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| Board Meeting: | 14 February 2019 | GJF RGB WITHOUT STRAPLINE |
| Subject: | EU Withdrawal  |
| Recommendation:  | Board members are asked to:

|  |  |
| --- | --- |
| Discuss and Note |  |
| Discuss and Approve | X |
| Note for Information only |  |

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## 1 Background

This paper provides an update on the work to prepare for EU Withdrawal and review of the risk to the Golden Jubilee Foundation.

**2 Proposals**

Board Members are asked to discuss and:

* **note** the update in relation to preparations for EU Withdrawal and
* **approve** the recommendation to increase the risk rating.

**Anne Marie Cavanagh**

**Nurse Director**

**February 2019**

**(Laura Langan Riach, Chief Risk Officer)**

**1. Situation**

This paper provides a brief update on Brexit preparedness.

**2. Background**

Following discussion at the August SMT on the EU Withdrawal Checklist the Nurse Director is acting as Executive Lead supported by the Head of Corporate Affairs and Communications and the Head of Clinical Governance operationally. A risk has been added to the Board risk register relating to the potential impact of Brexit on our ability to deliver the corporate objectives. Assessments undertaken have highlighted the key areas of focus as:

* Procurement (including medical equipment)
* Supply of medicines
* Workforce
* Finance
* R&D
* Regulatory (e.g. MHRA, Information Governance, legislation)

A meeting was held in January with key leads from above areas invited to review the current preparedness.

**3. Assessment**

Assurances were given that leads for the above areas are linked into relevant national discussions in relation to preparations. Much of the planning is being led on a UK basis and the biggest concern is still the unknown given the current position however preparations are being made in the event of a no deal.

**People**

**How are we communicating with staff about the potential impact of EU Withdrawal?**

A Short Life Working Group has been commissioned via Human resource to provide information and support to staff affected by Brexit. A specific page has been set up on StaffNet to share information with staff.

**Which parts of the workforce are most at risk from EU Withdrawal?**

To date there are challenges in identifying the actual number of staff potentially impacted – only 30 staff have formally identified themselves as EU27 however we know this figure is higher. Areas of potential risk have been flagged within housekeeping services and medical staffing. Work is ongoing to better quantify this and consider the longer term workforce impact.

**How are we reflecting the implications in our long-term workforce planning?**

Whilst there is work specifically underway it is important the longer term impacts are considered in wider workforce planning; with the expansion being one area of potential risk. In terms of the response to the challenges; there is work at a regional and national level to support the management of some of these issues e.g. regional appointments in addition to local workforce plans and actions. Detailed work force plans are in development at present.

**Financial**

**How are we reflecting the implications of EU withdrawal in our long-term financial planning?**

Finance is working to identify both in current and next financial year the cost implications of price increases incurred as a direct result of EU withdrawal. This will include cost implications from procurement perspective of which the details is not known at present. In addition to this, from a short-term financial planning perspective we are identifying pharmacy and supplies inflation increases associated with this and linking into discussion with the Corporate Finance network to ensure a consistent level of approach in what we are assuming.

**Medicine and Medical Supplies**

**What arrangements have been made to secure delivery of medicines and medical supplies?**

Over two thirds of our medicines and supplies are from outwith the UK, with the majority of these within the EU. The UK and Scottish Government have been leading work nationally to prepare contingencies for the event of a no deal. In response to this suppliers have been asked to increase stock levels within the UK to ensure a minimum of 6 weeks supply within the UK; with warehouse space provided to support this. To mitigate delays on goods coming into the country contingency arrangements are being made for dedicated supply routes (sea and air freight); e.g. short life medicines will be delivered via air. Our Head of Procurement has confirmed that over 90% of our contracts are via national procurement and covered by these contingency arrangements with no areas to escalate as a concern. The hotel has locally sourced contracts for key supplies and no issues to highlight from them at present.

Legislation has been laid and is expected to come into force in early February 2019 to enable community pharmacies to dispense an alternative medicine in accordance with a Significant Shortage Protocol (SSP), rather than the prescription, and without having to contact a GP in a significant shortage scenario. The Scottish Government medicines policy team is leading discussions with the Department of Health, supported by a sub-group of the DoPs and NSS. The Chief Pharmaceutical Officer provided a written update, which is appended with more details.

Locally there has been review of processes for dealing with medicines shortages and work is ongoing to ensure our stock management is as tight as possible. All boards have been advised not to increase medicine stock holdings as this could cause shortages in other areas. In terms of medical devices; supplies of parts are required to support maintenance of equipment however given the sheer range and number of parts involved it is not possible to boost local supply so there may be delays to maintenance/ repair of items whilst parts are awaited however contingencies are in place around key pieces of equipment.

**What arrangements are in place to support supply and delivery of other goods/ supplies?**

Similar to above, UK and Scottish Government have been supporting work with suppliers contacted and ask to increase UK supplies.

Procurement have been working to review suppliers; over 70% of our supplies are outwith UK and potentially affected. Contact is being made with all suppliers to confirm their contingency arrangements and where required to consider alternative more local suppliers that can support requirements. (more info awaited from BL)

**Monitoring of Preparedness & Escalation of any Risks**

It is proposed that the SLWG meets with wider Executive Team input in mid February and the first week in March to assess the position and contingency arrangements. As soon as the arrangements for withdrawal are confirmed (including no deal) there will be firmer plans agreed in relation to further meetings and actions required. If there are any immediate risks identified then an Extra-Ordinary Strategic Risk Committee will be convened with the required input to discuss and recommend any additional action needed in response with timely communication to the Chair and Board members. At the mid March meeting there will also be agreement on the plans for monitoring post 29th March and this will be communicated in a further update.

**Level of Risk**

The level of risk has been debated at Senior Management Team and Audit & Risk Committee. The risk is currently at a medium level; whilst there is acknowledgement of the contingencies in place which should mitigate any immediate impact on service delivery; given the lack of clarity on the withdrawal agreement it was felt the likelihood of this should increase from a 2 (unlikely) to a 4 (possible) which would raise the overall level of risk to a high.

**4. Recommendations**

Board Members are asked to **note** the update in relation to preparations for EU Withdrawal and **discuss** the recommendation to increase the risk rating.

**5. Additional Information:**

**Chief Pharmaceuticals Officer Letter – see Item 6.4b**

**Update to CEO December 2018 – see Item 6.4c**

**SG Comms Plan – see Item 6.4d**