Chief Executive’s Update

1 Context

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

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

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

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

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

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

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

NHSS Approach

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

Public Health

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

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

National Board Collaboration

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

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

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

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

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

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

Current key operational issues are as follows:

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

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

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

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

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

5 Next Steps

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

COLIN SINCLAIR
June 2018
Public Health Priorities

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

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

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

The official priorities publication is available here