Minutes (APPROVED)

NHS NATIONAL SERVICES SCOTLAND BOARD

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

Present: Elizabeth Ireland, NSS Chair
Julie Burgess, Non-Executive Director
Ian Cant, Employee Director
Jane Davidson, Non-Executive Director
Kate Dunlop, Non-Executive Director
Carolyn Low, Director of Finance and Business Services
Mark McDavid, Non-Executive Director
Alison Rooney, Non-Executive Director
Colin Sinclair, Chief Executive

In Attendance: Martin Bell, Interim Director, Strategy and Governance
Caroline Lang, Board Secretary
Lorna Ramsay, Joint Interim Medical Director
Aileen Stewart, Interim Associate Director, Human Resources

Apologies: John Deffenbaugh, Non-Executive Director

Observer: Stuart Aitken, Directorate of Health Finance, Scottish Government
Rachel Browne, Audit Scotland

1. INTRODUCTION

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

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

2. CHAIR’S REPORT

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

ACTION

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

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

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

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

- Decision making and good governance.
- Culture and training of staff / experience to understand principles of public sector financial practices.
- Time available for appropriate scrutiny at Board and Committee meetings and level of detail minuted.
- Regular rotation of Committee Membership.
2.5 E Ireland thanked Members for their contribution to what had been a very full discussion and provided the following summary.

- Agreement of immediate actions as outlined.
- Lack of clarity still remained around some decisions taken and might benefit from further internal examination.
- Any further questions to be raised with E Ireland and/or C Sinclair.
- Assurance to all staff that any concerns or issues they raised would be looked at.
- Thanks to the executives for their response and ongoing interactions with Scottish Government to work through the issues raised.
- Some learning to be shared with Paul Gray, Scottish Government.
- eHealth Actions update to be reported on at June 2018 NSS Board meeting.

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

3. CHIEF EXECUTIVE’S UPDATE

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

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

4.1 The Minutes of the NSS Board meeting held on 2 February 2018 were accepted as a true record (paper B/18/39 refers).
5. MATTERS ARISING FROM THE NSS BOARD MEETING HELD ON 2 FEBRUARY 2018 AND PREVIOUS MEETINGS [papers B/18/39 and B/18/40 refer]

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

6. NATIONAL DELIVERY PLAN

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

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

7. NSS OPERATIONAL DELIVERY PLAN

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

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

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

8. STRATEGIC SCORECARD

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

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

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

(ii) Risk 4574 (Tolerance of Clinical Risk) – All actions had been completed and the risk had been rescored as Green. As Chair of the NSS Clinical Governance Committee, J Burgess confirmed she was content for this risk to be managed through that Committee going forward and for it to be removed from the Board's watch list.
(iii) A number of the risks felt more operational than strategic and financial governance should be added. MBe advised that support had been offered to Finance to prepare a Risk Jotter on this.

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

9. NSS BIANNUAL RISK MANAGEMENT UPDATE

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

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

10. FINANCE REPORT

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

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

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

**11. REVIEW OF SEVERE WEATHER INCIDENT**

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

**12. PEOPLE REPORT**

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

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

There had been a significant reduction in formal cases logged with HR Services in February 2018 compared to the previous month. The possible reasons for this had been detailed in the report. Although there had been no formal bullying and harassment cases in the last quarter, the Dignity at Work survey had indicated there had been some bullying and harassment. This had been discussed by the NSS Partnership Forum and the Executive
Management Team. A short life working group was to be established to look at this in more depth. The group would hopefully report back to the NSS Partnership Forum at its June 2018 meeting.

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

13. UPDATE ON DIGITAL TRANSFORMATION

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

14. UPDATE ON PUBLIC HEALTH BODY

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

15. NSS AUDIT AND RISK COMMITTEE UPDATE

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

16. HIGHLIGHTS FROM NSS BOARD COMMITTEES

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

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

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

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

19. NSS BOARD SUB-COMMITTEE MINUTES

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

(i) Approved Minutes of the NSS Audit and Risk Committee meeting held on 1 December 2017 (paper B/18/56 refers).
(ii) Approved Minutes of the NSS Performance and Finance Committee meeting held on 25 October 2017 (paper B/18/57 refers).
(iii) Approved Minutes of the NSS Clinical Governance Committee meeting held on 1 December 2017 (paper B/18/58 refers).
(iv) Approved Minutes of the NSS Staff Governance Committee meeting held on 30 November 2017 (paper B/18/59 refers).
(v) Report on the NSS Remuneration and Succession Planning Committee meeting held on 1 March 2018 (paper B/18/60 refers).

20. ANY OTHER BUSINESS

20.1 There was no other competent business.

21. DATE OF NEXT MEETING

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

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