or other events.

ANNEX A: BREACHES OF THE CODE

Introduction

1. [The Ethical Standards in Public Life etc. \(Scotland\) Act 2000](#) (“the Act”) provided for a framework to encourage and, where necessary, enforce high ethical standards in public life.
2. The Act provided for the introduction of new codes of conduct for local authority councillors and members of relevant public bodies, imposing on councils and relevant public bodies a duty to help their members comply with the relevant code.
3. The Act and the subsequent Scottish Parliamentary Commissions and Commissioners etc. Act 2010 established the [Standards Commission for Scotland](#) (“Standards Commission”) and the post of [Commissioner for Ethical Standards in Public Life in Scotland](#) (“ESC”).
4. The Standards Commission and ESC are separate and independent, each with distinct functions. Complaints of breaches of a public body’s Code of Conduct are investigated by the ESC and adjudicated upon by the Standards Commission.
5. The first Model Code of Conduct came into force in 2002. The Code has since been reviewed and re-issued in 2014. The 2021 Code has been issued by the Scottish Ministers following consultation, and with the approval of the Scottish Parliament, as required by the Act.

Investigation of Complaints

6. The ESC is responsible for investigating complaints about members of devolved public bodies. It is not, however, mandatory to report a complaint about a potential breach of the Code to the ESC. It may be more appropriate in some circumstances for attempts to be made to resolve the matter informally at a local level.
7. On conclusion of the investigation, the ESC will send a report to the Standards Commission.

Hearings

8. On receipt of a report from the ESC, the Standards Commission can choose to:
 - Do nothing;
 - Direct the ESC to carry out further investigations; or
 - Hold a Hearing.
9. Hearings are held (usually in public) to determine whether the member concerned has breached their public body’s Code of Conduct. The Hearing Panel comprises of three members of the Standards Commission. The ESC will present evidence and/or make submissions at the Hearing about the investigation and any conclusions as to whether the member has contravened the Code. The member is entitled to attend or be represented at the Hearing and can also present evidence and make submissions. Both parties can call witnesses. Once it has heard all the evidence and submissions, the Hearing Panel will make a determination about whether or not it is satisfied, on the balance of probabilities, that there has been a contravention of

the Code by the member. If the Hearing Panel decides that a member has breached their public body's Code, it is obliged to impose a sanction.

Sanctions

10. The sanctions that can be imposed following a finding of a breach of the Code are as follows:
- **Censure:** A censure is a formal record of the Standards Commission's severe and public disapproval of the member concerned.
 - **Suspension:** This can be a full or partial suspension (for up to one year). A full suspension means that the member is suspended from attending all meetings of NSS. Partial suspension means that the member is suspended from attending some of the meetings of NSS. The Commission can direct that any remuneration or allowance the member receives as a result of their membership of NSS be reduced or not paid during a period of suspension.
 - **Disqualification:** Disqualification means that the member is removed from membership of the body and disqualified (for a period not exceeding five years), from membership of the body. Where a member is also a member of another devolved public body (as defined in the Act), the Commission may also remove or disqualify that person in respect of that membership. Full details of the sanctions are set out in section 19 of the Act.

Interim Suspensions

11. Section 21 of the Act provides the Standards Commission with the power to impose an interim suspension on a member on receipt of an interim report from the ESC about an ongoing investigation. In making a decision about whether or not to impose an interim suspension, a Panel comprising of three Members of the Standards Commission will review the interim report and any representations received from the member and will consider whether it is satisfied:
- That the further conduct of the ESC's investigation is likely to be prejudiced if such an action is not taken (for example if there are concerns that the member may try to interfere with evidence or witnesses); or
 - That it is otherwise in the public interest to take such a measure. A policy outlining how the Standards Commission makes any decision under Section 21 and the procedures it will follow in doing so, should any such a report be received from the ESC can be found [here](#).
12. The decision to impose an interim suspension is not, and should not be seen as, a finding on the merits of any complaint or the validity of any allegations against a member of a devolved public body, nor should it be viewed as a disciplinary measure.

ANNEX B: DEFINITIONS

“Bullying” is inappropriate and unwelcome behaviour which is offensive and intimidating, and which makes an individual or group feel undermined, humiliated or insulted.

"Chair" includes Board Convener or any other individual discharging a similar function to that of a Chair or Convener under alternative decision-making structures.

“Code” is the code of conduct for members of your devolved public body, which is based on the Model Code of Conduct for members of devolved public bodies in Scotland.

"Cohabitee" includes any person who is living with you in a relationship similar to that of a partner, civil partner, or spouse.

“Confidential Information” includes:

- any information passed on to NSS by a Government department (even if it is not clearly marked as confidential) which does not allow the disclosure of that information to the public;
- information of which the law prohibits disclosure (under statute or by the order of a Court);
- any legal advice provided to NSS; or
- any other information which would reasonably be considered a breach of confidence should it be made public.

"Election expenses" means expenses incurred, whether before, during or after the election, on account of, or in respect of, the conduct or management of the election.

“Employee” includes individuals employed:

- directly by NSS;
- as contractors by NSS, or
- by a contractor to work on NSS’s premises.

“Gifts” a gift can include any item or service received free of charge, or which may be offered or promised at a discounted rate or on terms not available to the general public. Gifts include benefits such as relief from indebtedness, loan concessions, or provision of property, services or facilities at a cost below that generally charged to members of the public. It can also include gifts received directly or gifts received by any company in which the recipient holds a controlling interest in, or by a partnership of which the recipient is a partner.

“Harassment” is any unwelcome behaviour or conduct which makes someone feel offended, humiliated, intimidated, frightened and / or uncomfortable. Harassment can be experienced directly or indirectly and can occur as an isolated incident or as a course of persistent behaviour.

“Hospitality” includes the offer or promise of food, drink, accommodation, entertainment or the opportunity to attend any cultural or sporting event on terms not available to the general public.

“Relevant Date” Where a board member had an interest in shares at the date on which the member was appointed as a member, the relevant date is – (a) that date; and (b) the 5th April immediately following that date and in each succeeding year, where the interest is retained on that 5th April.

“Public body” means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

“Remuneration” includes any salary, wage, share of profits, fee, other monetary benefit or benefit in kind.

“Securities” a security is a certificate or other financial instrument that has monetary value and can be traded. Securities includes equity and debt securities, such as stocks bonds and debentures.

“Undertaking” means:

- a) a body corporate or partnership; or
- b) an unincorporated association carrying on a trade or business, with or without a view to a profit.

Board and Committees Meeting Dates 2023-2024

BOARD MEETINGS

Friday 30th June 2023

Friday 29th September 2023

Friday 15th December 2023

Thursday 28th March 2024

AUDIT AND RISK COMMITTEE

Wednesday 17th May 2023

Thursday 15th June 2023

Monday 26th June 2023

Tuesday 12th September 2023

Wednesday 6th December 2023

Thursday 14th March 2024

CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE

Thursday 1st June 2023

Thursday 7th September 2023

Thursday 30th November 2023

Thursday 29th February 2024

FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE

Wednesday 31st May 2023

Wednesday 30th August 2023

Wednesday 8th November 2023

Wednesday 28th February 2024

STAFF GOVERNANCE COMMITTEE

Tuesday 30th May 2023

Thursday 10th August 2023

Thursday 9th November 2023

Thursday 8th February 2024

REMUNERATION AND SUCCESSION PLANNING COMMITTEE

Thursday, 22nd June 2023

Tuesday, 28th November 2023

Wednesday, 26th March 2024

NSS BOARD

CHAIR	Keith Redpath, NSS Chair
VICE-CHAIR	Julie Burgess, Non-Executive Director
MEMBERS	John Deffenbaugh, Non-Executive Director Alison Rooney, Non-Executive Director Arturo Langa, Non-Executive Director Lisa Blackett, Non-Executive Director Gordon Greenhill, Non-Executive Director Beth Lawton, Non-Executive Director Ian Cant, Employee Director Mary Morgan, Chief Executive Carolyn Low, Director of Finance Lorna Ramsay, Medical Director

NSS BOARD COMMITTEES

AUDIT & RISK COMMITTEE

CHAIR	Julie Burgess, Non-Executive Director
VICE-CHAIR	Beth Lawton, Non-Executive Director
MEMBERS	John Deffenbaugh, Non-Executive Director Gordon Greenhill, Non-Executive Director Arturo Langa, Non-Executive Director Alison Rooney, Non-Executive Director

FINANCE, PROCUREMENT AND PERFORMANCE COMMITTEE

CHAIR	Gordon Greenhill, Non-Executive Director
VICE-CHAIR	Beth Lawton, Non-Executive Director
MEMBERS	Keith Redpath, NSS Chair Julie Burgess, Non-Executive Director Lisa Blackett, Non-Executive Director Ian Cant, Non-Executive Director

REMUNERATION AND SUCCESSION PLANNING COMMITTEE

CHAIR	Ian Cant, Employee Director
VICE-CHAIR	Lisa Blackett, Non-Executive Director
MEMBERS	Keith Redpath, NSS Chair Julie Burgess, Non-Executive Director Alison Rooney, Non-Executive Director John Deffenbaugh, Non-Executive Director

CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE

CHAIR	Alison Rooney, Non-Executive Director
VICE-CHAIR	Arturo Langa, Non-Executive Director
MEMBERS	Keith Redpath, NSS Chair Gordon Greenhill, Non-Executive Director Beth Lawton Non-Executive Director Lisa Blackett, Non-Executive Director

STAFF GOVERNANCE COMMITTEE

CHAIR	Lisa Blackett, Non-Executive Director
VICE -CHAIR	John Deffenbaugh, Non-Executive Director
MEMBERS	Keith Redpath, NSS Chair Ian Cant, Employee Director Arturo Langa, Non-Executive Director Beth Lawton, Non-Executive Director Trade Union Representatives (4)

NHS National Services Scotland

Meeting:	NSS Board
Meeting date:	9 March 2023
Title:	Integrated Performance Report – January 2023 (M10)
Paper Number:	B/23/05
Responsible Executive:	Lee Neary, SPST Director
Report Author(s):	Caroline McDermott, Head of Planning Matthew Neilson, Associate Director SPC
Reviewed by:	Carolyn Low, Finance Director Jacqui Jones, HR & Workforce Development Director Julie Critchley, NHS Scotland Assure Director

1. Purpose

- 1.1 The Integrated Performance Report (IPR) summarises NSS service, finance, people, and environmental performance at the end of January 2023 (M10).

2. Recommendation

- 2.1 It is recommended that the Board scrutinise and note NSS performance in the NSS Integrated Performance Report for January 2023 (M10).

3. Executive Summary

3.1 NSS performance is positive across most areas

- 3.1.1 NSS performance remains positive with 19 of 27 performance indicators across service, finance, people, and environmental measures achieving or exceeding targets. This is the same as the last report (B2238) and shows that our ongoing focus on performance management at all levels of the organisation is helping to avert the potential adverse impacts identified in the previous report.

3.1.2 Highlights for this report include:

- User engagement scores remain above standard and user effort scores have improved following positive survey results in Practitioner and Counter Fraud Services (PCFS).

- Over 80% of our Annual Delivery Plan (ADP) has been achieved or is on track to be achieved with plans in place to help us towards the 90% standard we set ourselves.
- We continue to forecast full achievement of all statutory financial targets for 2022/23 and some of the uncertainty identified in the last report – pay deal, outstanding allocations – have been answered.
- NSS remains in a positive position on a range of workforce areas with statutory and mandatory training achieving or exceeding standards and there have been no RIDDORS to date in this financial year.
- NSS climate sustainability indicators continue to demonstrate a reducing trend in CO2 emissions and there are opportunities to realise savings for NHS Scotland through climate sustainability measures and are engaging with Health Boards on them.

3.1.3 Generally, performance is stable across all indicators with only two indicator ratings changing since the last report – the water sustainability metric moved from amber to green and annual leave utilisation moved from green to amber.

3.1.4 Overall, this is a good position for NSS given the challenges in the wider macro-economic and health and social care environment in which we operate.

3.2 Workforce sustainability is our key area of strategic consideration

3.2.1 Staffing challenges continue to represent a key area of organisational focus for NSS, and we have undertaken deeper analysis of two areas.

3.2.2 The year-to-date sickness absence rate for January 2023 was 4.29%, marginally above the NHS Scotland standard of 4%. The mean across all services is 3.03% with most directorates sickness absence at or below this rate. Only Procurement, Commissioning and Facilities (PCF) at 6.38%, National Contact Centre (NCC) at 6.16% and the Scottish National Blood Transfusion Service (SNBTS) at 4.59% have rates above 4%. As they account for 58% of the total NSS headcount successful interventions in these three areas should help to bring the NSS rate below the NHS Scotland standard. Work is already underway in PCF, where there has been a slight decrease in levels since mid-year, and HR are developing interventions to help them reduce levels of sickness absence further. Recent agreements and changes in relation to NCC should help ease uncertainties in this area and improve their position. The focus in SNBTS is on helping them to address the recruitment challenges they face in Patient Services Laboratories (Risk 6544) and Manufacturing (Risk 7037).

3.2.3 Staff turnover rates have nearly doubled to 27.8%, primarily due to the National Contact Centre (NCC) which has a rate of 109% following the change in direction agreed with Scottish Government to focus on vaccination and immunisation programmes. Analysis with NCC data removed shows a rate of 11.99% from April 2022 to January 2023. This is marginally higher than the 11.05% recorded in 2021/22. When compared to this rate there are only 2 areas showing higher turnover levels, HR and Finance, where we are aware of some staff leaving for promoted posts elsewhere. HR are currently assessing what a 'good' level of

turnover should be and this will help us to better understand where our optimal level needs to be to ensure the balance of retained organisational knowledge and fresh perspectives.

3.3 Service Excellence (Appendix A)

Performance Indicator	Standard	This report	Last report
Annual Delivery Plan Completion (Quarterly: Q3 position)	90%	81%	81%
User Satisfaction Score (Rolling: M10 position)	70%	73.9%	74%
User Effort Score (Rolling: M10 position)	62%	65.3%	63%
Net Promoter Score (Rolling: M10 position)	0%	18.2%	18%
Complaints Responded to Within 3 Days (Quarterly: Q3 position)	90%	90%	100%
Staff Behaviour and Attitude Complaints (Quarterly: Q3 position)	10	10	10

3.4 Financial Sustainability (Appendix B)

Performance Indicator	Forecast	This report	Last report
NSS Revenue Outturn (Core) (Monthly: M10 position)	£0m	£8.9m	£5.4m
NSS Revenue Outturn (COVID-19) (Monthly: M10 position)	£0m	£2.5m	£0m
NSS CRES Savings Total (Monthly: M10 position)	£7.3m	£4.8m	£3.4m
NSD CRES Savings Total (Monthly: M10 position)	£10.4m	£7.9m	£5.1m
NSS Capital Outturn (Monthly: M10 position)	£0m	£0.3m	£0.5m

3.5 Workforce Sustainability (Appendix C)

Performance Indicator	Standard	This report	Last report
Sickness Absence (Monthly: M10 position)	4%	4.3%	4.2%
Staff Turnover (Cumulative: M10 position)	7%	27.8%	14.1%
Annual Leave Utilisation (Cumulative: M10 position)	100%	77%	57%

Appraisal Compliance (Monthly: M10 position)	90%	79%	78%
Objective Setting Compliance (Monthly: M10 position)	90%	79%	79%
Personal Development Plan Compliance (Monthly: M10 position)	90%	77%	77%
Statutory Training Compliance (Monthly: M10 position)	90%	94%	93%
Mandatory Training Compliance (Monthly: M10 position)	90%	90%	94%

3.6 Climate Sustainability (Appendix D)

Performance Indicator	Target	This report	Last report
Domestic Waste Total (tonnes) (Rolling: M8 position)	Reduce	258	250
Domestic Waste to Landfill (Rolling: M8 position)	≤5%	0%	0%
Domestic Waste Recycled or Composted (Rolling: M8 position)	>70%	81%	90%
Fuel National Procurement Fleet CO2 (tonnes) (Rolling: M8 position)	Reduce	1,290	1,360
Fuel SNBTS Fleet CO2 (tonnes) (Rolling: M8 position)	Reduce	343	357
Gas CO2 (tonnes) – Metered Sites Only (Rolling: M8 position)	Reduce	1,856	1,879
Electricity CO2 (tonnes) – Metered Sites Only (Rolling: M7 position)	Reduce	1,862	1,988
Water M3 (volume) – Metered Sites Only (Rolling: M8 position)	Reduce	13,706	13,706

4. Impact Analysis

4.1 Quality/ Patient Care

4.1.1 The Clinical Governance Committee provides oversight for all quality and patient care performance.

4.2 Equality and Diversity, including health inequalities

4.2.1 Projects and services associated with the measures covered by this paper are required to carry out an equality impact assessment. There are no specific issues arising from this performance paper.

4.3 Data protection and information governance

- 4.3.1 This paper contains management information only. All projects and programmes of work covered by this paper are reviewed for any data protection or information governance risks or implications and are therefore reported at a programme/project level. These are therefore not reported in this document.

5. Risk Assessment/Management

- 5.1 Risks are managed in line with the Integrated Risk Management Approach

6. Financial Implications

- 6.1 Details within Finance Report.

7. Workforce Implications

- 7.1 Details within People Report.

8. Climate Change and Environmental Sustainability Implications

- 8.1 Details within Sustainability Report.

9. Route to Meeting

- 9.1 This paper was discussed at the Executive Management Team at their meeting in February. The supporting reports included in the Appendix have been discussed at EMT and respective Committee meetings.

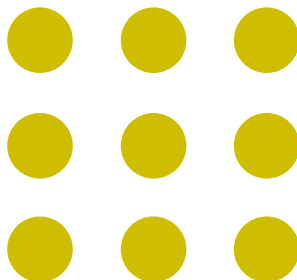
10. List of Appendices and/or Background Papers

- 10.1 Appendix A – NSS Service Excellence (M10)
Appendix B – NSS Financial Sustainability (M10)
Appendix C – NSS Workforce Sustainability (M10)
Appendix D – NSS Climate Sustainability (M8)



Service Excellence & Annual Delivery Plan January (M10) FY23

NSS Planning and Performance
March 2023



January Update

M10 FY23

Progress to Date

- **Annual Delivery Plan** performance at 82% achieved/on target.
- **For Service Excellence, all other performance standards were achieved this quarter.**
- There has been an improvement in **User Effort** scores with **User Satisfaction** scores remaining constant, resulting from further positive survey returns in PCFS, mitigating the previous scores that had resulted from a low volume of returns.
- **FOI requests acknowledged** achieved their 100% standard for a fifth month in a row and all responses have been delivered within the 20 day requirement continuing the positive trend started in April 2022.
- **Complaints Acknowledgment** achieved standards for a third quarter in a row.

- **Complaints regarding Staff Behaviour & Attitude** have reduced over the last quarter and are now meeting standard after two quarters where standards were not met. This suggests actions taken in SNBTS to address these types of complaints is having an effect.

Previously Reported Actions

- Improvements for all reporting metrics, actions and learning in this current report are being agreed with measure owners in SPST and DAS and will be completed for FY24 reporting.

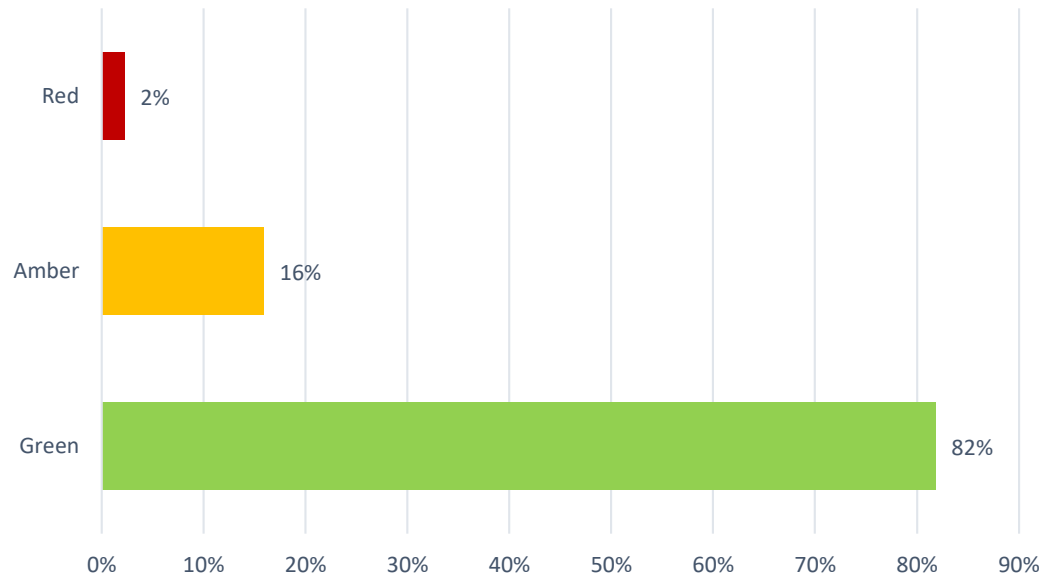
New Actions

- New service excellence measures are being considered as part of the quality management strategy development and to support quality improvement ambitions.
- Discussion are underway with directorates on 3-5 measures to understand business as usual service performance.

Annual Delivery Plan Performance

Q3 FY23

Annual Delivery Plan Performance Q3 FY23



We have achieved the following results at the end of Q3 for the 88 milestones in FY23:

- 72 (82%) are achieved or on target (82% in Q2)
- 14 (16%) are behind schedule (16% in Q2).
- 2 (2%) are not likely to be achieved (2% in Q2).

Please note:

Milestones may form only part of a deliverable – many deliverables have more than one milestone.

Three milestones are not due to start until the next financial year and are therefore not accounted for in our FY23 analysis.

Annual Delivery Plan Performance

Q3 FY23 Achievements

- **Remobilisation of all Specialist and Screening Services:**
Milestone 3. Hospital reporting and dashboard performance embedded by end September 2022.
- **International and cross border Mesh removal services**
Milestone 2. Access to Bristol Spire gained by June 2022.
- **National Strategic Networks for neonatal and maternity care**
Milestone 1. Annual workplan for Maternity & Neonatal Networks agreed.
Milestone 2. Objectives agreed by Network Steering Group.
- **NHSScotland Capital Delivery Strategy**
Milestone 1. Funding to complete strategy agreed with Scottish Government.
Milestone 2. Options appraisal completed.
- **ARHAI priority programmes**
Milestone 1. 95% of programme deliverables achieved on time and as agreed, for each of the ARHAI priority programmes.
- **NHSScotland Climate Emergency and Sustainability Strategy and NSS Sustainability Strategy**
Milestone 1 & 2. Delivered NHSiS Sustainability Strategy 2022-2026 in August 2022 and associated delivery plans in November 2022 and Milestone 1 delivered NSS Sustainability Strategy
- **Scan for Safety.**
Milestone 1. Standards approved.
Milestone 2. Suppliers aware of expectations regarding unique identifiers.
- **Procurement net zero transformation T-Map**
Milestone 1,2,3. T-Map finalised in April 2022 and approvals gained by June 2022.

Annual Delivery Plan Performance

NOT LIKELY TO BE ACHIEVED

Deliverable	Milestone	Status Q3	Status Q2	Commentary
Ensure the recovery and effective remobilisation of all Specialist and Screening Services in support of NHS Scotland.	All commissioned screening programmes are within 80% of the turnaround cycle by August 23. (80% invited within the screening interval standard will be achieved by August 2023 - which is three years since the Breast Screening Programme restarted after the COVID pause. Based on the 3 yr. screening interval for breast screening). 70% achieved by end March 2023.	Not likely to be achieved	Not likely to be achieved	NSD are undertaking a more granular assessment of their position as presently there are only two out of six breast screening centres that are not on target and all other screening programmes, i.e. cervical, abdominal aortic aneurysm (AAA), new-born, diabetic eye screening (DES) and bowel, are all on target.
Deliver all national digital programmes in support of the Digital Strategy for Health and Social Care - seer v2 migration .	seer v2 migration by March 2023.	Not likely to be achieved	Not likely to be achieved	Task will not be completed in year but should have improved to amber as delivery is scheduled for April following delays in migration. Alternative Oracle options under investigation to ensure dual running and no impact to service.

Annual Delivery Plan Performance

BEHIND SCHEDULE

Deliverable	Milestone	Status Q3	Status Q2	Commentary
Improve the security of supply of immunoglobulin to NHS Scotland patients.	Appointment of an immunoglobulin manufacturer in January 2023. UK Government contract.	Behind schedule	Behind schedule	This is a UK procurement process and outwith SNBTS control. It is likely to be April/May before the manufacturer is appointed. As the milestone cannot be expedited by SNBTS as it is a UK government procurement, we are seeking agreement from our SG sponsorship team to remove the milestone from our plan.
Deliver improvements in support of the Primary Care Portfolio Plan , covering practitioner payments, enhanced eye care services, medical records and patient registration.	Deliver the new model of care for New Eyecare Services.	Behind schedule	Behind schedule	Funding confirmed with SG and requirements for the Community Glaucoma Service (CGS) agreed and signed off. Business Case approved in January 2023 and implementation of the service has commenced. Agency resources being used to establish service. With permanent funding secured recruitment of permanent staff is underway. First patients now transferred to our interim solution for registration in the community. Deliverable expected to be achieved by year end.
Ensure the recovery and effective remobilisation of all Specialist and Screening Services in support of NHS Scotland.	All commissioned services at 80% of pre covid service agreements by March 2023.	Behind schedule	Behind schedule	Ongoing workforce pressures are resulting in reduction in theatre and in-patient capacity as Health Boards prioritise urgent activity. This creates delays for non-urgent procedures. We have written to boards to ask if they will share their planning assumptions and action plans for those services that are not above 80%. It is worth noting this is the minority not the majority.

Annual Delivery Plan Performance

BEHIND SCHEDULE

Deliverable	Milestone	Status Q3	Status Q2	Commentary
Implementation of 12 new cancer pathways for genomic testing for March 23.	Eight pathways will be completed and implemented by December 2022 and the remaining four pathways implemented by end of March 2023.	Behind schedule	On target	Although allocations were agreed for the delivery of 12 new Cancer Genomic Pathways, funding was reduced by 17% limiting the number of pathways that could be delivered without placing additional cost pressures on NSS. Discussions continue with Scottish Government.
National Health & Care Innovations. Establish and provide agreed Innovation Services and resources to improve the pace of delivery and adoption of health and care innovations across Scotland.	Deliver minimum viable product for Scotland Innovates to provide oversight and guidance on pan public sector, supplier led innovations across Scotland by July 2022.	Behind schedule	Behind schedule	DaS decision is to conclude the Scotland Innovates portal development at delivery of work packages to 20/12/22. Customer agreement is being sought on developing a project proposal produced by a Business Analyst - timeline tbc. The delivery to December 2022 concludes the minimum viable product (MVP) commitment and approval by the customer, which we expect by year end, will complete the milestone.
Digital Prescribing and Dispensing Pathways - delivery of agreed year 2 workplan. NSS continue our partnership with NES Technology to replace the paper prescription with a digital solutions in all community settings, with initial focus on the end - to end pathway across in-hours static GP practice prescribing and community pharmacy dispensing.	Milestone 1 Development of the end-to-end DPDP Solution Architecture Indicative Design - Level 1 Design - September 22 - Level 2 Design - December 22 - Level 3 Design - March 23	Behind schedule	On target	The programme has been reviewed by the DPDP Programme Board, who have approved a change control for the Level 3 Design milestone to be delivered next year. Agreement has been reached with the SG sponsors for the funding associated with this deliverable to be returned. On that basis it is now anticipated the milestones for this year will be achieved and the programme will continue to be tracked with its newly agreed milestones in the next ADP.

Annual Delivery Plan Performance

BEHIND SCHEDULE

Deliverable	Milestone	Status Q3	Status Q2	Commentary
Design and implement a new Scottish Cancer Network (SCN).	<p>Future BAU identified by September 2022.</p> <p>Successful transition to BAU completed by end March 2023.</p>	Behind schedule	On target	Active discussions underway within NSS (Clinical Directorate and National Services Division) and with Scottish Government on scope of the SCN commission in light of the upcoming Cancer Strategy and delivery plan publication, which will inform the BAU model. An internal NSS half day session is being held on 8 March. We expect the first milestone to be achieved by year end and the second to roll forward into FY24.
Provide programme management and service transformation services to Radiology to support the effective delivery of national health and care programmes Scottish Radiology Transformation Programme (SRTP).	<p>Reporting Radiographers part of information bank - November 2022.</p> <p>Determine the future of SRTP work and how this will align with the Diagnostic Strategic Network (DSN) arrangements - March 2023.</p>	Behind schedule	On target	<p>Reporting Radiographers (RRs) activity is nearly complete with letters issued to services and two RRs pilots commencing. Six boards have updated their regulations to enable RRs to report on images to date.</p> <p>Discussions on arrangement and funding for FY24 are continuing with a focus on ensuring the delivery of outcomes and benefits while NSD confirm arrangements for the service to be delivered within the Diagnostic Strategic Network.</p>
Implement NSS Financial Sustainability Action Plan which underpins our objective to have an organisational financial stewardship culture that will drive effective use of assets, infrastructure and value for money.	Implement NSS Financial Sustainability Action Plan in line with plan timescales.	Behind schedule	Behind schedule	The Action Plan has various aspects and elements - some of which are delivered, some are in progress and some are behind original schedules – hence the overall RAG status of Amber. NSS is still on course to achieve statutory financial targets for 2022/23 and this will determine our final position from an ADP perspective.















Annual Delivery Plan Performance

BEHIND SCHEDULE

Deliverable	Milestone	Status Q3	Status Q2	Commentary
Deliver all national digital programmes in support of the Digital Strategy for Health and Social Care - Community Health Index (CHI) & Child Health (CH) .	CHI & Child Health continued delivery to plan.	Behind schedule	Behind schedule	Re-baselining underway and programmes to be reset against agreed plans now that they are being formally separated. CHI no expected to deliver summer 2023/24 and unlikely to turn green. New plan being agreed for CH and activity reporting green.
Deliver all national digital programmes in support of the Digital Strategy for Health and Social Care - General Practitioner Information Technology and Picture Archiving Communication System (GPIT & PACS) .	GPIT & PACS continued delivery to plan.	Behind schedule	Behind schedule	PACS v12 now green and complete. GPIT Programme continues to improve. Additional engagements have taken place to increase the pace of the programme and engage with those that had initially planned to use EMIS but are now transitioning to Vision. This is still in flux for some boards but stabilising due to the increased engagement of the programme team to support board with this change. We anticipate a return to green through the next reporting period.
Deliver all national digital programmes in support of the Digital Strategy for Health and Social Care - Business Systems & eRostering .	eRostering rollout of Year1 implementation plan with supplier and successful integration of systems for National Boards.	Behind schedule	Behind schedule	Delays in signing the contract have pushed out the delivery dates. Agreement from Board Chief Executives now in place and a plan has been agreed with a go/no go decision point included to ensure the key integrations are in place to support boards and eliminate any manual double keying prior to go live. We expect this deliverable to remain at amber until May/June.

NSS Performance

M10 FY23

Key Performance Indicators	Latest	Standard	Variation	Assurance	M7 Performance
NSS User Satisfaction Score (Rolling: M8 FY23 position)	73.9%	70%			Meeting Standard
NSS User Effort Score (Rolling: M8 FY23 position)	65.3%	62%			Meeting Standard
NSS Net Promoter Score (Rolling: M8 FY23 position)	18.2%	0%			Meeting Standard
NSS Complaints – Responded to Within 3 Days (Quarterly: Q2 FY23 position)	98%	90%			Meeting Standard
NSS Complaints – Staff Behaviour and Attitude (Quarterly: Q2 FY23 position)	10	10			Meeting Standard
NSS FOI – Requests Acknowledged Within 3 days (Monthly: M8 FY23 position)	100%	100%			Meeting Standard
NSS FOI – Responses Greater than 20 Days (Monthly: M8 FY23 position)	0	0			Meeting Standard

KEY

VARIATION



Area of Improvement

Results are showing a general Positive trend in performance.



Area of Concern

Results are showing a general negative trend in performance.



Common Variation

Results show no major change in either direction at present.

ASSURANCE



Meeting Standard

The metric is consistently meeting the agreed standard.



Missing Standard

The metric is consistently missing the agreed standard.

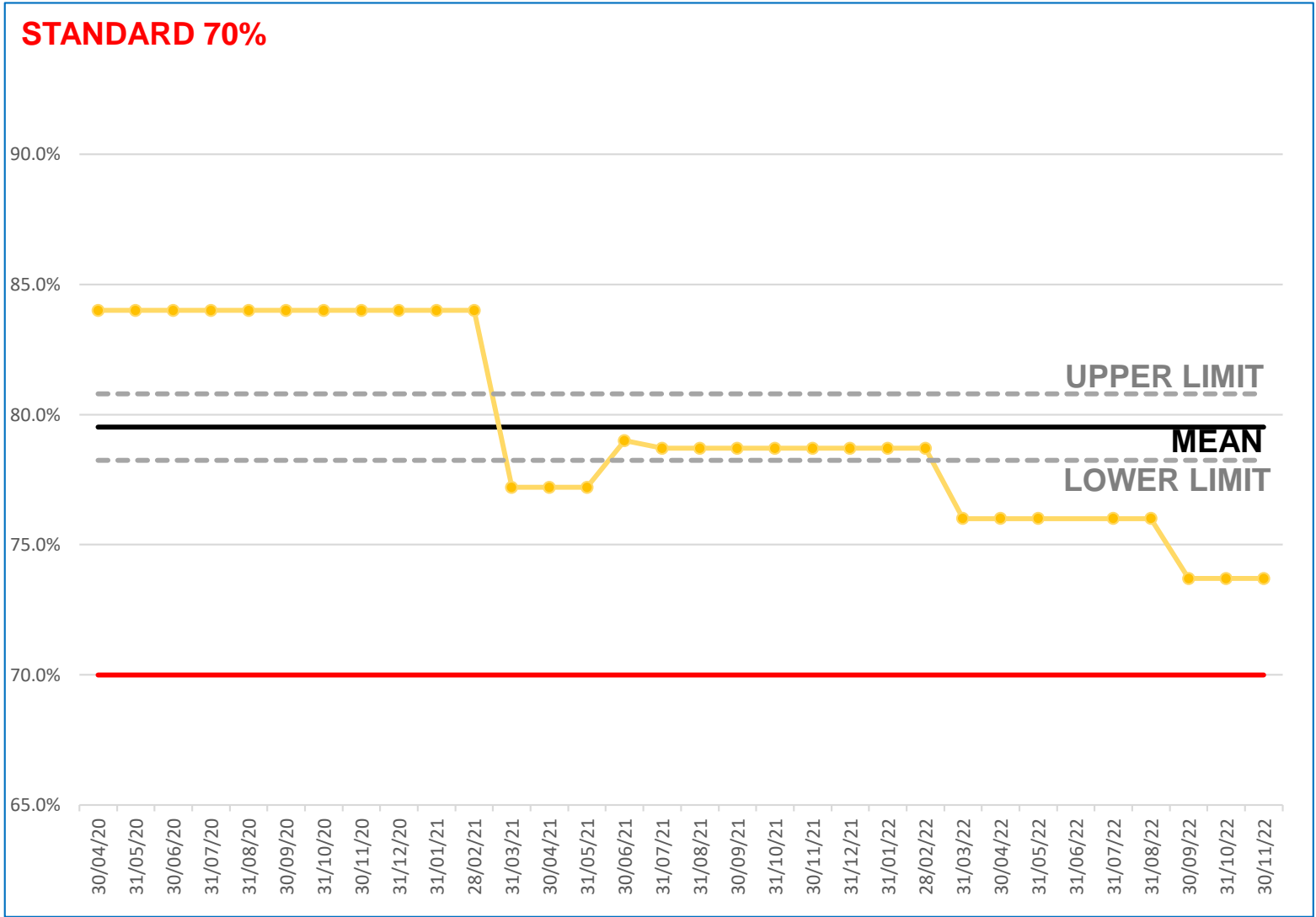


Variable Achievement

Results are mixed and it is unclear if the standard will be consistently achieved.

NSS User Insight

Satisfaction (M10 FY23)



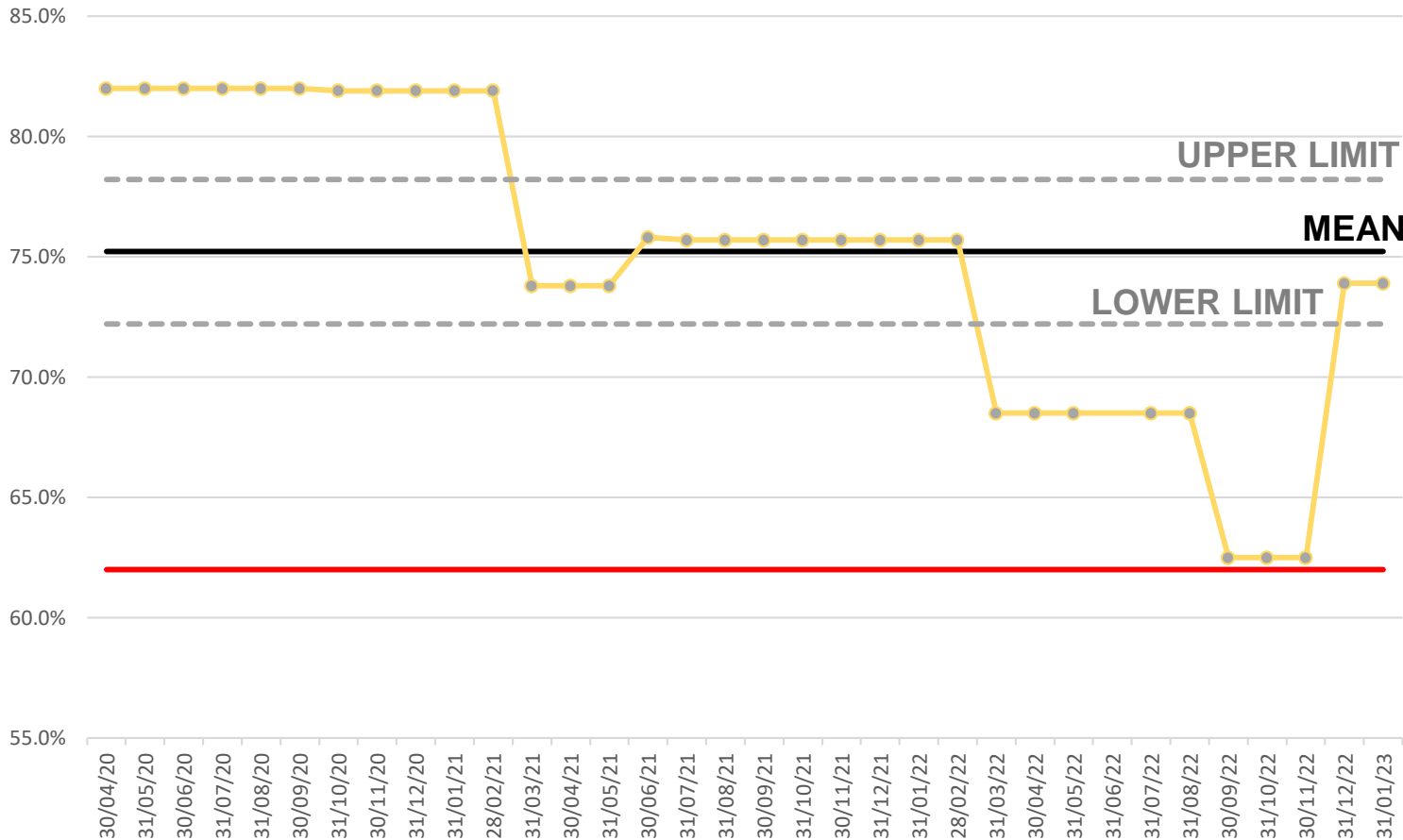
PERFORMANCE

Common Variation
 Meeting Standard

Satisfaction Score	
Description	Annual satisfaction score achieved by NSS services.
Calculation Method	User ratings of 4 and 5 divided by the total number of responses. Scoring scale is 1 to 5. The NSS Score is based on all services, which are weighted according to the service's percentage of NSS revenue. Score is updated following each new survey.
Frequency	Annually.

NSS User Insight Effort (M10 FY23)

STANDARD 62%



PERFORMANCE



Common Variation



Meeting Standard

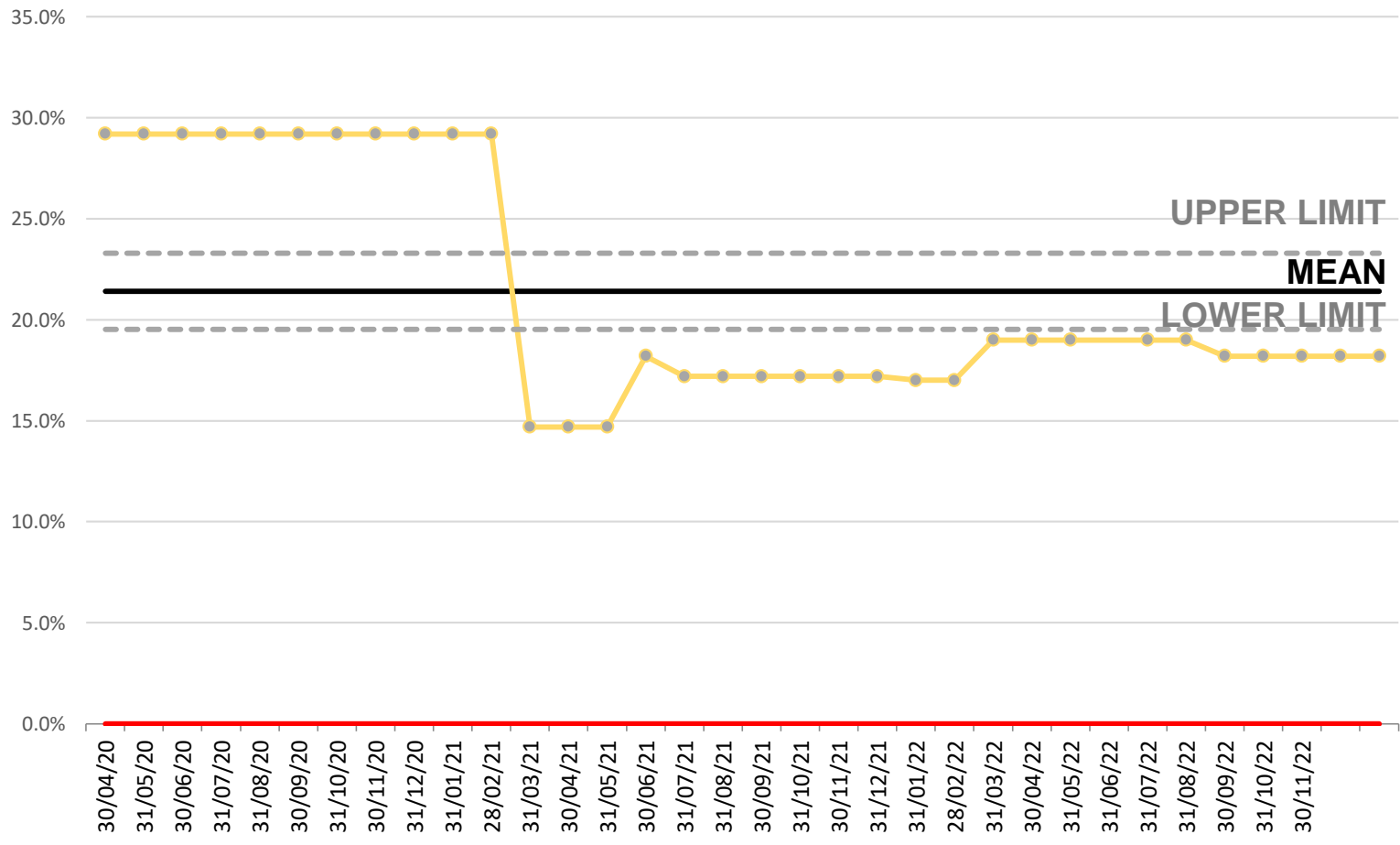
Effort Score

Description	Annual Effort Score achieved by NSS Services. Used to measure the ease of service experience of the user with the NSS.
Calculation Method	User ratings of 4 and 5 divided by the total number of responses. Scoring scale is 1 to 5. The NSS Score is based on all services, which are weighted according to the service's percentage of NSS revenue. Score is updated following each new survey.
Frequency	Annually.

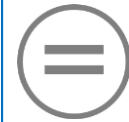
NSS User Insight

Net Promoter (M10 FY23)

STANDARD 0%



PERFORMANCE



Common Variation

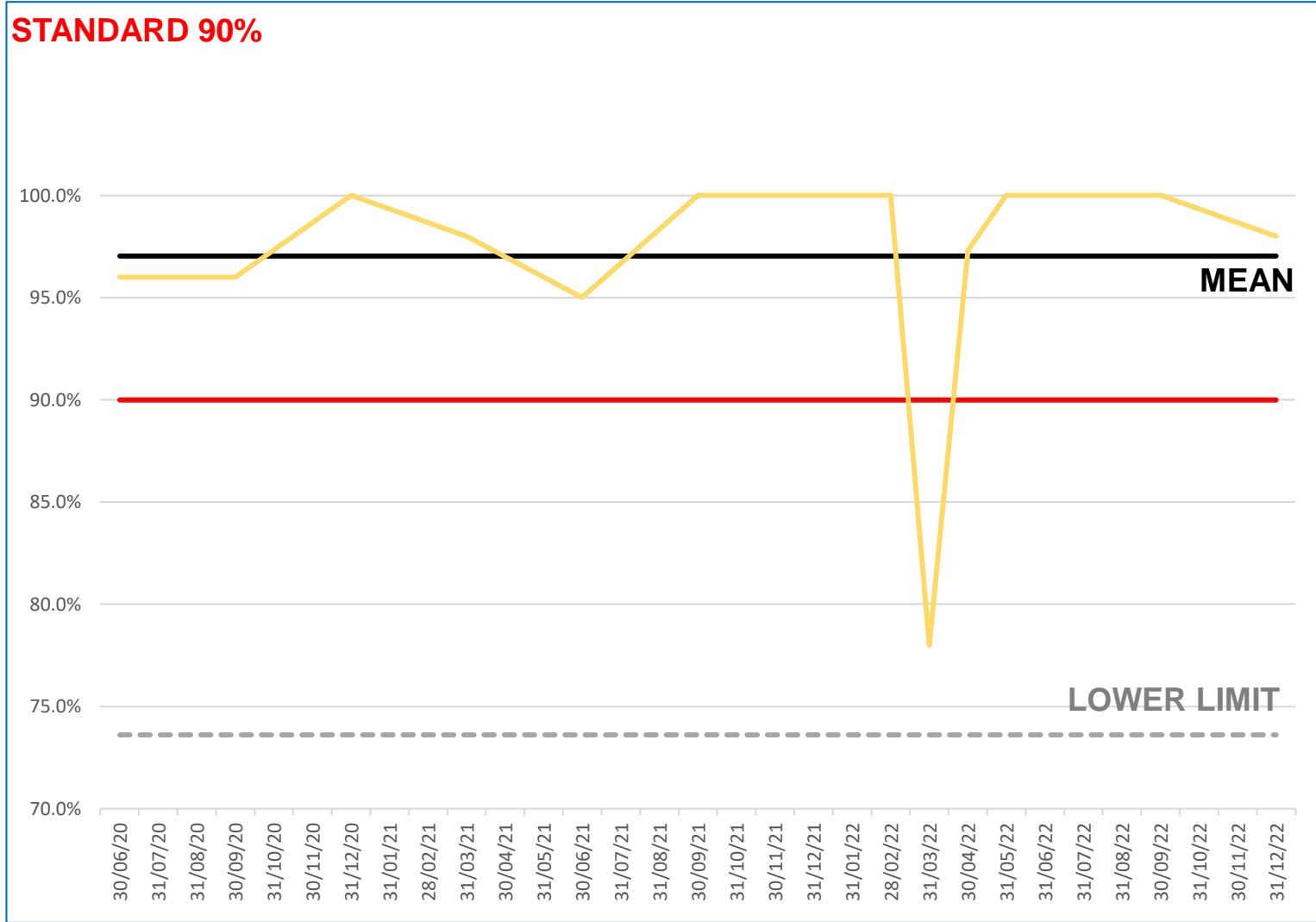


Meeting Standard

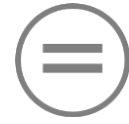
Net Promoter Score

Description	Percentage of users who would recommend the NSS to a friend or a colleague. Also known as User Advocacy.
Calculation Method	Percentage of promoters (5 rating) minus the percentage of detractors (1 to 3 rating). Scoring scale is 1 to 5. The NSS Score is based on all services, which are weighted according to the service's percentage of NSS revenue. Score is updated following each new survey. The score can range from -100% to 100%.
Frequency	Annually.

NSS Complaints Responses within 3 days (Q3 FY23)



PERFORMANCE



Common Variation



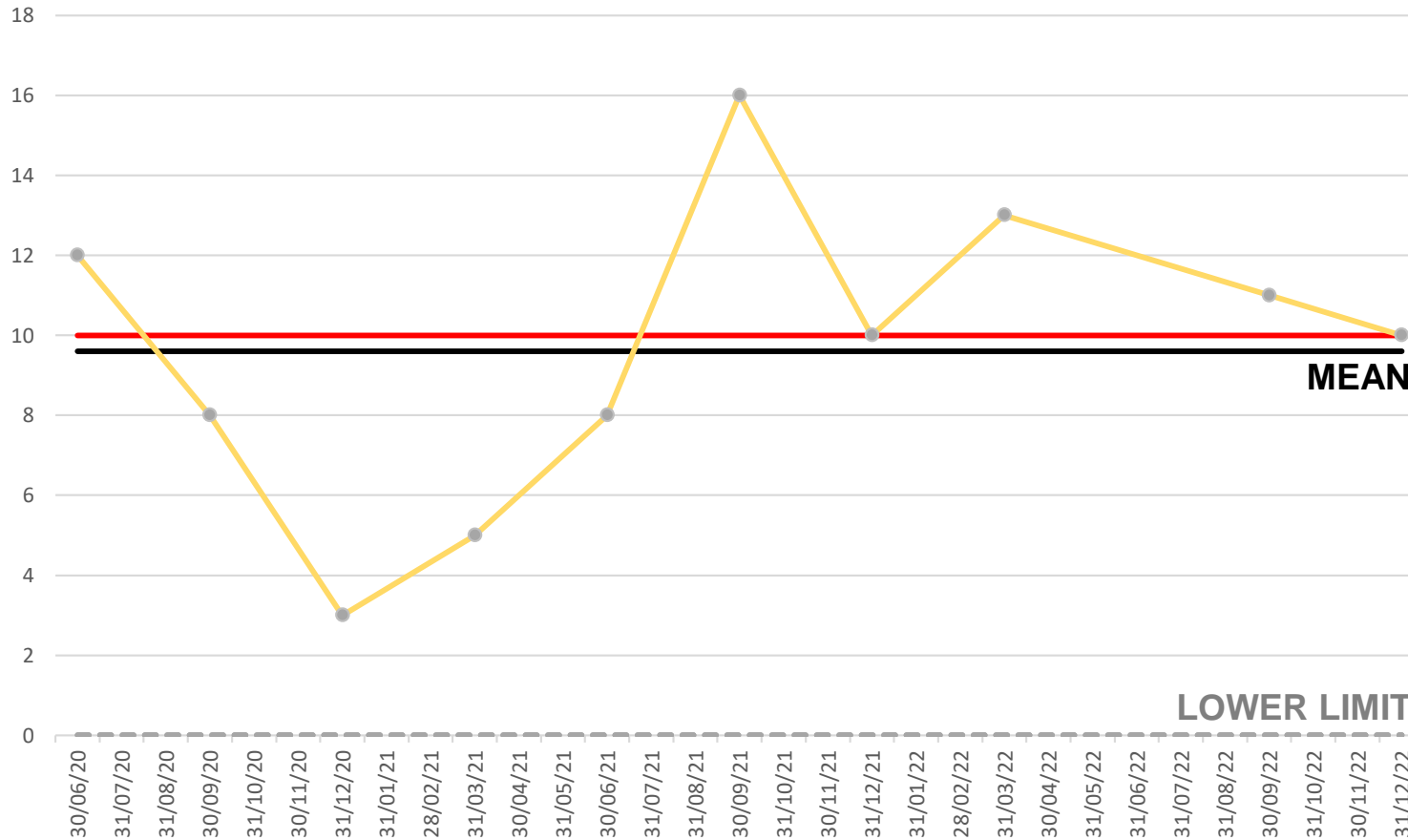
Variable Achievement

Response to Complaints	
Description	Part of Model Complaints Handling Procedure (MHCP). Tracks the percentage of complaints received which are acknowledged and responded to within 3 working days.
Calculation Method	Percentage responded to within 3 working days divided by the total number of complaints received.
Frequency	Quarterly.

NSS Complaints

Staff behaviours and attitudes (Q3 FY23)

STANDARD 10



PERFORMANCE



Area of Improvement



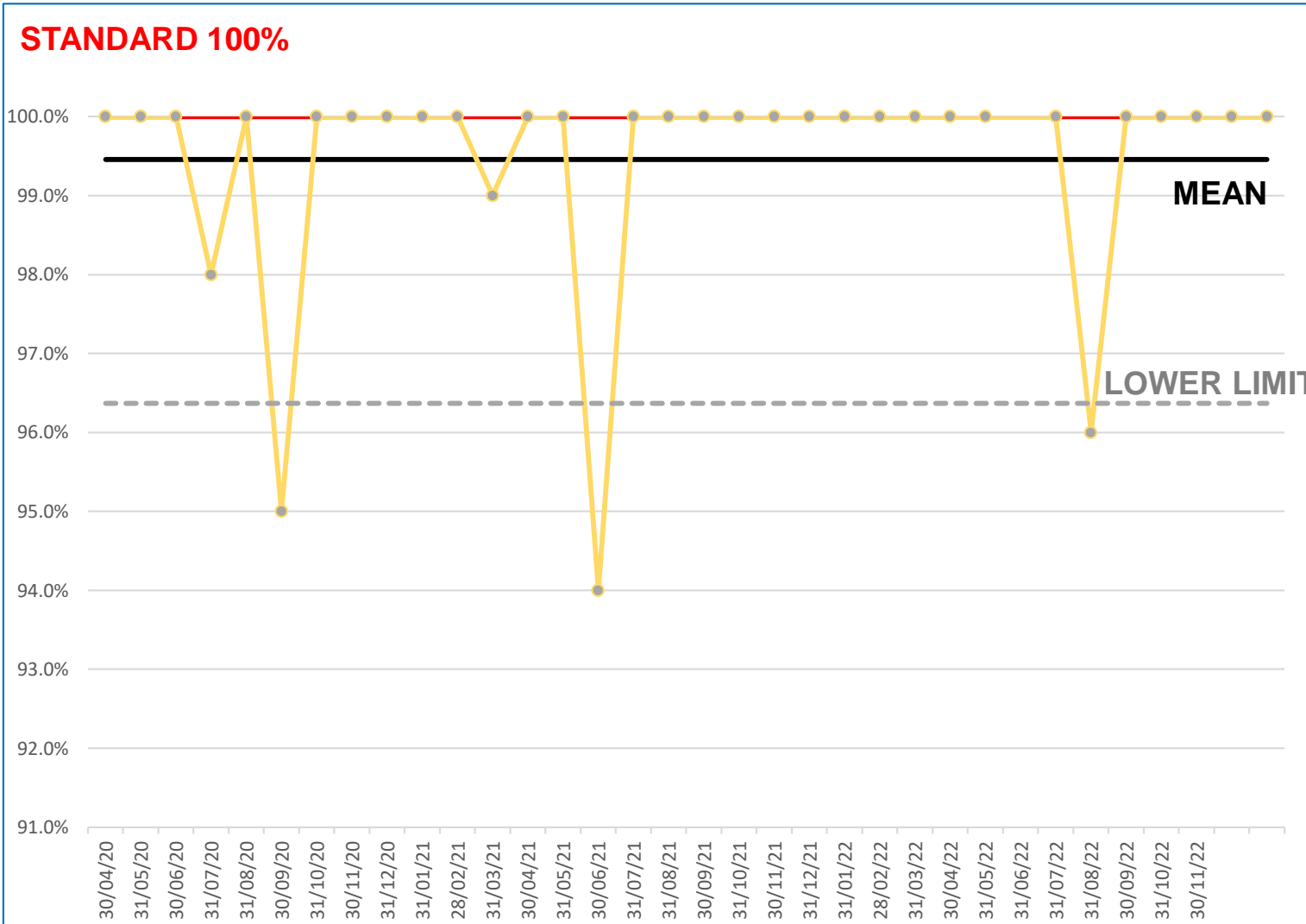
Variable Achievement

Response to Complaints

Description	Part of Model Complaints Handling Procedure (MHCP). Tracks complaints received regarding staff attitude and behaviour. Feeds into training requirements based on identified issues.
Calculation Method	Count of staff complaints received.
Frequency	Quarterly.

NSS Freedom of Information

Requests acknowledged within 3 days (M10 FY23)



PERFORMANCE



Common Variation



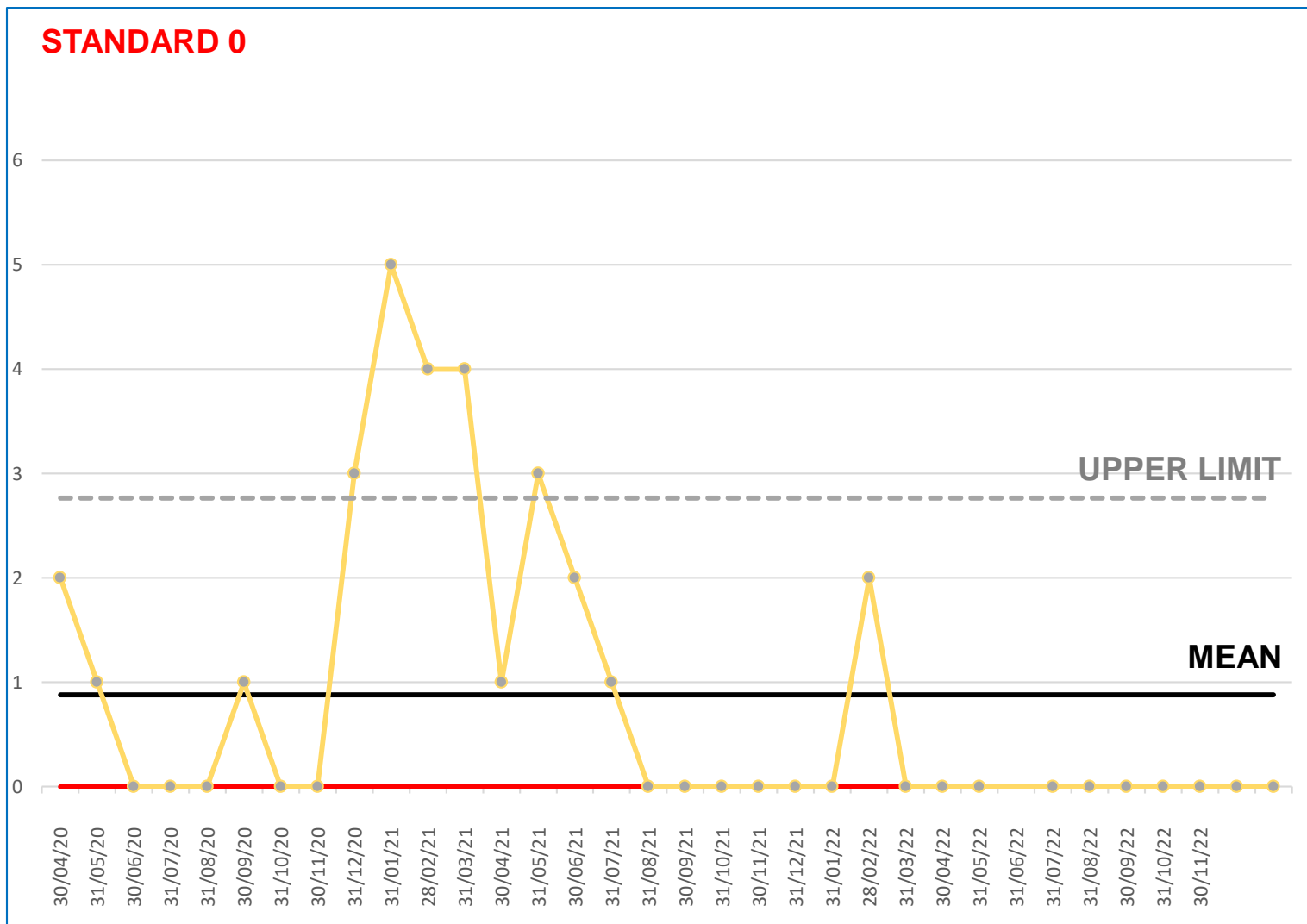
Variable Achievement

FOI Requests acknowledged in 3 days

Description	Freedom of Information (FOI) requests received from the public for which the acknowledgement time was greater than 3 working days. Requests are received in writing, through email or through social media.
Calculation Method	FOI requests acknowledged within 3 working days divided by the total number of FOI requests received in the period.
Frequency	Monthly.

NSS Freedom of Information

Responses greater than 20 days (M10 FY23)



PERFORMANCE



Common Variation



Variable Achievement

FOI responses greater than 20 days

Description	Freedom of Information (FOI) requests received from the public for which the response time was greater than 20 working days. Requests are received in writing, through email or through social media. Requests for any information held by NSS.
Calculation Method	Count of requests with a response time greater than 20 working days.
Frequency	Monthly.



NSS Financial Performance

January 2022

NHS National Services Scotland Board

Financial Performance – January 2022

Executive Summary



Performance Summary

At the end of month 10, NSS continues to forecast full achievement of all statutory financial targets despite significant underlying financial risk.

The reported core revenue surplus of £9m is driven by NSD which is currently underspent by £7.6m mainly due to lower than planned high cost, low volume risk share activity. Any under spend will be returned to SG hence the reported break-even forecast.

The main areas of pressure are (1) SNBTS where savings targets cannot be met in full on a recurring basis – partly driven by inflationary pressures and resource dependencies and (2) DaS where the service continues to be unable to provide the necessary information to allow recharges to be processed across NSS and PHS. Finance continues to work very closely with DaS colleagues and we have been assured complete information will be available from all relevant services to ensure all required recharges are processed next month and reflected in the general ledger

The reported YTD C-19 surplus of £2.5m includes (1) PPE reduction of £1.7m and (2) £1m across TP&V – any surplus monies at year end will be returned to SG to support the overall position

Key Messages

The level of underlying financial risk and uncertainty is significant for NSS and across NHS Scotland – continued scrutiny of budgets and investment decisions is crucial during the last quarter of FY22/23, as well as further emphasis on Financial Sustainability in the longer term.

It should be remembered that despite the SG budget announcement being more favourable than originally expected, NHS Scotland still has a significant planned deficit for FY23/24 with unprecedented levels of saving required to break-even across the system

This challenging financial landscape needs to be understood and appreciated as NSS continues to develop and refine its own Financial Plans for FY23/24+

NSS Targets	YTD £m	Forecast £m	RAG
Revenue Outturn (Non C-19)	8.989	0	G
Revenue Outturn (C-19)	2.543	0	G
NSS CRES Total	4.821	7.318	G
NSD CRES Total	7.126	10.440	G
Capital Outturn	0.272	0	G

Risks and Issues

The “final” A4C pay offer has been imposed by SG with on-going dialogue for FY23/24 to avoid any industrial action.

A4C salaries have been uplifted in month for January (M10) with arrears (M1-M9) processed in February (M11)

Non-Pay inflation remains at record levels adversely impacting budgets. This has not materially manifested in FY22/23 but is a current focus to ensure FY23/24 budgets have sufficient provision for expected / contractual inflationary pressures.

Allocations remain outstanding for FY22/23 but SG has committed to allocated as much as possible early Q4.

Most outstanding allocations have been reviewed as low risk. Those identified as high risk (minority) have been formally built into NSS Reserves to ensure full corporate cover.

Systems – the NSI Finance Systems team (Ayrshire & Arran) co-ordinated the migration to v6 e-Financials in late January. This resulted in a number of issues and downtime, impacting on payments to suppliers and population of the ledger. Whilst some issues remain, the system and sub-modules are more stable than they were previously. The position continues to be monitored closely at both NSS and national level.

NHS National Services Scotland Board

Financial Performance – January 2022

SBU Operational Performance

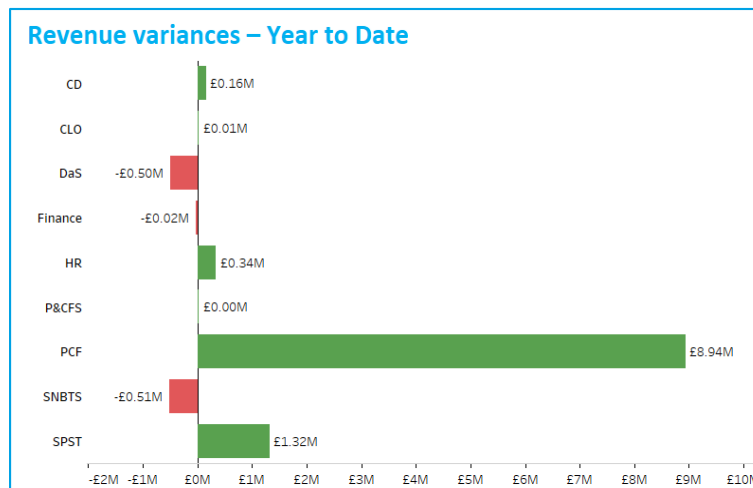
Main Movements by SBU

SBUs are reporting a total core operating under spend of **£8.7m**

PCF – this is the main area of underspend (£8.9m) which is being driven by an NSD Underspend of £7.6m including Specialist Services & Ultra Orphan Drugs. **Any surplus funding will be returned to Health Boards before the end of the Financial Year – the Corporate Finance Network is briefly monthly on the YTD and forecast position.** The remaining underspend is within Logistics (£1.7m) where the forecast year-end adjustment for ‘slow moving’ stock has been applied to the position year to date.

SPST - TP&V is now reporting a YTD underspend of £1.0m which is driven by a pause in Primary and Social care testing and HB’s buying consumables for Genomic Sequencing directly rather than NSS. **Surplus funds will be returned to SG at year end.** The rest of SPST has an underspend of £0.3m, which includes an increase in income recovered by PGMS, partially offset by pressures including the costs to cover the new Board Secretary, Public Enquiry team and the Events team.

SNBTS - the YTD deficit of £0.5m is being **driven by unmet savings targets (£2.0m)** with vacancies in Pay (£1.7m) partially offsetting this pressure. However, there is a further pressure within non-pay budgets, with ‘medical’ costs such as lab instruments overspent by £0.6m.



DaS – this budget is overspent by £0.5m overall – with a variety of overspends and underspends across the various service pillars. The reported position is however inaccurate as the service has not provided recharge information to Finance to ensure ‘income’ is recognised in DaS’ accounts (as well as expenditure reported on other NSS SBU and PHS positions). **Finance has been assured by DaS that all information will be available so that we can process the necessary transactions for the February Financial Position.**

Finance –YTD overspend of £20k driven by costs associated with the Blackline system. **Full year forecast is break-even with a number of vacancies continuing for the remainder of the Financial Year**

HR – reporting a YTD £341k underspend - **predominantly driven by an underspend on pay due to vacancies (£166k)** whilst one service moves to a new model. Corporate Training budgets are also underspent.

P&CFS – is reporting a **break-even position (£1k under)** as at January and forecast at year end. A small pressure in Non-Pay of £23k in relation to Digital Enablement is being offset by an over-recovery of CFS income

Clinical – is reporting a YTD under spend (£157k) which continues to exclude the SG funded project variances (such as Scottish Cancer Network) on the basis that any underspend would be returned to SG and therefore would not affect the year-end position. **The full year forecast has increased to a more favourable underspend position of c£230k most of this variance being pay-related.**

CLO – is reporting a small underspend of £14k YTD but the **forecast position is an overspend of c£84k**, though this remains dependent on the CMS project costs being incurred as planned in 22/23. These CMS costs will be clarified once final quotes have been received and a decision made on the case management system.

NHS National Services Scotland Board

Financial Performance – January 2022

Revenue Analysis

The main income and expenditure variances largely offset each other – and is due to the way in which the budget has been coded and phased historically. This will be reviewed and improved for FY23/24 onwards to ensure focus on true, underlying variances rather than material variances which offset.

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

Other Income - Higher income in year than planned from the SWAN, CLO and PGMS

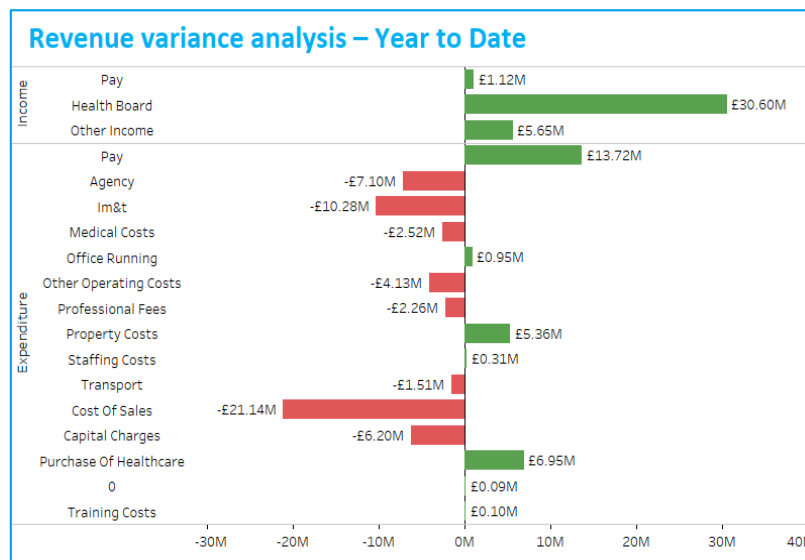
Total Pay – the overall payroll underspend of £8.4m includes £16.4m through payroll with a number of vacancies, with £7.1m spend on agency in filling some of these gaps.

A4C salaries were uplifted in January in-line with the SG Circular, with arrears scheduled to be processed at the end of February

Medical costs – most relate to maintenance pass through costs offset against income above.

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

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



NHS National Services Scotland Board Financial Performance – January 2022 COVID-19



Summary

NSS continues to actively work with SG and Health Board colleagues to support and influence decisions to reduce C-19 costs within the reduced funding envelope. Whilst all T&P costs will be funded based on spend, all other C-19 funding is capped at £108m. Costs are currently within this funding envelope with c£2.5m underspend forecast

Since the start of the Financial Year, the overall forecast cost has reduced by over £60m:

- This has largely been within T&P, reduced £45m with PCR test kits and consumables - reduction in forecast due to pause in Primary & Social care PCR testing, Boards purchasing Genomic Sequencing directly rather than ordering through NSS and test assays originally forecast within the NSS spend are being secured via a UK allocation.
- Reduction of £15m PPE where SG and NSS have reviewed the glove forecast (split between BAU and pandemic)

	22/23 SG Funding	22/23 YTD	22/23 Forecast	Funding v Forecast	Capital
Covid-19 Expenditure					
Test & Protect	£000	£000	£000	£000	£000
Pay costs		2,145	2,323		
Non-pay costs					
Contact tracing		579	601		
Testing		944	1,080		1,077
Local lab testing		12,576	23,706		
Genomic sequencing		2,102	2,202		
Digital costs (NSS only)		1,493	1,595		
Test & Protect Envelope	31,507	19,839	31,507	0	1,077
Covid-19					
Additional PPE		37,611	39,146		-
Covid-19 Vaccination		26,843	32,009		-
Flu Vaccination		20,950	21,150		-
Additional Equipment and Maintenance		7,137	8,587		-
Other (Clinical Waste, Private Hcare, Oxygen, SNBTS Blood Collection)		1,654	1,900		-
Additional Bed Capacity/Change in Usage		1,718	1,940		-
Scale up of Public Health Measures		355	422		-
Loss of Income		157	171		-
Additional Staff Costs (Permanent)		175	221		-
Additional Staff Costs (Temporary, overtime, buyout, exit payments)		13	13		-
Covid-19 Envelope	108,100	96,615	105,557	2,543	0
Grand Total	139,607	116,453	137,064	2,543	1,077

Test, Protect and Vaccinate Update

The start of the new financial year brought much change in this area as SG transitioned to an endemic model. Funding allocations were based on financial forecasts made when there were still many operational delivery questions unanswered. Within the November forecast cycle NSS made a material reduction to the Test & Protect forecast based on clarification of a number of policy and operational areas resulting in a marked reduction in PCR testing volume. The first point represents an overall saving to the Test & Protect programme with the second and third being a reduction in NSS spend offset elsewhere within total programme costs.

- A pause to PCR testing within Primary and Social care introduced in October 2022 is likely to continue through the financial year. NSS savings to forecast are in test collection kits / test assays / courier and distribution charges.
- GGC and Lothian are purchasing a greater proportion of test consumables for use within the Genomic Sequencing directly rather than ordering through NSS.
- A number of test assays originally forecast within the NSS spend are being secured via a UK allocation.

Test & Protect funding allocations were issued by SG with an initial tranche distributed with a final 20% balance to follow as required. NSS has formally confirmed, in-line with reduced forecast, that it no longer requires the 20% balance.

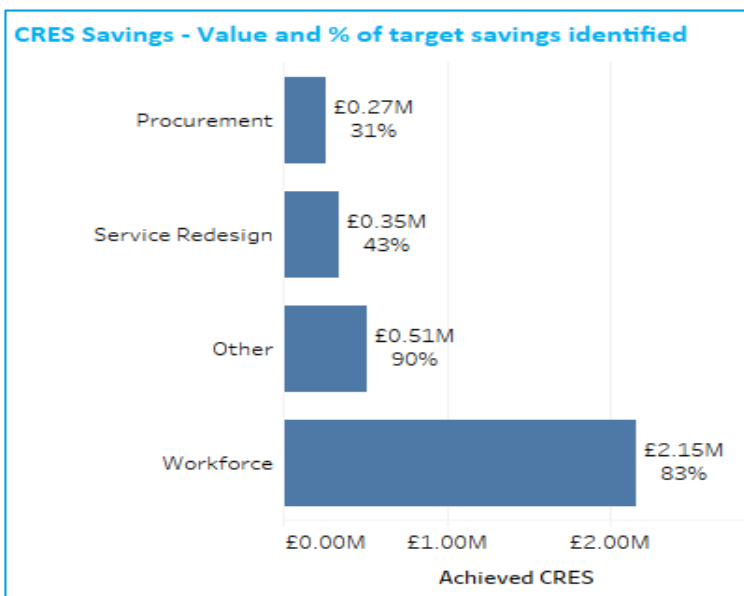
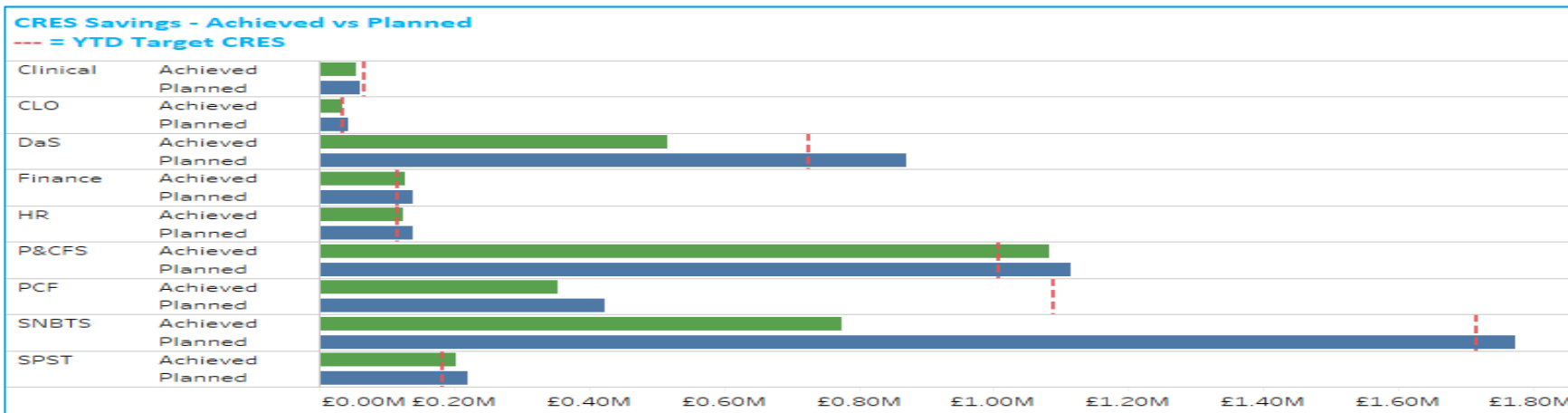
NHS National Services Scotland Board

Financial Performance – January 2022

Delivery of Cash Releasing Efficiency Savings



In FY22/23, NSS removed 5% budget from SBUs as CRES at the start of the Financial Year so NSS' CRES target is achieved if SBUs achieve a break-even or surplus outturn. The graphs below show how SBUs have evidenced the achievement to date.



The NSD annual savings target is £10.45m – achieved YTD £7.1m and forecasting full target is achieved.

The SBU CRES target is £7.3m – including £4.8m planned savings and £2.5m savings to be identified which Business Controllers are working with SBU to evidence.

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

A particular risk has been identified within SNBTS in terms of the delivery of the recurring CRES target, including the adverse impact of unmet balances carried forward from previous years. This is driving the current and forecast deficit reported by SNBTS with NSS Reserves providing cover in year for Blood Inquiry costs and Workforce pressures.

NHS National Services Scotland Board

Financial Performance – January 2022

Services delivered on behalf of NHS Scotland



FY22/23 Outturn

NSS manages services on behalf of NHS Scotland with a **full year budget of £701m.**

- eHealth SLA, ATOS, GP IT, Scotcap SIBBS and MESH are all delivering within plan or small underspends.
- PACs £106k underspend, but expected to breakeven at year end.
- There are overspends in eRostering £316k, O365 £249k & CHI £27k, all expect full year breakeven.
- NDC is showing a YTD surplus position of £1.7m with a forecast break even position for the year. The current underspend relates to a central adjustment to account for 'slow moving' stock as per Accounting Standards
- Due to the agency relationship which impacts accounting treatment, Rebates have been transferred to the balance sheet and no longer impact the revenue outturn position.

Services delivered on behalf of Scotland - YTD Position

Hosted Fund	Expenditure	Variance
ATOS	£29,562,639	£0
CHI	£4,198,941	£-26,666
eHealth	£21,269,025	£0
eRostering	£2,183,083	£-316,416
GP IT	£1,167,406	£0
MESH	£506,211	£3
NDC	£196,252,007	£1,672,890
NSD	£235,781,462	£7,539,127
O365	£32,218,582	£-248,698
PAC's	£2,306,906	£105,894
Scotcap/Cytosponge	£1,640,520	£0
SIBBS	£70,316,015	£674
Grand Total	£597,402,797	£8,726,808

NSD

NSD shows a £7.5m under spend at the end of P10. This is likely to rise to around £10m, by the year end (if there are no SMA1 births).

NSD are forecasting a balanced budget, as the intention is to hand-back the under spend to HBs. Discussion continues with Boards and SG Finance via Corporate Finance Network each month so that all parties are sighted on forecasts, assumptions and scenarios – so that this is factored into respective financial plans.

The level of FY22/23 underspend and return to Boards / SG is likely to be in the region of £10m – but is subject to actual activity.

NHS National Services Scotland Board Financial Performance – January 2022 Scottish Government Funding Allocation Tracker

Outstanding

£7m was received in January including £2.6m for PCF, £2m SPST and £1.1m NSD. £19m net remains outstanding – this includes a return of £27m T&P funding no longer required.

Business Controllers continue to work with SBUs to understand levels of risk – considering national programmes and the specific impact to NSS.

The RED risks now relate to PCF JCC £366k funding to be investigated and DaS Telehealth in Prison £13k. Previous high risk allocations in SNBTS have been fully provided for in NSS Reserves

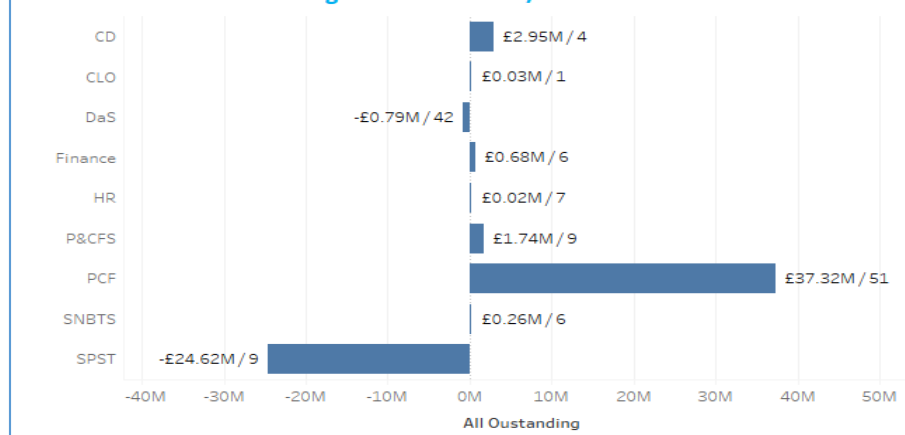
NSS still awaits £1.5m NBC savings return into baseline – this will be allocated to NSS upon confirmation and quantification of full £15m delivery. This is expected recurrently from FY23/24 onwards.

Review of Recurring allocations to baseline

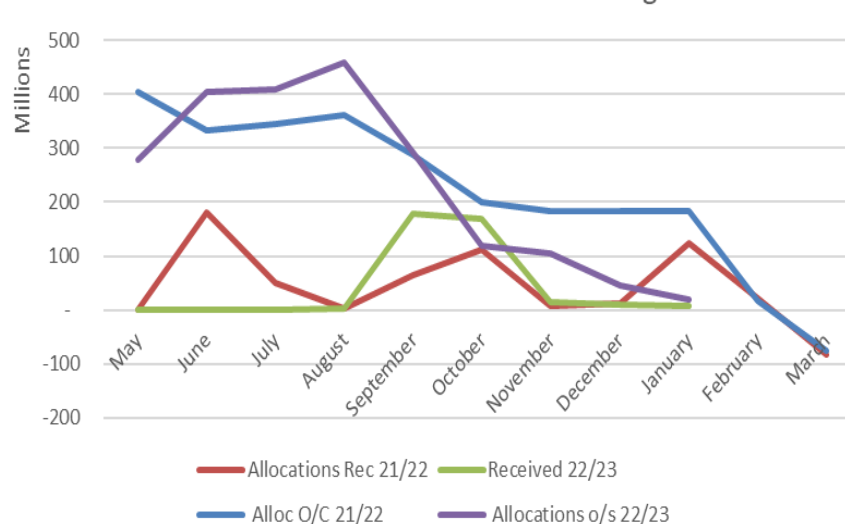
SG Finance have advised they still plan to maximise NSS' baseline moving forward where possible and it is hoped that certain adjustments can be agreed for FY23/24 onwards

Indeed, as part of the budget announcement and subsequent discussions, SG is focussed on a 'bundling' approach to allocations, moving away from low value, multiple allocations to higher value bundles where Boards have more flexibility to deliver outcomes and more certainty in terms of budgets, supporting longer term planning

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



Allocations Received v Outstanding



SBU	Green	Amber	Red	Total
SNBTS	45			45
PCF	36,474	302	366	37,142
Reserves	2,246			2,246
DaS	-1,764	850	13	-901
P&CFS	1,642			1,642
SPST	-24,799	22		-24,777
Clinical	2,910	30		2,940
Finance	668			668
	17,422	1,204	379	19,005

NHS National Services Scotland Board Financial Performance – January 2022 Capital Programme Delivery



FY22/23 Outturn

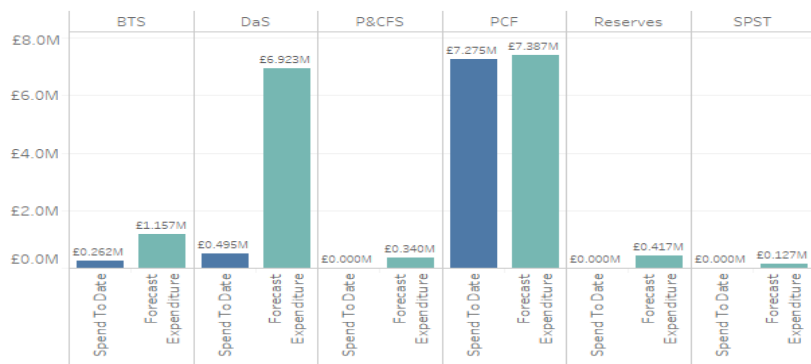
Budget comprising NSS formula allocation of £2.927m of which £2.5m has been allocated to recurring requirements/projects £1.610m and slippage from 21/22 of £0.920m. Possible overspends identified in 2 projects of £206k, leaving funding of £0.417m available. This surplus has been earmarked to fund SEER capital costs reducing revenue to capital requirements

Additional SG funding for equipment of £417k has been confirmed for SNBTS via the National Infrastructure Board (NIB) and £4.9m for Shott's clinical waste site. £729k of the NSD capital has been allocated to boards, £71k allocation to be confirmed.

SG additional capital of £8.3m is still to be confirmed and includes slippage on warehousing fitout of £1.1m.

Capital Developments – the £0.4m funding confirmed by NIB releases NSS core formula allocation to cover emerging pressures / developments. However, SG Finance has recently advised that Boards should not enter into any new commitments or plans without SG discussion and approval given overall funding pressures across NHS Scotland

Capital Expenditure - YTD Spend versus Revised Budget



NSS CAPITAL DEVELOPMENT FUNDING		Budget	FY	Movement
Opening position	Opening AOP	2,927	2,927	0
	Opening position total	2,927	2,927	0
Critical projects approved	nDCVP	-155	-340	185
	SNBTS Equipment Rolling Replacement	-450	-450	0
	SNBTS Fleet Modernisation	-105	-103	-2
	Breast Screen Unit	-630	-612	-18
	DaS Network Replacement	-175	-175	0
	FM CAFEM System	-87	-129	42
	Gartnaval Water Replacement	-514	-514	0
	Curtain Wall Air System Upgrade	-70	0	-70
	Racking & MHE Charging Alterations	-144	0	-144
	eProgesa Semester Patch	-200	-187	-13
	Committed	-2,531	-2,510	-21
Available for Developments		396	417	-21

SG CAPITAL DEVELOPMENT FUNDING		Budget	FY	Movement
Confirmed	NIB - SNBTS Equipment	0	417	-417
	Shott's clinical waste site	0	4,920	-4,920
	LIMS Software - Vat recovery	-915	-915	0
	Breast Screen Unit - additional	135	135	0
Awaiting Confirmation	CHI	3,189	2,047	1,142
	Radiology	127	127	0
	Breast Screen Unit - additional	135	135	0
	Covid - Warehousing	1,077	1,077	0
	ATOS Tech Refresh	0	3,142	-3,142
	Primary Care	0	550	-550
	SEER's	0	1,924	-1,924
	Blood Group Analysers x2	1,000	0	1,000
NSD Capital Funding - to Health Boards		800	729	71
Total SG Funding		5,547	14,287	-8,740

NHS National Services Scotland Board

Financial Performance – January 2022

Reserves Overview



The 2022/23 Financial Plan included provision for a number of identified opportunities and risks which more or less offset each other. These are being managed in year within Reserves. Between M9 and M10, the key movement has been (1) Funds allocated to developments and pressures in DaS & SNBTS & (2) Inventory Management System fully funded by SG.

At the end of January, NSS has net revenue resources available of c£2.5m which can be used to mitigate against significant underlying financial risk including (1) uncertainty over funding allocations and (2) unplanned / unforeseen cost pressures

In terms of key Corporate Initiatives, commitment has been made in terms of leadership development supporting the Workforce Sustainability objective. It is unclear how much cost will be committed before 31/3/23 with provision made in the FY23/24 budget for the Leadership Development programme.

It is recommended that remaining funds continue to be retained given the remaining risks, in particular the £46m (gross) SG funding allocations still outstanding. Any surplus funding at year end in core budget will be returned / offset wider system pressures.

	Opening Assumptions	DEC EMT	JAN EMT	FEB EMT	
Available Revenue Funding	465,335	1,998,613	1,687,613	503,755	Likely opportunities which have occurred transferred here
Likely Opportunities	4,585,000	4,508,000	4,508,000	2,508,000	incl £1m contingency, £1m Depreciation, £0.75m A/L, WRP £0.6m
Maximum Available	5,050,335	6,506,613	6,195,613	3,011,755	
<u>Likely Risks / Pressures</u>					
SNBTS Deficit	550,000	0	0	0	Currently forecasting Breakeven
21/22 Underspend	272,000	0	0	0	Received M7
Inventory Mgt System	633,700	633,700	633,700	0	Cost Pressure - funding received from SG
5% Impact of Pay rise	5,610,000	0	0	0	SG Funding to 5%
SG Allocations at Risk		0	0	0	
UK Blood Inquiry	650,000	650,000	650,000	0	Funded from Reserves M10
800 Laptops	490,560	603,630	463,630	0	Funded from Reserves M10
CHI and CH - Value for Money					Assumed SG funded
Covid - Public Enquiry		0	0	0	Public Enquiry costs £245k less SPST Underspend
Covid - SNBTS Blood Collection Staff		859,000	859,000	0	Funded from Reserves M10
Covid - Catering Income		0	0	0	Reduced footfall, Catering review under way to mitigate costs
Plasma for Medicines		1,200,000	1,200,000	0	Funded from Reserves M10
Energy		tbc	tbc	tbc	Possibly require additional funding
e:EES development costs			500,000	500,000	
Total Risks / Pressures	8,206,260	3,946,330	4,306,330	500,000	
Net Position Revenue	- 3,155,925	2,560,283	1,889,283	2,511,755	

NHS National Services Scotland Board

Financial Sustainability Action Plan Update

APPENDIX 1

Action	RAG	Comments
Reduce reliance on non-recurring funding	Green	SG Finance has confirmed its intention to increase NSS' baseline (where possible) by converting on-going non-recurring funding streams, including the "bundling" of certain allocations. It is envisaged that certain adjustments will be agreed and processed for FY23/24 but the scale and scope has still be confirmed
10 Year Capital Investment Plan	Green	Finance Business Partner (Assets & Infrastructure) is assessing the current asset register in terms of future reinvestment requirements, working with SBUs to develop a robust forward plan which will be finalised as part of the ongoing Budgeting process. The draft Capital Plan for NSS forms part of the wider, separate budget update for EMT
Business Intelligence and Analysis – Financial and Non-Financial Information	Yellow	<p>Work continues to harness the power and value of NSS Data Sets in-line with NSS' agreed Data Strategy – but this continues to be difficult with more time being invested in finding, collating and reconciling data, rather than analysis and interpretation. NSS Finance has undertaken a proof of concept successfully matching eEES date with ePayroll data via Blackline.</p> <p>Finance continues to work closely with the NSS Chief Data Officer to embed SEER to support NSS become a data driven organisation</p>
Activity Based Costing	Green	<p>The project team are formally meeting with each Directorate in March to better understand readiness in terms of data maturity and capacity. This will help inform a detailed roll out plan during FY23/24</p> <p>Initial work has been in SNBTS Manufacturing with cost and process data loaded into the system. Next steps, once access is available, is for the business and finance to work collaboratively to develop the system with rich activity and cost driver information</p>

Action	RAG	Comments
<p>Increased “Grip & Control”</p> <ul style="list-style-type: none"> • Systems & Processes • Roles & Responsibilities 	<p>Green</p>	<p>This is a broad action with various on-going elements such as:</p> <ul style="list-style-type: none"> • Systematic Review of Aged & High Value Accruals • Pecos Approval Rules & Limits • Increased scrutiny and controls over discretionary non-pay spend (CCSG) • Corporate Joiners, Movers, Leavers (CJML) • Workforce governance oversight: <ul style="list-style-type: none"> • Vacancy Review Panel introduced. • Requirement for organisational change to be at least cost neutral reinforced. • A series of additional controls for FY23/24 are being considered and planned in-line with the budget setting process (e.g. budgets loaded into Pecos)
<p>Business Finance PMO</p>	<p>Yellow</p>	<p>Whilst progress has been slower than initially planned (mainly due to the on-going Head of Business Finance vacancy) collaboration continues with colleagues in PgMS developing Benefits Framework and Future NSS proposals to ensure join up and no duplication</p> <p>Savings proposals (at service level) were the main focus of the recent EMT Budget Summit – where savings will be removed from FY23/24 budgets in-line with final decisions that are made, with more rigorous tracking of actual delivery via the PMO approach</p>
<p>SBU Service Transformation</p>	<p>Green</p>	<p>Finance is supporting emerging future NSS planning work in collaboration with PgMS and HR colleagues</p> <p>We are also ensuring Financial Sustainability is at the heart of the Financial Planning process with SBUs considering all the services they delivered, including transformation to reduce cost and/or maximise value. Challenging savings targets of 10% per year each year should lead to planning at a transformational level rather than incremental change.</p> <p>Finance also continues to work closely with all SBUs (and DaS; SNRTS; and</p>



NSS
Finance

NSS People Report – January 2023

Headcount

The current headcount for NSS is 3,495 and the total WTE is 3,222.4, last month there were a total of 3,493 staff with a WTE of 3,220.4. Please note the headcount on the dashboard does not include agency/bank staff.

Agency Staff and Fixed Term

There are currently 190 agency employees across NSS, the majority of these are within PCF (111), DaS (37) and SPST (31). There are a total of 467 employees on fixed term contracts. There were 481 fixed term staff last month. The majority of these are within NCC (236), DaS (70), PCF (50) and SNBTS (48). There are 92 fixed term contracts expiring in the next six months, 43 of which are due to expire by March 2023.

Sickness Absence

The total year to date sickness absence rate for January was 4.29%. Last month the year to date sickness absence rate was 4.3%, breaching the 4% NSS target by 0.3%. The monthly sickness absence rate for January is 4.22%. The monthly sickness absence figure for December was 4.56%. Sickness absence rates are now in line with Pre-Pandemic figures of more than 4%. With the end of the Covid Special Leave policy for all non-patient facing staff, the regular sickness absence data is now reflective of the inclusion of COVID-19 absences. Absence cost was £381k in January 2023. December 2022's cost was £453k. The total cost of absence this financial year is £4.18m, this time last year it was £3.57m. Anxiety/stress/depression remains the most common reason for absence, making up 23.6% of the cost of absence for January. 'Cold, cough, flu - influenza' and 'Chest and respiratory problems' were the second and third most common reasons.

Statutory and Mandatory Training

At NSS level, the Statutory Training Compliance is above the 90% target at 94% (1% increase over last month). The 3 Year Mandatory compliance has remained the same at 90% and meets the target. This is after the inclusion of the new Stay Safe Online module.

Appraisal/PDP/Objectives

The compliance rates are currently at 79% for Appraisal, 77% for PDP and 79% for Objective. There has been a 1% increase over the last month's report in all three categories.

Turnover

NSS turnover at the end of January 2023 is 27.81%. Using historical data to predict future turnover, the turnover year end forecast is 32.08%, much above the agreed target of 7%. SPST NCC has a year to date turnover rate of 109.15%. HR and Finance have turnover rates of 21.28% and 12.08%, respectively.

Sickness Absence - Statistical Process Control

The total year to date sickness absence rate for January was 4.29%. Last month it was 4.3%, breaching the 4% NSS target by 0.3%. The total monthly sickness absence rate is 4.22%. Last month's total was 4.56%. The increase in rates coincides with historical seasonal sickness absence trends and the recent inclusion of COVID-19 in regular absence reporting processes. Sickness absence rates historically rise after each reporting month due to retrospective absence updates from line managers to SSTs. HR re-run sickness absence reports each month to maximise accuracy and capture retrospective changes.

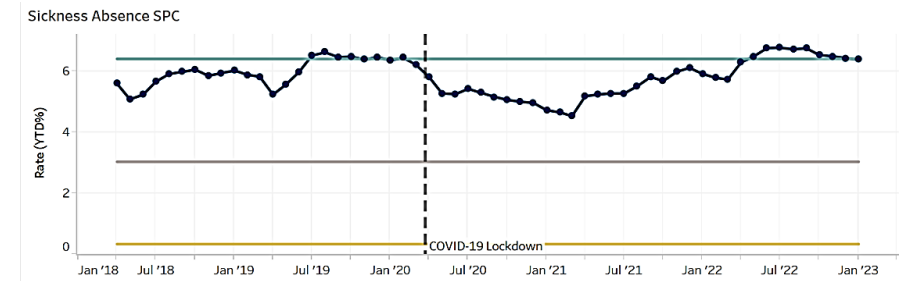
NSS Sickness Absence is sitting above the mean of 3.03%. **HR, DaS, Finance** and **Clinical** are sitting between the Lower Control Limit and Mean. **CLO, P&CFS, PCF, SNBTS** and **SPST** are sitting between the mean and the upper control limit. **PCF** recorded an absence rate of **6.38%** in January 2023, 2.38% above the 4% target, and just below **PCF's** upper control limit of 6.40%. **PCF's** year to date absence was 6.75% in September therefore sickness absence has reduced. HR are working with **PCF** to develop interventions to improve sickness absence levels. **SNBTS** has a year to date sickness absence rate of 4.59%.

Forecast - Based on the previous three years of absence data, year to date sickness absence is forecast to finish the year at 3.49%. The final figure is predicted to be as the forecast calculation includes lower than average COVID-19 absence periods, specifically in 2019/20.

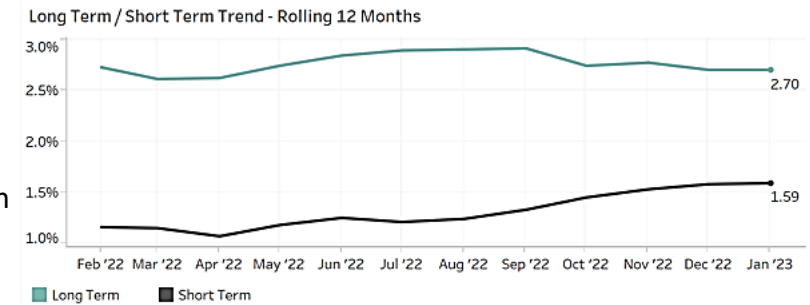
Long and Short Term Absence - January 2023 recorded a Long Term year to date sickness rate of 2.70% (same as last month), with Short Term year to date absence recording 1.59% (1.58% last month).

Trends & 5 Year Comparison - Sickness absence data is now performing similarly to Pre Pandemic levels. The sickness absence rate this month is 4.29%, compared to 4.28% in January 2020. January 2019 recorded an absence rate of 4.24%.

PCF Year to Date Total Sickness Absence SPC



NSS Long and Short Term Year to Date Absence Rates



Year to Date Absence Data, 5 Year Comparison

5 Year Comparison		Long Term (%)	Short Term (%)	Total (%)
18/19	January	2.61%	1.59%	4.24%
19/20	January	2.74%	1.53%	4.28%
20/21	January	1.76%	0.85%	2.61%
21/22	January	2.80%	1.16%	3.96%
22/23	January	2.70%	1.59%	4.29%

■ Covid 19 Pandemic
 ■ Previous Year
 ■ This Month

Sickness Absence Cost

January's cost of absence was £381k for NSS. December 2022 recorded costs of £453k. January 2023 recorded a cost of £384k. The total cost of absence this financial year is £4.18m, this time last year it was £3.57m.

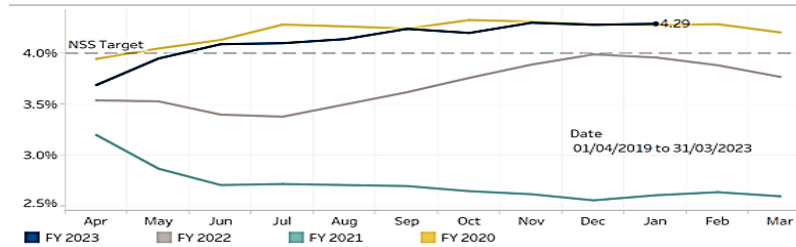
'Covid related illness' is now included in the absence data and subsequent sickness absence cost data. 'Covid related illness' accounted for £22k cost of absence (£27.6k last month) and 1,424 hours lost (1,645 hours lost last month), representing 5.8% and 6.8% of both measures respectively, and was the sixth most common absence reason. Further Covid Special Leave absence information is detailed on the next slide.

The cost of absence was higher each month of this fiscal year than the last fiscal year however January sees very similar figures. There has been an increase in hours lost by 32% over the previous year. This financial year there has been 220,362 hours lost, compared to 167,041 hours lost by this time last year.

The top 10 reasons for absences and associated costs are noted in the dashboard to the right.

The SBUs with the highest cost and number of hours lost this month are those with the highest proportion of frontline workers (% total of this month):

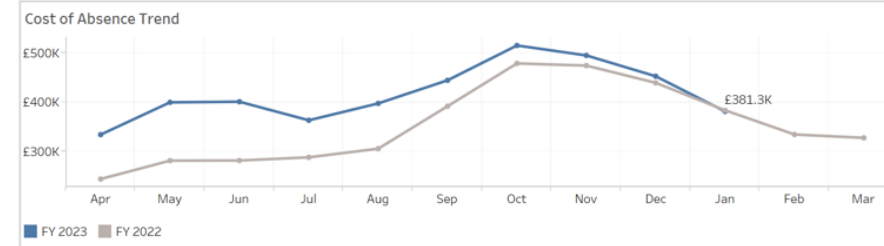
- **SNBTS** - £136k (35.7%) and 6,640 absence hours (31.5%).
- **PCF** - £103.5k cost (27.2%) and 6,892 absence hours (32.7%).



NSS | Absence Cost

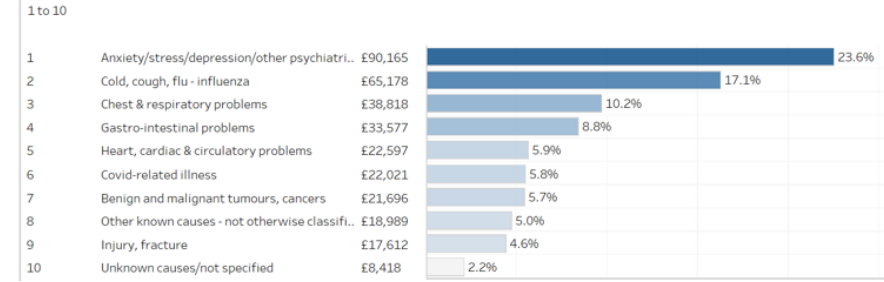
SBU All | Band All | Gender All | Age Group All

January 2023



Top Reasons for Absence

(Move slider to increase/decrease range)



*The Hours Lost report (from where Cost of Absence is derived) is based on current employees only. Therefore, for example, every ex-employee's absences would no longer be included in the absence hours and absence cost reports. These absences would be historically recorded in sickness absence rates due to the nature of the reporting process.

**Employees estimated cost of absence is calculated using their current salary per hour.

***Retrospective absences entered onto the system account for an average increase of 15-25% in hours lost and subsequent costs, which impacts the current month reporting figure.

COVID-19 Special Leave

Monthly Special Leave

There were five Special Leave absences relating to COVID-19 in January 2023. 100% of the requests were due to 'Covid Positive' requests. In December 2022 there were nine requests in total.

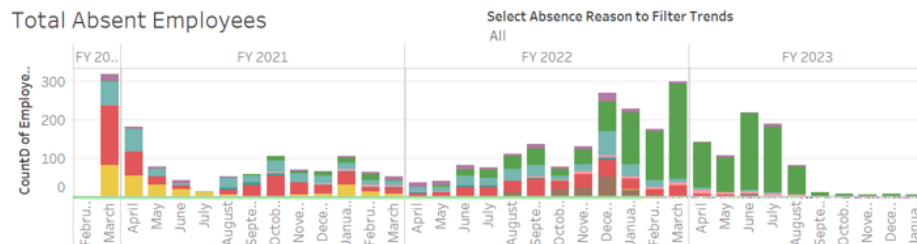
Four of the five absence episodes were from staff in SNBTS, equating to 80% of January's absences. Please note that each month's figure is impacted by retrospective manager data input.

HR & Workforce Development have created a new monthly reporting process in order to check that the new approach to COVID-19 is being adhered to and where possible ensure that managers record absences correctly. This will ensure that COVID-19 absence is recorded as sickness absence where appropriate. **All monthly figures are subject to change as any incorrect COVID-19 absences entries are rectified.**

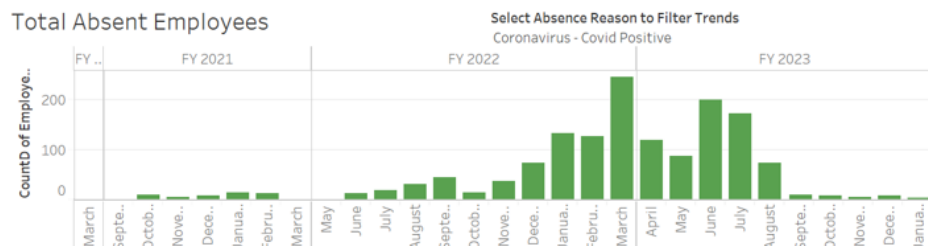
Absence Cost

The cost of COVID-19 special leave in January is £1k with a total of 109 hours lost. December 2022 recorded an absence cost of £3.4k and 244 hours lost. The total Special Leave COVID-19 cost for this fiscal year is £1044.6k. These figures are subject to change as data is scrutinised and rectified by HR, Business Partners and Line Managers.

Total Absent Employees

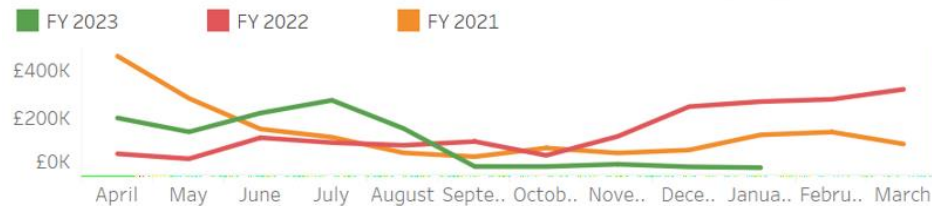


Total Absent Employees



Absence Reason

- Coronavirus
- Coronavirus - Covid Positive
- Coronavirus - Household Related - Self Isolating
- Coronavirus - Long Covid
- Coronavirus - Quarantine
- Coronavirus - Self displaying symptoms - Self Isolating
- Coronavirus - Test and Protect Isolation
- Coronavirus - Underlying Health Condition
- Coronavirus - Vaccination Reaction



Case Management

Case Management

There are currently 80 active cases, with 10 cases opened and 16 cases closed in January 2023. There were 140 cases active in December. This indicates a significant decrease in the case load numbers in January (60 less).

Case data is updated retrospectively on a frequent basis and data quality checks can be actioned which, in addition to cases opened and closed that month, helps explain the change in numbers between each monthly report.

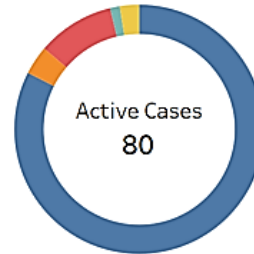
Following the removal of COVID-19 Special Leave interim measures it is expected that the number of cases could rise.

Absence Triggers

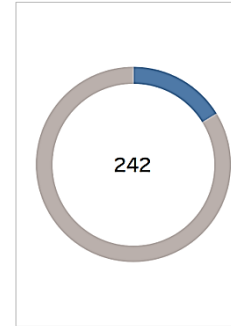
There are a total of 242 employees who have breached sickness absence triggers this month, of which 40 (16.5%) have active cases with HR. A total of 592 employees have reached an absence trigger in the rolling year, of which 108 (18.24%) have active cases with HR.

COVID-19 absence data is now included in the sickness absence reports, therefore COVID-19 related absences are likely to cause an increase in triggers.

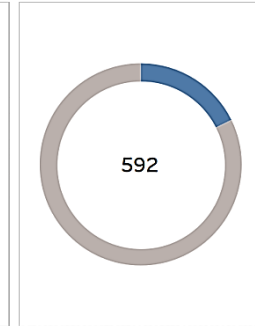
Active Cases



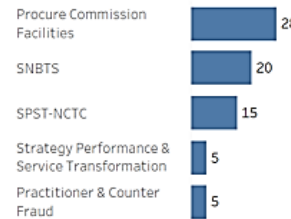
Triggered Employees in Current Month



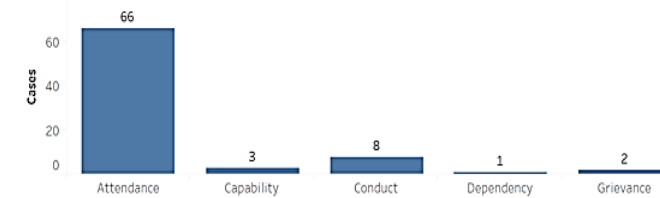
Triggered Employees in Rolling Year



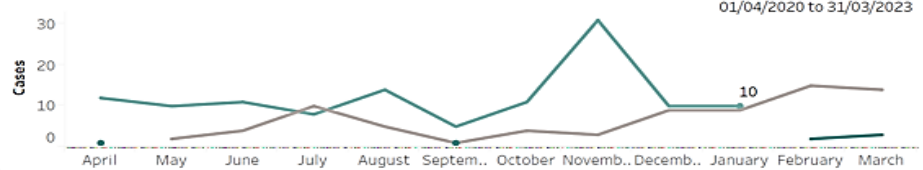
Active Cases per SBU



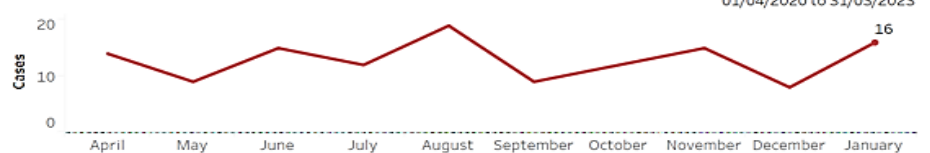
Case by Category



New Cases Trend



Closed Case Trend



Capability Dismissals

Bullying & Harassment

Turnover

NSS turnover year to date position is 27.81% as at January. Turnover currently indicates a year end forecast of 32.08%, much above the agreed target of 7%. Last month the year to date turnover was 16.9%. The turnover percentage includes bank staff. Of the 430 employees who left this financial year, 53% were on a Permanent contract and 47% were on a Fixed Term contract.

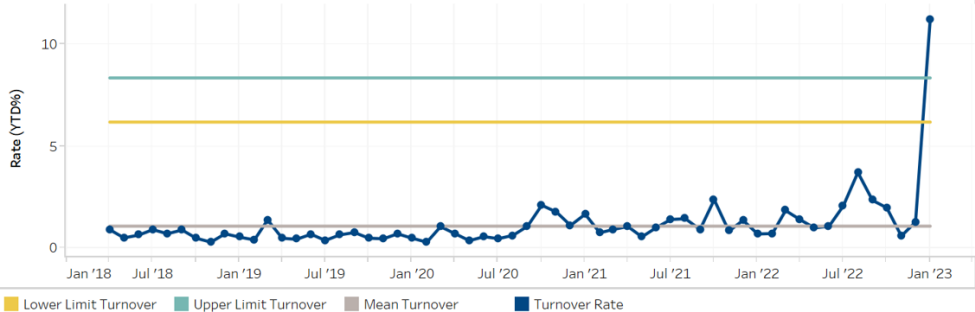
Turnover Insights

- Similarly to last year SPST NCC is having a significant impact on the overall NSS year to date turnover percentage. Last year's NCC turnover was 17.8%. This year at January it is 109.15%. This includes both regular staff and bank staff and most likely related to NCC contracts ending in January.
- HR, Finance, SNBTS and SPST have the highest year to date turnover rates out with SPST-NCC at 21.28%,12.08%, 11.78% and 11.45%.

Turnover by SBU

SBU	Current month Turnover	Current Turnover YTD
Central Legal Office	0.00%	3.16%
Clinical	0.00%	4.00%
Digital and Security	1.11%	9.66%
Finance	0.00%	12.08%
HR & Workforce Development	7.78%	21.28%
Practitioner & Counter Fraud	1.07%	6.92%
Procure Commission Facilities	0.87%	8.77%
SNBTS	0.53%	11.78%
SPST-NCTC	77.67%	109.15%
Strategy Performance & Service Transformation	0.79%	11.45%
NSS	11.23%	27.81%

Turnover SPC



New starts and leavers by SBU

Division	Count leavers in FY (overall)	Count new starters in FY (overall)
Central Legal Office	4	11
Clinical	0	8
Digital and Security	38	30
Finance	9	6
HR & Workforce Development	16	3
Practitioner & Counter Fraud	23	18
Procure Commission Facilities	63	51
SNBTS	99	78
SPST-NCTC	152	0
Strategy Performance & Service Transformation	26	8
Grand Total	430	213

Reason for leaving

Leaving Reason (group)	Count leavers in FY (overall)	Count leavers in current month (overall)
Death In Service, Dismissal, Ill Health or Other	13	0
Dismissal Capability	1	0
End of FTC	41	0
New Employment with NHS outwith Scotland	5	0
New Employment with NHS Scotland	73	2
Other	98	1
Retirement - Age	51	1
Retirement Other	18	0
Vol. Early Resignation Lateral Move	1	0
Vol. Resignation - Lack of Opps.	5	1
Vol. Resignation - Other	129	0
Vol. Resignation - Promotion	11	1

Notes

- Turnover rates are produced from eEES National Team turnover reports and include bank staff. Therefore, NCC rates include bank.
- The new starts and leavers data is taken from the NSS Staff List data.
- HR WIS implemented a change in the reports to use 'Last day of working' instead of 'Effective End Date' for the new starts and leavers table counts. 'Effective End Date' was using the intended contract end date even if an employee terminated prior to this.

Agency Length of Service

Agency

There are currently **190 (190 WTE)** agency employees across NSS. There were **194** agency staff last month.

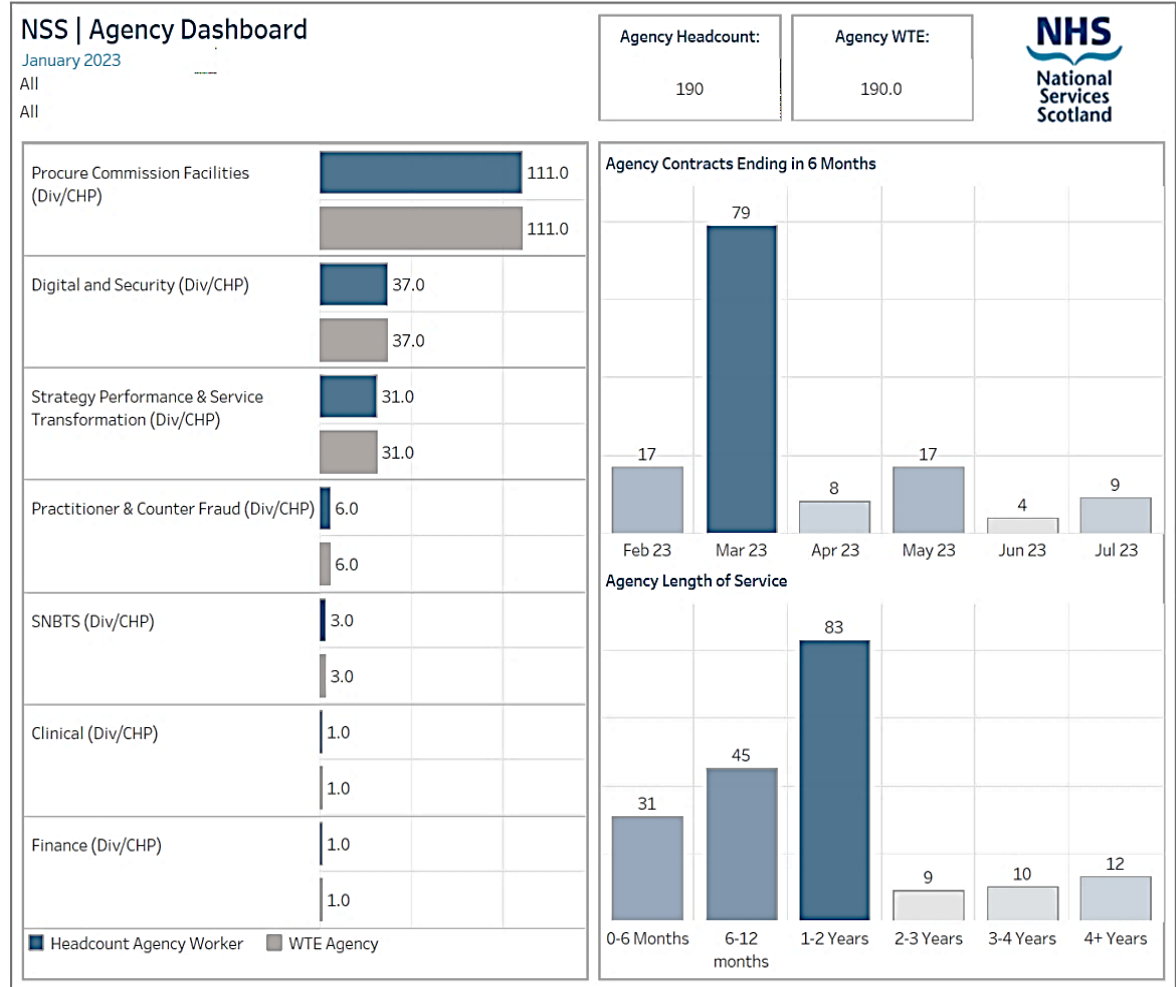
The majority of these are within:

- **PCF – 111 (116 last month)**
- **DaS – 37 (33 last month)**
- **SPST – 31 (34 last month)**

134 (71%) of agency contracts are due to end within the next six months.

12 agency employees have been with NSS for more than four years (same as last month). Further detail of these 12 staff are listed below:

- Procure Commission Facilities (Div/CHP) - 6
- Digital and Security (Div/CHP) - 4
- Clinical (Div/CHP) - 1
- SNBTS (Div/CHP) - 1



Fixed Term Length of Service

Fixed Term

There are a total of **467 (333.6 WTE)** employees on fixed term contracts. There were **481** fixed term staff last month.

The majority of these are within:

- **NCC - 236 (255 last month)**
- **DaS - 70 (73 last month)**
- **PCF - 50 (46 last month)**
- **SNBTS - 48 (43 last month)**

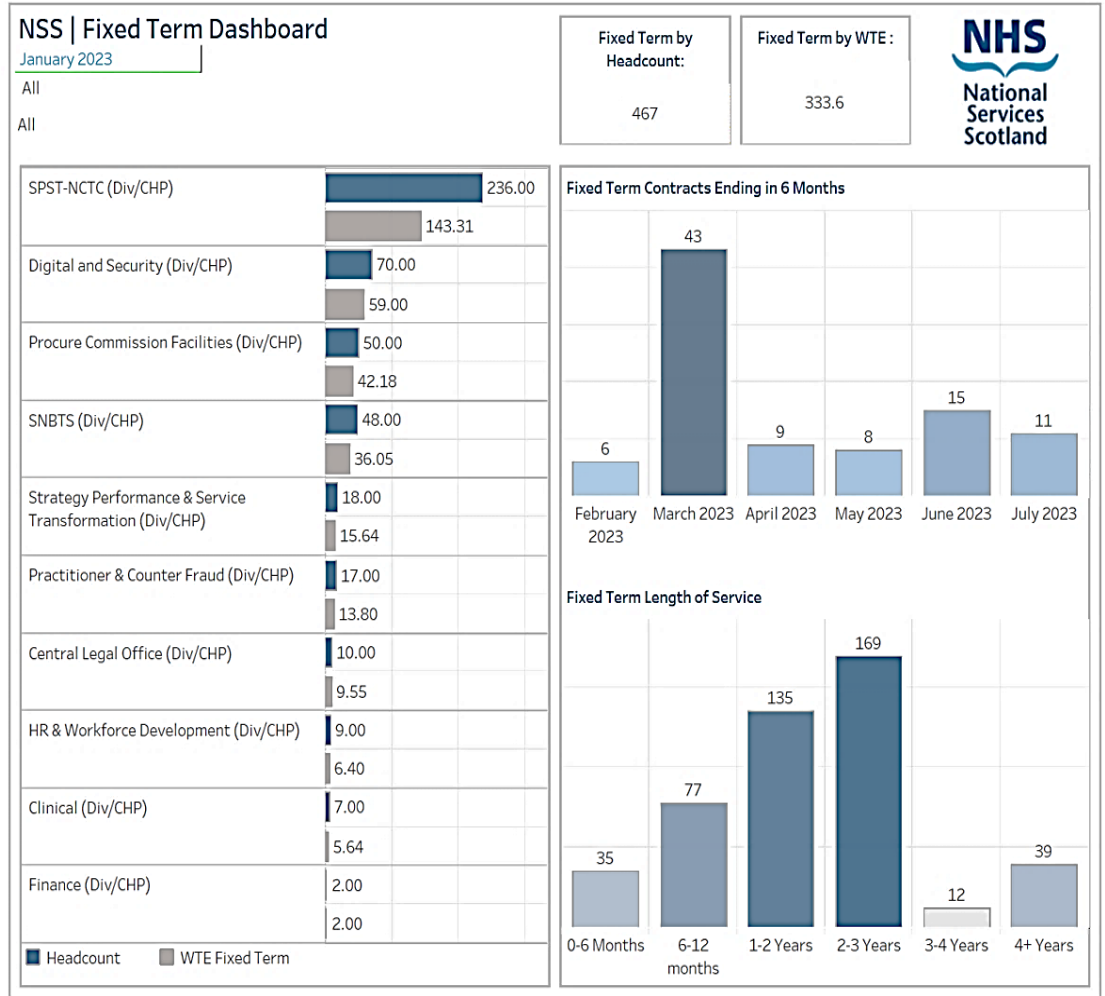
92 of the **467 (20%)** fixed term contracts are due to end within the next six months.

SPST - NCC accounts for **236** of the total **467** staff members on Fixed Term Contracts (**51%**).

39 fixed term employees have been with NSS for more than four years. **304** of the total **467** fixed term staff have been in the organisation between one to three years.

Notes:

- In the December 2022 report the dashboard was updated to include only Employees and Secondees – removing employee types such as Non Exec Board Member.
- Dashboard was upgraded to pick up staff with employee type beginning with 'Employee' and 'Secondee'. Originally this data filter was manually selected, leaving out a small number of relevant staff.
- Fixed term data includes those on fixed term secondments, whereby they may have substantive permanent posts within NSS and PHS.



Redeployment

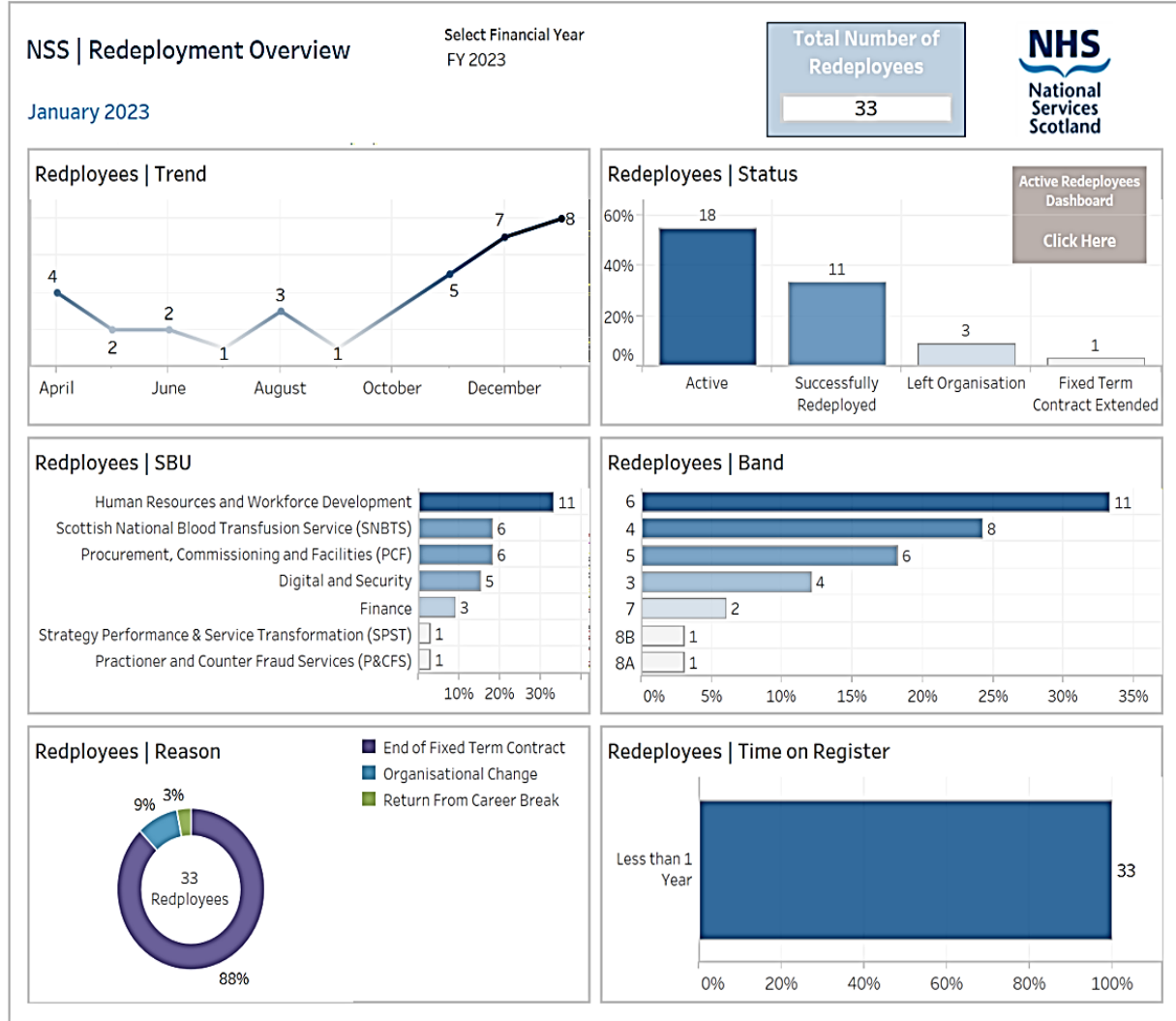
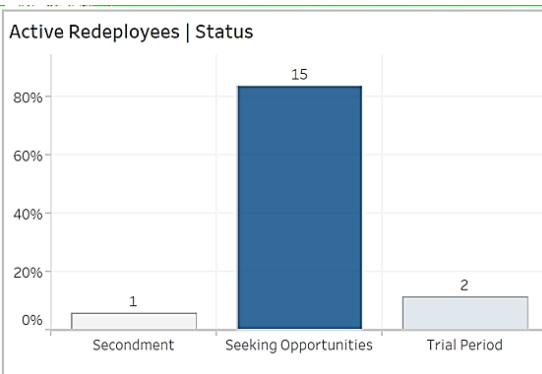
Highlights

Currently there are **33** Active Redeployments within NSS (nine more than last month). Of those on active redeployments:

- **One** is on secondment.
- **Two** are on a trial period.
- **15** are seeking opportunities.
- **78%** are from HR, DaS and SNBTS.
- **100%** have been on the register for less than a year.

Additional Information

The total number of redeployees this fiscal year is 33. Since then, 18 are still active and 11 have been successfully redeployed.



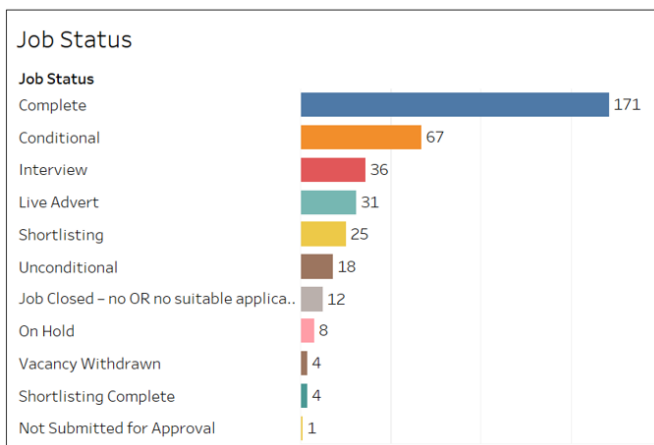
There have been **377** jobs advertised year to date (based on a closing date within the current fiscal year), with **36** new jobs posted in January. There has been a total of **619** vacancies – 61% of vacancies relate to permanent posts and 35% fixed term or secondment. SNBTS and PCF account for **223** of the **377** jobs (59%).

The current average time to hire for the last two years (24 month rolling sample), inclusive of HR and Hiring Manager involvement, is **67** working days (66 working days last month).

Included within this timeframe is:

- **23** working days for time to advert (+ two working days from last month).
- **3** working days on average for managers to complete shortlisting and recommend candidates for interview.
- **15** working days between the candidate’s interview notification email to manager offering the job to successful candidate (accounts for full interview process – one day more than last month).
- **15** working days for pre employment checks to be completed (no change from last month’s report) – this stage includes full recruitment pre employment process sign off including references (two if external, one if internal), occupational health pre placement sign off and Disclosure Scotland checks (if required).

Job Division	Count Job Reference	Number of Vacancies
Central Legal Office (Div/CHP)	6	9
Clinical (Div/CHP)	7	7
Digital and Security (Div/CHP)	57	108
Finance (Div/CHP)	10	13
HR & Workforce Development (Div/CHP)	18	22
Practitioner & Counter Fraud (Div/CHP)	30	34
Procure Commission Facilities (Div/CHP)	127	201
SNBTS (Div/CHP)	96	124
SPST-NCTC (Div/CHP)	12	63
Strategy Performance & Service Transformation (Div/..	14	38



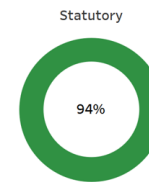
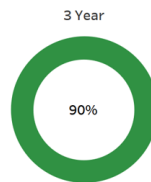
Timeline (Working Day Averages)



Note: in October 2022 report the time to hire analysis period moved from the full job train data set over four years to the ‘last two years’ or 24 month rolling sample. This provides a more accurate and recent time to hire and reflects improvements in recruitment processes.

Mandatory/Statutory Training

At NSS level, the Statutory Training Compliance is above the 90% target at 94% (1% increase from last month). The 3 Year Mandatory compliance has remained the same meeting the target of 90%. This is after the inclusion of the new Stay Safe Online module.



Category level insights:

- DaS are compliant in the Statutory category but are non compliant in the 3 Year category.
- Three SBUs are non compliant in the 3 Year Statutory group due to the launch of the new Stay Safe Online module.

Course level insights:

- **DaS** are non compliant in five out of ten courses (same as last month).
- **PCF** and **SNBTS** non-compliant in two courses whereas SPST are non-compliant in three courses.
- **Every SBU** is non compliant in the new Stay Safe Online course.

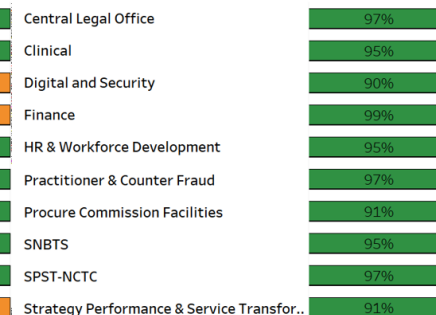
The tables show compliance rates by category and course for each SBU.

Bank Staff (**NCC Bank**) Learning is at 78% for 3 Year Compliance (no change from last month) and 89% for Statutory Compliance (same as last month), nine out of 10 courses are non compliant.

Compliance by SBU 3 Year



Compliance by SBU Statutory



	NSS: Equality and Diver..	NSS: Freedom of Information	NSS: Health and Safety In..	NSS: Information Governance ..	NSS: Manual Handling ..	NSS: NHS Scotland Counter F..	NSS: Risk and Resilience	NSS: Standing Financial ..	NSS: Fire Safety	NSS: Stay Safe Online
Central Legal Office	95%	94%	94%	98%	96%	97%	95%	90%	97%	73%
Clinical	93%	93%	93%	93%	95%	95%	93%	99%	95%	80%
Digital and Security	89%	89%	90%	93%	91%	93%	87%	85%	90%	66%
Finance	95%	90%	90%	97%	98%	96%	93%	88%	99%	49%
HR & Workforce Devel..	96%	96%	91%	95%	94%	96%	94%	93%	95%	60%
Practitioner & Counter ..	95%	96%	96%	98%	96%	98%	95%	93%	97%	75%
Procure Commission F..	95%	94%	94%	96%	95%	96%	92%	88%	91%	60%
SNBTS	93%	93%	93%	96%	95%	96%	93%	89%	95%	71%
SPST-NCTC	98%	97%	97%	99%	99%	100%	98%	96%	97%	67%
Strategy Performance ..	93%	90%	91%	95%	92%	94%	89%	88%	91%	52%

Whistleblowing

Please see the table for current compliance figures for employees and managers combined. Please note that the headcount is the Turas Headcount figure. Completions relate to the number of staff who have completed all applicable modules. As at January 2023, ex employees and bank workers have now been removed from the completed totals.

Whistleblowing	TURAS Headcount	Complete	Compliance %
Employee/Managers	3,373	1,662	49%
Managers	782	533	68%

Turas Appraisal

Appraisal Compliance



PDP Compliance



Objective Compliance



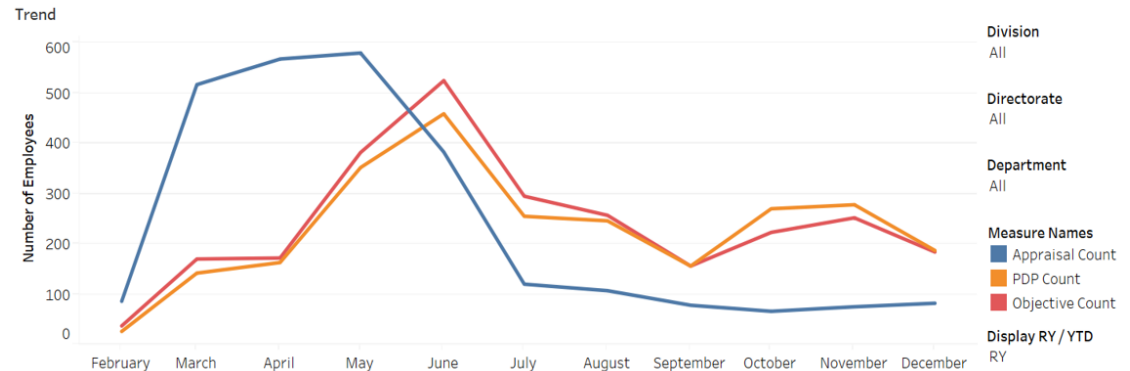
The compliance rates are currently at 79% for Appraisal, 77% for PDP and 79% for Objective. There has been a slight increase (1%) from last month's report in all the three categories.

CLO, HR and **P&CFS** have appraisal compliance rates of 91%, 88% and 87%. **SPST** has an appraisal compliance of 86%.

- **Finance, PCF, SPST-NCC, DaS** and **SNBTS** have an appraisal compliance between 73-78%.
- **Clinical** has an appraisal compliance of 67%

There are 314 new start employees who started in the last 12 months. There are 415 employees with no Appraisal history. There are 361 and 255 employees with no PDP or Objective history.

Agenda for Change Appraisal



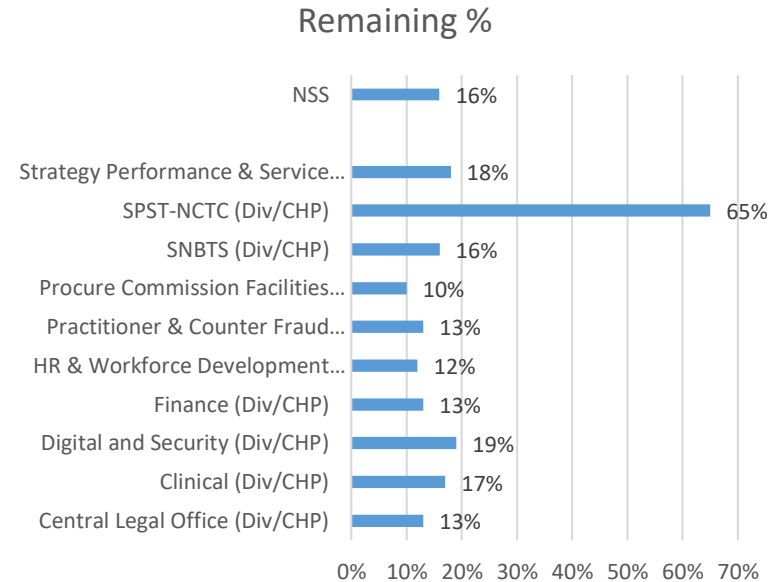
Compliance Categories by SBU

SBU	% Appraisal Compliance Switch	% PDP Compliance Switch	% Objective Compliance Switch
Central Legal Office	91%	93%	93%
HR & Workforce Develop..	88%	85%	86%
Digital and Security	73%	70%	68%
SNBTS	76%	77%	77%
Procure Commission Facili..	78%	81%	84%
Practitioner & Counter Fr..	87%	79%	79%
Finance	73%	75%	76%
SPST-NCTC	77%	53%	76%
Clinical	67%	86%	95%
Strategy Performance & S..	86%	80%	84%

Annual Leave

The current position indicates that approximately 7% annual leave has been planned, 77% already taken and 16% remaining for this fiscal year.

SBU	Planned %	Taken %	Remaining %
Central Legal Office (Div/CHP)	10%	78%	13%
Clinical (Div/CHP)	2%	82%	17%
Digital and Security (Div/CHP)	9%	72%	19%
Finance (Div/CHP)	12%	75%	13%
HR & Workforce Development (Div/CHP)	10%	77%	12%
Practitioner & Counter Fraud (Div/CHP)	10%	77%	13%
Procure Commission Facilities (Div/CHP)	7%	83%	10%
SNBTS (Div/CHP)	3%	81%	16%
SPST-NCTC (Div/CHP)	1%	34%	65%
Strategy Performance & Service Transformation (Div/CHP)	10%	73%	18%
NSS	7%	77%	16%



*Information collated in this exercise is at 31 January 2023 and is a combination from Crown Flexi and eESS/SSTS. This is only an estimate of employees of NSS and excludes Bank Staff, contingent workers, honorary contracts and secondees. Where employees don't use Flexi, eEES system data is used.

Health & Safety - Accident / Incident Management

RIDDOR

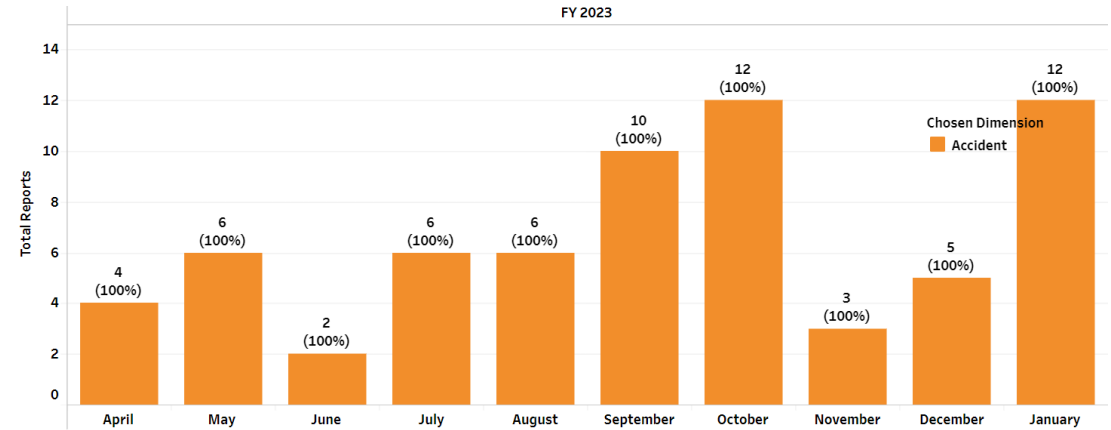
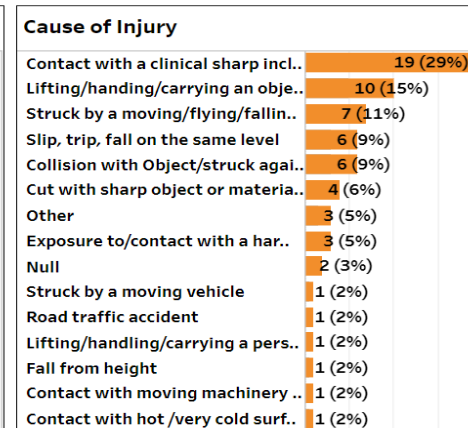
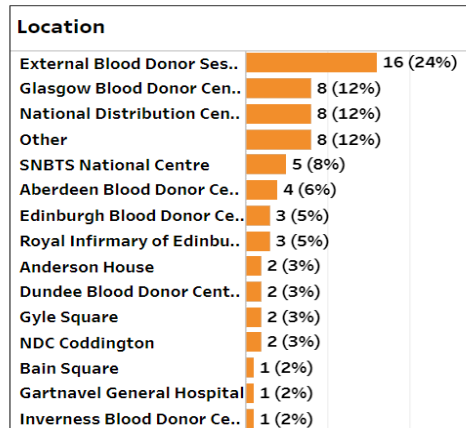
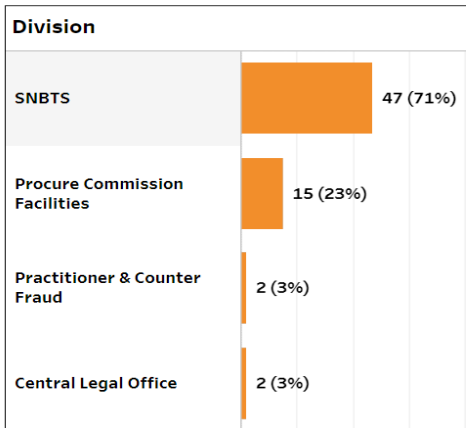
There were no RIDDORs submitted in January to the Health & Safety Executive (HSE). There have been no RIDDORs submitted this fiscal year.

Accidents

A total of 12 accidents have been submitted in January. There have been 66 accidents resulting in 12 days absence this fiscal year.

The accident rate was 3.09 in January, 17.02 this fiscal year which is well below the fiscal year target of 35.42. The average time to close an accident is 38 days on average this fiscal year, which is eight days above the agreed 30 day KPI.

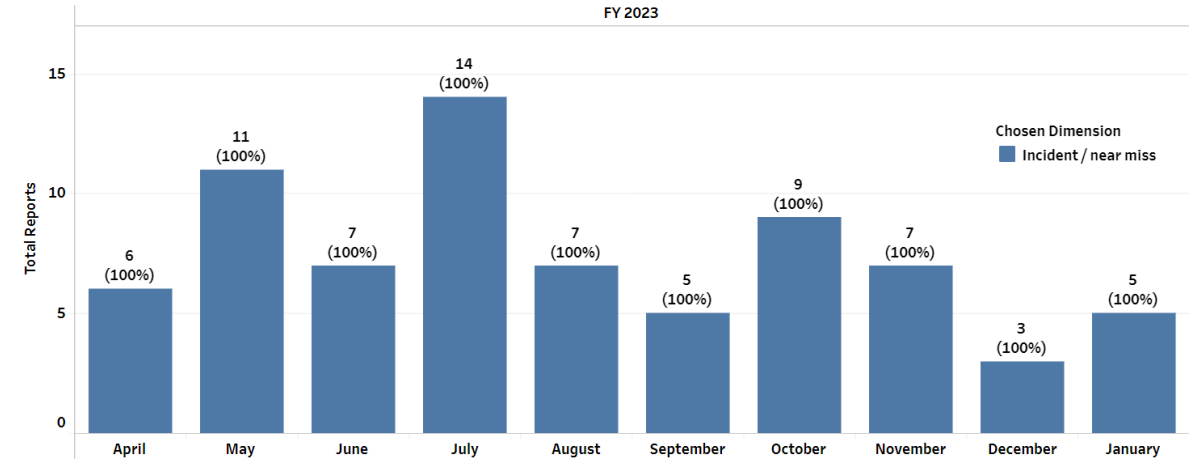
A summary of this Financial Year's figures below:



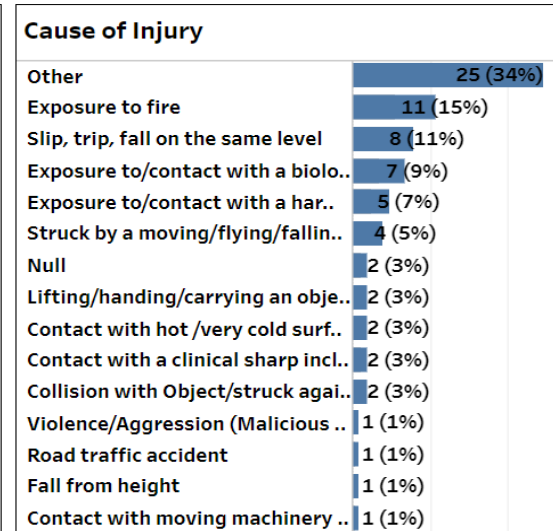
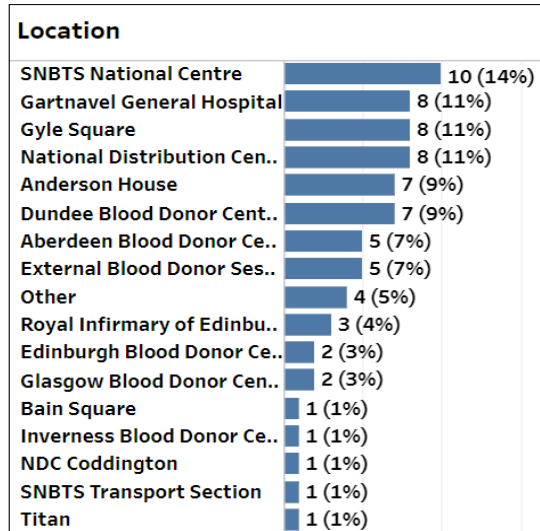
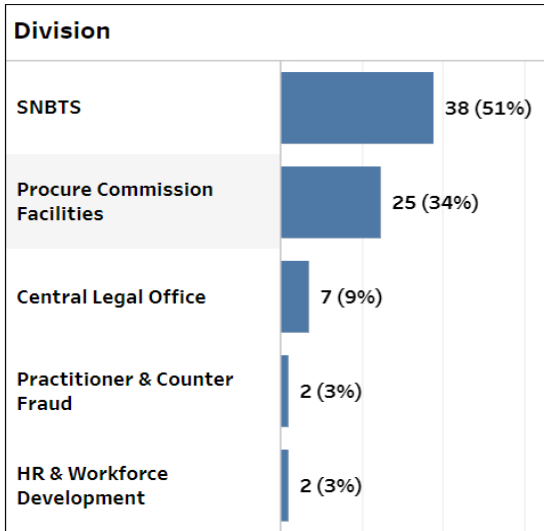
Health & Safety - Accident / Incident Management

Incidents/near misses

A total of five incidents/near misses were submitted in January. There have been 74 incidents/near misses this fiscal year. Average time to close for the fiscal year is currently 39 days.



A summary of this Financial Year's figures below:



Occupational Health Activity

Management & Self Referral/Review Appointments

In January there have been a total of 59 (65 last month) appointments offered of which:

- 49 were virtually delivered (51)
- 0 were DNA appointments (6)
- 6 future pending appointments (0)
- 4 were rescheduled (4)
- 0 were cancelled (2)

Management and Self Referrals

During January there have been 36 new referrals received (35 last month), 384 referrals this fiscal year. The breakdown for this month is as follows:

- Management Referrals: 32 (89%)
- Self Referrals: 4 (11%)

The main reason for referrals in January are in relation to:

- Anxiety/stress/depression and other psychiatric illness - 44%
- 'Back Problems' – 14%
- 'Other musculoskeletal problems' – 11%

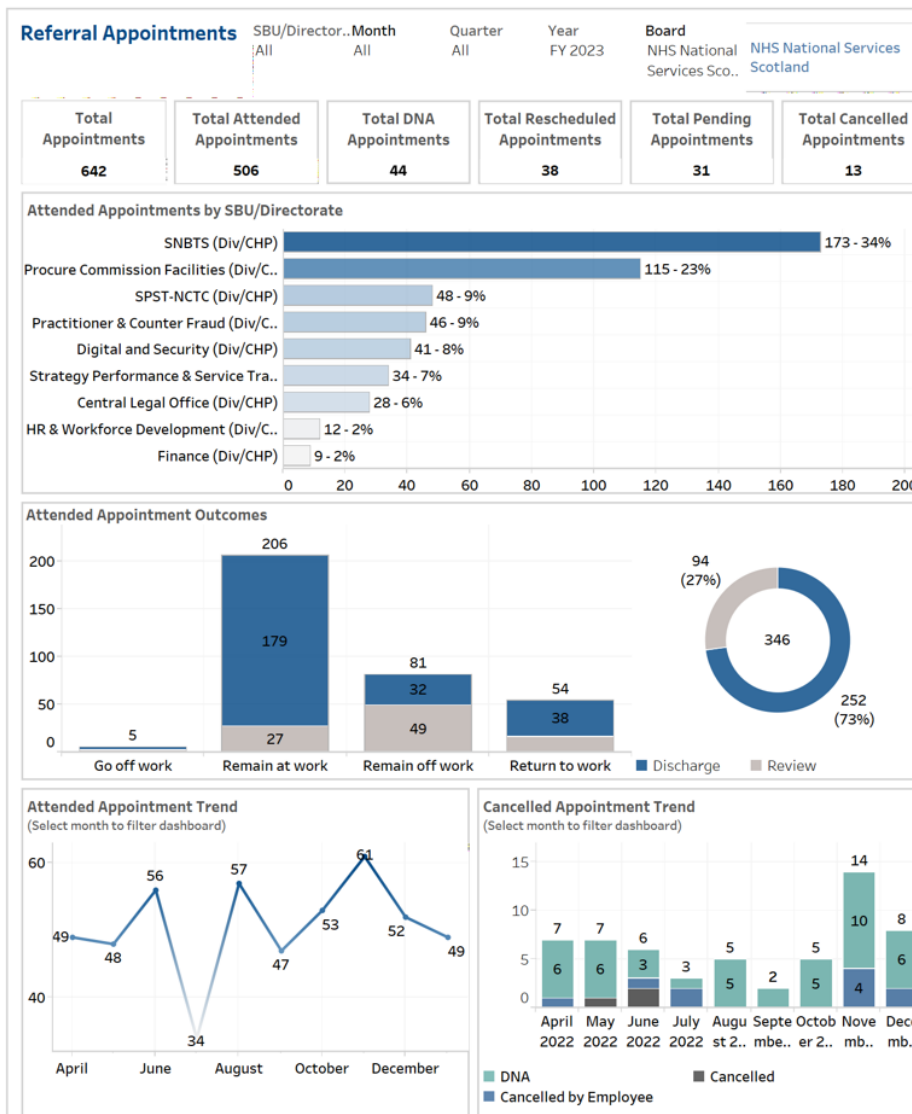
The average time taken to triage was one day in January, with two days on average for this fiscal year overall.

Pre Placements

19 pre-placements have been received in January (24 last month) with 19 cleared (100%). There have been 428 pre-placements this year.

DaS, PCF and SNBTS accounted for 90% of the pre placements received in January.

Appointment information overview this fiscal year



Sustainability Report

EMT/23/053

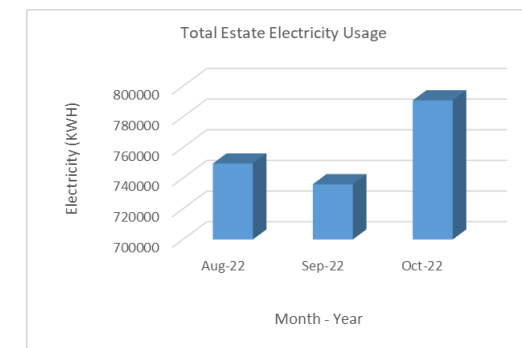
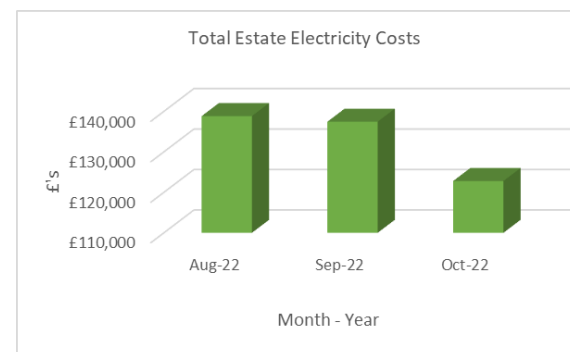
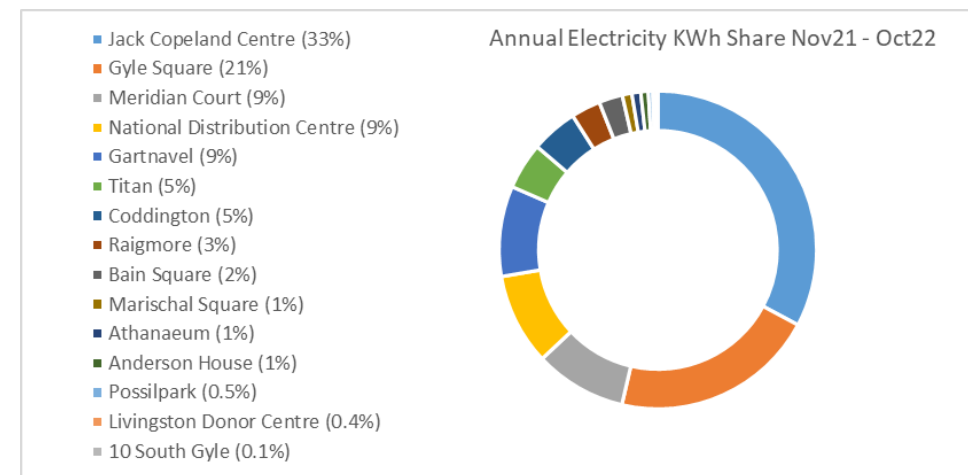
Key Performance Indicators	Latest*	Target	Variation	Assurance	Comment
Domestic Waste Total (tonnes)	258.45	Achieved	+ 8.27	N/A	Increases in general waste at Gyle and NDC
Domestic Waste to Landfill	0%	Below 5%	N/A	N/A	All residual waste from recycling process goes to incineration to produce energy from waste as opposed to landfill
Domestic Waste Recycled or Composted	81%	70% or above	- 9%	N/A	Decrease in quarter..
Fuel NP fleet CO2 (tonnes)	1290	Reduce	- 70 Tonnes	N/A	Continued Reduction in rolling year
Fuel SNBTS fleet CO2 (tonnes)	343	Reduce	- 14 Tonnes	N/A	Continued Reduction in rolling Year
Gas CO2 (tonnes) (metered sites only)	1855.9	Reduce	- 22.9 Tonnes	N/A	Continued Reduction in rolling year
*Electricity CO2 (tonnes) (metered sites only)	1861.53	Reduce	- 126.06 Tonnes	N/A	Continued Reduction in rolling year
Water M3 (volume) (metered sites only)	13706.44	Reduce	+5208.26 M ³	N/A	Water increases due to previously unreported usage at JCC due to inoperable meter.

- All data is to the end of Nov 2022, except where otherwise indicated and relates to rolling totals for the last 12 months to that month
- * Data is to the end of Oct 22.

Sustainability Report

Energy Reporting - Electricity

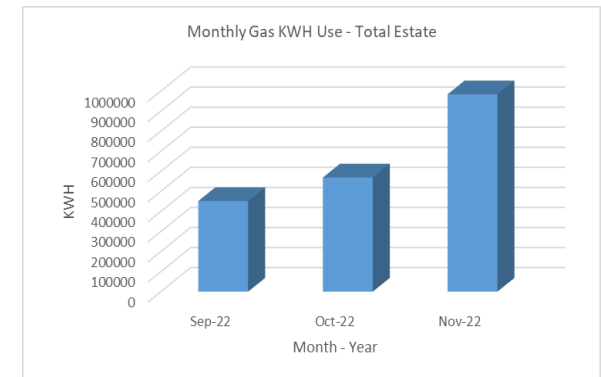
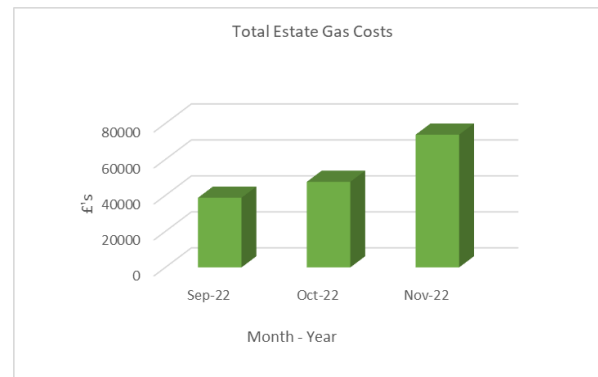
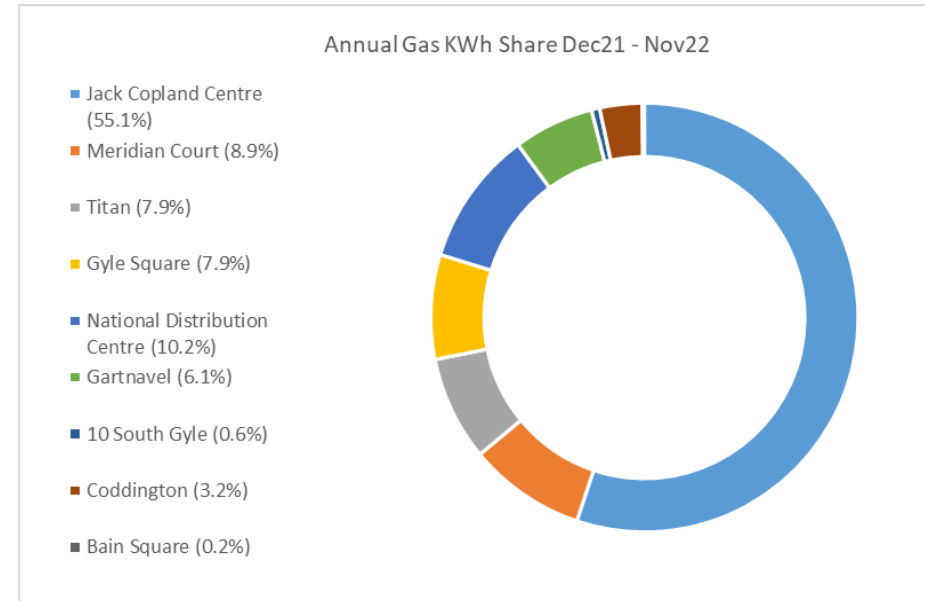
- Total annual cost of Electricity in the rolling year to Oct 2022 is £1.65M which has increased from the FY21/22 spend of £1.5M.
- Electricity prices are expected to rise again in April23.
- Increased usage at JCC accounts for spike, costs lowered due to increase in electricity production from 2 Gas combined heat pumps (CHP's) in use at site.



Sustainability Report

Energy Reporting - Gas

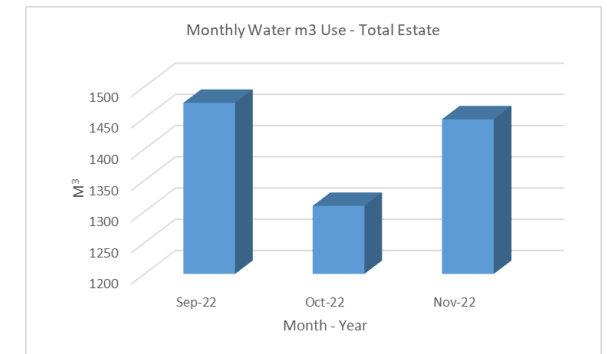
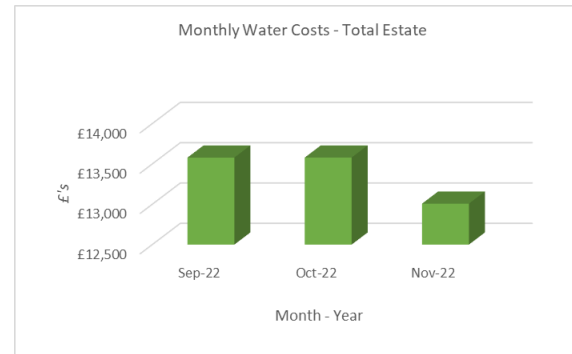
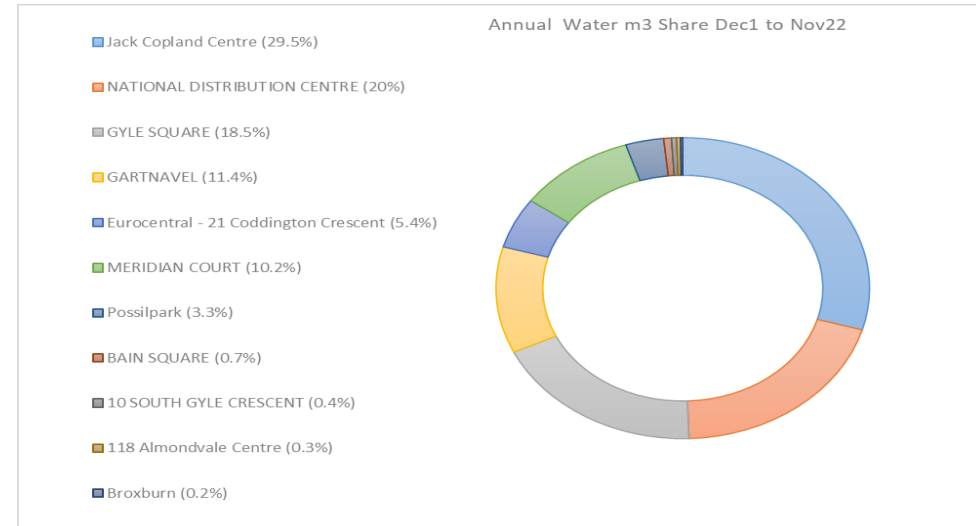
- Jack Copland continues to be the biggest gas consumer across estate, due to the conversion of gas to electricity via combined heat and power (CHP).
- Gas consumption continues to follow a seasonal trend with increases in line with low temperatures affecting the demand for increased heating demands.



Sustainability Report

Energy Reporting - Water

- Jack Copland Centre water use figures included for the first time and will continue to be included. An inoperable meter meant water use had been under estimated, the meter repair is still outstanding. Internal meters are now used for more accurate estimations.
- Decrease in use for October is a result of previously estimated use at Possilpark, billing amended and new monthly estimated usage quantity applied.



Sustainability Report

Development Updates



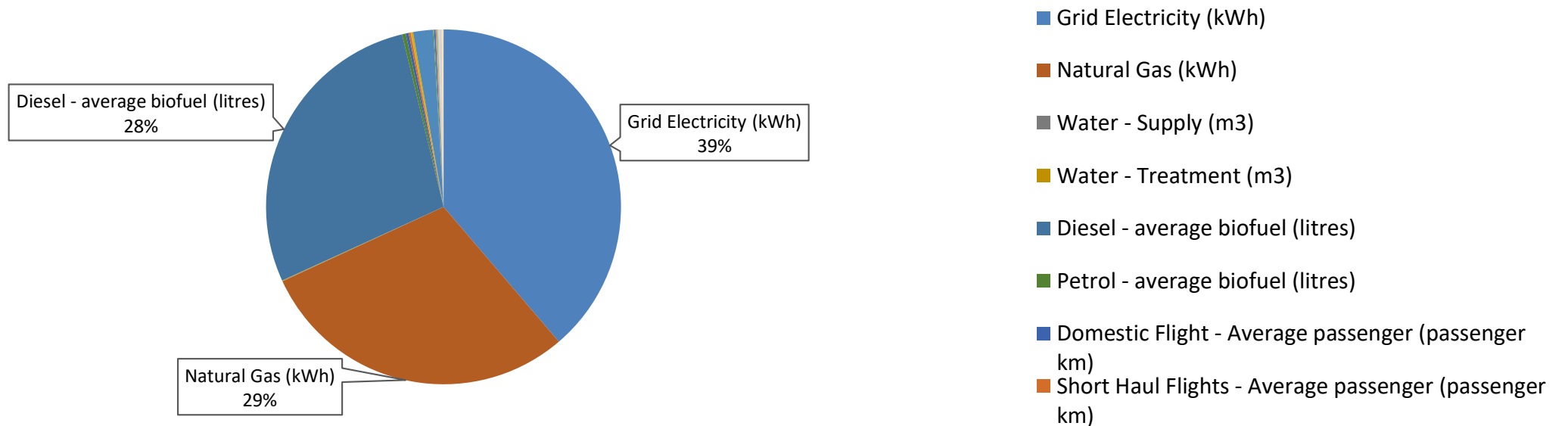
- The 1st Annual HB Climate & Sustainability Report has been compiled, approved through SIB, FPPC and submitted to Scottish Government.
- The recruitment process for a Sustainability Manager has concluded with the offer of the position being accepted.
- Sustainability Strategy will be launched February 2022. Strategy action plans will become work-plans in the Sustainability and Infrastructure Sub Groups.
- Gap analysis developed identifying 83 points between NSS current verified silver NSAT score and Gold position which is an objective of the board.

Sustainability Report

Public Bodies Climate Change Duties Report – summary highlights

Year	Carbon Footprint (tCO2e)				Comments
	Scope 1	Scope 2	Scope 3	Total	
2017/18	2,736	3,418	2,026	8,180	
2018/19	2,614	2,758	2,082	7,454	
2019/20	2,447	2,289	2,101	6,837	
2020/21	7,483	4,797	1,912	14,192	NHS Louisa Jordan included
2021/22	2,157	2,118	1,674	5,949	2 Additional warehouses and blood donor centre added to estate. NHS LJ removed

Carbon Footprint - split by emission type (tCO2e)



NHS National Services Scotland

Meeting	NSS Board
Meeting date	Thursday 9 March 2023
Title	NSS Risk and Issues Report (M10 FY23)
Paper Number	B/23/06
Responsible Executive/Non-Executive	Lee Neary, Director Strategy Performance & Service Transformation
Report Author	Tracy Maxwell, Planning and Performance Manager, Caroline McDermott, Head of Planning

1. Purpose

- 1.1 This paper is presented for scrutiny and provides the Board with an update on corporate red risks and issues and strategic risks at the end of Month 10, 31st January 2023.

2. Recommendation

- 2.1 It is recommended that the Board scrutinise the risk and issues for Month 10, January 23 to assure themselves that corporate and strategic red risks are being managed appropriately and suggest improvements.

3. Executive Summary

3.1 NSS Corporate Risks

As at 31 January 2023, NSS identified 47 corporate risks. This included 7 red risks, 26 amber risks and 14 green risks.

Figure 1: NSS Overall Corporate Risk Position at M10, January 23

		Score	Likelihood					Total
			Rare	Unlikely	Possible	Likely	Almost Certain	
			1	2	3	4	5	
Impact	Catastrophic	5	0	2	1	0	1	4
	Major	4	3	5	10	3	1	22
	Moderate	3	0	4	9	3	1	17
	Minor	2	0	1	1	0	2	4
	Negligible	1	0	0	0	0	0	0
Total			3	12	21	6	5	47

3.2 NSS Corporate Red Risks

On 31 January 2023, there were 7 NSS corporate red risks dealing with a range of topics, including, staffing, IT systems and equipment and financial sustainability.

- 7037 staffing levels in manufacturing (replacing 3816 following a request for this risk to be closed and a new risk to be opened).
- 6830 ATOS contract ending 2026 (upgraded to a Corporate risk in January 2023).
- 6544 Patient Services lab cover.
- 6282 Device with Win 10 v1709 build.
- 6205 Financial sustainability in the medium – long term (this risk was closed on 20 February 2023 due to creation of a balanced financial plan, which will be the subject of a separate paper to the Board).
- 5704 CHI GPRS capability (this risk has now been reduced to amber on 8 February 2023 after agreeing a budget extension with the supplier).
- 5671 nDCVP Programme (this risk has now been re-scored to amber on 2 February 2023 following programme review and update).

Of those 7 red risks, 4 are business risks with one each of the remaining risks being Clinical, Reputational and Staff. Staff concerns have reduced this quarter, partly due to NCC agreeing funding from Scottish Government, which resulted in one red risk being closed, as well as a number of staff risks being reduced to amber. However, staff risks, principally in SNBTS, remain.

3.3 NSS Strategic Risks

On 31 January, there were 7 strategic risks, which are as follows:

- 6680 Levels of Scrutiny and Litigation – CLO (red).
- 6205 Financial Sustainability in the medium – long term (red). This risk was closed on 20 February 2023.

- 5671 nDCVP Programme (red – reduced to amber on 2 February 2023).
- 5114 Infected Blood Inquiry – (amber) 5114 has been reviewed and was reduced to green on 8 February 2023.
- 6679 Property and Estate operational requirements (amber).
- 6528 Skills gap (amber).
- 5523 National Security Operations Centre (green).

The Board intends to review Strategic Risks at a workshop in April.

3.4 Risk Controls Assurance

The NSS Planning and Performance Team has started an assurance mapping exercise covering all current corporate red, new amber and all strategic risks. Progress is reported to the Audit and Risk Committee.

3.5 NSS Corporate Issues

On 31 January 2023 there were 2 corporate issues.

6249 P&CFS Bespoke System (Oracle 12C & Windows 7/XP). Actions and assessments have been agreed with the supplier to minimise the issue, with a priority order agreed for refresh of applications and databases. On 15 February 2023 this issue was closed and replaced with P&CFS risks 7063, 7064 and 7065 dealing with specific technology refresh now that assessments have been completed.

6981 Mammography Equipment Contract Issues. This was opened in December 2022. A meeting has been held with the supplier at which agreement was obtained to explore contract termination, and a draft termination proposal is being prepared to help inform further discussions. Existing equipment is being utilised meantime.

3.6 Watchlist

There is 1 amber corporate risk on the watchlist, 6121 Unstructured and Unclassified Data, and progress continues to address this risk using communications and the support of leads in Directorates. A group has been established to manage the movement of files in the Business Classification Scheme to SharePoint. A software tool has been purchased, to be deployed by end April, which allows us to monitor and manage unstructured data. This will be utilised initially for the Sharepoint data migration project then to all remaining data.

4. Impact Analysis

4.1 Quality/ Patient Care

Of the 7 red risks, 6544 Patient Services Lab Cover has clinical as a primary category. Clinical risks are considered by the Clinical Governance Committee.

4.2 Equality and Diversity, including health inequalities

There are no specific issues arising from this paper. All projects and services associated with the risks covered by this paper are required to carry out an equality impact assessment.

4.3 Data protection and information governance

This paper does not include personal data. All projects and programmes of work covered by this paper are reviewed for any data protection or information governance risks. Information governance risks are reported to the Audit and Risk Committee.

5. Risk Assessment/Management

- 5.1 All risks discussed in this report are being managed in line with our Integrated Risk Management Approach.

6. Financial Implications

- 6.1 Risks 6830 ATOS contract ending 2026 and 6205 Financial Sustainability in the medium-long term, have financial impacts over £1,000k. 6205 is the only strategic risk with financial impact over £1,000k. This is now closed.

7. Workforce Implications

- 7.1 Staff risks are considered by the Staff Governance Committee. 7037 Staffing levels in Manufacturing is the only red corporate risk with a primary category of staff. There are no strategic risks with a primary category of staff.

8. Climate Change and Environmental Sustainability Implications

- 8.1 Work which NSS is undertaking to mitigate climate change and environmental sustainability is reported separately to Finance, Procurement and Performance Committee.

9. Route to Meeting

- 9.1 The EMT review all corporate red risks, issues, and new amber risks at their monthly meetings and most recently on 20 February 2023. Detailed review of risks takes place at relevant Committees.

9. List of Appendices and/or Background Papers

- Appendix 1 NSS Risks and Issues Report as at M10, 31 January 2023

Definitions

Please note the following terms, as agreed within our Integrated Risk Management Approach (IRMA), are used in the report and definitions have been provided to assist the Committee with its review.

Risk: A risk can be defined as an event or set of events which, if they were to occur, could have an impact on the achievement of our objectives.

Confidential Risk: A risk can only be marked as confidential if deemed so by a member of the Executive Management Team (EMT). They are only visible to the Directors, risk owner and any other person given permission by the risk owner.

Issue: An event that has happened, or is happening, that was not planned and requires additional or remedial action. Please note: If a risk occurs/materialises it can become an issue, resilience incident or adverse event, depending on the definition criteria, and would then be managed and recorded through that route.

Current RAG: The latest red, amber, green rating of a risk assessed by multiplying the likelihood of the risk occurring with the possible impact it could have.

Initial RAG: The red, amber, green rating of the risk when it was first raised.

Residual RAG: The expected remaining risk after all mitigating actions have been implemented.

Review Date: The date when the risk is next due to be reviewed by the risk owner.

Opened Date: The date when the risk was originally added to the NSS Risk Register.

Proximity Date: The date when a risk could become an issue if not effectively mitigated.

Appendix 1

NSS Risks and Issues Report (M10, 31 January 2023)

This paper presents the Board with an update on risk management activity as of 31 January 2023 across all corporate red risks and issues and strategic risks. It is an opportunity to review these risks on the NSS Risk Register in line with the reporting requirements set out in the NSS Integrated Risk Management Approach (IRMA).

Key updates since the end of the period have been added to the report to ensure the Board has sight of the latest risk and issues position in NSS. These changes reflect the continuing management of risks within the risk register as at 31 January 2023.

NSS Corporate Risks

At M10, 31 January 2023, NSS had identified 47 corporate risks and 2 issues. This included 7 red risks, 26 amber risks and 14 green risks.

Figure 1: NSS Overall Corporate Risk Position at Q3 FY23

		Score	Likelihood					Total
			Rare	Unlikely	Possible	Likely	Almost Certain	
			1	2	3	4	5	
Impact	Catastrophic	5	0	2	1	0	1	4
	Major	4	3	5	10	3	1	22
	Moderate	3	0	4	9	3	1	17
	Minor	2	0	1	1	0	2	4
	Negligible	1	0	0	0	0	0	0
Total			3	12	21	6	5	47

Corporate Red Risks on 31 January 2023

6205 Financial Sustainability in the Medium - Long Term

Current RAG	Initial RAG	Residual RAG
16	12	8

Review Date	Opened Date	Proximity Date
28/02/23	27/11/20	31/03/23

Primary Category	Mitigation Strategy	Risk Owner
Business	Reduction	Deputy Director of Finance

Summary: NSS will be unable to deliver financially sustainable services in the medium to long term if our cost base continues to increase and funding is reduced in line with the current economic position and the cessation of COVID-19 funding at the end of FY22.

Impact: NSS will not be able to operate within its financial budget resulting in overspends that could lead to the organisation being placed in special measures and/or taking on brokerage arrangements that require the deficit to be repaid in later years and limiting our potential to invest in service improvements.

Update: A revised approach to financial planning has been agreed by the NSS Executive Management Team (EMT) with a clear focus on cash releasing efficiency savings (CRES) and greater consideration of the use and value of existing base resources and services.
Please note: this risk was closed on 20 February 2023. Following the budget announcement in December and the EMT budget summit in January, a high-level financial plan was presented to the Finance, Procurement and Performance Committee in February. A balanced draft three-year financial plan, supported by a recurring savings plan was also submitted to Scottish Government in February. The final plan is to be presented to the Board for approval.

6544 Patient Services Lab Cover

Current RAG	Initial RAG	Residual RAG
16	12	12

Review Date	Opened Date	Proximity Date
28/02/23	14/10/21	31/03/23

Primary Category	Mitigation Strategy	Risk Owner
Clinical	Reduction	Director SNBTS

Summary: The Scottish National Blood Transfusion Service may not be able to provide 24/7 service cover for Patient Services Laboratories, Blood Banks, and Histocompatibility and Immunogenetics (H&I) if there is not enough suitably trained and available staff who can participate on rosters. Challenges are being experienced across all sites, but Inverness and Aberdeen are most at risk due to poor responses to recruitment initiatives.

Impact: If we are unable to staff shifts in blood banks or H&I on call rotas, services would be disrupted making it challenging for us to respond to emergency care and major trauma requests leading to an unacceptable impact on patients.

Update: Action plans to deal with site issues are in place (including staff travelling from other sites to cover some shifts) and recruitment is being actively managed. Additional staff sickness at a senior level is being managed through support from other sites and operational managers travelling to support (Inverness). In Aberdeen, 2 new staff have started and a further 2 had start dates delayed until end Feb due to visa issues. This risk continues to be monitored regularly and additional mitigation actions are being considered and therefore the proximity date will be extended – likely until September 2023.

7037 Staffing Levels in Manufacturing (opened in January to replace 3816)

Current RAG	Initial RAG	Residual RAG
20	20	15

Review Date	Opened Date	Proximity Date
30/04/23	17/01/23	31/12/23

Primary Category	Mitigation Strategy	Risk Owner
Staff	Reduction	Director SNBTS

Summary: Insufficient staffing resource within in SNBTS could impact ability to meet demand due to high staff turnover.

Impact: Potential delays in manufacturing clinical products, due to gaps in training, experienced staff and shift cover. Pressure on business-as-usual activity due to number of new staff being trained/supervised. Delays of current and new developments. Pressure on existing trained staff and increase in incidents and out of hours cover, resulting in more staff movement. Potential supply challenges to NHS Scotland.

Update: This risk has replaced 3816. It has also been re-categorised as a Staff risk and given a higher RAG of 20. Recruitment and training is being actively managed and run jointly with other areas to minimise adverts and times spent in recruitment activities. Forward planning or rotas is being undertaken to allow planning of workload. Training is being streamlined to allow staff to support rosters at an earlier opportunity, and shifts are being covered by all grades, by both shift and non-shift staff. **Please note:** on 28 February 2023, scoring was reduced to 16 with staff continuing to support the rosters.

6282 Devices with Win10 v1709 Build

Current RAG	Initial RAG	Residual RAG
15	15	5

Review Date	Opened Date	Proximity Date
28/02/23	10/02/21	30/06/23

Primary Category	Mitigation Strategy	Risk Owner
Business	Reduction	DAS Senior Service Manager

Summary: Since 11 November 2021 Microsoft no longer support the version 1709 release of Windows 10 and no further security updates are available. Devices with this version of Windows now no longer comply with Scottish Government security compliance regulations and are more vulnerable to cyber-attack.

Impact: In the event of a cyber-attack, NSS would suffer costs in relation to downtime and recovery and our digital reputation would be damaged.

Update: As of 30 January 2023 there are 69 Windows 10 devices on version 1709 . 68 of these devices are used by SNBTS for community donor sessions. These devices are being removed from community donor sessions and replaced during February 2023. The remaining device will be disabled from the network on 3 March 2023.

5671 – nDCVP Programme

Current RAG	Initial RAG	Residual RAG
15	9	6

Review Date	Opened Date	Proximity Date
28/07/23	12/09/19	31/05/23

Primary Category	Mitigation Strategy	Risk Owner
Business	Reduction	Head of Digital Services, P&CFS

Summary: There is a risk that the prolonged period of User Acceptance Testing (UAT), build of reference data and Corporate Data Warehouse (CDW) for New DCVP (Data Capture Validation and Pricing), will lead to an escalation in delivery timelines and costs.

Impact: Financial – loss of £1.8m of current investment in the programme and projected loss of £75K per month of expected benefits with reputational damage to reputation with stakeholders.

Update: The RAG score was increased on 13 December 2022 to red due to the likelihood that the programme could not be delivered for the March 2023 go-live date, and that no funding has been agreed for next financial year. **Please note:** This risk has been updated and was rescored as amber on 2 February 2023 following a programme re-planning exercise that approved a programme Go Live with May 23 dispensing (paid July), including securing financial commitment.

6830 Atos Contract Ending 2026 (Escalated from Directorate to Corporate list January)

Current RAG	Initial RAG	Residual RAG
25	25	10

Review Date	Opened Date	Proximity Date
29/09/23	10/08/22	01/04/23

Primary Category	Mitigation Strategy	Risk Owner
Business	Reduction	Head of Digital Services, P&CFS

Summary: The current Atos Contract is scheduled to end in 2026. There is a risk of service disruption thereafter and developments in the interim, if future arrangements are not developed in time and assurance to development funding in the interim are clarified; allowing Atos to retain development capability and capacity.

Impact: Business service disruption and a lack of clarity on what developments must include to ensure systems are not only maintained but developed to fit future hosting arrangements. Impact on reputation with stakeholders if services encounter challenge.

Update: Assessment to determine future options is being led by DaS. **Please note:** the RAG score has been revised to 15 (red) on 12 February 2023 with the proximity date extended to April 2026 with mitigating actions being pursued as a result of the assessment.

5704 CHI & GPRS Capability

Current RAG	Initial RAG	Residual RAG
16	9	6

Review Date	Opened Date	Proximity Date
31/03/23	16/10/19	22/05/23

Primary Category	Mitigation Strategy	Risk Owner
Reputational	Reduction	DAS Project Manager

Summary: There is a risk that NSS is unable to deliver its contribution to the NHS Scotland Programme to transform the Community Health Index (CHI) and Child Health systems.

Impact: The risk to NSS' reputation relates to the loss of confidence stakeholders, such as Health Board Chief Executives and the Scottish Government, could have if we are unable to deliver our contribution to the programme and the knock-on impact this has on NHS Scotland achieving its strategies, meeting legal obligations, and delivering other critical health and care developments.

Update: NSS has now committed resources to the programme and activities are in plan to achieve the stated outcome as expected. **Please note:** that the risk scoring has been reduced to amber on 8 February 2023 with a budget extension agreed with the supplier until at least the end of July 2023 with a potential further 6 months beyond.

Corporate Risks Watch List

6121 Unstructured and Unclassified Data

Current RAG	Initial RAG	Residual RAG
12	15	8

Review Date	Opened Date	Proximity Date
31/05/22	09/09/20	31/12/22

Primary Category	Mitigation Strategy	Risk Owner
Business	Prevention	Head of Information & Cyber Security

Summary: The amount of unstructured and unclassified data held in corporate storage areas may result in NSS being noncompliant with governance and security legislation.

Impact: Poor records management could lead to NSS holding records containing personal information longer than the advised retention periods listed within the Records Management Health and Social Care Code of Practice (Scotland) 2020 and the NSS Document Storage, Retention and Disposal Policy. Holding personal information for longer than is necessary for the purposes for which the personal information is processed is in direct contravention of Article 5(e) of the General Data Protection Regulation (GDPR), which can result in financial penalties of >£1M.

Update: Work is beginning to look at the movement of existing NSS Business Classification Schemes (BCS) to SharePoint. A group has been established to manage this and staff are also being asked to continue to sort out their files and to keep what is required. This work is ongoing and will be part of the process required to allow data to be transferred to SharePoint. All this work will be in line with appropriate policies to ensure that we meet our compliance requirements. **Please note:** A software tool has been purchased, to be deployed by end April, which allows us to monitor and manage unstructured data. This will be utilised initially for the Sharepoint data migration project then to all remaining data.

Corporate Issues

There are 2 NSS Corporate Issues.

6981 Mammography Equipment Contract Issues

Issue Priority	Date Issue Opened	Primary Category	Risk Owner
4 - High	18/12/22	Reputational	Programme Manager PCF

Summary: There is an issue that the supplier of Breast Screening Equipment has failed to deliver units in line with the specification and tender response which may lead to the contract being terminated and equipment re-procured.

Impact: Reputational risk for National Procurement (NP) due to failed contract. Potential reputational damage with stakeholders including health boards, Scottish Government and public. There is a requirement for NP to work with the supplier to explore whether solutions are available, potentially negotiate a contract termination and re-tender the contract.

Update: The supplier has agreed to explore contract termination, and a draft termination proposal is being prepared to help inform further discussions. Existing equipment is being utilised meantime. The issue will likely remain until June 2023 as further discussions take place.

6249 - P&CFS Bespoke System (Oracle 12C & Windows 7/XP)

Issue Priority	Date Issue Opened	Primary Category	Risk Owner
5 - Very High	29/09/22	Business	Associate Director Digital Services & QI

Summary: Oracle began removing support for Oracle 12C in April 2022 and Microsoft removed support in September 2022. Windows 7 goes out of support in January 2023. Business-critical applications used by Practitioner and Counter Fraud Services (P&CFS), such as Midas, Optix, PMSPS, Medex, EDI, the Pharmacy Adjustments system and up to 40 other applications, are unsupported from this date unless they are moved onto supported platforms such as Oracle 19C and Windows 10.

Impact: Systems failing or not working properly could impact the delivery of payment cycles (P&CFS pay £2.78bn to primary care practitioners annually) along with additional costs to update the system, estimated at approximately £2 million.

Update: ATOS will continue to support us if something were to occur and have confirmed access to Oracle Practice resources if required and we can call on support from Microsoft and Oracle if required. Issue to be reviewed by the Owner with a view to close and re-open a new risk around outstanding upgrades/funding/resources/testing risks. Assessments for all Tech refresh have been completed with agreement in place for 3 levels of priority. **Please note:** on 15 February 2023 this issue was closed and replaced with P&CFS risks 7063, 7064 and 7065 dealing with specific technology refreshes now that assessments have been completed.

Strategic Risks

Strategic Risks will be reviewed at a Board development session taking place on 20 April 2023, therefore are not covered in detail here. A future report will confirm actions and recommendations for approval in response to discussions at the development session.

Strategic Risk	Description	Update	RAG 31 Jan 23	RAG Last report 30 June 22
5671 nDCVP Programme	As above	As above	RAG 20 (reduced to 9 on 2/02/2023) Amber	RAG 12
5114 Infected blood inquiry	There is a risk the Infected Blood Inquiry may lead to additional cost and adverse reputational impact for SNBTS/NSS.	Oral and written submission complete. Discussions with SG ongoing over funding.	RAG 8 Green	RAG 8

5523 National Security Operations Centre	There is a risk that the NSS Cyber Centre of Excellence (CCoE) is not adopted by the majority of Health and Social Care organisations as per DHC Tech Enablement Board recommendation. The CCoE provides a National Health Security Operations Centre (SOC) as recommended by SG and Gartner review	Centre of Excellence opened December, governance in place. Year 1 funding secured. Consideration to closing this risk.	RAG 4 Green	RAG 5
6528 Skills gap (amber)	There is a risk that there are unidentified skills gaps in the organisation and the workforce planning processes are not robust enough to identify these gaps. Failure to address this could impact service delivery and meeting our strategic objectives.	Workforce planning continues in all areas. A skills gap analysis framework has been developed but the digital development is on hold due to current resource constraints.	RAG 12 Amber	RAG 12
6205 Financial Sustainability in the medium – long term	As above	As above	RAG 16 (now closed)	RAG 16 (as of 11 July 2022)
6679 Property and Estate operational requirements	There is a risk that NSS estate does not meet the strategic and operational requirements of the service resulting in a reduction in efficiency and associated property costs.	Currently developing outline strategic case with national Boards, which is near completion. Complimented by individual property review which is ongoing.	RAG 9 Amber	RAG 12
6680 Levels of Scrutiny and Litigation	There is a risk the level of scrutiny required of SBUs could affect NSSs ability to fulfil its strategic objectives due to an increase in the workload of a number of teams in NSS, including CLO, SNBTS, HFS, ARHAI and NSD, who will need to comply with the legal requirements of inquiries.	This risk was assigned to CLO prior to the central Inquiry Team being put in place. The central risk that is being managed here is corporate risk 6819 Resource C19 Inquiry. This will be further discussed at the risk workshop in April.	RAG 15 Red	RAG 15

Minutes (Approved)

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NHS NATIONAL SERVICES SCOTLAND AUDIT AND RISK COMMITTEE (ARC)

MINUTES OF MEETING HELD ON TUESDAY 6 DECEMBER 2022 VIA TEAMS DIGITAL PLATFORM AT 0930HRS

B/23/07

Members Present:

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

In Attendance:

Hayley Barnett – Board Secretary
Martin Bell – Director of Practitioner and Counter Fraud Services
Kevin Boyle – External Audit, Audit Scotland
Susan Buchanan – Director of National Services Division
Tim Colclough – Service Audit, KPMG
Steven Flockhart – Director, Digital and Security
Carole Grant – External Audit, Audit Scotland
Laura Howard – Associate Director, Finance
Carolyn Low – Director, Finance and Business Services
James Lucas – Internal Audit, KPMG
Liz Maconachie – External Audit, Audit Scotland
Matthew Neilson - Associate Director of Strategy, Performance & Communications (deputising for L Neary)
Lorna Ramsay – NSS Medical Director and Caldicott Guardian
Thomas Tandy – Internal Audit, KPMG
Neil Thomas – Service Audit, KPMG
Lynsey Bailey – Committee Secretary [Minutes]

Apologies:

Mary Morgan – Chief Executive
Lee Neary – Director of Strategy, Performance, and Service Transformation

1. WELCOME AND INTRODUCTIONS

- 1.1 J Burgess welcomed all to the meeting, which was being held virtually via the TEAMS platform. Brief introductions were made for those attending for the first time.

2. DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest or transparency statements made in respect of any item on the agenda.



Chair
Chief Executive

Keith Redpath
Mary Morgan

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3. MINUTES AND ACTION LIST [Papers AR/22/85, and AR/22/86 refer]

- 3.1 Members considered the draft minutes from the previous meeting on 15 September 2022. They were content to approve as an accurate record, subject to the following minor amendments:
- Minute 3.2 – mention of logic model also needs to say “theory of change”;
 - Minute 12.4 – “One or two Members” to be changed to say either “Some Members” or “Other Members”.
- 3.2 Members noted that the majority of actions had either been completed or were covered by the agenda.

4. ANNUAL REPORT EARLY OUTLINE PLAN [Paper AR/22/87 refers]

- 4.1 Members noted the presentation from L Howard which detailed the plan for the development and publication of NSS annual report and accounts for 2022/23. Members were broadly content with the plan but felt the presentation needed to focus more on the benefits rather than the features. Members had only one query regarding the timeframe but were reassured that there would be enough time following the proposed review date in April 2023 to turn any updates around for submission to Audit Scotland in May 2023. Following this, Members endorsed the plan as presented.

5. INTERNAL AUDIT PROGRESS [Paper AR/22/88 refers]

- 5.1 J Lucas spoke to the paper, which provided a summary of progress against the current year’s internal audit plan. Members were pleased to note the plan was on-track. Members noted the updates on the outstanding actions and, in particular, discussed those in relation to the Leadership and Management Development audit. Members were advised that there had been positive discussions with HR and J Jones provided updates on the presentation at the most recent Staff Governance Committee meeting and what had been taken forward so far.
- 5.2 Members agreed the extensions requested with the caveat that in terms of the actions in relation to the Leadership and Management Development audit, this extension would be the final one.

6. INTERNAL AUDIT: CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT FRAMEWORK [Paper AR/22/89 refers]

- 6.1 Members noted the outcome of the audit, which was that it provided partial assurance with improvements required. Members sought and received reassurance about the prioritisation. They also discussed the colour coding and asked for this to be consistent with other reporting. They were advised that the introduction of a “critical” rating had been part of the transition from previous internal auditors and were reassured this would be phased out. Members also discussed the framework and how this translated to quality improvement progress. The impact of COVID-19 on this work was acknowledged and Members were given an overview of the plans over the next six months to focus on getting this back up to speed. Members accepted the management recommendations as appropriate and were content with assurances provided.

7. INTERNAL AUDIT: NSD FINANCIAL GOVERNANCE [Paper AR/22/90 refers]

- 7.1 Members noted the outcome of the audit, which was that it provided significant assurance with minor improvement opportunities. Members were taken through the

recommendations and queried the discrepancy in relation the mention of a high risk finding on the cover sheet, based on what was in the main report. It was subsequently confirmed that this was simply an error. Following brief discussion, Members confirmed that they felt sufficiently assured and accepted the management actions.

8. INTERNAL AUDIT: PCFS PAYMENT STREAMS [Paper AR/22/91 refers]

- 8.1 Members noted the outcome of the audit, which was that it provided partial assurance with improvements required. The fact it was partial assurance was in relation to the scope of the audit. Members noted the high-level themes which had emerged and the areas where it had been identified there was scope for improvement. Members discussed the agreed actions and asked if a move to increasing the number of routines undertaken at Level 1 was perhaps a little premature. They were assured that there was a timing element to this, but PCFS were always looking at where digital solutions could be implemented.
- 8.2 Members sought and received clarification around team structures for the three payment areas, noting how they had become quite bespoke due to the regulations for each specific area and acknowledged the proposal to introduce cross training to improve resilience. They were also given a brief overview and reassurance around the impact this could have in terms of service audit.
- 8.3 Following these discussions, Members confirmed they were content with the assurances provided and the proposed management actions.

9. SERVICE AUDIT STEERING GROUP UPDATE [Paper AR/22/92 refers]

- 9.1 C Low updated Members on activity overseen by the Service Audit Steering Group since the last NSS Audit and Risk Committee meeting. Members were pleased to note that the teams continued to work well and were on track. PCFS was making good progress on the Deloitte actions. Web forms had initially had some teething issues but this was now progressing well and Members were reassured there was no risk to the service audit activity.
- 9.2 Members expressed concerns about the web forms user acceptance testing failure and the impact on the Deloitte work. M Bell explained the reasoning for the pause taken and provided an overview progress to date. It was expected that the necessary review would be completed, and direction of travel clarified, by Christmas. Members confirmed they felt reassured by this.

10. SERVICE AUDIT: PROGRESS UPDATE [Paper AR/22/93 refers]

- 10.1 Members noted the update from KMPG on progress within Service Audit, with the following highlights:
 - Test of Design had been completed with all controls passed;
 - Moving on to Test of Effectiveness, the majority of controls which could be tested at this point in the year had been and there was plan to cover the remainder;
 - A small number of the controls tested had needed clarifications, which may lead to minor exceptions, but nothing that would lead to a qualification at this point;
 - Overall, the progress and engagement to date had been extremely positive.
- 10.2 Members asked about the impact of the South-East Payroll work and how it would be addressed. They were advised that this was being considered but, without knowing

exactly what would be coming, it was difficult to say for sure. There was obvious merit in starting service audit straight away but having a transition period and waiting until the 2023/24 audit cycle would also make sense. Members were reassured that, either way, the risks in relation to this were acknowledged.

10.3 Members confirmed that they were assured by, and content with, the update provided.

11. EXTERNAL AUDIT PROGRESS [Paper AR/22/94 refers]

11.1 Members noted the update provided on External Audit progress and the appointment of the new team. Members were satisfied with the assurances provided and had no further questions.

12. EXTERNAL AUDIT RECOMMENDATIONS [Paper AR/22/95 refers]

12.1 Members were taken through the paper, which updated the responses to the recommendations from the external audit report. Members were pleased to note there was only one action outstanding due to timing of the Resource Allocation Meetings, but it would be completed within the current financial year.

[Secretary's Note: The next two items were brought forward]

13. RISK MANAGEMENT [Paper AR/22/97 refers]

13.1 Members considered the paper, which updated the Risk Management activity across all risks, highlighting any red or new amber reputational risks. In particular:

- 6282 (Windows 10 Devices) – Members were given an overview of how this was being managed;
- 6953 (Diabetic Eye Screening Autograder) – Members were given an overview of discussions at the recent NSS Clinical Governance and Quality Improvement Committee, as well as the discussions with the Medicines and Healthcare products Regulatory Agency (MHRA). This risk had subsequently been downgraded from Red to Amber in the live risk register.

13.2 Going back to risk 6282, Members expressed concerns about any of the affected devices being connected to the network and were keen to ensure the risk stayed Red until that had been fully addressed. M Neilson agreed to get an explanation which could be shared following the meeting. In respect of the timeframe for resolution, Members noted that this was being worked on. They were also provided with a funding overview in relation to this.

Action: M Neilson to share an explanation of the approach to 6282 and affected devices being disconnected from the network.

13.3 Members confirmed they were content with the assurances provided.

14. REVIEW OF RISK APPETITE [Paper AR/22/98 refers]

14.1 Members noted the paper, which was presented to allow Members to review and challenge the draft NSS Risk Appetite Statement prior to approval by the Board. Members discussed the possibility of a facilitated discussion on risk appetite with the auditors and were keen to do that in future. Members agreed they were happy to accept and endorse the risk appetite as presented for approval by the Board.

15. INFORMATION GOVERNANCE AND SECURITY UPDATE [Paper AR/22/96 refers]

15.1 Members considered the paper, which updated on key aspects of enabling and underpinning activity in Information Security and Governance. Members noted that the relevant risks had already been discussed during item 13. Other highlights spoken to were:

- Advanced cyber incident and external interest;
- NIS Audit preparations;
- resource implications with regard to supporting PHS and how this could be managed/addressed.

15.2 Members were updated further on mitigating actions being done for the upcoming visit from the Information Commissioner's Office or plans for being able to at least show work in progress. Members were reassured that that this would be in place in time with work ongoing to ensure a plan and end-date for anything that was not completed could be provided as a minimum. Members discussed the Senior Information Risk Owner's assurance statement and suggesting re-wording it. They also discussed the risk register information and how it was presented. In particular, for risk 6121 (Unstructured and Unclassified Data) Members found it helpful to see the data to support the assertions being made and requested this be included in future. Members confirmed they were content with the paper.

Action: S Flockhart to consider the wording of the assurance statement and continue to provide the illustrative data for risk 6282.

16. FRAUD REPORT [Paper AR/22/99 refers]

16.1 Members noted the report, which provided a quarterly update on the fraud work within NSS. Particular highlights brought to Members' attention were:

- Two investigations had been closed with no further action required;
- The overall risk rating remained unchanged;
- The recent activities undertaken in respect of the standards implementation and National Fraud Initiative work.

16.2 Members commended the paper and were content with the assurances provided.

17. SCHEDULE OF MEETINGS [Paper AR/22/100 refers]

17.1 Members noted the forward programme and were reminded to feed back any updates required to Board Services as necessary.

18. ANY OTHER BUSINESS

18.1 Members had no further business to raise within the main agenda.

19. IN PRIVATE: INTERNAL AND SERVICE AUDIT PROCUREMENT [Paper AR/22/83 refers]

19.1 Members agreed, in accordance with paragraph 5.22 of NSS's Standing Orders, to discuss this item in private.

There being no further business, the meeting closed at 1157hrs.

Minutes

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NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON THURSDAY 24 NOVEMBER 2022, MARRIOTT HOTEL, EDINBURGH COMMENCING 0930 HOURS AND VIA TEAMS

Present:

Lisa Blackett – Non-Executive Director and Committee Chair
Tam Hiddleston – Trade Union Representative
Ian Cant – Non-Executive Director
Arturo Langa – Non-Executive Director
Gerry McAteer – Trade Union Representative
Beth Lawton – Non-Executive Director
David Allan – Trade Union Representative
Keith Redpath – NSS Chair

In Attendance:

Jacqui Jones – Director of HR and Workforce Development
Mary Morgan – Chief Executive
Jane Fewsdale - Head of People Insights, Performance & Systems
Hayley Barnett – Associate Director, Governance and Board Services (Board Secretary)
Karen Nicholls - Committee Services Manager [Minutes]

Observer:

Gordon Greenhill – Non-Executive Director

Apologies:

Suzanne Milliken – Trade Union Representative
John Deffenbaugh – Non-Executive Director

1. WELCOME AND INTRODUCTIONS

- 1.1 L Blackett welcomed all to the meeting, which was being held in person and virtually via the TEAMS platform, noting the apologies as recorded above. L Blackett added that any inputs in relation to proof reading were done outwith Committee to ensure appropriate time for debate was available for discussion.

2. DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest or transparency statements made in respect of any item on the agenda.



Chair
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Keith Redpath
Mary Morgan

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3. NSS PARTNERSHIP FORUM [paper SG/22/39 refers]

- 3.1 I Cant advised that as requested a copy of the draft minutes from the NSS Partnership meeting held on 22 September had been made available for information, and provided Members with a verbal update from the NSS Partnership Forum (PF) meeting held on 22 November 2022.
- 3.2 Members were reassured to hear that the PF continued to work in a positive and collaborative way with good discussion and debate. This was particularly important in the current climate. I Cant advised that J Jones had ensured that discussions in relation to the possible industrial action had been conducted in a supportive way and all voices were heard. M Morgan added that the NSS Partnership Working Agreement had also been discussed and she and I Cant would now be formally signing the document for 2022-23.
- 3.3 Members thanked both for their verbal update and noted the minutes provided. J Jones added that the work done in HR in relation to guidance for industrial action was now being used by other Health Boards as it was seen as an excellent source of information.

4. PEOPLE REPORT [paper SG/22/40 refers]

- 4.1 J Jones took Members through the People Report and highlighted the following areas for scrutiny;
- National Contact Centre (COVID Response) – service redesign had taken place to reflect changes to the programme and NSS was now in a position to serve notice to that workstream in line with the fixed term contract requirements. This had been discussed fully at the NSS Executive Management Team on 21 November 2022. Any further advice, requests for service received from Scottish Government would be factored into planning in relation to these contracts;
 - Health & Safety Management systems was almost ready and work was ongoing to move it to a go live position;
 - Following on from development days with the EMT, the Organisational Development Team were supporting leadership with a focus on the Senior Leadership Forum, with a first session on 28 November 2022;
 - Statutory and Mandatory Training was now in a better place, but introduction of an additional module may affect this overall;
 - Appraisals, Objectives and Personal Development Plan figures were being reviewed to identify the ‘true’ levels, taking into account new starts who would not have an appraisal within the first 12 months of their start date, but were being included in the totals. The same applied for other criteria including those on a career break, dental professionals etc. However, it was noted that for Objectives and PDPs these should be in place for all new staff within their first 12 weeks of service. J Jones agreed to provide a more detailed paper on this for a future meeting;
 - Sickness absence levels were continuing to be monitored closely.

- 4.2 Members discussed the report in full and asked that further communications to all staff be put in place to encourage planning for remaining annual leave as this figure in relation to outstanding was still very high.

Action: J Jones to produce additional comms for all staff in relation to outstanding annual leave.

Action: J Jones to provide a more in-depth review of compliance levels for Appraisals, PDPs and Objectives to a future meeting.

- 4.3 Members noted the higher than normal turn-over rate and J Jones advised that a lot of this was due to the excellence of NSS staff moving on to promoted posts. Further work to grow/develop remaining staff would be at the forefront of the enhancing leadership work currently underway.
- 4.4 Members thanked J Jones for her informative report and welcomed the updated approach to graphs and charts. Members confirmed that they were content with the report and scrutiny carried out.

5. WHISTLEBLOWING QUARTERLY REPORT [paper SG/22/41 refers]

- 5.1 J Reilly took Members through the report and noted that there had been no new cases reported during the period. However, one concern had been raised in relation to a contracted service. This has been fully investigated and was not substantiated or upheld.
- 5.2 Members noted that the previous complaint, reported to the Independent National Whistleblowing Officer (INWO) had now concluded and a full debrief session held with the officers. This had been an open and honest session about the process itself which had provided learning opportunities for both parties. NSS was now working alongside five other Boards and INWO to look at a set of resources and tools to ensure consistency of approach.
- 5.3 J Reilly advised that the appointment of Hayley Barnett, Associate Director Governance and Board Services (Board Secretary), this new role would involve her becoming the Whistleblowing Ambassador for NSS and she therefore would be providing the reporting to future meetings. J Reilly would then attend for the Annual Report as the Executive Lead.
- 5.4 Members queried the reporting of Whistleblowing Training within the People Report and were advised that this had been done to avoid duplication of reporting, but it would feature in the annual Whistleblowing report to Committee. Members noted that a full dataprotection impact assessment had been carried out on the manual spreadsheet process for collecting data as an interim measure while the digital tool was being developed. This was part of a much bigger project and there was currently no specific timeline for completion.

6. STAFF RISKS QUARTERLY UPDATE [paper SG/22/42 refers]

- 6.1 Members noted the Staff Risk report and scrutinised it in full. Recognition that the risks in relation to staff wellbeing, particularly in the current financial climate, were being reviewed and mitigated where possible. This also linked with a review of sickness absence, particularly in relation to stress and anxiety, and tools and actions to help

with this were being put in place. HR staff were working closely with the Healthy Working Lives and Occupational Health Teams. A Stewart advised that this was also being picked up as part of the Wellbeing Programme of work and a gap analysis carried out. This would be reported via the Staff Risks to Committee.

- 6.2 Committee Members were encouraged by this approach and were content that the report provided appropriate information to allow full scrutiny and assurance.

7. RECENT AUDITS [paper SG/22/44 and SG/22/45 refer]

- 7.1 L Blckett advised that both reports had already been reviewed by the NSS Audit and Risk Committee and were therefore presented for information and scrutiny respectively.

- 7.2 Notification of Change and Protection Payments – Members noted the paper provided for information and the numbers of staff currently on different forms of protection. J Jones advised that the Staff Governance Monitoring Return was also being completed and would come to the next Staff Governance Committee prior to submission to Scottish Government.

Action: Board services to add Staff Governance Monitoring Return to the forward programme for next meeting.

- 7.3 Leadership and Management Development Audit – Members noted the content of the report, and the subsequent discussions that had taken place at the recent Board Development Session as part of the section on Workforce Sustainability. The two areas highlighted; Strategic Intent and Value for Money, were an integral part of the new model around Leadership. Members had no further questions at this time and were content that the report provided sufficient levels of scrutiny.

ITEMS FOR INFORMATION

8. TURAS LEARN DECISION [paper SG/22/38 refers]

- 8.1 Members noted the content of the report and asked for further details on the resource elements required to meet the deadlines presented. J Jones advised that NSS was on course to move to TURAS learn on schedule, it was the management reporting element that could be delayed as the tool was currently still at the minimum viable product (MVP) stage. Discussions between the NSS and NES Chief Executives were underway to establish a way forward.

- 8.2 It was also noted that additional discussions in relation to specific SNBTS modules (Learn Blood Transfusion) was ongoing but this would not affect the statutory and mandatory training element for SNBTS staff in general. Members noted that the LearnPro contract ended in March 2023, and NSS would therefore be moving across within that timeline.

9. WELLBEING ACTION PLAN UPDATE [paper SG/22/43 refers]

- 9.1 Members noted the progress made in relation to the NSS Wellbeing Framework and the appointment of a new Executive Lead (J Jones) and Wellbeing Champion (L Neary, Director SPST). L Neary would attend the national groups to influence and

ensure NSS was aligned to any national initiatives. A new Wellbeing Group was also being established with Membership from across the organisation. Governance of the programme was via the Occupational Health and Safety Committee.

9.2 A Stewart advised that a gap analysis was also being carried out on what was currently being delivered and what may be required in the future. Of particular concern currently was the financial crisis and what could be done to support staff and line managers. The gap analysis would then form the basis for the objectives of the plan and reported up via the NSS PF and Staff Governance Committee.

9.3 Members were content to note the paper for information.

10. SCHEDULE OF MEETINGS [paper SG/22/46 refers]

10.1 Members noted the scheduled of meetings and had no further comments.

11. MERIDIAN COURT DRAFT OUTLINE BUSINESS CASE [paper SG/22/47 refers]

11.1 Members noted the Meridian Court Draft Outline Business which had been provided for information only. All agreed that this was a very positive piece of work and good progress was being made.

12. ANY OTHER BUSINESS

12.1 Members noted that there was no other competent business to discuss.

Meeting closed 1040 hrs.

Minutes

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NHS NATIONAL SERVICES SCOTLAND STAFF GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON TUESDAY 25 OCTOBER 2022, MARRIOTT HOTEL, EDINBURGH COMMENCING 0930 HOURS AND VIA TEAMS

Present:

Lisa Blackett – Non-Executive Director and Committee Chair
John Deffenbaugh – Non-Executive Director
Tam Hiddleston – Trade Union Representative
Arturo Langa – Non-Executive Director
Gerry McAteer – Trade Union Representative
Beth Lawton – Non-Executive Director
David Allan – Trade Union Representative
Suzanne Milliken – Trade Union Representative
Keith Redpath – NSS Chair

In Attendance:

Jacqui Jones – Director of HR and Workforce Development
Mary Morgan – Chief Executive
Karen Nicholls - Committee Services Manager [Minutes]

Observer:

Gordon Greenhill – Non-Executive Director

Apologies:

Ian Cant – Non-Executive Director

1. WELCOME AND INTRODUCTIONS

- 1.1 L Blackett welcomed all to the meeting, which was being held in person and virtually via the TEAMS platform, noting the apologies as recorded above. L Blackett added that any inputs in relation to proof reading were done outwith Committee to ensure appropriate time for debate was available for discussion.
- 1.2 Members were reminded that this was an ad-hoc meeting to review and approve the NSS Workforce Plan.

2. NSS WORKFORCE PLAN [paper SG/22/35 refers]

- 2.1 Members noted and discussed the content of the NSS Workforce Plan and the updates that would be incorporated into the next iteration of the plan which would be due for the next reporting period.



Chair
Chief Executive

Keith Redpath
Mary Morgan

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2.2 Members thanked J Jones and the HR team for the work carried out on the plan and were content to approve it in full on behalf of the Board. It was noted that the document would be published on the NSS external website by 31 October 2022 as per requirements.

There being no further business, the meeting closed at 0957 hrs.

DRAFT

Minutes (Approved)

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NHS NATIONAL SERVICES SCOTLAND CLINICAL GOVERNANCE AND QUALITY IMPROVEMENT COMMITTEE (CGQIC)

MINUTES OF MEETING HELD ON WEDNESDAY 30 NOVEMBER 2022 VIA TEAMS DIGITAL PLATFORM AT 0930HRS

Present:

Alison Rooney – Non-Executive Director [Chair]
Lisa Blackett – Non-Executive Director
Arturo Langa – Non-Executive Director
Beth Lawton – Non-Executive Director
Keith Redpath – NSS Chair

In Attendance:

Brendon O'Brien – Chief Clinical Informatics Officer
Anna Lamont – PCF Medical Director
Mary Morgan – Chief Executive
Lorna McLintock – SNBTS Medical Director
Lorna Ramsay – NSS Medical Director & Executive Lead for Clinical Governance
Megan Rowley – SNBTS Associate Medical Director
Jacqui Reilly – Director of Nursing & Executive Lead for Quality Improvement
Calum Thomson – Associate Director for Nursing, Clinical Governance and Quality Improvement
Hayley Barnett – Board Secretary
Lynsey Bailey – Committee Secretary [Minutes]

Apologies:

Gordon Greenhill – Non-Executive Director

1. WELCOME AND INTRODUCTIONS

- 1.1 A Rooney welcomed all to the meeting. In particular, a warm welcome was extended to L McLintock who was attending for the first time, and she briefly introduced herself. Members also wished to thank M Rowley for her work as Interim SNBTS Medical Director.

2. DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest or transparency statements made in respect of any item on the agenda.



Chair
Chief Executive

Keith Redpath
Mary Morgan

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3. MINUTES AND MATTERS ARISING [Papers CG/22/27 and CG/22/28 refer]

- 3.1 Members approved the minutes from the previous meeting on 7 September 2022 as a correct record.
- 3.2 Members noted that all action points had been completed with no actions outstanding.

4. MEDICAL DIRECTORS REPORT [Paper CG/22/29]

- 4.1 L Ramsay spoke to her report which provided an update on clinically-related areas of NSS strategic/enabling activity and on relevant aspects of business as usual areas from a clinical perspective. In particular, Members were updated on the changes to implementation approach and timetable of the UK Medical Device Regulations which will now progress in two stages, noting that NSS would continue with its workplan towards compliance. The other main highlight was the work in PCFS supporting the development and delivery of a clinical governance framework around Scottish Government's new enhanced Eye Care Services and the Community Glaucoma Service.
- 4.2 Members were also updated on an out-of-cycle adverse event regarding mobile breast screening units. Members noted that this had been an evolving situation and were reassured the image quality had been assessed and deemed suitable. The issue had arisen because the image now generated was different to what the screening team had previously been used to for interpreting the image. Members were pleased to hear that the initial concerns about possible differences in detection had not borne out when looking at the larger dataset. Members noted that the core source of the issue was the software which processed the images taken and an assessment exercise had been done, with the outcome used to address this issue.
- 4.3 Members were advised that this issue only affected a small portion of the screening activity and, therefore, at the national level it would have a small impact. The pause taken in order to investigate the issue had led to a small delay which would be caught up within a short timescale. This did not create any additional clinical risk as the pause was taken because of the potential clinical risk, which was subsequently found through audit to not be the case. The response also involved re-processing the information already there rather than retaking any images. While the potential for a resulting delay in any referrals could not be entirely ruled out yet, this had not emerged so far. Members sought and received further reassurance about the training and interpretation of images.
- 4.4 Moving on to the GP Dashboard, B O'Brien gave a more detailed update, acknowledging that this was still at an early stage. Members received an overview of how the information would be accessed and shared/published, as well as the build-up to a new primary care data and intelligence system. Members also noted that the gender reassignment protocol was being submitted to the Chief Medical Officer (CMO) in the coming weeks. It would then be up to the CMO to publish although it would be subject to FOI from the point of submission and a high level of media interest in this was likely.
- 4.5 Following these discussions, Members confirmed they felt sufficiently assured and approved the report.

5. BLOOD AND TISSUE QUALITY, SAFETY AND SUFFICIENCY REPORT [Paper CG/22/30]

- 5.1 M Rowley noted that the report provides assurance from the responsible officers to Members that NSS continued to meet all requirements in respect of quality, safety and sufficiency. She also provided an update since the report submitted which was more encouraging. NHS Blood and Transplant (NHSBT) had needed to enact their amber alert blood shortage measures. However, SNBTS had not, and had been able to provide mutual aid in the lead up to NHSBT's amber alert. Publicity had increased blood donations in Scotland, and SNBTS had continued to use the same laboratory stockholding and clinical messages going to hospitals in respect of use of blood. This had meant SNBTS was in a position where stocks were good and had avoided the need for an amber alert in Scotland.
- 5.2 Members discussed staffing, and the reliance on goodwill for overtime. They noted the level of effort to make sure the service was maintained, and that the harmonisation of labs and equipment had facilitated resilience across sites. They were reassured that it was more about flexibility of staff rather than unsustainable expectations of additional effort. Members applauded the work of SNBTS staff in maintaining the levels of blood stocks in some challenging times.
- 5.3 Members were delighted that feedback on the assurance statement had been taken on board and suggested including it within the recommendation section instead of the purpose section. In terms of this report, Members confirmed they were content and assured by it.

6. CLINICAL ADVERSE EVENTS AND COMPLAINTS [Paper CG/22/31]

- 6.1 Members noted the paper, which provided details of Clinical Adverse Events and Complaints. The Breast Screening item had already been discussed, and no further questions were raised. Members confirmed, based on the report, they were content with the management of adverse events and complaints.

7. CLINICAL RISKS Q4 QUARTERLY REPORT [Paper CG/22/32]

- 7.1 Members discussed the paper, which provided details of corporate clinical risks on the NSS Risk Register, together with an opportunity to review all red and new amber clinical risks and challenge the actions taken. Members noted that two of the red risks had already been discussed (Laboratory Staffing and Medical Device Regulations).
- 7.2 Members were advised that there was a huge amount of work needed in order to mitigate against the Autograder risk. Members discussed the requirement for bringing it into line with the Medical Devices Regulations, the certification required, and maintenance of the software associated with it. Members were given a brief overview of how this had come to NSS and the discussions with the Medicines and Healthcare products Regulatory Agency (MHRA). These discussions had been positive, with the aim of getting an acceptable use exemption period and agreeing a timeframe for achieving full compliance. Members would continue to get updates on this and were reassured that the red risk had already been reduced in the live risk register since the paper had been written.

- 7.3 Members confirmed they felt sufficiently assured in respect of clinical risk management.

8. HAI QUARTERLY REPORT [Paper CG/22/33]

- 8.1 Members noted this paper which updated on compliance with all current policy related to infection prevention and control, as well as provide a performance update against reportable KPIs in SNBTS. While there was overall excellent compliance, Members asked about the fails reported in audits. They were advised that as this was reported real time, it was dealt with and remedied in real time and therefore quarter targets were met. there was no indication of any specific concerns. Members also noted the staffing challenges in the Glasgow Donor Centre and the mitigations which had been put in place. Members commended the work to maintain the excellent levels of compliance.

9. FORWARD PROGRAMME [Paper CG/22/34]

- 9.1 Members noted the schedule of meetings provided. Members requested the addition of an item for the meeting scheduled for 1 June 2023 which would be an update on internal audit actions. Members noted the seminar scheduled for January 2023 would be a deep dive on the Medical Devices Regulations compliance programme.

10. ANY OTHER BUSINESS

- 10.1 Members wished to pass on their congratulations to the clinicians who had been awarded places on the Clinical Leaders Course.

11. DATE OF NEXT MEETING:

- 11.1 Tuesday, 28 February 2023 at 0930hrs

The meeting finished at 1037hrs

Minutes

(Approved)

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www.nhsnss.org

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

MINUTES OF MEETING HELD ON WEDNESDAY 16 NOVEMBER 2022 VIA TEAMS DIGITAL PLATFORM AT 0930 HRS

Present:

Gordon Greenhill – Non-Executive Director and Committee Chair
Julie Burgess – Non-Executive Director
Lisa Blackett – Non-Executive Director
Beth Lawton – Non-Executive Director
Keith Redpath – NSS Chair

In Attendance:

Gordon Beattie – Director of National Procurement
Martin Bell – Director of PCFS (Items 1-3)
Steven Flockhart – Director of Digital and Security
Carolyn Low – Director of Finance
Mary Morgan – Chief Executive
Lee Neary – Director of Strategy, Performance and Service Transformation
Matthew Neilson – Associate Director of Strategy, Performance and Communication
Lynsey Bailey – Committee Secretary (Minutes)

Apologies:

Ian Cant – Employee Director

1. WELCOME AND INTRODUCTIONS

1.1 G Greenhill welcomed all to the meeting, which was being held virtually via the TEAMS platform. Apologies were noted as listed above.

2. DECLARATIONS OF INTEREST

2.1 There were no declarations of interest or transparency statements made in respect of any item on the agenda.

3. MINUTES AND MATTERS ARISING [Papers FPP/22/48 and FPP/22/49 refer]

3.1 Following a brief discussion, Members were content to approve the minutes from the meeting held on 24 August 2022 as an accurate record.

3.2 Members were pleased to note that the majority of actions were either completed or programmed in for a future meeting. Members were updated on the meeting held on 11 November 2022 regarding FPPC Development Sessions. They were advised that, following discussions with K Redpath, quarterly sessions would be scheduled but



Chair
Chief Executive

Keith Redpath
Mary Morgan

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

there was the option to cancel if there were no topics to discuss. C Low also highlighted that, in respect of the Meridian Court Options Appraisal, the Board did not discuss it as initially intended and this would be covered in detail later in the agenda.

4. PUBLIC BODIES CLIMATE CHANGE DUTIES REPORT [Paper FPP/22/50 refers]

- 4.1 G Greenhill advised Members that, following discussions with K Redpath and L Blackett (the Board's Sustainability Champion), it had been decided to defer this item until the report had been discussed by the Executive Management Team (EMT). Members' approval was sought for the Chair of FPPC and NSS Board Chair to then approve the report for publication, following its presentation to EMT, and bring it back to the next FPPC meeting in February 2023 for homologation. However, if there were any substantive issues which Members identified, they were asked to feed these back immediately following this meeting. Members confirmed that they were supportive of this course of action.

ACTION: Chairs of the NSS Board and FPPC, and the NSS Board Sustainability Champion to approve the Public Bodies Climate Change Duties report for publication following its presentation to EMT and bring it back to the next FPPC meeting in February 2023 for homologation

5. MERIDIAN COURT RELOCATION OUTLINE BUSINESS CASE [Paper FPP/22/51 refers]

- 5.1 M Bell spoke to the draft Outline Business Case for the relocation of staff from Meridian Court, briefly summarising the options and giving an overview of how the accommodation at Delta House could be used. Members also heard about the staff engagement process and high level of participation. M Bell highlighted that the option of taking a second floor at Delta House had not been definitively ruled out. Although this decision could not be made within the timescale for vacating Meridian Court, it could be revisited at a later date if necessary. Members discussed the provisions to reimburse staff for working from home, as well as the considerations for staff in respect of commuting and which site would therefore be the ideal base for them. Members acknowledged that co-location with other NHS or public sector bodies (where there was the potential to do so) was the best way forward in terms of financial sustainability.
- 5.2 Moving onto the decision at the September 2022 NSS Board meeting, it had been argued that the decision to terminate the lease was not specifically required as the original agreement had been to lease Meridian Court for a number of years, and this had now been reached. Referring to the earlier point about staff commuting, Members discussed the rules and provision for re-imbusement of excess travel. The terms and conditions for hybrid working had not yet been finalised by STAC (Scottish Terms & Conditions Committee) so, in the meantime, staff would be allocated a base for the purposes of travel. Members commented that the report as a good piece of work and appreciated the level of staff engagement.
- 5.3 Members asked about the final section which had not yet been completed and were advised that it would be completed by Avison Young following the decision resulting from the discussions at this meeting. The decision would also enable consultation with the Trade Unions to progress around staff bases, excess travel provisions etc. Following a discussion about the nature of the decision required from FPPC, Members agreed this should be around approving the direction of travel to enable

progression of the preferred option, and completion of the Outline Business Case for submission to Scottish Government. Members asked how this impacted on Future Ready activity but were advised that the programme had now been closed and nothing arose in respect of this relocation work which would require it to be re-opened.

- 5.4 Members agreed to approve not renewing the Meridian Court lease and progress the Outline Business Case based on Option 3A (one floor at Delta House, West Nile Street, plus retained estate) as the preferred replacement solution. M Bell agreed to have Avison Young turn this around by the end of December 2022 and submit it to Scottish Government by the end of January 2023 to start the rest of the process. A homologation paper would then come to the next FPPC meeting in February 2023.

ACTION: M Bell to have Avison Young complete the Meridian Court Outline Business Case by the end of December 2022, submit it to Scottish Government by the end of January 2023 and bring a homologation paper to the next FPPC meeting in February 2023.

6. SCOTLAND EXCEL AND NATIONAL SERVICES SCOTLAND (NATIONAL PROCUREMENT) STRATEGIC COLLABORATION FRAMEWORK [paper FPP/22/52 refers]

- 6.1 G Beattie spoke to the paper which outlined a Strategic Collaboration Framework between National Services Scotland NSS (National Procurement), and Scotland Excel. Members felt this was a good report and exciting opportunity for NSS. They were supportive in principle but sought clarity on what it meant in terms of other opportunities. They were advised that this was primarily a statement about working collaboratively rather than competitively and having more economy of scale. Members discussed sustainability, working with local suppliers etc, and were advised that, in terms of strategic ambitions, National Procurement was working in a pan-public sector procurement group. This group had agreed a high-level strategy which would be a “golden thread” right down to individual NHS Board level. Members were pleased to note that there was no fee or charge to be associated with the framework. Members also discussed what the framework meant when NSS was looking at a high-value contract (e.g. replacing existing fleet with electric vehicles) and noted this would be done in wider collaboration across NHSScotland or, in some cases, the public sector as whole. Following this discussion, Members were in agreement to approve the Framework.

7. FINANCE REPORT [paper FPP/22/53 refers]

- 7.1 Members considered the paper which updated on performance against NSS’s financial plan as at 30th September 2022. Members were pleased to see that the gap in COVID-19 expenditure had been addressed and thanked C Low that the work done to achieve this. Noting uncertainty, Members asked about the need to revisit financial plans in light of the upcoming UK and Scottish Government budgets. They were advised that the next FPPC meeting, scheduled for 3 February 2023 would consider that but the situation was not expected to worsen and any urgent, material impact would be addressed through the NSS Board as necessary. Members asked for an update on the outcome of the deep dive mentioned. They were advised that it had looked at a variety of points but predominantly focussed on allocations and COVID-19 spend, which is what had enabled the turnaround from a deficit to a surplus and

put NSS back on track to achieve statutory targets. Following these discussions, Members confirmed they were content with assurance provided.

8. STANDING FINANCIAL INSTRUCTION ADVERSE EVENTS

- 8.1 Members were made aware of an emerging issue. An employee seconded to NHS Lothian had managed to be paid by both organisations for a period of time. This was referred to the Crown Office, who had concluded it was not Fraud but unjustified enrichment. An internal investigation was currently ongoing, and Members would be advised of the outcome. However, it was not anticipated that there would be any financial loss as appropriate steps had been taken.

9. PORTFOLIO MANAGEMENT GROUP (PMG) REPORT [Paper FPP/22/55 refers]

- 9.1 Members noted the report, which gave an overview of the delivery status of key national programmes being delivered by NSS on behalf of NHS Scotland, based on the position reported to the NSS Portfolio Management Group at their last meeting on 8th November. Members were content with the status of the programme watch lists and escalation actions agreed.

10. SERVICE EXCELLENCE REPORT [Paper FPP/22/56 refers]

- 10.1 Members welcomed the report which summarised NSS's performance as at the end 31 October 2022 and commended its clarity. Members noted the level of risk highlighted around the delivery of the Annual Delivery Plan (ADP). This was due to the considerable pressures on stakeholders that NSS was reliant on in order to deliver and progress elements of the ADP. However, Scottish Government and Policy teams had reviewed and approved the milestones.

11. RESILIENCE REPORT [Paper FPP/22/57 refers]

- 11.1 Members noted the report, which updated on resilience activities that have taken place since the previous FPPC meeting on 24 August 2022 and highlighted any future issues. There had been no significant business continuity incidents requiring stand up of the NSS Resilience Management Team. However, a review of the NSS Resilience Management Plan, Executive On-Call and Winter arrangements had been undertaken. Members also noted the update provided on the blood stocks position. Following a brief discussion, Members were content with the report and had nothing further to ask.

12. REVIEW OF BUSINESS RISKS [Paper FPP/22/58 refers]

- 12.1 Members were taken through an overview of the activity in relation to the following highlighted risks and issues:
- Red Risk 6282 – Devices with Windows 10 v1709 Build
 - Closed Red Risk 6799 – Industrial Action (which was in the process of being removed as a risk as per Board's request)
 - Red Risk 6205 – Financial Sustainability in the Medium to Long Term
 - Amber Risk 6554 – Skilled Resource Data Capture Validation and Pricing Replacement
 - Amber Risk 6208 – Hosted Desktop Expiry

- Amber Risk 6121 – Unstructured and Unclassified Data
- Corporate Issue 6622 – Budgetary Pressure - Dependency (Digital Prescribing and Dispensing Pathways)
- Corporate Issue 6661 – Supply: Russia Ukraine Conflict
- Corporate Issue 6249 - P&CFS Bespoke System (Oracle 12C & Windows 7/XP)

12.2 Members discussed risk 6282, noting the number of devices seemed to be increasing rather than decreasing. They were reassured this was due to a potential issue with reporting, which was being picked up with Digital and Security as most of the increases looked like they were being managed via “Business as Usual” processes rather than as a risk. Members discussed separation of those devices that could not be made compliant from those with new vulnerabilities which had been identified but could be addressed. Members also discussed 3816 (Staffing Levels in Manufacturing) which had been reopened and were reassured regarding the actions being taken.

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

13.1 Members noted the content of the Forward Programme, noting that there was a sustainability Item to be added and the details would be provided to Board Services.

ACTION: Board Services to check the details of the sustainability item to be added to the forward programme.

14. ANY OTHER BUSINESS

14.1 Members had no further business to raise.

15. NATIONAL PROCUREMENT CONTRACT SCHEDULE [Paper FFP-IP/22/01 refers]

15.1 Members agreed, in accordance with paragraph 5.22 of NSS’s Standing Orders, to discuss this item in private

There being no further business, the meeting closed at 1125hrs.

Minutes

(Draft)

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

MINUTES OF MEETING HELD ON FRIDAY 3 FEBRUARY 2023 VIA TEAMS DIGITAL PLATFORM AT 0930 HRS

Present:

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

In Attendance:

Gordon Beattie – Director of National Procurement
Steven Flockhart – Director of Digital and Security
Carolyn Low – Director of Finance
Mary Morgan – Chief Executive
Lee Neary – Director of Strategy, Performance and Service Transformation
Julie Critchley – Director NHSS Assure
Hayley Barnett – Associate Director/Board Secretary
Matthew Neilson – Associate Director of Strategy, Performance and Communication
Helen Newlands, Head of Business Development, SNBTS
Karen Nicholls, Committee Services Manager (Minutes)

Apologies:

Beth Lawton – Non-Executive Director (Note: due to error in meeting invite)

1. WELCOME AND INTRODUCTIONS

- 1.1 G Greenhill welcomed all to the meeting, which was being held virtually via the TEAMS platform. Apologies were noted as listed above.
- 1.2 Post Meeting Note: After carrying out a review of the meeting invite it was noted that B Lawton had dropped off the list so was not aware of the meeting date/time. All future invites were now being updated and cross checked for all Non-Executive Directors due to ongoing Outlook issues.

Action: Board Services to review all meeting invites.

2. DECLARATIONS OF INTEREST

- 2.1 There were no declarations of interest or transparency statements made in respect of any item on the agenda.



Chair
Chief Executive

Keith Redpath
Mary Morgan

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

3. MINUTES AND MATTERS ARISING [Papers FPP/23/02 and FPP/23/03 refer]

- 3.1 Following a brief discussion, Members were content to approve the minutes from the meeting held on 16 November 2022. However, Board Services were asked to provide an additional paragraph to reflect the In Private discussion held at the last meeting.

Outcome: Approved.

Action: Board Services to provide additional paragraph noting In Private discussion without breaching confidentiality.

Agenda Items for Homologation**4. MERIDIAN COURT FULL BUSINESS CASE [Paper FPP/23/04 refers]**

- 4.1 Members noted the content and approvals carried out outwith the meeting. Members approved the decision taken.

Outcome: Approval homologated

5. PUBLIC BODIES CLIMATE CHANGE DUTIES REPORT [Paper FPP/23/05 refers]

- 5.1 Members noted that the paper had been assessed by the NSS Executive Management Team and subsequently approved outwith Committee to meet timelines for submission to Scottish Government and publication. It was noted that there had been positive feedback on the submission. Members noted the content and approvals carried out outwith the meeting. Members approved the decision taken.

Outcome: Approval homologated

6. ANNUAL HEALTH BOARD CLIMATE AND SUSTAINABILITY REPORT 2021-22 [papers FPP/23/15a and 15b refer] – item taken out of agenda order

- 6.1 Members noted that Scottish Government had brought forward the reporting deadline for publication. The report submission/publication had been postponed the previous year, but reinstated in December with a tight submission deadline. Members noted that the report would also be published on the NSS website.
- 6.2 Members then discussed the report in full and asked for clarification on treatment and reporting of waste. J Critchley advised that the apparent discrepancy in reporting related to a reduction in food waste, but was off-set by an increased NSS footprint (i.e. additional warehouse and staff returning to buildings) with related increase in domestic waste, and this would be made clearer in future reporting.
- 6.3 Members noted that the NSAT return was due for submission in April 2023 with final submission to Scottish Government in August 2023. J Critchley to provide draft report to next meeting for scrutiny. Future reporting would also be provided in relation to performance across NSS in relation to climate and sustainability.
- 6.4 All agreed that this was a positive report and this message should be shared with NSS staff. I Cant also asked for access to the climate change training programme.

Outcome: Members approved the report for publication/submission per the recommendations.

Action: J Critchley to ensure that reporting was clear to provide assurance to Members.

Action: J Critchley to liaise with I Cant in relation to Climate Literacy training access.

Action: Board Services to add to forward programme for the next meeting.

7. FINANCE REPORT [paper FPP/23/06 refers]

- 7.1 Members scrutinised the report in full, including the current position and forecast to have a balanced budget for the Finance Year 2022-23 and were assured that this was being managed appropriately.

Outcome: Scrutinised in full and assurance taken.

8. NSS BUDGET 2023-24 PRESENTATION

- 8.1 C Low took Members through a presentation on the proposed budget for 2023-24 financial year. Members held a full discussion on the proposals and welcomed the assurance provided and the new format for Directorate discussions in terms of plans for savings and investments. C Low advised that the final presentation would be made to the next formal Board meeting.

Outcome: Assurance in relation to proposed budget planning received.

9. STANDING FINANCIAL INSTRUCTIONS ADVERSE EVENTS

- 9.1 Members note that there had been no financial adverse events during the period.

10. STANDING FINANCIAL INSTRUCTIONS [paper FPP/23/14 refers]

- 10.1 Members noted the paper in full and that for 2023-24 there would be no material changes and full review would take place for 2024-25. Members were content to approve the paper and the standstill approach.

Outcome: Approved.

11. NATIONAL PROCUREMENT CONTRACT SCHEDULE [paper FPP/23/07 refers]

- 11.1 Members noted the paper in full and the areas highlighted in the recommendation. Members noted the streamlined report and welcomed this new approach. After discussions Members asked that a Committee Seminar be set up to look at the lifecycle of one programme in detail to give an overview of how contracts are

managed strategically. Of particular interest was the medicines strategy and savings realised from this and the at home community care programme. G Beattie agreed to identify a specific contract for the next available seminar.

- 11.2 K Redpath queried an event being held in relation to construction consultancy frameworks and whether NHSS Assure had any links taking part. G Beattie agreed to liaise with Julie Critchley, Director of NHSS Assure around this.

Outcome: Scrutinised in full and assurance provided.

Action: G Beattie to liaise with Board Services to confirm a date for an FPPC seminar focusing on national procurement.

Action: G Beattie to liaise with J Critchley on external event participation.

12. PORTFOLIO MANAGEMENT GROUP REPORT [paper FPF/23/08 refers]

- 12.1 Members noted the update provided in full.

Outcome: Assurance received.

13. NSS 2022/23 QUARTER THREE SERVICE EXCELLENCE REPORT [Paper FPP/23/09 refers]

- 13.1 Members noted the report, which gave an overview of the delivery status of key programmes and performance metrics. Members scrutinised the report in full as per the recommendations and welcomed the progress made and the mitigating actions in relation to those areas that may not meet targets due to dependence on areas outwith NSS.

Outcome: Scrutinised and assurance received.

14. RESILIENCE REPORT [Paper FPP/23/10 refers]

- 14.1 Members noted the report, which updated on resilience activities that have taken place since the previous FPPC meeting on 16 November 2022, and highlighted any future potential issues. There had been no significant business continuity incidents requiring stand up of the NSS Resilience Management Team.

Outcome: Scrutinised and assurance received.

15. REVIEW OF BUSINESS RISKS [Paper FPP/23/11 refers]

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

At 31 December 2022, there were five red corporate business risks and one issue on the NSS Risk Register.

- Risk 6205: Financial Sustainability in the Medium-Long Term.

- Risk 3816: Staffing Levels in Manufacturing.
- Risk 5671: nDCVP Programme.
- Risk 6554: Skilled Resources.
- Risk 6282: Devices with Win10 v1709 Build.
- Issue 6249: P&CFS Bespoke System (Oracle 12C & Windows 7/XP).

15.2 Members noted the mitigating actions and additional updates provided and asked for a Board Seminar be set-up to look at risk in more detail. There was also a request for future reporting the appendixes be abbreviated or shared for reference only. For the specific items relating to 'Unstructured Data' Members asked for a more detailed update including volumes of data involved.

Outcome: Paper noted and scrutinised.

Action: Board Services to liaise with L Neary to confirm Risk Workshop meeting for Board.

Action: L Neary to review size and content of report/appendixes for future reporting.

Action: L Neary to liaise with Digital and Security to provide additional information in relation to risks associated with NSS data.

16. NSS/PUBLIC HEALTH SCOTLAND SERVICE LEVEL AGREEMENT (DRAFT) [Paper FPP/23/12 refers]

16.1 Members were asked to scrutinise the NSS/Public Health Scotland Service Level Agreement in full and welcomed the approach being put forward. Further clarity was sought on two roles in recruitment and were reassured that this would enhance the ongoing relationship between the Boards and support existing workloads etc.

16.2 Members discussed the benefits of joining up at a Non-Executive level and L Neary agreed to look at how this could be actioned.

16.3 As per the recommendations within the paper Members were content with the level of assurance provided and approved Section 5.0 as requested.

Outcome: Scrutinised and approved.

Action: L Neary to review how to engage both sets of Non-Executives to establish ongoing relationships.

17. INTELLECTUAL PROPERTY BRIEFING [Presentation]

17.1 Members welcomed Helen Newlands to the meeting who provided an overview presentation on Intellectual Property within NSS. After a short discussion A McLean agreed to work with H Newlands to ensure all relevant assets were fully included in the NSS balance sheets and possible centralised NSS IP asset register.

Outcome: Noted.

Action: A McLean to liaise with H Newlands to review asset register and accounting processes.

18. FORWARD PROGRAMME [paper FPP/23/13 refers]

18.1 Members noted the content of the Forward Programme, noting that there was a sustainability Item to be added and the details would be provided to Board Services.

19. ANY OTHER BUSINESS

19.1 Members had no further business to raise.

There being no further business, the meeting closed at 1140 hrs.

NSS BOARD**B/23/08**

9.3.23

	Paper (with Number allocated - receipt confirmed if in Bold)	Exec Lead	Author	Approved by Outcome (Approved, Actioned for Info)
Standing Items	Agenda [B/23/01]	Keith Redpath	Board Services	
	Minutes [B/23/02]	Keith Redpath	Board Services	
	Action List [B/23/03]	Keith Redpath	Board Services	
	Chair's Update	Keith Redpath	Keith Redpath	
	Chief Executive's Report	Mary Morgan	Mary Morgan	
Strategic and Key Items	NSS Budget Plans 2023-24 [B/23/09] [Presentation]	Carolyn Low		
Additional Requests	NSS Corporate Governance Framework [B/23/04]	Lee Neary	Hayley Barnett	
Items Deferred				
Performance (items for Scrutiny)	Integrated Performance Report [B/23/05]	Lee Neary	Matthew Neilson/Caroline McDermott	
	Finance Report see [B/23/05]			
	Service Excellence Report see [B/23/05]			
	People Report see [B/23/05]			
	Climate Sustainability Report see [B/23/05]			
	ADP Q5 Report [B/23/10]	Lee Neary	Matthew Neilson/Caroline McDermott	
	Risks and Issues Report [B/23/06]	Lee Neary	Matthew Neilson/Caroline McDermott	
Additional Requests				
Items Deferred				
Committee Papers For Info	Governance Committee Minutes (Draft and Approved) [B/23/07]		Board Services	
	Forward Programme [B/23/08]		Board Services	
	Update on Public Inquiries [B/23/09]	Lee Neary	Marie Brown	New Standing Item

30.6.23**Paper (with Number allocated - receipt confirmed if in Bold) Exec Lead Author Approved by Outcome (Approved, Actioned for Info)**

Agenda B/23/ Minutes B/23/ Action List B/23/ Chair's Update Chief Executive's Report	Keith Redpath Keith Redpath Keith Redpath Keith Redpath Mary Morgan	Board Services Board Services Board Services Keith Redpath Mary Morgan	
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NSS Quality Strategy/Framework B/23/ NSSSG Framework	Lee Neary Lee Neary	? Caroline McDermott	
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Integrated Performance Report [B/23/ Appendix 1 Finance Report Appendix 2 Performance Report Appendix 3 People Report	Lee Neary	Matthew Neilson/Caroline McDermott	
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Governance Committee Minutes (Draft and Approved) B/23/ Forward Programme [B/23/ Update on Public Inquiries [B/23/]		Board Services Board Services Marie Brown	
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15.12.23

Paper (with Number allocated - receipt confirmed if in Bold) Exec Lead Author Due Date Receive Approve Outcome (Approved, Actioned for Info)

Agenda B/23/	Keith Redpath	Board Services			
Minutes B/23/	Keith Redpath	Board Services			
Action List B/23/	Keith Redpath	Board Services			
Chair's Update	Keith Redpath	Keith Redpath			
Chief Executive's Report	Mary Morgan	Mary Morgan			

Integrated Performance Report [B/23/]	Lee Neary	Matthew Neilson/Caroline McDermott			
Finance Report see [B/23/]					
Performance Report see [B/23/]					
People Report see [B/23/]					

Governance Committee Minutes (Draft and Approved) B/23/		Board Services			
Forward Programme [B/23/]		Board Services			
Update on Public Inquiries [B/23/]	Lee Neary	Marie Brown			

NHS National Services Scotland

Meeting:	NHS NSS Board Meeting
Meeting date:	Thursday 9th March 2023
Title:	Public Inquiries Update
Paper Number:	B/23/09
Responsible Executive/Non-Executive:	Lee Neary, Director of SPST
Report Author:	Marie Brown, Head of Public Inquiries and Scrutiny

1. Purpose

- 1.1 The purpose of the paper is to make the NSS Board aware of the current situation regarding NSS' response to ongoing public inquiries.

2. Recommendation

- 2.1 It is recommended that the Board note the content of the report.

3. Executive Summary

3.1. COVID-19 Public Inquiries

- 3.1.1. On 25th January 2023 a letter from NSS Chief Executive, Mary Morgan, was issued to the chairs of the UK COVID-19 Public Inquiry, Scottish COVID-19 Public Inquiry, Scottish Hospitals Inquiry, and the Major Crime Investigation Team Police Scotland, outlining the pressures NSS face in responding to 3 public inquiries and 2 police investigations. This letter is included as Appendix 1.
- 3.1.2. Solicitors from the UK and Scottish COVID-19 Inquiries acknowledged the letter and advised that an agreement has been reached to give priority to a planning workshop for the Inquires to agree how they will seek to implement the requirement to minimise duplication.
- 3.1.3. The UK and Scottish Inquiries have since signed a memorandum of understanding on 23rd February, detailing ways in which they are going to work together to minimise duplication, while still both undertaking the investigations required to fulfil their own terms of reference. The MOU has been published on both [websites](#); this is a welcome development.
- 3.1.4. On 28th February 2023, Lord Brailsford, Chair of the Scottish COVID-19 Public Inquiry responded to the aforementioned letter. The letter from Lord Brailsford is included as Appendix 2.

3.2. Scottish COVID-19 Public Inquiry

3.2.1. NSS has responded, in advance of the deadline, to the section 21 notice from the Scottish COVID-19 Inquiry. We do not anticipate any evidential hearings before 2024, although there may well be preliminary hearings, and an advancement of the listening project.

3.3. UK COVID-19 Public Inquiry

3.3.1. UK Module 1 (pre-pandemic planning). First Evidential Hearings of the UK Inquiry are now due to commence on 13th June 2023. The evidential hearings were due to start in early May but have been put back as a result of the time being taken to process the vast numbers of documents received. We submitted the corporate statement on behalf of NSS in draft form and await feedback from the UK Inquiry.

3.3.2. UK Module 2 and 2A (UK government and Scottish Government decision making). Further preliminary hearings for these modules are being held in the coming months. The module 2A hearings were to be held in Autumn 2023 in Scotland, however, with the delay in the Module 1 hearings it is not certain if this date will be impacted. The UK inquiry has stated in the past that UK Inquiry hearings concerning Scottish matters will not be held at the same time as Scottish Inquiry hearings. We are working on a response to the rule 9 request. This is now due by the middle of March.

3.4. Scottish Hospitals Public Inquiry

3.4.1. The procedural hearing in relation to the Royal Hospital for Children and Young People will be held on 6th March 2023 to outline the schedule for the formal hearings in April/May 2023. The 23 statements issued to the Inquiry will be released for review to core participants between 3rd March 2023 to 20th April 2023.

3.4.2. The procedural hearing in relation to the Queen Elizabeth University Hospital and Royal Hospital for Children will be held on 20th March 2023 and will outline the schedule for the formal hearings due to take place between 12th – 30th June 2023. As a core participant we will have the opportunity to review preliminary papers relating to these hearings in March 2023.

3.5. Infected Blood Inquiry

3.5.1. The final submission from SNBTS for the Infected Blood Inquiry was 31st January 2023.

3.5.2. The final report with recommendations from the Inquiry is due to be published in summer / autumn 2023.

4. Impact Analysis

4.1 Quality/ Patient Care There is no impact on Quality/ Patient Care.

4.2 Equality and Diversity, including health inequalities There is no impact on Equality and Diversity, including health inequalities.

4.3 Data protection and information governance There is no impact on Data protection and information governance

5. Risk Assessment/Management

5.1 Risk assessment and management is managed through the NSS IRMA approach.

6. Financial Implications

6.1 Financial implications of responding to the COVID-19 Inquiries remains a corporate pressure.

7. Workforce Implications

7.1 Workforce implications continue to be managed through Directorates with any risks or issues escalated to the NSS EMT.

8. Climate Change and Environmental Sustainability Implications

8.1 There are no climate change and environmental sustainability implications.

9. Route to Meeting

9.1 EMT updated monthly on NSS' response to public inquiries. This report contains the most up to date information for the NSS Board.

10. List of Appendices and/or Background Papers

10.1. Appendix 1 NSS Chief Executive letter to the UK COVID-19 Public Inquiry; Scottish COVID-19 Public Inquiry; Scottish Hospitals Inquiry; Major Crime Investigation Team Police Scotland.

10.2. Appendix 2 Response letter from Lord Brailsford Scottish COVID-19 Public Inquiry.

NHS NSS COVID-19 Inquiries
Response Team

Gyle Square
1 South Gyle Crescent
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EH12 9EB
Telephone 0131 275 6000
Text Relay 18001 275 6000
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To: Baroness Hallett
Chair UK Covid-19 Inquiry

Date 25th January 2023
Your Ref
Our Ref MM/SFMB

To: Lord Brailsford
Chair Scottish Covid-19 Inquiry

Enquiries to NSS.Covid19Inquiry@nhs.scot

To: Lord Brodie
Chair Scottish Hospitals Inquiry

To: DCI Scott McCallum
Major Crime Investigation Team, Police
Scotland

As the Chief Executive of NHS National Services Scotland (NSS), I would like to draw your attention to current demand issues within my organisation which have an impact on delivery of services to the NHS.

NSS is a Non Governmental Departmental Body (NGDP) that provides various services and advice to NHS Scotland and to the wider public sector. NSS has a wide range of services under its umbrella including Antimicrobial Resistance and Healthcare Associated Infection (ARHAI); legal services of the Central Legal Office; National Screening Oversight; National Procurement and Logistics; Scottish National Blood Transfusion Service; National Programs; Counter Fraud; and Health Facilities (including decontamination, incident reporting sustainability and engineering). The full list of services encompassed within National Services Scotland is available on the [NSS website](#).

As well as providing these national services on a 'business as usual' basis, NSS is currently engaged with the following major Inquiries/investigations:

1. The UK Infected Blood Inquiry chaired by Sir Brian Langstaff (now reaching its final stages).
2. The Scottish Hospitals Inquiry chaired by Lord Brodie. This Inquiry is investigating matters arising out of the planning and building of 2 major hospital developments in Scotland. NSS is involved as a document provider and a Core Participant in both parts of the Inquiry, (into the Queen Elizabeth University Hospital in Glasgow and into the Royal Hospital for Children and Young People and Department of Clinical Neurosciences in Edinburgh). There are Hearings due to proceed in April, May and June of this year in



Chair Keith Redpath
Chief Executive Mary Morgan

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

respect of these 2 hospitals. The parts of NSS in particular engaged are ARHAI and Health Facilities.

3. The Scottish Covid-19 Inquiry, now under the Chairmanship of Lord Brailsford. As Core Participant and document provider, many parts of NSS are involved including ARHAI and Health Facilities. NSS are currently dealing with document requests covering more than one strand of NSS's operations.
4. UK Covid-19 Inquiry chaired by Baroness Hallett. NSS is involved so far in 4 Modules of the UK Covid 19 Inquiry: Module 1 (pre-pandemic planning) as a Core Participant and information provider; Module 2 (UK Government decision making) as an information provider; Module 2A (Scottish Government decision making) as a Core Participant and information provider; and Module 3 (Health and Social Care) as a Core Participant and information provider. It is anticipated that NSS employees will provide witness evidence to each of these modules. The modules each have a dedicated team within the UK Inquiry working on information requests going out to providers such as NSS. Counsel to the inquiry has indicated that all matters within the scope of the Scottish Inquiry are also within the scope of the UK inquiry
5. Operation Quadric, a Police Scotland investigation into deaths at the Queen Elizabeth University Hospital in Glasgow. Assisting police with our national infection and control and engineering knowledge has taken a considerable proportion of those resources available to NSS.
6. Operation Koper. This is the Police Scotland investigation into care home deaths during the Covid-19 pandemic. The document recovery process is currently under discussion with Police Scotland. We anticipate there will be a considerable amount of work required by NSS to assist with this investigation.

These investigations and Inquiries are all ongoing at a time where NSS resources are considerably stretched by a period of severe winter and system pressures, particularly within our Antimicrobial and Healthcare Associated Infection (ARHAI) team which is at a nexus of Inquiry, investigations and winter service demands.

The resources available to NSS are finite. Even if additional financial resources become available to NSS to employ more specialists, it is often the case that there are no more subject specialists available to take on additional roles. In certain areas of our business, the demands of the various Inquiries are becoming overwhelming for staff that work in those areas. It is already the case that NSS is challenged in being able to provide all areas of support to wider NHS Scotland that we are remitted to, because so much of our resources are taken up by responding to the various Inquiries and investigations. Service delivery is a priority for us and I am concerned about the welfare of colleagues, who have worked tirelessly over the years of the pandemic response and who wish to spend more of their time working in the services in which they are specialists. My teams recognise the importance and value of the Inquiries and investigations, however they are placed under additional pressure in responding to these, the quantum of which means that workload balance and service delivery is disrupted.

I would be pleased if you could ensure that your teams be mindful of the pressures being put on NSS staff in responding to queries and formal requests for information. I, and my organisation, are committed to assisting all these Inquiries, and recognise the significance of

them. However, it may be that, because of the number and extent of requests, NSS will have to deal with requests sequentially, which may not fit into the desired timetable from the Inquiry staff. It would be really helpful if you could:

- Consider whether parts of a request relate to information or documentation already held by your Inquiry or relate to publicly available information before making the request of NSS. If the request can set out your understanding of the information that you hold and ask for confirmation, that is clearly going to be less burdensome for our colleagues to deal with.
- Please make any requests as specific as possible.
- Please provide requests in draft form and discuss the realistic timescale for a response before the request is formalised.

Perhaps more importantly, I am aware that the two Covid Inquiries are required by their Terms of Reference to minimise duplication. The issue of duplication is of utmost importance to NSS for the reasons I have referred to. I understand that the Inquiries have yet to set out publicly how they are going to minimise duplication. While I appreciate that there are likely to be discussions ongoing to avoid the risk of causing harm to already stretched services, it would be very much appreciated if the two Covid Inquiries could urgently consider the ways in which they can avoid NSS having to duplicate its work in assisting the Inquiries, and clarify how that is to be done. It would be considerably helpful if all of the Inquiries' and investigation teams could work together in respect of their timelines and information requests and adopt a common approach to requests to avoid the need for bespoke responses. Please let me know if NSS can be of any assistance in that process.

Yours sincerely



MARY MORGAN
Chief Executive



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Web: www.covid19inquiry.scot

28 February 2023

Dear Ms Morgan,

Thank you for your letter of 25th January, and apologies for the delay in responding.

First, thank you for setting out the range of services falling within the ambit of NSS – my team has since provided me with a full list of the relevant services and bodies of which NSS has oversight, and this provides very helpful context for what follows in your letter.

I have considered all that you wrote, and want to start by acknowledging the volume and scope of the different Inquiries currently ongoing in which NSS has an interest and is participating actively. I am aware that there is an unprecedented number of public inquiries running simultaneously. Accordingly, I am conscious of the burden this places on organisations such as yours which are already dealing with a significant range of competing operational priorities while attempting to facilitate the investigative work of those inquiries. My team, from discussions with yours, have also been made aware in more detail about the practical challenges this creates for NSS, and they have communicated that to me in the context of the calls for evidence we are planning and will issue in due course.

You have set out very clearly the nature of NSS's involvement in ongoing inquiries and investigations, which inevitably will be seeking a high volume of very different types of information from your organisations. This, I am aware, will inevitably carry significant resourcing implications, adding work to already stretched teams. I note that while the exact scope of some of these tasks may be uncertain, it is clear they will generate substantial workloads over and above business as usual.

We note all that you say about difficulties in terms of resourcing but also, in particular, the impact that responding timeously to this range of additional pressures is likely to have on your ability to deliver your core functions. It is not our intention as an Inquiry to place such pressure on your teams as to have an adverse effect on these services.



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It would be our aim to work collaboratively and collegiately with NSS, and I am aware that my legal team have been in semi-regular contact with yours, culminating in a recent helpful conversation designed to discuss ways in which we can work together to achieve the Inquiry's objectives, but in a way that is realistic about the pressures you face and which seeks to minimise stress on your organisation however we can.

While it would be unrealistic and somewhat disingenuous to suggest there is an easy solution to these issues, I can provide assurances that my team are extremely keen to work constructively with yours to come to a way forward that is based on an open dialogue and pragmatism. Possible steps that our team is seeking to take to that end include:

- more regular or routine meetings between the two organisations, including between the Inquiry and individual teams supporting different parts of NSS if that would be helpful;
- providing plenty of advance notice where requests are upcoming;
- seeking to enter into early discussions to explain forthcoming lines of inquiry;
- providing requests in draft to enable discussion designed to hone the wording to ensure we are asking for information in the most effective way and to agree realistic timescales for responding;
- making provision for information to be provided gradually in instalments rather than in one large set; and
- working as closely as possible with the UK Inquiry.

In the context of the latter point, we are working to identify areas which can be streamlined so as to minimise the impact on organisations, such as the NSS, when requests are made for information. Representatives of both Inquiries are meeting regularly to take forward the practical aspects sitting behind the Memorandum of Understanding between the UK and Scottish Inquiries. We also wish to ensure that requests we make take account of work already done by the UK Inquiry, to minimise any needless duplication of work.

I hope this provides an element of comfort that the Inquiry is taking steps to put in place processes to ensure the appropriate balance is struck



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between fulfilling our objectives and not placing disproportionate or needless strain on vital services.

With best wishes,

A handwritten signature in black ink, appearing to be "S. Brailsford", with three dots below it.

The Hon. Lord Brailsford
Chair to the Scottish COVID-19 Inquiry

NHS National Services Scotland

Meeting:	NSS Board
Meeting date:	9 March 2023
Title:	NSS Annual Delivery Plan 2022/23 Roll Forward
Paper Number:	B/23/10
Responsible Executive/Non-Executive:	Lee Neary
Report Author:	Caroline McDermott, Head of Planning (Reviewed by Matthew Neilson, Associate Director, SPC)

1. Purpose

- 1.1 Following the initial development and submission of the Annual Delivery Plan (ADP) for 2022/23 (FY23), Scottish Government provided guidance on 14 November 2022 that the current ADP would run until 30 June 2023, thereby rolling on from the initial timetable to March 2023. The paper proposes items which will be extended into what will be termed 'Quarter 5' (Q5).

2. Recommendation

- 2.1 The Board are asked to approve the Q5 extension.

3. Executive Summary

- 3.1 Scottish Government issued its Planning Approach for 2023/24 to NHS Scotland health boards on 14 November 2022. In the letter they advised boards that:

"In recognition of the current system pressures and uncertainty on finances for 2023-23, we are asking Boards to roll forward their current 2022-23 plans into Q1 of 2023-24, updating as required as part of normal quarterly reporting."

Q5 items will be identified in the quarterly return to Scottish Government, with the next performance report, showing our ADP position at the end of Q4, due by 28 April 2023.

3.2 It has been determined that the following items will be carried forward into Q5:

- Existing ADP milestones with timescales beyond March 2023 (3 milestones).
- Existing ADP milestones that are behind schedule or not likely to be achieved by Q4 (17 milestones at Q3 but expected to reduce by Q4).
- Continuous ADP milestones, for example 99.5% accuracy in practitioner payments (7 milestones).

3.3 The full list of Q5 milestones, as per our Q3 position, can be found in Appendix 1. The final Q5 milestones will be confirmed in the Q4 performance report to Scottish Government. This report will be reviewed by the NSS Executive Management Team at its meeting on 20 March 2023 before being submitted to Scottish Government. It will then be subject to review and scrutiny by the Finance, Procurement and Performance Committee on 31 May 2023 and be reported as part of the NSS Integrated Performance Report to the Board on 30 June 2023.

4. Impact Analysis

4.1 Quality/ Patient Care

4.1.2 Further detail on milestones is included in the Plan, which is anticipated to deliver a positive impact on patient care as it seeks to support the full stabilisation of health services; uses innovation to help address gaps or transform service delivery and provides expertise, guidance, and improved process to improve service excellence.

4.2 Equality and Diversity, including health inequalities

4.2.1 Equality impact assessments are separate to this paper and are conducted for projects and services associated with the measures covered by this paper.

4.3 Data protection and information governance

4.3.1 All projects and programmes of work covered by this paper will be reviewed for any data protection or information governance risks.

5. Risk Assessment/Management

5.1 Risks identified as part of the planning process will be managed in line with our Integrated Risk Management Approach (IRMA).

6. Financial Implications

- 6.1 All milestones developed within the plan have funding plans attached.

7. Workforce Implications

- 7.1 Workforce planning identifies any specific workforce implications in terms of skills gaps. Actions that reflect staff wellbeing and recruitment and retention of our workforce are dealt with through our NSS Workforce Plan and Great Place to Work Action Plan.

8. Climate Change and Environmental Sustainability Implications

- 8.1 Specific milestones are included within the Plan.

9. Route to Meeting

- 9.1 The plan has been reviewed with all Directorates and the Executive Management Team at its meeting on 20 February 2023.

10. List of Appendices and/or Background Papers

- 10.1 Appendix 1: ADP Q5 Milestones

Appendix 1: ADP Q5 Milestones

The milestones which will continue to be monitored are as follows:

Deliverable	Milestone	Comment
Improve the security of supply of immunoglobulin to NHS Scotland patients.	Milestone 1 Appointment of an immunoglobulin manufacturer in January 2023. UK Government contract.	Behind schedule
	Milestone 2 Prepare a business case for Plasma for Medicine by 3 months after completion of Milestone 1.	Outwith FY23 plan timescale
Ensure sufficiency of blood component stock to enable NHS Scotland recovery programme.	Milestone 1 Maintain 3+ days red cells for all blood groups across NHS Scotland.	Continuous
Deliver improvements in support of the Primary Care Portfolio Plan, covering practitioner payments, enhanced eye care services, medical records, and patient registration.	Milestone 1 Implement the findings of the Payments Processing Controls Review Report to improve financial systems and processes.	Continuous
	Milestone 2 Deliver the new model of care for New Eyecare Services.	Behind schedule
	Milestone 3 99.5% accuracy in practitioner payments.	Continuous
	Milestone 4 Intercept and back scan 60,000 medical records.	Continuous
Deliver savings (recoveries and future loss avoidance) of at least £4million through counter fraud measures.	Milestone 1 Recoveries and cost avoidance of £4million by end 2022/23.	Continuous

<p>Clinical Negligence Claims - Support the Scottish Government in improving the overall management of clinical negligence claims, including the increased use of periodic payments for high value negligence claims, and ensuring that the information recorded by litigation solicitors in the Central Legal Office (CLO) database is accurate and timely, facilitating an accurate assessment of Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) contributions for NHS Scotland Boards and assisting financial planning.</p>	<p>Milestone 1 Update clinical negligence settlement dates and value of claims 100%.</p>	<p>Continuous</p>
<p>Ensure the recovery and effective remobilisation of all Specialist and Screening Services in support of NHS Scotland.</p>	<p>Milestone 1 All commissioned screening programmes are within 80% of the turnaround cycle by August 2023. (80% invited within the screening interval standard will be achieved by August 2023 - which is three years since the Breast Screening Programme restarted after the COVID-19 pause. Based on the 3-year screening interval for breast screening). 70% achieved by end March 2023.</p>	<p>Not likely to be achieved</p>
	<p>Milestone 2 All commissioned services at 80% of pre covid service agreements by March 2023.</p>	<p>Behind schedule</p>
<p>Delivery of Long COVID strategic network for patients across NHS Scotland.</p>	<p>Milestone 1 Scottish Government have allocated £3million for 2022/23 to support sustainable Long COVID services across NHS Scotland via a strategic network delivery model.</p> <p>Establish an infrastructure for evaluation of use of resources and ongoing distribution of future allocation of £3million for 2023/24 and 2024/25 with a further £1million in 2025/26.</p>	<p>Behind schedule</p>

<p>Implementation of 12 new cancer pathways for genomic testing for March 2023.</p>	<p>Milestone 1 Planning, mapping, and costing of the cancer pathways has commenced.</p> <p>Eight pathways will be completed and implemented by December 2022 and the remaining four pathways implemented by end of March 2023.</p>	<p>Behind schedule</p>
<p>Deliver agreed work plans for each of the 6 Antimicrobial Resistance & Healthcare Associated Infection (ARHAI) Scotland priority programmes.</p>	<p>Milestone 1 95% of programme deliverables achieved on time and as agreed by the Chief Nursing Officer Directorate (CNOD), for each of the six ARHAI priority programmes.</p> <ul style="list-style-type: none"> • Clinical Assurance (CA). • Community Infection Prevention and Control (CIPC). • Data and Intelligence (D&I). • Infection Control in the Built Environment and Decontamination (ICBED). • National Policies, Guidance and Evidence (NPGE). • Scottish One Health Antimicrobial Use and Antimicrobial Resistance (SONAAR). 	<p>Continuous</p>
<p>National Health & Care Innovations.</p> <p>Establish and provide agreed innovation services and resources to improve the pace of delivery and adoption of health and care innovations across Scotland.</p>	<p>Milestone 1 Deliver minimum viable product for Scotland Innovates to provide oversight and guidance on pan public sector, supplier led innovations across Scotland by July 2022.</p>	<p>Behind schedule</p>
<p>Design and implement a new Scottish Cancer Network (SCN).</p>	<p>Milestone 1 Future business as usual model identified by September 2022.</p>	<p>Behind schedule</p>
	<p>Milestone 2 Successful transition to BAU completed by end March 2023.</p>	<p>Behind schedule</p>

<p>Digital Prescribing and Dispensing Pathways (DPDP) – delivery of agreed year 2 workplan.</p> <p>NSS continue our partnership with NES Technology to replace the paper prescription with a digital solution in all community settings, with initial focus on the end-to-end pathway across in-hours static General Practice (GP) prescribing and community pharmacy dispensing.</p>	<p>Milestone 1 Development of the end-to-end DPDP Solution Architecture Indicative Design.</p> <ul style="list-style-type: none"> • Level 1 Design – September 2022. • Level 2 Design – December 2022. • Level 3 Design – March 2023. 	<p>Behind schedule</p>
<p>Scottish Radiology Transformation Programme (SRTP).</p> <p>Provide programme management and service transformation services to Radiology to support the effective delivery of national health and care programmes.</p>	<p>Milestone 4 Reporting Radiographers part of Scottish National Radiology Reporting Service (SNRRS) bank – November 2022.</p>	<p>Behind schedule</p>
	<p>Milestone 6 Determine the future of SRTP work and how this will align with the Diagnostic Strategic Network arrangements – March 2023.</p>	<p>Behind schedule</p>
<p>Central IntraVenous Additive Service Plus (CIVAS+)</p> <p>Provide programme management and service transformation services to support the effective delivery of national health and care programmes. Deliver an Outline Business Case for approval before moving to Full Business Case for the CIVAS+ programme.</p>	<p>Milestone 3 May 2023 – Property Design Team produce Initial Final Design.</p>	<p>Outwith plan timescale</p>
	<p>Milestone 4 September 2023 – delivery of complete Outline Business Case.</p>	<p>Outwith plan timescale</p>
<p>Progress financial sustainability.</p>	<p>Milestone 1 Implement NSS Financial Sustainability Action Plan which underpins our objective to have an organisational financial stewardship culture that will drive effective use of assets, infrastructure, and value for money.</p>	<p>Behind schedule</p>

<p>Community Health Index (CHI) & Child Health.</p> <p>Deliver all national digital programmes in support of the Digital Strategy for Health and Social Care.</p>	<p>Milestone 1 CHI & Child Health delivery to plan.</p>	<p>Behind schedule</p>
<p>General Practice Information Technology (GPIT) & Peer Approved Clinical System (PACS).</p> <p>Deliver all national digital programmes in support of the Digital Strategy for Health and Social Care.</p>	<p>Milestone 1 GPIT & PACS delivery to plan.</p>	<p>Behind schedule</p>
<p>Business Systems & eRostrering.</p> <p>Deliver all national digital programmes in support of the Digital Strategy for Health and Social Care.</p>	<p>Milestone 2 eRostrering rollout of Year 1 implementation plan with supplier and successful integration of systems for National Boards.</p>	<p>Behind schedule</p>
<p>Seer v2 migration</p> <p>Deliver all national digital programmes in support of the Digital Strategy for Health and Social Care.</p>	<p>Milestone 1 seer v2 migration by March 2023.</p>	<p>Not likely to be achieved</p>