

NHS Education for Scotland

Board Paper Summary: Finance and Performance Management Committee Minutes

N.B. The minutes have been approved by the lead officer of the committee but there has not yet been an opportunity to have them approved by the committee chair.

1. **Title of Paper**

Unconfirmed Minutes of the Finance and Performance Management Committee meeting held on 22 November 2012: copy attached.

2. **Author(s) of Paper**

Michelle Allen, Committee Officer

3. **Purpose of Paper**

To receive the unconfirmed minutes of the meeting of the Finance and Performance Management Committee meeting held on 22 November 2012.

4. **Items for Noting**

The Board is asked to note the following items of interest:

Item 6 & 7 – Revised Remit and E&D Responsibilities

The Committee formally accepted the revisions to the Committee Remit which had been agreed at the Board meeting on 28 June 2012.

Kristi Long had produced a paper, and was in attendance at the meeting, to provide the Committee with an overview of the new governance structure and summary of NES's statutory equality and diversity duties. Kristi's paper also identified the specific areas of responsibility which will fall under the Committee's remit.

The paper laid out proposed changes as to how details around EQIAs are reported in Committee cover papers. The Committee took assurance from the proposed changes which would enable members to make an informed decision on whether confidence could be taken in the consideration and mitigations taken during the EQIA process.

Following discussion and consideration of the new elements of the Committee's remit, members agreed that the reporting proposals laid out in Kristi's paper were sufficient.

Item 8 – Finance Report: Financial Position Update

A paper, produced by Caroline Lamb, which provided an update as to the anticipated financial performance at year end 31 March 2013, had been circulated for consideration.

It was noted that the anticipated forecast 2.5 million underspend was 1.5 million higher than planned and the Committee supported the proposed strategy and detailed proposals for managing the anticipated underspend.

Item 12 – Property Strategy

The Committee received a paper which provided an update on progress in relation to the Edinburgh relocation to Westport and the associated benefits realisation. Caroline Lamb also reported to the Committee that the Scottish Government Health and Social Care Department and Scottish Government Property Advice Division have advised NES that they would consider a Business Case to consolidate the Glasgow offices.

The Committee commended staff on the work carried out to enable the move to Westport, and welcomed the opportunity for NES to submit a Business Case to consolidate the Glasgow offices.

The Committee noted the progress report and the Benefit realisation plan relating to Westport, and endorsed the proposed actions to be taken from this point.

5. Recommendations

The Board is asked to consider and approve the following recommendation(s):
None.

Unconfirmed

IN CONFIDENCE

NHS Education for Scotland

FINANCE AND PERFORMANCE MANAGEMENT COMMITTEE

**Minutes of the Meeting held on Thursday 22 November 2012 at Westport
102, Edinburgh**

Present: Ms Susan Douglas-Scott, non-executive Board member
Ms Liz Ford, non-executive Board member
Ms Theresa Houston, non-executive Board member
Prof Fiona Mackenzie, non-executive Board member (Chair)

In attendance: Ms Michelle Allen, Committee Officer
Dr Lindsay Burley, Board Chair
Mr Donald Cameron, Head of Planning and Performance
Ms Linda Dewar, Head of Properties and Facilities Management
Ms Caroline Lamb, Director of Finance and Corporate Resources
Ms Kristi Long, Equality and Diversity Advisor
Mrs Audrey McColl, Deputy Director of Finance
Mr Malcolm Wright, Chief Executive

1. Chair's Welcome and Introduction

Prof Fiona Mackenzie, Chair of the Committee, welcomed everyone to the first meeting of the Finance and Performance Management Committee to be held in the new offices at Westport 102.

2. Apologies for absence

There were no apologies to note for the meeting.

3. Minutes of the previous meetings:

Minutes of the meeting held on 23 February 2012

NES(FPM)12/09

The minutes of the meeting held on 23 February 2012 were approved as an accurate record.

Minutes of the meeting held on 7 July 2012

NES(FPM)12/21

The minutes of the meeting held on 7 July 2012 were approved as an accurate record.

Action: MA

4. Action List from previous meeting on 7 July 2012 NES(FPM)12/22

All actions were either complete or covered on the main agenda.

5. Matters arising from the minutes

There were no matters arising from either set of Minutes that were not covered on the main Agenda.

6. F&PM Committee – Revised Remit NES(FPM)12/24

The revised remit of the Finance and Performance Management Committee, as agreed at the Board meeting on 28 June 2012, had been circulated for discussion and noting.

The Committee noted and accepted the revisions to the Finance and Performance Management Committee remit.

7. E&D Responsibilities NES(FPM)12/33

A paper, produced by Kristi Long (Equality and Diversity Advisor), which provided the committee with an overview of the new governance structure and summary of NES's statutory equality and diversity duties for context, had been circulated for consideration. The paper also identified the specific areas of responsibility which will fall under the Committee's remit.

In addition to the information contained within the paper, and in light of recent press coverage, Kristi advised the Committee that Government in Westminster are considering abolishing the requirement for Equality Impact Assessments (EQIA). However, in Scotland this power is devolved to Scottish Government there are no plans to abolish the requirement for EQIA's in Scotland.

Kristi reported that work has already been carried out to ensure that the EQIA process in NES is carried out as a robust exercise, and that it is important that this is not seen as a 'tick box' exercise. Any papers presented to the Committee which have been the subject of an EQIA must also have an attached cover paper which provides further detail of any key findings of the EQIA. This level of detail should provide transparency and offer the Committee assurance of due process and consideration around any potential issues.

Further to this, at the start of the organisational planning process the Equality and Diversity Advisor will be working closely with departments to draw out those targets which will require EQIA, to ensure this requirement is identified and considered from the very start of the process.

Kristi reported that, over time, the quality of EQIAs carried out within NES will improve. A large portion of EQIAs are currently carried out by individuals doing this for the first time. Over time these individuals will gain more experience, and by sharing information and best practice there will be an overall improvement in this reporting across the organisation. It was also noted that Scottish Government have recently launched an Equality Evidence Finder, this portal provides a shared resource for those who are required to complete EQIAs. Kristi reported that the portal was a valuable resource, but it still required some work to improve upon its usability.

The Committee were assured that the suggested changes laid out in Kristi's paper as to how EQIAs are reported would allow an easy review of any key questions raised, enabling the Committee to make an informed decision on whether confidence could be taken in the considerations taken,

After full consideration of the new elements of the Committee's remit members agreed that the reporting proposals laid out in the paper were sufficient.

8. Finance Report: Financial Position Update

NES(FPM)12/34

A paper, produced by Caroline Lamb (Director of Finance and Corporate Resources), which provided an update as to the anticipated financial performance for the year ended 31 March 2013, had been circulated for consideration.

The Finance report to 31 September had been viewed by members of the Committee when it was considered at the meeting of the Board on 25 October 2012. The updated figures to 31 October had now been finalised, however, the narrative was not yet available for presentation at today's meeting. These figures would be circulated virtually to members for information and consideration.

Action: CL, MA

Caroline Lamb reported that, based on the finance figures to 31 October, the anticipated forecast of a £2.5 million underspend remained. It had been highlighted at the meeting of the Board that this was £1.5 million higher than planned and that this was largely due to slippage on GP and Dental training Grade salaries being higher than expected.

It had been indicated at the Board meeting that measures to manage this increased slippage were being investigated. Caroline reported to the Committee that arrangements were being progressed to invite applications for additional non-recurrent ACT funding with a sum having been factored into the budget of £500k. It was also reported that discussions were taking place with Directors of Nursing about NES providing support to Nursing priorities such as district nursing, public health nursing/health visiting and further support around the early years agenda. This funding would be distributed to all NHS Boards and a contribution of around £500k was likely to be helpful. The NES Clinical Skills group have also been tasked with identifying opportunities for non-recurrent spend with NES's directly funded partners.

It is also anticipated that over the coming months as staff settle into the new offices there will be some additional costs as practical needs become more apparent.

With the above update in mind the Committee noted the information contained within the report and supported the proposed strategy, and detailed proposals for managing the anticipated underspend.

9. Performance Management Reports to 30 September 2012

NES(FPM)12/35

Donald Cameron (Head of Planning and Performance) introduced a paper providing an overview of NES's performance against the Local Delivery Plan

(LDP) and the Operating Plan (OP) for the second quarter of the reporting year in 2012/13 (for the period to 30 September 2012).

Members noted that overall NES was performing well against the LDP and OP targets.

The Committee noted that the LDP did not contain the provision to recognise and count around 190 projects which are currently being taken forward by Health Care Support Workers some of which had been showcased at a recent event. The achievements of these projects are wide-ranging and impressive. The Planning & Performance Team would review the extent to which we are able to include this level of granularity in performance reporting

Action: DC

With the above suggestion in mind, the committee noted the report and was content with the performance of NES against its LDP and OP for Quarter 2, 2012/13.

10. NES Budget Development 2013/14

NES(FPM)12/36

Caroline Lamb (Director of Finance and Corporate Resources), presented a paper which provided the Committee with an outline of the NES draft budget for 2013/14.

Caroline reported that the Operational Planning process is now underway and that figures were on track for presenting a balanced budget to the Committee in February.

The Committee noted the information contained within the report and a final version of the budget would be presented to the Committee in February for discussion prior to recommendation to the Board.

11. Procurement Reports for Quarter 2

NES(FPM)12/37

Audrey McColl, Deputy Director of Finance, presented to the Committee a report on NES Procurement Activity for the 2nd Quarter 2012/13 Financial Year, drawing attention to the following points in particular:

- A new Head of Commissioning and Procurement has now been appointed and Margaret McEwan will take up post at the beginning of December.
- Phase 3 of the Procurement Transformation Project has now been launched.
- The Procurement Capability Assessment took place on 15 November and NES retained its 'Improved Performance' position. Detailed analysis of the Assessment results will be presented to the next meeting of the Committee.

Action: AMc

- Compliance with National Framework Agreements has increased to 95.5%, with 8 of the 12 frameworks achieving 100% compliance.

The Committee noted the progress being made around procurement and the information contained within the report.

12. Property Strategy

NES(FPM)12/38

A paper, produced by Caroline Lamb (Director of Finance and Corporate Resources) and Linda Dewar (Head of Properties and Facilities Management), which provided the Committee with an update on progress in relation to the Edinburgh relocation to West Port and the associated benefits realisation, had been circulated for consideration.

Linda Dewar drew particular attention to several key issues covered in the paper, including:

- Lease for West Port – final lease documentation is now being prepared by Central Legal Office for signature and registration.
- Construction and Fit-out Works – These were completed on programme. It is anticipated that the final account for the construction works will be agreed by the end of December. A post project review is also being planned.
- Relocation of Existing Offices – The Rose Street building is currently being cleared. A schedule of dilapidations has been served by the landlord and negotiations are in progress to reduce this amount.

The Committee commended the work carried out by the IM&T and Facilities Management Teams during the course of the relocation project. The Committee also commended the quality of the premises and facilities that the teams have created at Westport.

The paper also included an update regarding NES's Glasgow properties. Caroline reported that Scottish Government Health and Social Care Department and Scottish Government Property Advice Division have advised NES that they would consider a Business Case to consolidate the Glasgow offices. A Business Case is being prepared to be presented to the Board in December 2012.

The Committee noted the progress and the Benefit Realisation Plan, and endorsed the proposed actions to be taken from this point.

13. F&PM Committee Annual Report to the Audit Committee

NES(FPM)12/20

The annual report from the Finance and Performance Management Committee to the Audit Committee 2011/12 was provided for formal ratification.

The report had been considered by the Audit Committee at its meeting on 14 June 2012. Caroline Lamb, Director of Finance and Corporate Resources was present at that meeting and confirmed that the previous meeting of the Finance and Performance Management Committee had been inquorate, as such it had not been possible to formally approve the Annual Report prior to submission to the Audit Committee. However, the report had been circulated to all member of the Finance & Performance Management Committee in draft form and no comments had been received. The Audit Committee had noted the progress being made by the Finance and Performance Management Committee.

The annual report of the Finance and Performance Management Committee was ratified.

14. Internal Audit Reports

Property Strategy
Management of Organisational Change
Quality Strategy

The Committee noted that the reports had been considered in detail by the Audit Committee at its meeting on 11 October 2012, and noted the information contained in the reports.

15. Any other business

There were no other items of Business to be considered.

16. Date and time of the next meeting:

Thursday 21 February
10.30am – 12.30pm
Westport 102, Edinburgh

NES
November 2012
MA/CL