NHS Education for Scotland   NES/23/43

AGENDA FOR THE ONE HUNDRED AND SEVENTY FIFTH BOARD MEETING

Date: Thursday 10 August 2023

Time: **10:15 – 11:55**

Venue: Hybrid meeting: MS Teams / Room 1/2 Westport, Edinburgh.

1.   **10:15 Chair's introductory remarks**

2.   **10:16 Apologies for absence**

3.   **10:17 Declarations of interest**

4.   **10:18 Draft Minutes of the One Hundred and Seventy Fourth**   NES/23/44
      Board Meeting 25 May 2023
      For Approval

5.   **10:20 Matters arising from the Minutes and notification of**
      Any Other Business

6.   **10:21 Actions from previous Board Meetings**   NES/23/45
      For Review and Approval

7.   **Chair and Chief Executive reports**

      a. **10:25** Chair's Report   NES/23/46
         For Information and Assurance

      b. **10:35** Chief Executive's Report   NES/23/47
         For Review and Assurance

8.   **Performance Items**

      a. **10:55 Quarter 1 Financial Report**   NES/23/48
          For Review and Approval (J. Boyle)

      b. **11:05 Quarter 1 Risk Report**
          For Review and Approval (J. Boyle)   NES/23/49

c. **11:15 Quarter 1 Performance Management**

    i. Quarter 1 Key Performance Indicator (KPI) Report   NES/23/50
    ii. Quarter 1 Delivery Report   NES/23/51
    For Review and Approval (C. Bichan)

9. **Governance Items**

    a. **11:45 Vice Chair Appointment**
    Verbal Item. For homologation (D. Garbutt)

    b. **Significant issues to report from Standing Committees**:

    11:50 Audit and Risk Committee held on 15 June 2023
        (J. Ford, verbal update)

10. **Items for Homologation or Noting**

    a. **11:53** NES Standing Committee Minutes:
        • Audit and Risk Committee, 27 April 2023   NES/23/52

11. **11:54 Any Other Business**

12. **11:55 Date and Time of Next Meetings:**

Board Development: 24 August 2023 10:15 – 13:30

Public Board: 28 September 2023 in Inverness and via TEAMS
10:15 – 12:45

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Draft for Board approval

NHS Education for Scotland

DRAFT MINUTES OF THE ONE HUNDRED AND SEVENTY-FOURTH BOARD MEETING HELD ON 25 MAY 2023

*** This public Board meeting was held in hybrid format via Microsoft Teams and in-person at the NES Westport office in Edinburgh.***

Present:	David Garbutt (DG) (Chair)
	Ally Boyle (AB), Non-Executive Director
	Jim Boyle (JB), Executive Director of Finance
	Anne Currie (AC), Non-Executive Director
	Olga Clayton (OC), Non-Executive Director
	Jean Ford (JF), Non-Executive Director
	Lynnette Grieve (LG), Non-Executive Director / Employee Director
	Annie Gunner Logan (AGL), Non-Executive Director
	Nigel Henderson (NH), Non-Executive Director
	Gillian Mawdsley (GM), Non-Executive Director / Whistleblowing Champion
	Karen Reid (KR), Chief Executive & Accountable Officer
	Emma Watson (EW), Executive Medical Director
	Karen Wilson (KW), Executive Director of Nursing / Deputy Chief Executive (Clinical)
In attendance:	Tracey Ashworth-Davies (TA-D), Director of Workforce / Deputy CEO (Corporate)
	Christina Bichan (CBi), Director of Planning & Performance
	Shona Cowan, (SC) (Non-Executive Director from 1 September 2023) (to observe)
	David Felix (DF), Postgraduate Dental Dean / Director of Dentistry
	Nick Hay (NH), Public Affairs Manager (to observe)
	Kevin Kelman (KK), Director of NHS Scotland Academy, Learning & Innovation
	John MacEachen (JMacE), Head of Corporate Communications (for item 8c)
	Gordon Paterson (GP), Director of Social Care
	Barbara Renton (BR), Executive Director (Communities), Perth & Kinross Council (to observe)
	Della Thomas (DT), Board Secretary / Principal Lead Corporate Governance
	Judy Thomson (JT), Director of Training for Psychology Service
	Simon Williams (SW), Principal Educator (for items 8a & 8b)
	Christopher Wroath (CW), Director of NES Technology Service (left the meeting at 11.15am, at the conclusion of item 8b)
	Alison Shiell (AS), Manager, Planning & Corporate Governance (Minute Taker)

1.   Chair's Introductory Remarks

1.1.   The Chair welcomed everyone to the meeting and extended particular welcomes to NES's four new Non-Executive Directors. Ally Boyle, Nigel Henderson and Olga Clayton who joined the Board on 1 May 2023 and Shona Cowan who will take up her appointment from 1 September 2023. The Chair also welcomed Barbara Renton who was attending the meeting to observe.

1.2. The Chair noted that Anne Watson had offered apologies for this Board meeting, however if she had been able to attend this would have marked her final meeting as NES's Postgraduate Pharmacy Dean / Director of Pharmacy before her retiral on 30 June 2023. Anne Watson joined NES in 2004 as an Assistant Director and was appointed to her current role in 2016. The Chair noted that Anne's leadership of the Pharmacy workforce in Scotland has been transformational, and her knowledge and professional expertise is highly sought after both in Scotland and the rest of the UK. On behalf of the Board, the Chair thanked Anne Watson for her very significant contribution within NES and the wider Pharmacy profession and wished her well in her retirement.

2. Apologies for absence

2.1. Apologies for absence were received from the following Board member: Douglas Hutchens.

2.2. Apologies for absence were received from the following regular Board meeting attendees: Colin Brown, Lindsay Donaldson and Anne Watson.

3. Declarations of interest

3.1. Annie Gunner Logan highlighted a connection in relation to her role as a Non-Executive Director of the Crown Office and Procurator Fiscal Service (COPFS) and the 'Trauma Informed Justice: A Knowledge and Skills Framework for Working with Victims and Witnesses' launch event mentioned in both the Chair and Chief Executive's reports (items 7a and 7b). She advised that this did not amount to a declaration of interest and therefore would not leave the meeting for these agenda items.

3.2. There were no declarations of interest in relation to any of the items of business on the agenda for this Board meeting.

4. Minutes of the One Hundred and Seventy-Third Board Meeting   (NES/23/28)

4.1. The minutes of the Board meeting held on 23 March 2023 were approved as an accurate record.

5. Matters arising from the Minutes and notification of Any Other Business

5.1. There were no matters arising in relation to the minutes of the last Board meeting. There were no notifications of any other business requiring consideration by the Board.

6. Actions from previous Board Meetings   (NES/23/29)

6.1. The Board received the rolling Board action list for review and agreement. The Board noted that five of the six actions had been completed and one had been closed.

6.2. The Board noted the update provided for the closed action which was originally agreed at the 23 February 2023 Board and then paused in advance of the 23 March 2023 Board meeting. Following discussion of the 2022-23 Quarter 3 Financial Report, the Board agreed that Karen Reid should write to Scottish Government (SG) to highlight the risks for NES as a result of delays in receiving previously agreed funding allocations. On receipt of further funding clarification and assurance from SG it was agreed to pause on the sending of the letter. Jim Boyle advised the Board via the action list update that the issue of a letter was not necessary and recommended that the action should now be closed. Karen Reid confirmed that NES continue to liaise and negotiate with SG in relation to 2023-24 funding settlements. The Board noted that the NES Finance team will keep this situation under review during 2023-24.

6.3   In response to a comment from the Board, the paragraph number relating to the Draft Strategic Risks and Risk Appetite action will be updated to reflect the correct paragraph (8.3b). The action description will also be updated to formally confirm the action agreed by the Board. Following these amendments, the action list was agreed.

7.   Chair & Chief Executive Updates

a.   Chair's Report   (NES/23/30)

7.1.   The Chair presented a paper outlining his recent meetings and activity since the March 2023 Board in his roles as Chair of the NES Board and a member of the NHSS Board Chairs Group (BCG).

7.2.   The Chair invited questions from the Board, and the following point was discussed:

a. In response to a question from the Board, the Chair provided further detail on the content of the April BCG meeting which included an agenda item on Workforce Strategic Priorities presented by Gillian Russell (Director of Health Workforce, Scottish Government). The Chair advised that the BCG discussed future NHS Scotland workforce opportunities and the need for Board Chairs to support change going forward.

7.3.   The Chair thanked Board members for their discussion and moved onto the next item on the agenda.

b.   Chief Executive's Report   (NES/23/31)

7.4.   Karen Reid introduced this report and began by extending particular welcomes to NES's new Non-Executive Directors. Karen Reid also thanked Anne Watson for her outstanding contribution within NES and the wider Pharmacy profession and noted that Anne Watson's wisdom, leadership, kindness and professional expertise will be hugely missed in NES.

7.5.   Karen Reid also congratulated Professor Jan Clarkson (Associate Postgraduate Dental Dean) who has very recently been elected to the Academy of Medical Sciences Fellowship for 2023. These fellowships are awarded in recognition of exceptional contributions to the advancement of biomedical and health science via research and translating developments into benefits for patients and wider society.

7.6.   Karen Reid then highlighted the following items within the report for the Board's information:

a. Kevin Kelman has been appointed as NES's first Director of the NHSS Academy, Learning & Innovation. This role will lead on the development and implementation of a learning strategy for NES and take forward work support to health and social care innovation in Scotland.
b. Dr Nitin Gambhir has been appointed as a Lead Dean Director within the Medical Directorate and will take up this post in July 2023.
c. Karen Reid thanked everyone involved in the organisation of the NES Annual Virtual Conference that was held on 27 – 28 April 2023. A high level of positive feedback has been received and planning for the 2024 conference will commence shortly.

7.7. During discussion, the following points were raised:

a. The Board welcomed NES's involvement in the development of the draft Clinical Supervision – Nursing and Midwifery National Framework for NHS Scotland and the focus on practitioner wellbeing and development in particular. The question of if this was an opportunity to introduce "Our Way" NES values was raised. Karen Reid advised that "Our Way" was in the process of being refreshed and proposed that she would discuss this with Karen Wilson and Tracey Ashworth-Davies.

Action: KR / KW / TAD

b. The Board noted that the NES Technology Service (NTS) are awaiting a policy decision from SG regarding the future direction of the TURAS Care Management (TCM) application. In response to a query from the Board, Christopher Wroath advised that the TCM application was developed during the COVID-19 pandemic to enable care homes in Scotland to provide data to SG. NTS colleagues are awaiting clarity from SG in relation to the TCM application's future use.

c. In response to a query from the Board, Gordon Paterson confirmed that the Centre for Workforce Supply pilot, in relation to a support model for the international recruitment of social care staff, will include engagement with Public, Private and Third Sector organisations.

d. The Board noted that the delivery timelines for the Digital Front Door programme have now changed and asked for further information about this change. Christopher Wroath confirmed that delivery is now expected during 2024 rather than November 2023. He reported that NTS colleagues continue to engage with the SG Digital Health and Care Directorate to confirm future timelines, deliverables and resource requirements.

e. The Board noted that development work for the Recommended Summary Plan for the Emergency Care and Treatment (ReSPECT) programme of work is currently paused. In response to a query from the Board, Christopher Wroath confirmed that NES will support the rollout of ReSPECT once the programme's policy position is clarified by SG.

f. The Board welcomed the prominence of climate emergency and sustainability updates throughout the Chief Executive's Report.

g. The Board commended the work of Dr Caroline Bruce (Head of Programme - Transforming Psychological Trauma, NES), Judy Thomson and the Psychology Directorate in relation to the tremendous work involved in developing the 'Trauma Informed Justice: A Knowledge and Skills Framework for Working with Victims and Witnesses programme. The programme included a review of a wide range of evidence and literature in partnership with leaders of 15 justice organisations, and with 12 victims and witnesses. The framework was formally launched on 3 May 2023 by the Cabinet Secretary for Justice and Home Affairs and the Lord Advocate and the NES Board Chair and Caroline Bruce gave keynote speeches on behalf of NES. In response to a suggestion from the Board, the NES Executive Team will consider how the trauma-informed framework could support individuals involved in giving evidence to the COVID-19 public inquiries.

7.8. The Chair thanked Karen Reid for her report and the Board moved onto the next agenda item.

8. Strategic Items

a. Draft 2023/26 Strategy   (NES/23/32)

8.1. Karen Reid presented the draft NES 2023/26 Draft Strategy to the Board for approval.

8.2. As part of her introductory comments, and to provide context to NES's new Non-Executive Directors, Karen Reid outlined the Strategy's development timeline. She highlighted the outcome-focused nature of the document, articulating the difference we aim to make for

NES staff, citizens, the health and social care workforce and stakeholders. Karen Reid outlined that the Strategy sets out how NES's work contributes to the SG National Performance Framework and supports SG priorities to help improve care and reduce inequalities. She went on to highlight that during 2023-26 NES will build careers, improve working lives and the future sustainability of the health and social care workforce, through a focus on people, partnerships and performance. Karen Reid also noted that alongside the development of the Strategy, NES has worked with our SG sponsor team to agree medium-delivery priorities which have been interwoven into the strategy's strategic commitments.

8.3. Karen Reid then handed over to Christina Bichan to outline the formal consultation process and stakeholder engagement activities. Christina Bichan advised that since the Board commented on the draft Strategy at the 20 February 2023 Board Development meeting, stakeholder engagement has progressed during March – April 2023. She reported that NES has received a high level of positive feedback from stakeholders in relation to our new strategic intent. The feedback has been analysed and summarised to enable NES to clearly demonstrate how the feedback has been taken forward and incorporated within updated versions of the strategy. She remarked that Appendix 1 of the Board paper sets out the consultation process in further detail. Christina Bichan also noted that an Equality Impact Assessment (EQIA) for the strategy has been completed and thanked Katy Hetherington (Principal Lead – Equality, Diversity and Human Rights) and her team for their work.

8.4. The paper was taken as read and the following points were raised in discussion:

a. The Board commended NES's new Strategy for 2023/26 and agreed that it was a high quality, clear and easy to navigate document that fully reflects NES's values. The NES Employee Director commented that the Strategy will enable NES staff to understand their roles in supporting the health and social care workforce to improve health and care outcomes for the people of Scotland.
b. The Board praised the extensive consultation and engagement activity that has been undertaken and how feedback has been used to strengthen the strategy's content. In response to a query from the Board, Karen Reid confirmed that the strategic Key Performance Indicators (KPIs) that underpin the Strategy have been reviewed and updated based on the stakeholder feedback. The Board discussed the challenges associated with measuring and reporting on KPIs that focus on the wider public. During discussion, Karen Reid commented that specific KPI performance measures will mature over a period of time and will therefore enable more accurate reporting as the strategy is implemented.
c. The Board welcomed the completion of the Equality Impact Assessment (EQIA). During discussion the Board queried whether a specific Fairer Scotland Duty assessment had been fully undertaken separately to the EQIA. Christina Bichan will liaise with Katy Hetherington to clarify if a separate Fairer Scotland Duty Assessment had been conducted. **Action: CBi**
d. The Board welcomed the references to climate change and sustainability and discussed the importance of NES supporting SG's Realistic Medicine and Value-Based Health and Care (RM and V-B H&C) policy initiatives. Christina Bichan will review NES's Medium-Term Plan and ensure that climate change and sustainability and RM and V-B H&C are clearly articulated. **Action: CBi**

8.5. After discussion, the Board approved NES's 2023/26 Strategy. The Chair acknowledged the significant amount of work involved in the development the Strategy and, on behalf of the Board, thanked everyone involved for their work.

b. <u>Draft Strategic Key Performance Indicators</u> (NES/23/33)

8.6. Karen Reid presented a set of draft KPIs to the Board for approval. She advised that the KPIs will be used to monitor NES's progress towards achieving the outcomes listed in the 2023-26 NES strategy.

8.7. Karen Reid handed over to Jean Ford in her role as Chair of the Audit & Risk Committee and a member of the KPI Advisory Group. Jean Ford outlined how the final version KPIs had been developed in parallel with the NES Strategy and refined in response to stakeholder feedback. Jean Ford acknowledged the challenges in adapting to a new way of performance measurement and reporting and praised the collaborative working within the KPI Advisory Group.

8.8. Karen Reid explained how NES's new strategic-level KPIs have driven the development of operational indicators across the organisation. She advised that this supports a tiered approach to performance management, ensuring a line of sight between the NES Strategy, directorate and team outcomes and activities. Karen Reid went on to report that NES has adopted a new 'Performance Measurement Process' (the PuMP methodology) which will be used to demonstrate and evaluate the impact of outcomes that are set out within the new Strategy. Previously NES reported against a very high number of individual performance targets. The new strategic-level KPIs have been distilled from 549 performance measures to 41 proposed strategic measures. These are structured around the three key themes of the NES strategy: People, Partnership and Performance. Karen Reid outlined that a Balanced Scorecard approach will be used to provide improved strategic performance data for Board scrutiny.

8.9 Karen Reid then handed over to Christina Bichan who briefly explained how the 41 performance measures were developed across 18 concepts. The introduction of these new strategic-level KPIs signal a new performance management and reporting approach for NES. Christina Bichan advised the Board that the paper provides indicative timescales for data availability, with certain areas likely to take longer to mature than others. The first quarterly performance report for 2023-24 is the 10 August 2023 Board meeting

8.10. The paper was taken as read and the following points were raised in discussion:

   a. The Board welcomed the new strategic-level KPIs and acknowledged the amount of work involved in developing the new 41 performance measures
   b. In relation to the proposed performance measure 10 (Learner Scale and Reach / Number of health and social care staff accessing NES learning products as a % of the health and social care workforce), the Board discussed the potential challenges in relation to accessing data for the non-registered social care workforce and whether this could affect how NES evaluates its impact. Karen Reid and Gordon Paterson highlighted the importance of relationship with the Scottish Social Services Council (SSSC) and the increased availability of NES resources for the social care workforce. NES continues to liaise with SG in relation to future opportunities to support the social care workforce.
   c. The Board welcomed the inclusion of the climate change and sustainability within the KPIs. In response to a query regarding the alignment of specific KPIs to individual Board governance Committees, the Chair confirmed that relevant data will be shared between the Committees for their information and consideration.
   d. The Board welcomed the references to improving population health within the KPIs. The Board discussed the importance of NES delivering its widening access and apprenticeship programmes and increasing the attractiveness of health and social care careers, particularly to young people. The Board also acknowledged the complexity of reporting in this area, particularly in relation to population demographics and noted the role of the NHS Scotland Academy, Youth Academy Karen Wilson and Kevin Kelman will consider how the development of these

measures can be taken forward within the context of the NES locus of control.

Action: KW / KK

e. The Board discussed the importance of ensuring that the social care workforce is given parity of learning with the NHS workforce. Gordon Paterson remarked that parity of learning was one aspect along with ethical commissioning and fair work. Karen Reid advised that the National Care Service (NCS) (Scotland) Bill for the proposed NCS includes references to protected learning for social care staff and proposals for ethical commissioning.

8.11. After discussion, the Board approved the draft KPIs and the Chair thanked those involved for their work.

c.   Draft Communication and Engagement Strategy   (NES/23/34)

8.12. John MacEachen presented a draft Communication and Engagement Strategy to the Board for approval.

8.13. As part of his introductory comments, John MacEachen highlighted that in addition to the draft Communication and Engagement Strategy, the final version of the NES Strategic Stakeholder Map had been circulated by correspondence to the Board in advance of today's meeting. He reported that NES's communication and engagement approach needs to change as a result of NES's new Strategy for 2023-26. The Strategy emphasises the need to reach out beyond traditional NHS stakeholders to social care providers and to the public, private and voluntary bodies. John MacEachen advised that the Board paper sets out a broad framework and principles for how NES will work, both internally and externally, in relation to communication and engagement going forward.

8.14. The paper was taken as read and the following points were raised in discussion:

a. The Board welcomed an updated Communication and Engagement Strategy for NES. In response to a query, John MacEachen will expand the definition of 'justice' within the strategy to include reference to the COPFS, including engagement with the Lord Advocate and the Law Society, particularly in relation to NES's work to support the trauma-informed justice work referenced as discussed earlier in the meeting as part of the Chief Executives Report item.   **Action: JMacE**
b. The Board discussed the importance of balancing internal and external engagement work and highlighted the need to ensure NES staff are supported to understand and contribute to the implementation of the new NES Strategy. Karen Reid highlighted that Tracey Ashworth-Davies and Janice Gibson (Associate Director, Workforce) are developing an internal organisational development plan for NES staff. John MacEachen commented on the need to support the development of NES's culture via targeted communication workshops and webinars involving the NES Executive Team. Tracey Ashworth-Davies highlighted the link between developing organisational core capabilities and how NES is perceived by external stakeholders.
c. In response to a query from the Board, Karen Reid advised that NES awaits further clarity and direction from SG in relation to NES's current name and whether it could be amended to reflect NES's support to both the health and social care workforce. Karen Reid reported that discussion regarding NES's future visual branding and imagery in relation to the new Strategy are ongoing.
d. John MacEachen advised that he is working with Christina Bichan and his team to identify a list of priorities for agreed delivery during 2023-24.
e. The Board commented that it was helpful to see the NES Strategic Stakeholder Map had been revised to include the general public. The Board discussed the value of working with people with lived and living experience and how this can be taken forward. Karen Reid welcomed the Board's comments and advised that Gordon Paterson is leading NES work in this area and is starting to build relationships with appropriate partners and groups.

8.15. After discussion, the Board approved the draft Communication and Engagement Strategy and the Chair thanked those involved for their work.

9. Annual Items

a. <u>Annual Whistleblowing Executive Report</u> (NES/23/35)

9.1. Christina Bichan presented the 2022-23 Annual Whistleblowing Executive Report to the Board for approval.

9.2. As part of her introductory comments, Christina Bichan noted that this report is NES's second annual report under the 2021 National Whistleblowing Standard reporting arrangements and builds on NES's quarterly reporting of whistleblowing updates via the Chief Executive's Report and the reports to the Staff Governance Committee. Christina Bichan highlighted that the report references a case reported as a 'formal whistleblowing concern'. Having established all the facts around this case, Christina Bichan advised the Board that in hindsight this case should not have been treated as a whistleblowing concern and relevant learning is being taken forward.

9.3. There were no questions on the 2022-23 Annual Whistleblowing Executive Report. The Board approved the report and the Chair thanked Christina Bichan and her team for their work.

b. <u>Annual Whistleblowing Non-Executive Champion Report</u> (NES/23/36)

9.4. In her role as NES's Non-Executive Whistleblowing Champion, Gillian Mawdsley presented the 2022-23 Annual Whistleblowing Non-Executive Champion report to the Board for assurance.

9.5 As part of her introductory comments, Gillian Mawdsley thanked Christina Bichan and her team for their work during the 2022-23 year. Gillian Mawdsley then confirmed that the following assurance could be given in relation to NES:

a. The whistleblowing framework in NES continues to function well and any concerns are dealt with appropriately and within agreed timescales. Appropriate governance routes are in place to provide the necessary assurance at Board and Committee level.
b. During 2022-23, there has been a high level of proactive engagement to aid staff understanding of the national whistleblowing standards including participation in Speak Up Week and the development of learning resources to support confidential contacts, which is being progressed with the Independent National Whistleblowing Officer.
c. There has been an increase in NES staff completion of the mandatory whistleblowing training which is accessed via the TURAS platform. Gillian Mawdsley thanked Karen Reid and Tracey Ashworth-Davies for their support and leadership in this area.

9.6 There were no questions regarding the 2022-23 Annual Whistleblowing Non-Executive Champion report and the Board confirmed that it provided satisfactory assurance. The Chair thanked Gillian Mawdsley for her ongoing work as NES's Non-Executive Director Whistleblowing Champion.

10.   Performance Items

a.   2022/23 Quarter 4 Risk Register Report   (NES/23/37)

10.1. Jim Boyle presented the 2022-23 Quarter 4 Risk Register Report to the Board for
       approval.

10.2. As part of his introductory comments, Jim Boyle highlighted that following the approval of
       a new set of strategic risks and risk appetite matrix for NES at the 23 March 2023 Board
       meeting, the risk register is presented in an updated reporting format. In terms of
       governance sequencing, the ARC has strategic oversight of risk assurance within NES
       and considered the Quarter 4 report at its 27 April 2023 meeting.

10.3. The paper was taken as read and the following points were raised in discussion:

       a. The Board welcomed the improved risk report format and agreed that it provided a
          very helpful overview of strategic risk within NES.
       b. The Board asked about the development of the commentary and the inclusion of the
          gross net scores (Appendix 1). Jim Boyle advised that the new reporting format will
          be continue to be developed and refined to ensure that the strategic risks are
          presented as clearly as possible. In future, the Gross and Net Score columns will be
          shaded for clarity and additional context and information will be provided within the
          control ratings. The Chair of the ARC advised that the Committee will continue to
          provide feedback on controls and mitigations set out within the report on behalf of
          the Board.

10.4. After discussion, the Board approved the 2022-23 Quarter 4 Risk Register Report and the
       Chair thanked Jim Boyle and his team for their work.

b.   2022/23 Quarter 4 Performance Report   (NES/23/38)

10.5. Christina Bichan presented the Quarter 4 2022-23 Performance Report to the Board for
       review and approval. The paper reported performance against the NES 2022/23
       Operational Plan.

10.6. As part of her introductory comments, Christina Bichan highlighted that this report will be
       the final performance report in this format as a result of the new NES Strategy and
       adoption of the new strategic KPIs approved earlier on at this meeting under item 8b. She
       reported that the 2022-23 Quarter 4 performance report states that 87% of NES's 549
       performance targets have either been completed or are on track for completion at year-
       end. 8% of targets are progressing with minor delays and 5% are affected by significant
       delays that are linked to either recruitment and / or capacity challenges or SG funding or
       policy changes. Christina Bichan advised that the 2022-23 year-end position is similar to
       that of previous years.

10.7. Christina Bichan highlighted that work is underway to develop the new performance
       reporting format for 2023-24 onwards. In response to a query from the Board, Christina
       Bichan will consider whether a new target colour category could be introduced to highlight
       any performance targets that cannot be completed due to circumstances beyond NES's
       control.   **Action: CBi**

10.8. There were no further questions regarding the 2022-23 Quarter 4 performance report. The
       Board approved the report and the Chair thanked Christina Bichan and her team for their
       work.

11.   Governance Items

a.   Significant issues to report from Standing Committees

i.   <u>Audit and Risk Committee held on 27 April 2023</u>

11.1 Jean Ford gave a brief overview of the key issues discussed at the most recent meeting of the Audit and Risk Committee (ARC):

   a. The Committee received an internal audit report on NES recruitment processes and noted the assurance provided by the report along with minor opportunities for improvement.
   b. The Committee welcomed an internal audit progress update which highlighted good progress with the completion of management actions.
   c. The Committee approved the 2023-24 internal audit plan and charter and also approved the 2023-24 external audit plan and 2022-23 external audit progress report.
   d. The Committee gained good assurance in a number of regular reporting areas including the Counter Fraud Standard Self-Assessment and the Annual Risk Management Group report.

ii.   <u>Staff Governance Committee held on 4 May 2023</u>

11.2 Anne Currie gave a brief overview of the key issues discussed at the most recent meeting of the Staff Governance Committee (SGC):

   a. The Committee noted the NES Partnership Agreement, reviewed the revised Partnership Forum Terms of Reference (ToRs) and the new Joint Consultative Forum ToRs and welcomed the assurance and governance line of sight provided.
   b. The Committee gained good assurance from the Director of Workforce report which included updates on hybrid working, organisational development and widening access.
   c. The Committee received an update on Essential Learning in NES and noted an improvement in completion rates. The Committee discussed the importance of strong leadership in this area and highlighted the role of line managers in taking improvements forward and ensuring that staff are given protected time to complete their required essential learning.
   d. The Committee Chair thanked Jean Ford for her contributions as this was her final meeting as an SGC member and welcomed Nigel Henderson who will officially join the SGC from 1 August 2023.

iii.   <u>Education and Quality Committee held on 11 May 2023</u>

11.3 In light of apologies from Douglas Hutchens (Education and Quality Committee Chair), Annie Gunner Logan gave a brief overview of the key issues discussed at the most recent meeting of the Education & Quality Committee (EQC):

   a. The Committee received the Education and Quality Executive Lead Report and noted the update in relation to Medical Associate Professions (MAPs) and Advanced Critical Care Practitioners (ACCPs).
   b. The Committee received a paper on the Sharing Intelligence for Health and Care Group (SIHCG) and welcomed the update on the SIHCG future approach.
   c. The Committee received a paper setting out a Scottish Foundation School action plan and took assurance from the planned improvements to foundation training in Scotland.

    d. The Committee approved the NHS Scotland Academy (NHSSA) Education and Quality Governance Annual Report and gained good assurance from the evaluation of NHSSA education and training programmes.

    e. This EQC marked Douglas Hutchens' final meeting as EQC Chair. The Committee thanked Douglas Hutchens for his excellent chairing and contributions to educational governance in NES. Annie Gunner Logan will assume the EQC Committee Chair role from 1 September 2023.

12.   Items for Noting or Homologation

a.   Committee membership changes   (NES/23/39)

12.1 The Board homologated a paper setting out changes to Board Committee membership and roles in light of recent changes to Board membership, including the recent appointment of four new Non-Executive Directors.

b.   NES Standing Committee Minutes

i.   <u>Audit and Risk Committee, 19 January 2023</u>   (NES/23/40)

12.2 The minutes of this meeting were homologated by the Board.

ii.   <u>Staff Governance Committee, 4 May 2023</u>   (NES/23/41)

12.3 The minutes of this meeting were homologated by the Board.

iii   <u>Education and Quality Committee, 11 May 2023</u>   (NES/23/42)

12.4 The minutes of this meeting were homologated by the Board.

13.   Any Other Business

13.1 There was no other business requiring consideration at this meeting.

14.   Date and Time of Next Meetings

14.1 The next Public Board meeting will take place on 10 August 2023 at 10.15am.

14.2 The Chair thanked everyone for their attendance and closed the meeting at 12.20pm.

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Actions arising from Board meetings: Rolling list

Minute	Title	Action	Responsibility	Date required	Status and date of completion
Actions agreed at Board meeting on 25 May 2023					
7.7a	Chief Executive's Report	Regarding the development of the draft Clinical Supervision – Nursing and Midwifery National Framework for NHS Scotland, it was asked if this was an opportunity to introduce "Our Way" NES values. Karen Reid agreed to discuss this with Karen Wilson and Tracey Ashworth-Davies as "Our Way" is in the process of being refreshed.	KR/KW/TAD	10 Aug 2023	**Complete** While Our Way is being refreshed, we recognise the synergies between the NHS Scotland Values, NES values and the values underpinning clinical supervision for nurses and midwives.
8.4c	Draft 2023/26 Strategy	The Board queried if a specific Fairer Scotland Duty assessment had been fully undertaken separately to the EQIA.	CBi/KH	10 Aug 2023	**Complete** A Fairer Scotland Duty assessment has been completed and is awaiting sign-off before being published on the NES website.
8.4d	Draft 2023/6 Strategy	Christina Bichan will review NES's Medium-Term Plan and ensure that climate change and sustainability and Realistic Medicine and Values-Based Health & Care are clearly articulated.	CBi	10 Aug 2023	**Complete** Both elements included within the draft Medium Term Plan and supported by Annual Delivery Plan deliverables.
8.10d	Draft Strategic Key Performance Indicators	The Board discussed the importance of NES delivering its widening access and apprenticeship programmes and increasing the attractiveness of health and	KW/KK	28 Sep 2023	**In Progress**

Minute	Title	Action	Responsibility	Date required	Status and date of completion
		social care careers. The Board also acknowledged the complexity of reporting in this area, particularly in relation to population demographics and noted the role of the NHS Scotland Academy, Youth Academy Karen Wilson and Kevin Kelman will consider how the development of these measures can be taken forward within the context of the NES locus of control.			
8.14a	Draft Communication and Engagement Strategy	John MacEachen will expand the definition of 'justice' within the strategy to include reference to the COPFS, including engagement with the Lord Advocate and the Law Society, particularly in relation to NES's work to support the trauma-informed justice work	JMacE	10 Aug 2023	**Complete** The stakeholder map has been amended to reflect this comment.
10.7	2022/23 Q4 Performance Report	Christina Bichan will consider whether a new target colour category could be introduced to highlight any performance targets that cannot be completed due to circumstances beyond NES's control.	CBi	10 Aug 2023	**Complete** Delays outwith NES's control will be indicated separately by colour coding from 2023/24 Quarter 1 onwards

CHAIR'S REPORT

David Garbutt, Chair of NES Board

10 August 2023

Since the last Board meeting I have attended the following meetings and events in addition to internal NES meetings, Board and Standing Committees.

May 2023 (end of May)

1. I attended a meeting with the Promise Scotland to discuss Governance and the NHS commitment to The Promise.
2. I met with Carrie McEwan, Chair of the GMC to discuss medical curriculum issues and MAPs.
3. I attended the SCLF Conference and experienced the enthusiasm of the participants for an excellent, quality programme. I had the opportunity to thank NES staff for their involvement in the programme and to SG and HIS who are the other sponsors of the programme.
4. I attended the Board Chairs Information Session on Public Sector Reform and was brought up to date with the Governments new partnership agreement with Local Authorities.

June 2023

1. I attended the NHS Scotland Global Citizenship Advisory Board Strategy day where the Board endorsed the engagement protocols for the Global Citizenship programme.
2. I visited the offices in Bothwell Street, Glasgow which are being considered as part of our office rationalisation project.
3. I recorded a congratulatory message to the first paramedic cohorts graduating from their new University degree programme. The business case for this programme was signed off at my last Board meeting as Chair of the Scottish Ambulance Service.
4. I delivered a welcome speech at the Dementia Champions and Dementia Specialist Improvement Leads Graduation Event.
5. I met with the new Aspiring Chair assigned to NES and drew up a mentoring agreement.
6. I met with Neena Mahal ex Chair NHS Lanarkshire to discuss her work on the pilot Board self-assessment model in NHS Highland.
7. I attended the Aspiring Chairs group meeting and had an active discussion with the participants about difficulties which might be anticipated in the role of an NHS Chair.
8. I attended a Board Chairs Group pre meeting to discuss agendas for a meeting with the Cabinet Secretary.
9. I had the pleasure of attending the first RCN awards event for Nurses in Scotland in the Royal Scottish Museum.
10. I dekivered a Remcon Roadshow presentation to menbers of the Board of NHS Highland.
11. I attended the Board Chairs Grup at the GJNH and then attended the BCG meeting with the Cabinet Secretary in the afternoon at the same venue. The messaging was about moving the agenda forward at pace and providing a solutions based approach to problems.
12. I attended the SG/NES Sponsorship meeting with Executive colleagues.
13. I attended a farewell event for the Chief Executive of the Scottish Ambulance Service who I had appointed to the post in 2009

14. I spent a day with Executive colleagues at St Andrews University where we discussed a community based model of delivery and potential areas for collaboration with NES

July 2023

1. I attended a meeting with the Chair and Executives from SSSC, together with Karen and discussed a memorandum of agreement between the two groups.
2. I attended a National Board Chairs meeting where concerns were expressed about the process for Board self assessments. This has since been taken up with SG colleagues and NES will be involved in developing a solution to the difficulties forseen.
3. I attended an Aspiring Chairs Board drop in session to discuss progress with the programme. This was helpful in identifying future improvements.
4. I attended the National Board Chairs monthly meeting where we discussed a number of governance issues.
5. I attended a meeting with Silver Maple who have designed the NHS Leadership Success Profile for CEOs. The meeting was centred on a proposed Success Profile for Executives aspiring for CEO posts. A second discussion was held on the implications for future appraisals of these post holders in light of the new success profiles.

Complete to 27th July 2023

David Garbutt
Chair

CHIEF EXECUTIVE'S REPORT

Professor Karen Reid, Chief Executive

1. INTRODUCTION

1.1. The agenda for our August Board meeting is primarily focused on governance items. The Board is asked to approve the 2023-24 Quarter 1 Risk, Finance and Performance reports. The Performance reports include our first Key Performance Indicator (KPI) report following the Board's approval of a set of strategic KPIs for NES at the May 2023 Board meeting. The new KPI report is now the central element of performance management within NES and I will value the Board's feedback on the report's content and format.

1.2. Board Members are already aware that this meeting marks Douglas Hutchens' final Public Board meeting as a Non-Executive Director and Vice Chair of the Board. I would like to formally thank Douglas for his very significant contribution to NES during his time as a Non-Executive Board Member. NES has benefited greatly from Douglas's knowledge, support and expertise and on behalf of NES, I would like to pass on our very best wishes on his retirement from the Board.

2. ANNOUNCEMENTS

2.1 **NES Director of Pharmacy / Postgraduate Pharmacy Dean Appointment**
I am very pleased to announce the appointment of Dr Andrew Sturrock as NES's new Director of Pharmacy / Postgraduate Pharmacy Dean. Andrew is currently an Associate Professor of Public Health and Primary Care at Northumbria University and former MPharm Programme Director at the University of Sunderland. He brings extensive experience in pharmacy education and training and is a member of the General Pharmaceutical Council Accreditation and Recognition Panel.

2.2 Andrew brings multisector practice experience having initially worked in hospitals, followed by GP practices and community pharmacy, before moving to education and training roles. He maintains an active research portfolio with a focus on workforce development and multidisciplinary patient care. Andrew will join NES from 18 September 2023.

2.3 **NES – Carer Positive Established Employer**
I am delighted to announce that NES has recently been recognised by Carers Scotland as a Carer Positive Established Employer. NES has had Carer Positive employer status for a number years however with the establishment of the NES Parent and Carers Network in 2021, NES colleagues have led on developments to enable a submission for the 'established employer' award.

2.4 As part of their written confirmation of our award, Carers Scotland particularly praised how support for carers is embedded within NES culture and highlighted the policies and practical measures available to staff. On behalf of the Board, I would like to thank everyone involved in the NES submission.

3.   STRATEGIC UPDATES

3.1. The health and social care system continues to remain under significant pressure, both in the context of frontline service delivery and the challenging fiscal environment. Board Chief Executives (BCEs) continue to meet frequently with Scottish Government (SG) to continue to discuss future planning and service priorities in relation to the NHS recovery plan.

3.2. **Chief Medical Officer (CMO) for Scotland Annual Report 2022–23**
I am pleased to advise the Board that NES has been positively referenced within the CMO for Scotland's 2022-23 Annual Report ([Realistic Medicine: Doing the Right Thing).](#) Page 14 of the report highlights NES's leading collaborative role in the development, delivery and access to educational resources, training and tools to support the practising of Realistic Medicine and delivering Values Based Health and Care and specifically references the commitment and support of the NES Board and senior team. The CMO also referenced NES when he formally launched his annual report at the NHS Scotland conference held on 19 June 2023.
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3.3. **National Centre of Excellence in Remote and Rural Health and Social Care**

a.   NES, Scottish Government (SG) officials, advisers and key partners continue to progress plans for the establishment of the National Centre for Remote and Rural Health and Social Care (the Centre). NES is currently awaiting confirmation from SG regarding the Centre's funding.

b.   The Centre will support the delivery of improved care for remote, rural and island communities across Scotland and reduce remote, rural and island health and wellbeing inequalities through focused work to improve the sustainability, capacity, and capability of the remote, rural and island primary care and community-based workforce and service delivery.

c.   The development of the Centre is both an ambitious and large-scale undertaking and will require adequate resources and capacity to deliver for Scotland. NES and partner agencies across Scotland already have a significant amount of remote and rural healthcare expertise and resource that the Centre will coordinate to better effect and maximise the return on existing investment, staffing and economies of scale.

3.4. **A National Care Service (NCS) for Scotland**

a. On 12 July 2023 it was announced that SG has reached an initial agreement with local government and the NHS about accountability arrangements for the National Care Service (NCS). The agreement aims to establish who will be responsible for people's care once the NCS is established. Overall legal accountability will be shared between SG, the NHS and local government.

b. New governance arrangements will be introduced to ensure consistently high levels of service across the country, while building the flexibility to meet varying community needs at a local level. Work remains ongoing with the Bill process.

3.5. **Sponsorship**
Engagement with the SG Sponsor team has progressed during June and July 2023. A bi-monthly formal Sponsor meeting took place on 27 June and the agenda included discussion on NES funding arrangements, Pharmacy funding, Annual Delivery Plans and the National Centre for Remote and Rural Health and Social Care. Fortnightly meetings with the Sponsor team have also continued to focus on finance, strategic planning and Social Care. I am also pleased to confirm that NES's strategy for 2023 was also given Ministerial sign-off on 11 July 2023.

3.6. **COVID-19 Public Inquiry**

a. Since the May 2023 Board meeting, NES has not received any formal requests for evidence from the Scottish or UK COVID-19 Public Inquiries at the time of writing.

b. NES continues to liaise with the Central Legal Office in response to individual requests for information in relation to both the Scottish and UK COVID-19 Inquiries.

c. For general information, public evidence hearings for Module 1 (Pandemic preparedness and resilience) of the UK Inquiry have now concluded and all witness statements are available on the UK COVID-19 inquiry [website]. The evidence hearings for Module 2 (Core political and administrative decision-making in the UK and devolved administrations) will commence from October 2023. Decision-making in Scotland will taken under Module 2A of the UK Inquiry.

d. Preliminary hearings for the Scottish Inquiry will be held on 28 / 29 August 2023 with evidence hearings for Module 1 (Health and Social Care) due to be held during October – December 2023 and February - April 2024. The Scottish Inquiry received an opening epidemiology presentation from a Public Health consultant on 26 / 27 July 2023.

3.7. **Climate Change Emergency and Sustainability**
The Electric Vehicle scheme was launched at the beginning of July and has proven to be popular with NES staff.

3.8. **NES Corporate Improvement Programme**

a. The NES Transformation Group continues to meet on a monthly basis (with exception of a break during July). At the most recent meeting held in June 2023:

i. A project idea was presented on Business Process Transformation. This was approved to scope into a Project Initiation Document for inclusion into the Corporate Improvement Programme (CIP) of work.
ii. A Project Initiation Document was presented for a Learning and Education Quality System. This was approved for delivery within the CIP.

b. A Strategic Outline case was presented to SG detailing a three-year programme of work to refresh the Turas platform. This will be further developed into an

Outline Business Case to ensure appropriate resource is in place to progress the programme of work.

4. DIRECTORATE UPDATES

4.1. Dental (including Healthcare Science & Optometry)

a. **Healthcare Science**
   In May 2023 we invited expressions of interest from the service for Clinical Scientists training posts commencing in September 2024. The earlier than usual call was in response to the low intake number affordable for 2023 and designed to give the system early insight into next year's demand. We have received 49 requests for training posts for 2024. Our affordable 2023 intake was six training posts. The expressions of interest finding has been relayed to Scottish Government.

b. The Scottish Government is conducting a review of Healthcare Science education and training. NES will be collaborating with the review.

c. The Scottish Strategic Network for Diagnostics (SSND) is a new group which is part of the advisory structure for diagnostics in Scotland. NES is to be represented on this group by the Chief Executive. Likewise, NES also attends the equivalent group, the Scottish Strategic Network for Genomic Medicine (SSNGM). A draft genomic strategy is currently under review.

d. We anticipate publishing shortly a 2022-23 annual report for NES Healthcare Science as a record and celebration of the work of our core team and the wider healthcare science community. This report will be shared with the Board as soon as it is available.

4.2 Medicine

a. **Welcome to new Deputy Lead Dean Directors**
   Following a successful recruitment process, we are delighted to announce that Greg Jones, Marion Slater and Alastair Murray will be joining the Medical Directorate senior team as Deputy Lead Dean Directors.

b. **General Medical Council (GMC) 2023 National Training Survey Data**
   Scotland is number one in overall satisfaction rankings in the 4 nations. NES has 31 programmes ranked 1 in the UK for overall satisfaction. The number of Scottish sites on the high performers list (top 2%) across the UK increased to 21 this year compared to 17 sites last year. The number of sites on the priorities list (bottom 2%) is 12 compared to last year's figures of 21. We are engaged with ongoing quality activities with all the 12 sites. Overall satisfaction for each of the regions has also improved this year.

c. **Scottish Clinical Leadership Fellowship (SCLF)**
In May, a celebration and learning day was held in Edinburgh to mark 10 years since the inception of the SCLF programme. Speakers included the CMO Scotland, Chair of the General Medical Council, NES Chair, NES Chief Executive, Executive Medical Director and SCLF alumni. In early July, the annual consolidation event was held where completing SCLFs share their learning with an invited audience. We look forward to welcoming the new cohort of SCLFs in August. Further information is available via the following web link: Scottish Clinical Leadership Fellowship scheme - New (nhs.scot)

d. **Scottish Foundation Programme**
SG have agreed to fund 48 additional foundation posts (and infrastructure education costs) for August 2024. Based on SG estimations of medical school output for 2025 and 2026, we anticipate a need for a further increase in posts during these years. We are developing high level principles on how we can use this expansion to deliver innovative, and engaging posts that will optimise recruitment, retention and positive post-Foundation career decision making in Scotland.

4.3   Pharmacy

a. **Simulation based training for Trainee Pharmacists**
Foundation Training Year (trainee) pharmacists from the hospital sector throughout Scotland have recently been attending interprofessional 'Immersive Simulation' training events as part of their NES Foundation Training Year curriculum, to improve their confidence and understanding of multi-professional team working. Trainee pharmacists participate in scenarios and multidisciplinary debriefs with medical and nursing students and in some cases qualified physiotherapists. Learning outcomes include team-working, communication and prioritisation. In addition, a new national community pharmacy simulation programme has been created and delivered to all trainee pharmacists within the community pharmacy sector in Scotland. Learning outcomes for this include medication review, managing interruptions, referring to other health care professionals and communicating with an array of patients with different health care needs.

b. Immediate attendee feedback focussed on the realism of simulation events, confidence building, changing practice and the balance of safety with learning to manage stress.

c. NES Pharmacy are committed to the on-going delivery of high-quality simulation-based education to all trainee pharmacists each year and due to the high impact recognition of these programmes, have now embedded simulation-based education into the Foundation Training Year with simulation training mandated by GPhC for all trainee pharmacists.

d. **GPhC Accreditation of the Scottish Pharmacy Foundation Training Year**
NES received notification from the General Pharmaceutical Council (GPhC - the pharmacy regulator) that Step 2 of the GPhC Accreditation for delivery of the NES Pharmacy Foundation Training Year is now complete. NES has now been invited to progress to Step 3a of the process which is an Accreditation Visit involving peer review of evidence by a GPhC Accreditation Team. This event is likely to take place March - July 2024 and NES will be required to submit documentary evidence eight weeks prior to the event.

e. **Pharmacy Transforming Roles - Appointment of Programme Leads**
Three new Programme Leads will provide leadership support to further develop a sustainable pharmacy workforce by building capability and confidence at an advanced practice level and beyond, potentially to consultant pharmacist. Developing clinical and education advanced practice skills for pharmacists will ensure stronger clinical support to those at an earlier stage in their career and in turn contribute to the supervision of pharmacists as they register as prescribers (from 2026). They will be working with teams in territorial boards to develop and deliver local action plans.

4.5   Nursing, Midwifery & Allied Health Professions (NMAHP)

a. Key workforce issues affecting Health and Social Care service delivery include the quality of staff experience, wellbeing, and staff retention. As the NHS strives to improve patient outcomes alongside increasing pressures on services and staff, it is vital the workplace experience of staff reflects the person-centred and compassionate approach they are expected to espouse with service users. Not only will this promote the delivery of high-quality care but will serve to increase the resilience of staff, helping to minimise the negative feedback loop that results from increased work burden associated with high staff absence and attrition.

b. In line with the Chief Nursing Officer for Scotland's Nursing 2030 Vision, the aspiration is for all nurses and midwives to participate in clinical supervision appropriate to their role by 2030. To help achieve this ambition we are working with a wide range of key stakeholders to develop a national framework for the nursing and midwifery workforce. Clinical supervision is a formal process of regular, guided reflection which uses a process of discussion and supportive challenge to support individual development. The framework is based on a restorative model of clinical supervision, focussing on three key functions identified by Brigid Proctor (1987):

- Normative – focus on professional practice and standards
- Formative – focus on development of knowledge and skills
- Restorative – focus on health and well-being, including job satisfaction

c. The aim of the NES framework is to transform nurses, midwives and HCSWs (Healthcare Support Worker) experience of clinical supervision in the workplace, to help them to develop and thrive in their role and be better able to provide compassionate, high-quality care. The framework aims to achieve this by putting the individual practitioner's well-being and development at the centre of work-based learning and support. The purpose of the framework is to set out a national benchmark to inform local policy, provision, and practice, promoting a consistent, evidence-based approach for the nursing and midwifery workforce, wherever they work and whatever their role.

d. In tandem with the development of the framework, we are also developing several education resources which will support implementation of the framework including preparation of clinical supervisors. The intention is to use an outcome measure based on supervisee experience to evaluate provision, quality, and improvement of clinical supervision. This will be monitored through the Care Assurance and Improvement Resource (CAIR) dashboard by Healthcare Improvement Scotland.

4.6 Planning and Performance

a. **NES Strategy 23-26**
    Following approval of the NES Strategy 2023-26 at the May 2023 Board meeting, Ministerial endorsement was confirmed on 11 July allowing formal publication to proceed. Engagement sessions with partners to raise awareness of the new Strategy and learn more about how we can best support them and meet their needs are progressing. A number of territorial Health Board sessions are planned over the coming weeks as well as discussions with other national Boards and the Digital Health and Care Innovation Centre.

b. **Planning for 2023-24 and beyond**
    In line with SG requirements and the planning approach for 2023 - 24, NES's draft Medium Term Plan (MTP) covering the period 2023-26 and draft Annual Delivery Plan (ADP) for 2023-24 have been submitted for SG consideration following approval to submit being granted by the Board. Feedback on both documents is currently awaited however delivery is progressing as intended to ensure the Board's strategy is being operationalised in a timely manner. In addition to these two core planning documents, NES has been requested, along with all other Health Boards to develop an Anchors Strategic Plan which sets out an initial three-year strategy and is framed with reference to how the Board will support a 'prevention' public health approach and contribute to both community wealth building and reducing child poverty. A short life working group has been formed to take forward this work ahead of the deadline for submission of 27 October 2023.

c. Additionally, we are actively participating in a short programme of activity which has been established across all National Boards to identify existing areas of collaboration as well as opportunities for enhanced collaborative working from within our ADPs, MTPs or broader consideration of how collectively, we best meet the needs of the health and social care system. This work will report to the National Board Chief Executives by September 2023.

d. **Communication and Engagement**
Following approval of the NES Communication and Engagement Strategy in May 2023, communication and engagement activities to raise awareness of the new NES Strategy have been undertaken both internally and externally, and a communication and engagement plan has been developed to support our Corporate Improvement Programme and the Board's transformational change activities as well as our developing organisational development plan. This will be further developed to draw together all elements of internal communications to ensure a planned and cohesive approach to how we engage with and support our staff in understanding how their work contributes to our strategic outcomes, what our organisational priorities are and how they can be part of NES's change journey.

e. **Monitoring and Management of Performance**
Following approval of the Board's Strategic Key Performance Indicators (KPIs) in May 2023, work has progressed on developing measurement definitions and reporting mechanisms for the first phase of metrics as well as the structure of the reporting dashboard. This has involved engagement with and participation by all Directorates. Communication and engagement activities have also taken place to raise awareness of the KPIs and encourage consideration of the alignment of existing NES workstreams to the metrics outlined.

f. **Board Services**
A Board Development Meeting took place on 29 June 2023 to consider the results of some governance improvement work in relation to the development of Board and Committee Assurance Frameworks. Further developmental work is on-going in this area. The Board also received a session on anti-racism at this meeting. The induction process for our three new non-executives and our fourth new non-executive joining on 1 September 2023 is progressing.

4.8   NHS Scotland Academy, Learning and Innovation

a. The NHS Scotland Academy, Learning and Innovation Directorate has been formed within NES. The Director has continued to work with the NES Joint Consultative Forum and the Change Management Programme Board to lead the establishment of the teams from existing workstreams within NES. In addition to this, additional recruitment continues to implement the changes. The current teams within the Directorate are: NHS Scotland Academy, NHS Scotland Youth Academy, Learning Strategy & Collaboration, and Innovation & Workforce Diversification.

b. **NHSS Academy (NHSSA)**
The NHSSA has continued to focus on immediate workforce priority needs and activity since the last report includes:

   i. **National Clinical Skills Programme for Pharmacists**
   Four days of Clinical Skills, applying the University of Dundee curricula, are delivered most months and dates are scheduled for all of 2023. Delivery of 60 learner-places each month now totalling over 1,500 learner places for 648 learners.

ii. **National Treatment Centre Perioperative Workforce Programme**
NHSSA provides up to 12 places per cohort across the programmes of Foundations in Perioperative Practice, Surgical First Assistant, and Anaesthetic Practitioner. The content for the related workstream to support staff to move from career level 2 to career level 4 roles in the perioperative environment is now complete and the first learners have been recruited.

iii. **Nursing & Midwifery Council (NMC) OSCE Preparation (Digital learning programme)**
The adult nursing resources have been used by 498 learners and 284 educators in 16 Boards (Territorial and National). Feedback from users has been very positive. Additional resources to support midwifes and mental health nurses have been well received.

iv. **Introduction to roles in in health and social care digital learning programme**
This resource remains in use with positive feedback and an average of 200 new learners each month (and over 4,650 in total).

v. **National Ultrasound Training Programme (NUTP)**
The programme commenced with nine learners, who have delivered over 3,800 ultrasound (US) supervised procedures as part of training lists whilst participating in immersion training at NHS Golden Jubilee (GJ). Each learner is able to access five weeks of immersion training through this programme. The Boards with longest waiting times have been prioritised to be offered US appointments at NHS GJ and this is already having a positive impact across NHSScotland.

vi. **National Endoscopy Training Programme (NETP)**
Upskilling for colonoscopy courses have been delivered for 61 learners. 34 trainers have attended Train the Colonoscopy Trainer Courses as faculty development evolves. Immersion Training is going well with 33 clinicians having completed training and 20 more registered. New consultants and trainees closest to Certificate of Completion of Training (CCT) are prioritised for this training. Endoscopy Non-Technical Skills (ENTS) Training is meeting a clear need with 57 clinicians having attended the first courses and 12 on the waiting list. National Faculty - all Boards have completed Service Level Agreements (SLAs) for round one of recruitment, and appointments have been made for round two, with SLAs being put in place for all Boards with some challenges. National Assistant Practitioner Programme (Endoscopy) – the first cohort of eight learners is complete and cohort two has commenced. The long-term impact on service will be evaluated in due course.

vii. **NHS Scotland Youth Academy**
The Skills Development Scotland (SDS) Healthcare Pathway pilot qualification for senior phase school students has been developed and recruitment has begun. The qualification focuses on three challenge projects: spaces and places, community and wellbeing, and creativity. The pilot will run in five regions, with up to 100 students taking part. NHSSA hosted a visit at NHS Golden Jubilee, organised by The Prince's Trust, for 13 participants to learn about roles in health and social care.

c. **Learning Strategy & Collaboration**
A significant focus is the development of a Learning and Education Strategy, aligned to the NES Strategy 2023-26. This work is being undertaken through the membership of the Learning and Education Reference Group (LERG) which was established in April 2023 and has been meeting on a monthly basis. LERG has cross-directorate representation, including colleagues in the Project Management Office (PMO) to ensure alignment with the Corporate Improvement Programme (CIP) and Transformation Route Map. This is an exciting and successful cross-directorate forum supporting organisational alignment, innovation and change.

d. The development of an initial draft of the Learning and Education Strategy will be considered by the Executive Team on 3 August 2023 before wider internal and external consultation and subsequent refinement. The Strategy will set out principles for learning and education and establish priorities for delivery (feeding directly into CIP). Board development session planned for 26 October 2023 and final approval on 23 November 2023.

e. Work has been undertaken with the Programme Management Office (PMO) to establish the scope of a NES Quality Systems Project and 'Turas Refresh' project as part of the Corporate Improvement Programme. The Quality Systems Project Initiation Document has been approved by the Transformation Group and the Quality Systems Project Board met for the first time on 28 July 2023 to agree scope and project structure. A Strategic Outline Case on Turas Refresh submitted to Scottish Government and Phase 1 funding (for scoping) confirmed.

f. Strategic collaborations, underpinning the NES Corporate area of focus (Partnerships) continue to be developed across health, social care and the education and skills sectors. Examples include a range of ongoing meetings and engagements at Chief Executive/Principal level across Higher Education, the appointment of a NES representative on the Accreditation Committee of the Scottish Qualifications Authority, and the development of a strategic partnership with the Digital Health & Care Innovation Centre (DHI). A small executive group has been established to review further partnership opportunities and the development of an organisational record of partnerships, accompanied by a decision-making framework and performance measures is planned.

g. **Innovation and Workforce Diversification**
ANIA (Accelerated National Innovation Adoption): NES continues as a key partner in this collaborative partnership, informing considerations for the value cases and submission to the Innovation Design Authority. NES is preparing a workshop for all ANIA project and programme managers to develop earliest considerations regarding workforce and related education needs within this workstream. This will encompass diversification of the workforce, maximising skills and intends to apply a transforming roles methodology.

h. Chief Scientist (Health) Office (CSO) Innovation Fellows: NES are supporting the next innovation fellows learning event by fielding a specialty speaker on Human Factors and facilitating action learning sets.

i. NES are supporting educational needs in the Life Sciences sector by fielding a speaker on immersive simulation and the role of VR in the life science curriculum at the next Scottish Universities Life Sciences Alliance (SULSA) event.

4.9 Social Care

a. The Director is continuing to discuss with Scottish Government colleagues the arrangements for awarding the agreed funding to allow the Social Care Directorate to commence the work on:

   i. Repurposing Turas Learn content to improve and extend the learning and education offer to the social care sector.
   ii. Collaborating with the Scottish Social Services Council (SSSC) to revise and deliver the National Induction Framework for social care staff, the new model of Continuous Professional Learning for the Social Services Workforce and the design of a new Integrated SVQ for health and social care.

b. The positive partnership working arrangements between NES and SSSC continue to be strengthened, with the development of a revised Memorandum of Understanding (MoU) and the resumption of the Partnership Group meetings between the two organisations' Chairs, Chief Executives and Directors. These arrangements provide clarity of role and responsibility and improved understanding for social care learners on how each of the organisations support learning, education and workforce development for their sector. Joint activity between the two organisations will focus on the following themes: Digital Interface; continuous professional learning (CPL); Qualifications; Recruitment and Retention Leadership; Quality Improvement.

c. The Director and Associate Director are providing social care context and perspective through input to several NES groups and programmes. These include Leading to Change, Value-based Health and Care, NES Cross-directorate Public Health Workstream, ARHAI (Antimicrobial Resistance & Healthcare Associated Infection) Education Oversight and Advisory Group and the projects within the Corporate Improvement programme. These contributions are supporting colleagues internally to consider the contribution that their work in

NES can make to the social care sector and the difference we can make to the social care workforce.

d. Engagement with external stakeholders has been a key focus for the Directorate over recent months. Building on the events that took place to engage on the NES Strategy, colleagues from the Social Care directorate (SCD) have met with a range of stakeholders interested in understanding what NES and the SCD offer to support learning for the groups and individuals they represent. The Director and Associate Director have held meetings with the Scottish Social Prescribing Network, Volunteer Scotland, MacMillan Cancer Care, Playlist For Life and a number of social care providers. We continue to nurture and build these relationships and extend engagement with relevant stakeholders as the Directorate evolves.

e. The Social Care Directorate, supported by NES colleagues from TEL (Technology Enhanced Learning), Communications, Quality Improvement, Leading to Change and the Dementia Programmes hosted a 'Virtual Learners Week' for those working in, managing and providing social care services. This consisted of a Teams live event and a social media campaign with postings over a week in June promoting some of NES existing activities, resources and learning programmes that are relevant and available to the social care workforce.

f. The Director and Associate Director have attended a number of social care conferences to learn about work being progressed elsewhere and to promote NES's role in social care education and learning, knowledge services and digital skills and delivery. This has included Scottish Care's Home Care Conference, The Health and Social Care Alliance's Annual conference and the European Social Services conference in Malmo, Sweden where nearly 700 people from 40 countries heard from presenters about innovative digital developments in social services that are supporting frontline delivery and back-office efficiency and effectiveness.

g. The Social Care Directorate continues to support the Centre for Workforce Supply in their expansion into Social Care, with the team delivering on the International Recruitment into Adult Social Care pilot now all in post. In partnership with the delivery partners SG and COSLA (Convention of Scottish Local Authorities), NES received over 50 applications from social care providers interested in being supported to recruit from overseas. Recommendations for funding these providers to support international recruitment of social care workers are now with the project governance board for approving.

4.10 Workforce

a. **NES Workforce Planning**
In accordance with Scottish Government (SG) requirements, a progress update on the NES Strategic Workforce Plan (2022-25) has been included in the Annual Delivery Plan return submitted on 7 June 2023. Succession Planning for a cohort of priority roles (NES executive roles and other senior roles identified as business critical) commenced in May 2023. The aim was to identify and support those interested in aspiring to executive level roles through tailored development plans and support. The internal pipeline of potential successors will be strengthened improving the overall talent pool for recruitment through the usual competitive selection processes. A risk rated succession plan will be available by end August 2023 and provide a RAG (red / amber / green) status for each role within scope.

b. **Equality, Diversity & Inclusion**
Equality, Diversity and Inclusion continue to be key themes in the NES strategy with a particular focus on anti-racism actions this year. NES Executive Team members have a performance objective focused on identifying opportunities and actions that proactively contribute to NES's anti-racist approach and improving equality, diversity, and inclusion. All NES staff have a 'learning objective' to deepen their understanding. Sessions were held in May and June to provide staff with ideas and context to this objective and further information has been made available to staff. The Equality, Diversity and Human Rights Team led a session on anti-racism for the NES Line Manager Network in June with over 90 staff attending. Sessions will be repeated to ensure line managers have up-to-date awareness and tools. NES has been successful in achieving a Carer Positive award. This was supported by the Parents and Carers Network and will support staff attraction

c. **Recruitment Activity**
Year on year recruitment in the first quarter of 2023-24 showed a year on year decrease of 37.7% reflecting economic challenges and delays to funding decisions at the start of the financial year. Increased conversion of both NES fixed-term contractors and agency workers to NES permanent contracts has created improved workforce stability. Whilst the volume of agency workers in Quarter 1 remains high (43), overall total volumes have significantly reduced (vs 87 in Q1 FY2022). The transition of East Region Recruitment Service (ERRS) NES activities continues and is anticipated to conclude by end August 2023.

d. **Lead Employer of Doctors and Dentists in Training (DDiTs)**
A sub-group of the National HR Medical and Dental Workforce Group is being established to focus on Lead Employer matters, with membership from each of the Employing Board regions, including NES. Following completion of August 2023 trainee intake activities, the sub-group will initially focus on residual actions from the Lead Employer Project, and identify priorities for this financial year. A refresh of the TURAS Hub is underway to enhance communication and support to trainees regarding employment policies and arrangements.

e. **National Trainee Services**
Since April 2023, 410 Certificates of Sponsorship (CoS) have been issued to DDiTs requiring a Skilled Worker visa to work in the UK. Accounting for CoS' yet to be issued, visa extensions, and a forecast number of Locum Appointment for Training (LAT) appointments, it is anticipated that a total of 470 CoS' will be issued during the April-August 2023 period. This is lower than forecast (517) but remains similar to the total number issued in the same period in 2022 (467). Home Office visa processing times are currently faster than last year (3-8 weeks) and priority application services are operating unlike during the same period last year. PVG processing for 1,415 DDiTs commencing in the August 2023 intake is on track with 80% having already received clearance and a further 15% with an application in progress. Via the Turas People platform, Health Boards are accessing progress updates. As the Placement Board for GP trainees in practice and for Vocational Dental Practitioners, the team has also commenced pre-employment and payroll onboarding processes for 578 trainees. Pharmacy Foundation Year recruitment is live for posts commencing September 2024; 548 applications were longlisted by the national deadline.

f. **Employee Relations**
The NHS Scotland Junior Doctor and Dentist May ballot for pay related strike action returned a 97% response in favour of industrial action. NES is one of 4 Employing Boards under the Lead Employer arrangements and employs 1,792 (26.54%) of Junior Doctors in NHS Scotland. Dental Core and Specialty trainees (120) were also in scope for the industrial action, with NES being the only Employing Board of this staff group. Strike action could have impacted NES in terms of operational frontline delivery, recruitment and rotation into training programmes and DDiT morale and wellbeing. Karen Reid, NES CEO, chaired the NHSS Employers Reference Group as part of the pay negotiations. On 7 June 23, industrial action was suspended following a pay offer of 12.4% for 2023/24. Coupled with a pay rise of 4.5% for 22/23 this amounts to a cumulative 17.5% over 2 years. The offer also included a commitment to future years pay, contract and pay bargaining modernisation. The ballot to vote on the offer concludes on 16 August and the outcome should be known on 17 August. Work continues on reviewing arrangements for engaging contingency workers, delivering services across NES. Data gathering is informing next steps including assessment of risk.

g. **NES Internal Learning & Development**
Investment in learning and development needs to enable sustainable delivery of NES vision, purpose and strategy. Alignment of investment is a key objective of the Organisation Development (OD) Plan 2023-26. The OD Plan will identify the core organisational capabilities required for effective delivery of the NES strategy and align to the NES Strategic Workforce Plan (2022-25). It will direct key areas for investment from the Workforce Development Fund. In the 2023 NES budget, a Workforce Development Fund of £155,000 has been set aside. The third NES Learning at Work Week offered 20 different sessions to staff members across the 15 - 19 of May 2023. There were a total of 1,490 attendees across the 20 sessions equating to 1,041 learning hours. Recordings have been provided to staff who were unable to attend.

h. **Widening Access/ Employability/Careers**
    NES continues to support the delivery of a wide range of programmes and
    activities aimed at widening access to jobs, careers and training for groups
    under-represented in the NES and NHS workforce. These align with national
    policy and are progressed in partnership with a wide range of partners. A NES
    Widening Access Framework ensuring strategic oversight of all widening access
    programmes and activities in NES has been developed. There is significant
    activity underway across NES in support of apprenticeships. A national group,
    the 'Skills for Health & Social Care Group' has been established by Scottish
    Government to steer and coordinate the development of apprenticeships and
    other pathways into employment.

i. **Leadership Development**
    Leading to Change, the programme of work supporting development of leaders
    across health, social care and social work sectors, for which NES is the strategic
    delivery partner, is providing a range of opportunities to leaders including those
    in NES. This programme will evolve over the next five years and include support
    to succession planning, initially in the health sector, at senior executive level.

j. **Building Digital Skills and Leadership Programme**
    NES is the strategic delivery partner for Scottish Government in improving digital
    skills and leadership across the health and social care sector. A Board
    Workshop: Leading in a Digital Age targeted at Executive and Non-Executive
    Board members has been designed and will be piloted in August. It is supported
    by Scottish Government and COSLA. The Digital Health and Care Leadership
    Programme (DLP) has continued to scale. Cohort 20 commenced in May with 96
    participants.

k. **Centre for Workforce Supply (CWS)**
    CWS continues to support NHSS Boards on a wide range of actions to support
    the closure of priority workforce supply gaps. Work has continued supporting
    Health Boards to accelerate ethical international recruitment of nurses, midwives
    and AHPs. This included attendance at a Royal College of Nursing (RCN)
    conference which resulted in 120 potential candidates signing up. Central
    coordination of key stakeholders to identify additional potential solutions to
    medical workforce gaps is underway. A CWS Social Care Team (CWS Social)
    has been recruited to implement the pilot on international recruitment of social
    care staff commissioned by Scottish Government and COSLA. Providers have
    been selected for the pilot based on defined criteria. A flexible, workforce
    planning tool has been developed by CWS, NES Data Group and Scottish
    Government colleagues to assist workforce planning. Discussion are taking
    place on whether this should be implemented as part of the national workforce
    planning processes across NHSScotland.

l. **Supporting Armed Forces Employment Programme (SAFE)**
    SAFE was launched in June 2023 to align with the annual Armed Forces week.
    Focus areas of work for the programme include increasing awareness of routes
    into health and social care for veterans, service leavers and their families as well
    as working with employers to increase awareness of armed forces communities.

CALENDAR

This section of the report provides an overview of the meetings I have attended since 18 May 2023. Rather than list every date individually, where possible meetings have been grouped and additional context provided.

NES Executive Team (ET), Transformation Group (TG) and Strategic Implementation Group (SIG)
The NES Executive Team (direct reports to the Chief Executive) meets formally on a twice-monthly basis to focus on and consider strategic matters, collective strategic decision-making, strategic scrutiny and cross-organisational leadership.

A new Transformation Group (TG) chaired by the Chief Executive has also recently been established to lead and oversee transformation activity in NES that is being taken forward to underpin the delivery of NES strategy. The group will ensure clarity of direction and a focus on our people, partnerships, and performance. Membership comprises the NES Executive Team and other senior leaders within the organisation. TG meetings take place monthly.

The Strategic Implementation Group (SIG) meets for a business meeting once a month. SIG meetings are chaired by Karen Wilson (Executive Director of Nursing / Deputy Chief Executive (Clinical)) and Tracey Ashworth-Davies (Director of Workforce / Deputy Chief Executive (Corporate)).

NHS National Board Chief Executives (BCEs)
BCEs of the national Boards and Public Health Scotland meet fortnightly via Microsoft Teams.

NHS BCEs + Scottish Government
NHS Board CEs meet monthly for Private, Strategy and Business meetings. All Accountable Officers also meet monthly with Caroline Lamb (Director-General of Health and Social Care and Chief Executive of NHS Scotland). These meetings are held in a hybrid format.

NHS Scotland Board Chairs and Chief Executives meet monthly for a System Pressures and Recovery Meeting with the Cabinet Secretary NHS Recovery, Health and Social Care.

Meetings between 18 May – 3 August 2023

I continue to enjoy meeting with a range of NES staff either to discuss key NES programmes and initiatives or as part of their induction. In recent weeks I have met with colleagues to discuss Realistic Medicine and Values-Based Health and Care, TURAS, the AHP workforce, workforce planning, digital prioritisation, the draft NES Learning and Education strategy and NHSS Board development. I was also invited to speak at a NES Line Managers Network Event about my own leadership journey.

I always welcome the opportunity to meet with trainees and colleagues who are participating in NES education and training events. Since the last Board meeting I was delighted to join and present, along with the Board Chair, at the Dementia Champions and Dementia Specialist Improvement Leads Sharing Practice and Graduation Event

that celebrating the hard work and developments of our Dementia Champions and Specialist Improvement Leads. A number of external stakeholders joined this event including Scottish Government, Scottish Social Services Council (SSSC), Alzheimer Scotland, Care Inspectorate, people with lived experience including the Scottish Dementia Working Group (SDWG), the National Dementia Carers Action Network (NDCAN), and University of the West of Scotland who are currently the commissioned delivery partner for the Dementia Champions Programme. I also attended and spoke at the Scottish Clinical Leadership Conference 10th anniversary celebration event. The Scottish Clinical Leadership Fellowship (SCLF) has given over 100 Doctors, Dentists, and Pharmacists the opportunity to develop as leaders, and the success of the programme is evidenced by the achievements of its alumni, many of whom have gone on to positions of leadership.

NHS Scotland
I have met with a wide range of colleagues across NHS Scotland since the last Board meeting including Chief Executives and other senior colleagues at NHS24, Fife, Grampian, Greater Glasgow and Clyde, Highland, Healthcare Improvement Scotland, Lanarkshire, National Services Scotland (NSS), Public Health Scotland and the Scottish Ambulance Service.

The Board Chair, myself and other members of the NES Executive Team attended an NHS 75th Anniversary parliamentary reception held at Scottish Parliament. A separate celebration event was also held to recognise the contribution of NHS staff and I nominated a number of NES staff to enable their attendance.

External Stakeholders
I continue to meet with a wide range of key stakeholders across health and social care. Since the last Board meeting I have met with Chief Executives and senior representatives from Health Education England (HEE), Health Education and Improvement Wales (HEIW), Northern Ireland Medical and Dental Training Agency (NIMDTA), COSLA (Convention of Scottish Local Authorities), the Open University in Scotland, the University of Edinburgh, the University of Dundee, University of St Andrews, the Mental Welfare Commission, the Scottish Funding Council, British Medical Association, University of Dundee, Scottish Social Services Council, the General Medical Council (GMC) and the Scottish Universities Life Sciences Alliance (SULSA).

Scottish Government (SG)
I have met with a number of SG colleagues since the last Board meeting including Gillian Russell (Director of Health Workforce), Prof. Dame Anna Dominiczak (Chief Scientist), Catherine McMeeken (Deputy Director, Director of Leadership, Culture and Wellbeing), Donna Bell (Director of Social Care and National Care Service Development), Fiona Hogg (Chief People Officer), Stephen Lea-Ross (Deputy Director, Health Workforce) and Catherine Ross (Chief Scientific Officer). I also attended a number of SG meetings relating to the Junior Doctor pay negotiations, including chairing the Employers Reference Group.

In terms of wider SG meetings I have attended the regular NES/SG sponsorship meeting, the Management Steering Group, the Diagnostic Strategic Network Oversight Board and the Innovation Design Authority. I also attended a meeting with the new Cabinet Secretary for NHS Recovery, Health and Social Care with other NHS Boards

and key stakeholders. I also met with SG colleagues to discuss Leading to Change, leadership development and the Scottish Partnership Forum.

NHS Education for Scotland   **NES/23/48**
Item 08a
Date of meeting   10ᵗʰ August 2023

NES Board

1.   Title of Paper

     2023/24 Quarter 1 Finance Report

2.   Author(s) of Paper

     Jim Boyle, Director of Finance

     Lizzie Turner, Head of Finance Business Partnering

3.   Lead Director(s)

     Jim Boyle, Director of Finance

4.   Situation/Purpose of paper

     The purpose of this paper is to:

4.1   Inform the Board of the financial position at the end of Quarter 1 (Q1) of financial year 2023/24, including the year-end forecast of the financial position, based on actual performance to the end of Q1 as well as anticipated activity for the remainder of the financial year. This forecast shows an underspend position of £0.7m year to date and a full year forecast underspend £0.3m. This is dependent on the receipt of all anticipated funding allocations from Scottish Government.

4.2   Highlight the ongoing work around funding which continues to create financial planning uncertainty for NES.

5.   Background and Route to Meeting

5.1   On 23rd March 2023 the Board approved the NES budget for 2023/24. This consisted of a baseline budget of £524.4m with additional Scottish Government funding of around £150m indicated at that time. Baseline funding refers to the funding NES receives at the beginning of each financial year to carry out core activities. Throughout the year Scottish Government will ask NES to carry out additional work commissions, the funding for which is referred to as Scottish Government Additional Allocations. NES receives a letter every month confirming

which commissions have allocations confirmed. Work with Scottish Government has been ongoing since the beginning of the financial year to update both baseline and Scottish Government funding figures based on the most up to date information available from the SG policy teams and the Health and Social Care Finance team.

5.2   The Baseline funding available currently confirmed is £527.7m with the additional £3.3m received on top of the amount agreed in financial plan to cover the increase required as a result of the recently agreed 2023/24 Pay Award for Agenda for Change staff.

5.3   The amount of additional Scottish Government Funding currently expected is £143.6m, this is lower than anticipated in the Financial Plan which was approved as we are still working with Scottish Government colleagues to finalise funding in some areas.

5.4   The work to 'Baseline and Bundle' funding as detailed in our Budget letter of 15th December is also ongoing at Scottish Government and is expected to significantly increase the amount of funding which is added to the NES baseline (and in turn reduce the allocations only received on an annual basis).

5.5   A breakdown of some of the largest allocations currently anticipated can be found in Appendix 1.

5.6   The NHS in Scotland continues to operate in an extremely challenging financial environment, with demand pressures increasing significantly and with the post-pandemic backlog still placing pressure on the system. Furthermore the impact of inflationary pressures is being seen in a wide range of budget areas.

5.7   As also detailed in the letter of 15th December 2022 all Boards are required to engage with the Scottish Government led Sustainability & Value review which has asked Boards to identify savings of 3% in this financial year.

6.   Assessment/Key Issues

Funding

6.1   The amount of SG funding NES receives in-year will continue to move throughout the year as commissions are agreed with SG, however once the baselining and bundling exercise is complete, we expect SG will be in firmer position to confirm and action the majority of our allocations.

6.2   It is important to get allocations confirmed as quickly as possible so that NES can undertake activity within timescales that match the available funding. However, it should be noted that at the time of writing this report, the additional funding allocations remain to be confirmed, although it is expected that the July allocation letter will contain a substantial amount of them.

6.3   The majority of funding for NES Technology Services (NTS) has been agreed for this year, totalling £11m in-year. This is lower than anticipated in the financial plan due to a reduced scope of work in Digital Front Door (£2.5m reduction) and £1m

reduction to funding the new NTS team, however NTS is reducing their resource and scope of work to match the funding envelope available. Both allocations have been agreed to 31st March 2026.

6.4 Baseline funding will further increase during the year as the Doctor & Dentist in Training (DDiT) Pay Award, which Scottish Government have confirmed will be fully funded, is finally agreed.

6.5 Within total funding, a carry forward has been assumed of £1.65m from 2023/24 to 2024/25 as approved in our Financial Plan, and which is awaiting final SG confirmation. This is to support strategic multi-year project development in Medical ACT (Additional Cost of Teaching) of £1m and to purchase cataract simulators for use by Medical Trainees in 2024/25, £0.65m. This equipment has been ordered but cannot be delivered in 2023/24 due to the long lead time associated with this specialist equipment.

6.6 NES continues to meet regularly with our Sponsor team at SG to highlight issues regarding funding. Recent discussions include;

- progress and timing of confirmation of the Baselining and Bundling exercise,

- the benefits of receiving allocations on a timely basis,

- the requirement for SG to fund multi-year activity appropriately as we have no ability to carry forward between years (unless pre-approved within the financial plan) and

- highlighting a need for increased engagement from Pharmacy regarding funding in that area (£14.5m).

6.7 The Scottish Government has recently engaged with National Boards to ask them to identify options for reducing work associated with additional commissions to allow Scottish Government to help balance NHS funding nationally. This will be collated by the Executive Team, setting out risks and policy implications and the outcome will be reported to the Board.

Upcoming Work and Funding

6.8 NES expects two material new allocations to be confirmed (and therefore included in the budget) for Q2. Firstly, £0.3m to continue the roll out, support & maintenance of ReSPECT (Recommended Summary Plan for Emergency Care & Treatment) product across NHS Boards. This digital application stores electronic patient data and preferences of care for a future emergency. We also expect £0.5m to increase the value of Dental Trainer Grants paid to practices by 21%. This is the first increase in 10 years and has been detailed within the Dental Statement of Renumeration issued by SG and is expected to be fully funded by SG.

6.9 NES has developed a Properties and Ways of Working corporate improvement programme which is reviewing the office and training spaces currently utilised by NES and is looking to rationalise and increase the quality and flexibility of space

where possible. This is likely to incur significant dilapidations, fit out and moving costs in due course. We are currently tendering for a Lead Advisor to support the move from 2CQ in Glasgow to a new premises and once tendered we will be able to assess the timing and level of likely cost as well as the impact on our forecast position. As detailed in the financial plan, we retained the £1.5m returned national board savings to create an Investment Fund which will be used to fund any costs in the first instance.

6.10 NES recently received a letter from the Deputy Director of Workforce at Scottish Government confirming NES can proceed with Phase 1 of the proposed TURAS refresh. This is likely to cost up to £1.4m and it was confirmed this would firstly be funded through any in-year underspends within NES with the balance underwritten by Scottish Government.

6.11 NES will continue to identify cost savings and efficiencies where we can across the organisation and feed this into the Sustainability & Value review being run by SG where appropriate. Any savings generated by the Corporate Improvement Programmes will also feed into this.

Q1 Monitoring Position

6.12 We have undertaken financial monitoring with directorates in Months 2 and 3 and a summary of the Q1 position included by Director in table 1 below. A more detailed breakdown by Directorate can be found at Appendix 2.

6.13 This shows that excluding Medical Training Grades (MTG), an underspend of £0.4m is forecast and including MTG, the forecast underspend of is adjusted to £0.3m.

6.14 The Medical Training Grades (MTG) pressure of £0.1m is in line with the anticipated pressure approved by Board in March and is likely to be underwritten by the Scottish Government and therefore will not impact on our final position for the year. MTG figures may change significantly once the outcome of the Doctors and Dentists in Training Pay dispute is resolved and following the August rotation of trainee Doctors which informs the forecast costs for the remainder of the year.

Table 1: Summary position as at 30th June 2023

Directorate	Full Year		
	Current Budget	**Forecast Outturn**	**Under/ (Over)spend Forecast**
Medical	173,253	173,193	60
Dental, Healthcare Science & Optometry	56,682	55,736	946
NMAHP & NHS Scotland Academy	64,704	64,650	54
Social Care	401	407	(6)
NES Technology Services	23,751	23,738	13
Workforce, Planning	15,395	15,491	(96)
Finance, Property & FM	8,652	9,121	(469)
Provisions	815	952	(137)
Total Excl. Medical Training Grade Salaries	**343,653**	**343,288**	**365**
Medical Training Grade Salaries (MTGS)	327,716	327,795	(79)
Total NES	**671,369**	**671,083**	**286**

6.15 Within this position it is projected that the unidentified savings target of £0.4m and Procurement savings of £0.3m as agreed in the financial plan will be achieved through normal budget management. In addition, £0.8m of the £2.75m vacancy lag target has also been confirmed, and it is anticipated that the target will be met by the end of the financial year.

6.16 The underspend of £0.3m for the whole of NES is a net position, and there are a number of overspends and underspends across directorates that make up that net position.

6.17 The most significant variance is a £0.9m underspend within Dental, Healthcare Science and Optometry Directorate. Within this total underspend forecast, £0.738m relates to Dental activity.

6.18 The Dental underspend of £738k is comprised of 3 elements:

- £68k from 1 fewer core & specialty trainee (early leaver) and trainees exiting the pension scheme

- £670k from potential unfilled posts in current recruitment to both vocational training and core & specialty training. The risk of unfilled posts has been included to provide a more likely forecast outcome; but it should be noted that recruitment for these August and September cohorts is ongoing with the intention to achieve a higher fill rate than current recruitment progress indicates

- There are also £64k lower staff costs from staff leaving the pension scheme and net appointments below budget and £45k lower cost from the closure of the

Carronshore (NHS Forth Valley) Outreach Centre causing timing savings as the temporary cover arrangements begin later in September.

6.19 Trainee recruitment is ongoing until September and additional measures to fill posts are being taken, this may result in a reduction to the underspend in due course. The balance of the underspend results from reduced pay costs and other small underspends throughout the directorate.

6.20 There is currently a £0.5m overspend in Properties due to increased rates bills of £0.2m following the recent rates review and a higher than anticipated service charge of £0.1m for Westport which is being disputed. Annual rent for Westport has also increased by £0.2m following the recent contracted rent review which is index linked. This forecast does not currently account for any increased costs as a result of the Ways of Working corporate improvement project. £1.5m is currently being held in the investment fund situation within Provisions for this purpose.

6.21 Provisions is the budget line where corporate savings, costs and funding are held, this includes savings targets, depreciation, the investment fund etc, So far we have identified available budget in directorates of £0.6m leaving a pressure of £0.1m against the £0.7m savings target agreed within the Financial Plan. Savings have been generated from changes to budget plans in Workforce and Dental (£0.2m) and a recent change to VAT rules for software, which has resulted in £0.3m of VAT not being payable in year.

6.22 The provisions position will fluctuate throughout the year as corporate technical adjustments are made, this includes, for example, the writing off of accrued expenditure where costs relating to a previous year are deemed unlikely to be paid. This results in the amount being made available in the current financial year as the amount due to be paid NES is written off the balance sheet. This is an ongoing internal process within Finance and the Directorates.

6.23 Where corporate pressures arise during the year, and agreed as a priority by the Executive Team, they will normally be funded through the provisions budget.

Capital

6.24 The monitoring position shows all budgets and forecasts currently as revenue. Some of our spending in-year will be capitalised due to its nature, at that point we will transfer the appropriate amount of revenue funding into capital via the Scottish Government. We will update the Board as and when these transactions are confirmed.

Income

6.25 Although income for NES is relatively high (£25.9m at Q1) this is largely due to the lead employer arrangements (£20.9m) that are in place, where four Lead Employer boards employ all the Medical Trainees and some of the Dental Trainees across Scotland, to improve employee experience and simplify recruitment and payroll processes during their multiple placements. NES employ all GP Trainees and Dental Trainees completing Vocational Training, incurring costs of around £7m per month. This is recharged to the Placement Boards, offsetting that expenditure at a

directorate level leaving a net nil impact to NES. This is identifiable in the annual accounts where income and expenditure are required to be separated.

6.26   Other significant income includes the medical and dental levies which are charged to undergraduate Medical and Dental Students at a rate of £10k per year. This is to contribute to the cost of the NHS placements which will be provided during their university course. These fees are set by SG and collected by NES. The medical levy (c.£8m p.a.) is used to provide additional placements. The Dental Levy (c.£1.3m p.a.) is normally returned to SG but may be redirected to support under- and post-graduate training by the Chief Dental Officer.

6.27   NTS also generate around £0.7m in income from commercial agreements to provide NES software products to different organisations.

6.28   There is income throughout other directorates largely from attendance and delivery of courses, income to pay for posts, providing apprenticeships in Pharmacy and Dental, recharging costs etc,

7.   Recommendations

7.1   To note the financial results and forecasts set out in this report.

Author to complete **checklist.**
<mark>**Author to include any narrative by exception** in Section 6 of the cover paper.</mark>

a) Have Educational implications been considered?
☐Yes
☒No

b) Is there a budget allocated for this work?
☒Yes
☐No

c) Alignment with Our Strategy 2023 – 26 People, Partnerships and Performance
☐1. People Objectives and Outcomes
   ☐2. Partnership Objectives and Outcomes
   ☒3. Performance Objectives and Outcomes

d) Have key strategic risks and mitigation measures been identified?
☒Yes
☐No

e) Have Equality, Diversity, Human Rights and health inequality issues been considered as per **Fairer Scotland Duty: Guidance for Public Bodies** and **Corporate Parenting** as per the **Children and Young People (Scotland) Act 2014?**
☐Yes
☒No

f) Have you considered Emergency Climate Change and Sustainability implications as per DL (2021) 38?
☒Yes
☐No

g) Have you considered a staff and external stakeholder engagement plan?
☐Yes
☒No

Author name:
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Jim Boyle, Director of Finance
Date: 3/8/23
NES

Appendix 1 – Anticipated Funding – Split by values Received and outstanding

Funding	Recurrent	Earmarked	Non Recurrent	Total	Total split by:	
					Received	Outstanding
	£000s	£000s	£000s	£000s	£000s	£000s
Baseline budget	524,385	0	0	524,385	524,385	0
Pay Inflation Adjustments	3,359	0	0	3,359	3,359	0
Original budget	**527,744**	**0**	**0**	**527,744**	**527,744**	**0**
Psychology Mental Health	134	0	34,554	34,688	0	34,688
Medical Training Grade Expansions	4,341	0	28,975	33,316	0	33,316
Medical ACT additional funding	0	0	19,906	19,906	0	19,906
MEP funding gap	0	0	12,331	12,331	0	12,331
Primary Care Fund National Boards	0	0	11,637	11,637	0	11,637
NTS Digital Front Door	0	0	2,500	2,500	0	2,500
Vaccinations	0	0	1,818	1,818	0	1,818
NTS Digital funding	0	0	5,815	5,815	0	5,815
Dental Aberdeen Dental School	0	0	3,113	3,113	0	3,113
Pharmacy workforce priorities incl. Independent Prescribing	0	0	1,093	1,093	0	1,093
Pharmacy Trainees	0	6,709	1,659	8,368	0	8,368
Centre for Workforce Supply	0	0	889	889	0	889
NHS Scotland Academy	1,620	0	9	1,629	0	1,629
HCS Cardiac Science training	0	0	728	728	0	728
National Leadership Development Programme	761	0	200	961	0	961
Dental Overseas levy	0	0	(835)	(835)	0	(835)
Anticipated pay award	1	0	1,460	1,461	676	785
2023/24 carry forwards request	0	0	(1,650)	(1,650)	0	(1,650)
Social Care	0	0	399	399	0	399
Other allocations (individually under £600k)	556	81	4,820	5,457	1,146	4,311
Total in-Year allocations	**7,413**	**6,790**	**129,423**	**143,625**	**1,822**	**141,803**
Total Revenue Allocation	**535,157**	**6,790**	**129,423**	**671,369**	**529,566**	**141,803**

Appendix 2 – Q1 Monitoring Position by Directorate

Directorate	Year to Date (Period 3)			Full Year Forecast		
	Current Budget	Outturn	Variance	Current Budget	Outturn	Forecast Year End Variance Under/ (Over)
	£000s	£000s	£000s	£000s	£000s	£000s
Quality Management	449	451	(2)	1,902	1,873	29
Medical ACT & Academic	23,755	23,745	10	116,185	116,177	8
Medical Directorate Support	1,944	1,878	66	7,479	7,460	19
Training Programme Management (excl. MTGS)	4,737	4,756	(19)	22,957	22,959	(2)
Professional Development	1,867	1,584	283	7,662	7,655	7
Pharmacy	3,097	3,051	46	17,068	17,069	(1)
Medical Total	**35,849**	**35,465**	**384**	**173,253**	**173,193**	**60**
NTS	5,428	5,316	112	23,751	23,738	13
NES Technology Service	**5,428**	**5,316**	**112**	**23,751**	**23,738**	**13**
Dental	11,717	11,478	239	50,168	49,309	859
NMAHP	3,090	3,496	(406)	12,361	12,385	(24)
Psychology	10,445	10,153	292	50,702	50,641	61
Healthcare Sciences	1,292	1,279	13	4,580	4,549	31
Optometry	463	367	96	1,934	1,878	56
Workforce	2,783	2,739	44	12,652	12,641	11
Finance	800	817	(17)	3,501	3,516	(15)
Properties & FM	1,278	1,430	(152)	5,151	5,605	(454)
Planning	645	670	(25)	2,743	2,850	(107)
NHS Scotland Academy	419	429	(10)	1,641	1,624	17
Social Care	101	105	(4)	401	407	(6)
Net Provisions	549	388	161	815	952	(137)
NES Total (excl. MTGS)	**74,859**	**74,132**	**727**	**343,653**	**343,288**	**365**
Medical Training Grade Salaries (MTGS)	77,382	77,361	21	327,716	327,795	(79)
NES Total	**152,241**	**151,493**	**748**	**671,369**	**671,083**	**286**

NHS Education for Scotland   **NES/Board/23/49**
Item 8b
10 August 2023

NES Board

1.   **Title of Paper**
       Q1 Strategic Risk Update

2.   **Author(s) of Paper**
       Rob Coward, Principal Educator

3.   **Lead Director(s)**
       Jim Boyle, Director of Finance

4. **Situation/Purpose of paper**

4.1   To present the Board with an update on the Strategic Risk Register, in the
       new reporting format, and with the Strategic Risks as approved by the
       Board on 23 March 2023.

5.   **Background and Route to Meeting**

5.1   The Audit and Risk Committee has strategic oversight of risk assurance
       within NES and receives regular updates on the Strategic Risk Register, as
       well as other reports on risk matters. The Board approves the Risk
       Strategy, the list of strategic risks, the Risk Appetite Matrix, and it also
       receives regular reports on strategic risks. A recent Board Development
       Session received a preview of a revised reporting format for strategic risks,
       and this report contains the strategic risks in that new format. The Audit
       and Risk Committee considered this update at its meeting on 27 April 2023
       and noted the contents, particularly the scoring of risks, pre- and post-
       mitigation, and the effectiveness of controls. The Committee also provided
       comment on the new reporting format.

6. **Assessment/Key Issues**

6.1   Since the last report to Board, the fourteen strategic risks detailed in the
       Strategic Risk Register provided at Appendix 2 (and in summary at
       Appendix 1) have been reviewed by their risk owners. No material
       amendments were made, although some additional actions have been

noted. Additionally, there have been no new risks identified or escalated to the Strategic Risk Register.

6.2   Risk owners have reviewed their respective strategic risks with a view to reflecting any business or environmental changes in the risk log. A key focus was specifying any actions to further control the likelihood of risks materialising and/or their impact. This was especially relevant to risks where the risk scoring indicates that the combined likelihood and impact is outwith the Board's agreed risk appetite.

6.3   Board members will note that actions to further control strategic risks have been specified in the risk log. Further work is required to agree owners for these actions and the due dates for completion.

6.4   Appendix 3 sets out the current Board Risk Appetite Matrix.

7. Recommendations

That the Board:

1. Note and comment on the individual risks in the Strategic Risk Register as set out in summary at Appendix 1 and in detail at Appendix 2.

Author to complete **checklist.**

Author to include any narrative by exception in Section 6 of the cover paper.

a) Have Educational implications been considered?
☒Yes
☐No

b) Is there a budget allocated for this work?
☒Yes
☐No

c) Alignment with NES Strategy 2019-2024
☐1. A high-quality learning and employment environment
☐2. National infrastructure to improve attraction, recruitment, training and retention
☐3. Education and training for a skilled, adaptable and compassionate workforce
☐4. A national digital platform, analysis, intelligence and modelling
☒5. A high performing organisation (NES)

d) Have key strategic risks and mitigation measures been identified?
☒Yes
☐No

e) Have Equality, Diversity, Human Rights and health inequality issues been considered as per **Fairer Scotland Duty: Guidance for Public Bodies** and **Corporate Parenting** as per the **Children and Young People (Scotland) Act 2014**?
☐Yes
☒No

f) Have you considered Emergency Climate Change and Sustainability implications as per DL (2021) 38?
☒Yes
☐No

g) Have you considered a staff and external stakeholder engagement plan?
☐Yes
☒No

Author name: Rob Coward
Date: 27 July 2023
NES

	Summary of Risk Log				
Risk No.		**Risk Date**	**Gross Total**	**Net Total**	**Risk appetite vs net score**
SR1	NES Strategic Plan does not align with the needs and expectations of stakeholders	19 April 2023	15	12	
SR2	Disproportionate amount of non-recurrent funding, without conversion to recurrent funding	19 April 2023	16	12	
SR3	Failure to recruit and retain sufficiently experienced and knowledgeable people to the Board, Executive Team and senior management establishment	19 April 2023	16	8	
SR4	NES does not adequately engage with its employees	19 April 2023	16	9	
SR5	NES does not put in place an adequate corporate support establishment	19 April 2023	16	12	
SR6	Failure to develop and maintain adequate Business Continuity arrangements to deal with the risk of adverse events and threats	19 April 2023	16	9	
SR7	Failure to put in place measures to adequately protect against breaches of cyber security	19 April 2023	20	15	
SR8	Failure to put sufficient employee training and other operational controls in place to minimise the risk of breaches of Information Governance	19 April 2023	20	12	
SR9	NES does not put sufficient measures in place to address ongoing cost and funding pressures	19 April 2023	25	12	
SR10	Failure to adequately anticipate and mitigate the impacts of policy, legislative, economic and societal change	19 April 2023	12	8	
SR11	Poor learning outcomes and learning experience for our stakeholders	19 April 2023	16	9	
SR12	Insufficient investment in TURAS Learn and other NES learning platforms	19 April 2023	12	12	
SR13	Failure to recruit and retain sufficient number of appropriately skilled and experienced staff within the NES Technology Service	19 April 2023	12	8	
SR14	Inadequate Board governance, systems, processes and scrutiny of them	19 April 2023	25	4	

STRATEGIC RISK 1

Risk no:	SR1			
Risk Short Title:	NES Strategic Plan does not align with the needs and expectations of stakeholders			
Risk Owner:	Karen Reid	Date Added to Register:	19 April 2023	
		Review Date:	27 July 2023	
		Frequency of Review:		
Risk Category(s)	Strategic	Reputational		
Risk impacts on NES Strategy Key Area of Focus :	People, Partnerships, Performance			

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Primary 2	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
5	3		4	3		Open	10-12
Gross Total:	15		**Net Total:**	12		Primary 2	12
							Within

Existing control rating:	**Partially controlled**

Cause:	Effect:
NES Strategic Plan does not align with the needs and expectations of stakeholders	This could lead to a failure of the NHS and social care workforce's ability to respond to the existing and changing health and social care needs of Scotland's population
	Result:
	This could result in high levels of dissatisfaction with the role of NES and loss of credibility as the statutory education, training, workforce development, data and technology provider in health and social care in Scotland. It could also mean that the health and social care workforce do not have the necessary skills and knowledge to meet the needs of the population.

Control:		Additional Proposed Actions:	
1	Revised NES Strategic Plan clearly articulates the importance of education and training to a sustainable workforce and has been widely consulted upon	1	Executive engagement sessions with Territorial Health Boards to develop relationships and understanding of needs.
2	Annual Operating Plan, incorporating desired outcomes, forms the baseline for organisational activities	2	
3	Development of focused communications to support management of stakeholder expectation in relation to NES capacity to deliver and support new systems development.	3	
4	Work has been undertaken with NHS Boards, statutory education bodies in the four nations, and professional regulators, to mitigate disruption and allow trainees/learners to progress where possible.	4	
5	The implications for NES from the Adult Social Care Review and the establishment of the National Care Service are discussed with our Sponsor Directorate and Mental Health & Social Care Directorate to allow for forward Planning	5	

STRATEGIC RISK 2

Risk no:	SR2			
Risk Title:	Disproportionate amount of non-recurrent funding, without conversion to recurrent funding			
Risk Owner:	Jim Boyle	**Date Added to Register:**	**19 April 2023**	
		Review Date:	**27 July 2023**	
		Frequency of Review:		
Risk Category(s)	Operational			
Risk impacts on NES Strategy Key Area of Focus :	Performance			

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Primary 2	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
4	4		3	4		**Open**	**10-12**
Gross Total:	16		**Net Total:**	12		**Primary 2**	**12**
							Within

Existing control rating:	**Partially controlled**

Cause:	Effect:
NES continues to experience a disproportionate amount of non-recurrent funding, without conversion to recurrent funding	We will have to rely on a high number of short-term and fixed-term contracts of employment in NES
	Result:
	This will result in continued workforce instability and could also result in failure to adequately deliver the NES Strategic Plan and respond to the commission requirements of Scottish Government. This situation seriously compromises our ability to maintain a workforce that has the right capacity and capability

Control:		Additional Proposed Actions:	
1	NES Exec Team maintain strong engagement with relevant leads at Scottish Government.	1	Baselining and bundling impact will be assessed when proposals are made available by the Scottish Government, and will be reported to the Board at the earliest opportunity
2	Maintain clarity in relation to NES's role and influence - through regular engagement with SG sponsor team, and relevant executive director groups, including SAMD, SEND, DoFs and HRDs.	2	Any requests by Scottish Government to decommission any work streams will be fully considered by the Executive Team, considering education and training impacts, as well as staffing and financial implications
3	Executive Team has approved an approach to career development and succession planning. This includes mapping of key roles; a process to identify potential successors; work with potential successors on individual development plans.	3	
4	Ongoing discussion with SG about baseline and bundling to assess impact on the 2023/24 funding profile.	4	
5	Executive Team actively and regularly consider risk in extending posts and in converting posts to permanent. Funding is carefully considered as part of these decisions	5	

STRATEGIC RISK 3

Risk no:	SR3			
Risk Title:	Failure to recruit and retain sufficiently experienced and knowledgeable people to the Board, Executive Team and senior management establishment			
Risk Owner:	Tracey Ashworth Davies	**Date Added to Register:**	**19 April 2023**	
		Review Date:	**27 July 2023**	
		Frequency of Review:		
Risk Category(s)	Operational			
Risk impacts on NES Strategy Key Area of Focus :	People			

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Contingency	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
4	4		4	2		**Open**	**10-12**
Gross Total:	**16**		**Net Total:**	**8**		**Contingency**	**8**
							Within

Existing control rating:	**Controlled**

Cause:	Effect:
NES fails to recruit and retain sufficiently experienced and knowledgeable people to the Board, Executive Team and senior management establishment due to insufficient recruitment and succession planning	This would impact the continuity of effective leadership, management and governance of NES
	Result:
	This would result in a deterioration of NES performance and credibility at all levels and would increase the risk of serious failures in governance

Control:		Additional Proposed Actions:	
1	NES has access to a wide pool of nationwide talent in terms of non-executive recruitment, and has a robust process and a good track record for attracting high quality candidates when Board vacancies occur	1	
2	NES recruits executives an senior managers from across the public and private sectors to ensure a wide spread of skills and experience in its senior leadership	2	
3	A programme of executive and senior manager development is in place to make sure that those in post are given the opportunity to develop in the role, and to acquire new professional skills and experience	3	
4	Senior leaders are encouraged to participate in a wide range of national professional networking groups to make sure they have access to best practice across the sector.	4	
5		5	

STRATEGIC RISK 4

Risk no:	SR4
Risk Title:	NES does not adequately engage with its employees

Risk Owner:	Tracey Ashworth-Davies	**Date Added to Register:**	**19 April 2023**
		Review Date:	**27 July 2023**
		Frequency of Review:	
Risk Category(s)	Operational		
Risk impacts on NES Strategy Key Area of Focus :	People		

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Contingency	

Gross Impact (1-5)	Gross Likelihood (1-5)
4	4
Gross Total:	16

Net Impact (1-5)	Net Likelihood (1-5)
3	3
Net Total:	9

Board Risk Appetite v Net Total	
Open	10-12
Contingency	9
	Within

Existing control rating:	**Controlled**

Cause:	Effect:
NES does not adequately engage with its employees	There could be a breakdown in understanding of the roles that employees play and the contributions that are expected of them in the delivery of the Strategic Plan and the individual
	Result:
	That could result in a significant deterioration in NES' ability to deliver on those plans

	Control:		Additional Proposed Actions:
1	Strong partnership working arrangements in place and maintained through regular contact with the Employee Director and via the Change Management Programme Board.	1	
2	Communication plan to be a key focus on all organisational change projects.	2	
3	Strong focus on communication and visibility, both at a corporate and directorate level through a range of communication measures included in a defined Communications Plan.	3	
4	Embedding and reporting on staff strategic KPIs, for example Employee Engagement Index and Employee Inclusion as well as participation in the annual NHS Scotland Employee Survey.	4	
5	Organisation Development Plan implementation, key themes of which are 'culture', 'capability' and 'connect and collaborate'.	5	

STRATEGIC RISK 5

Risk no:	SR5
Risk Title:	NES does not put in place an adequate corporate support establishment

Risk Owner:	Jim Boyle/Tracey Ashworth-Davies	Date Added to Register:	19 April 2023
		Review Date:	27 July 2023
		Frequency of Review:	

Risk Category(s)	Operational	Reputational	
Risk impacts on NES Strategy Key Area of Focus :	Performance		

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Primary 2	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
4	4		3	4		Open	10-12
Gross Total:	16		**Net Total:**	12		Primary 2	12
							Within

Existing control rating:	**Partially controlled**

Cause:	Effect:
NES does not put in place a corporate support establishment of which has the right number of people, suitably skilled, as well as having the right systems and other resources to drive improvements in transformation and best value	The Board might not adequately deliver the aims of its own Strategic Plan or the external commissions agreed with the Scottish Government
	Result:

	Control:		Additional Proposed Actions:
1	Assessment of resource required to support pipeline commissions is being made, informed by information provided by SG sponsorship team.	1	Development of Business Process Transformation Project as part of Corporate Improvement Programme to drive efficiency and effectiveness in business operations.
2	Some additional HR resource has already been provided in the 2022/23 budget.	2	
3	Further assessment of any additional resource in all support areas will be made based on emerging commissions, as well as NES baseline activity.	3	
4	Recruitment authorisation and other recruitment processes are being reviewed with the aim of achieving a more efficient, risk-based approach reducing time across NES and, all things being equal, reducing the time to recruit new staff. This could include how to bundle recruitment into groups	4	
5	Discussions on the implications of continued non-recurrent funding have been and will continue to be held with the Scottish Government, although no significant movement in the Scottish Government's position has been achieved at this point. Corporate process to ensure centralised view of commissions and impact on infrastructure in place by Dec 22.	5	

STRATEGIC RISK 6

Risk no:	SR6				
Risk Title:	Failure to develop and maintain adequate Business Continuity arrangements to deal with the risk of adverse events and threats				
Risk Owner:	Christopher Wroath	**Date Added to Register:**	**19 April 2023**		
		Review Date:	**27 July 2023**		
		Frequency of Review:			
Risk Category(s)	Governance	**Operational**			
Risk impacts on NES Strategy Key Area of Focus :	**Performance**				

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Contingency	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
4	4		3	3		**Averse**	1-3
Gross Total:	16		**Net Total:**	9		**Contingency**	9
						Outwith	

Existing control rating:	**Partially controlled**

Cause:	Effect:
NES does not put in place and maintain adequate Business Continuity arrangements to deal with the risk of adverse events and threats, both internal and external threats, e.g. national or global pandemics, power supply outages, and other events	There may be an inability to deliver normal levels of service, or even an inability to deliver services at all in extreme circumstances.
	Result:
	This would significantly affect our ability to continue any business operations and would risk reputational damage.

	Control:		Additional Proposed Actions:
1	Disaster Recovery Plan and Business Continuity Plans have been approved by the Executive Team.	1	
2	The plans were robustly tested in a desktop exercise and recommendations were considered by the ET and incorporated into the current version of the plans.	2	
3	A post C-19 revsion of the BCP will be submitted to the Executive Team on the 24th August, 2023.	3	
4		4	
5		5	

STRATEGIC RISK 7

Risk no:	SR7
Risk Title:	Failure to put in place measures to adequately protect against breaches of cyber security

Risk Owner:	Christopher Wroath	Date Added to Register:	19 April 2023
		Review Date:	27 July 2023
		Frequency of Review:	

Risk Category(s)	Governance	Operational	
Risk impacts on NES Strategy Key Area of Focus :	Performance		

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Primary 1	

Gross Impact (1-5)	Gross Likelihood (1-5)
5	4
Gross Total:	**20**

Net Impact (1-5)	Net Likelihood (1-5)
5	3
Net Total:	**15**

Board Risk Appetite v Net Total	
Averse	1-3
Primary 1	15
	Outwith

Existing control rating:	**Partially controlled**

Cause:	Effect:
NES does not put in place measures to adequately protect itself against breaches of cyber security	This could lead to unauthorised access to NES digital systems and data
	Result:
	This could significantly affect our ability to continue normal business operations and would risk reputational damage and the imposition of punitive financial fines by regulatory authorities

	Control:		Additional Proposed Actions:
1	Digital team ensures firewall logs, including changes to the firewall rule base, are added to the (Security Information and Event Management) SIEM tool in use and continue to be monitored frequently	1	Continue to use the NIS Audit framework to manage build NES' cyber security posture.
2	Senior Management and Executive level involvement and oversight of Cyber security related risk through updates in the Technology and Information Committee and Audit Committee meetings.	2	Continue to act as an early adoptor for the NHSS Security Operations Centre (Dundee)
3	Staff awareness of Cyber security matters is raised through information security webinars provided by the Information Security Manager, which includes phishing emails and security regarding the use of public Wi-fi, reporting security breaches and determining key NES contacts, password	3	
4	#REF!	4	
5		5	

STRATEGIC RISK 8

Risk no:	SR8			
Risk Title:	Failure to put sufficient employee training and other operational controls in place to minimise the risk of breaches of Information Governance			
Risk Owner:	Christopher Wroath	**Date Added to Register:**	**19 April 2023**	
		Review Date:	**27 July 2023**	
		Frequency of Review:		
Risk Category(s)	Governance	Reputational		
Risk impacts on NES Strategy Key Area of Focus :	**Performance**			

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Primary 2	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
4	5		4	3		**Averse**	**1-3**
Gross Total:	**20**		**Net Total:**	**12**		**Primary 2**	**12**
							Outwith

Existing control rating:	**Partially controlled**

Cause:	Effect:
NES does not put sufficient employee training and other operational controls in place to minimise the risk of breaches of Information Governance	There could be instances of significant loss of data and related regultory breaches.
	Result:
	This could result in serious reputational damage and the imposition of punitive financial fines by regulatory authorities.

Control:		Additional Proposed Actions:	
1	Statutory and relevant data security processes in place, with specific reference to the new General Data Protection Regulations.	1	NES' Executive Team to increase all IG/IT security training to mandatory.
2	Specific additional policies, procedures and practices (based on ISO27001) have been put in place to ensure robust security applies to the TURAS platform and the being developed National Digital Platform.	2	
3	Whistleblowing arrangements are in place with information and resources available to staff via the Intranet including Whistleblowing standards, policy and process. These resources include reference to whistleblowing in relation to loss or misuse of data and are part of the essential learning	3	
4	Safe Information Handling features as an element of the NES essential learning programme, and the Executive Team regularly review compliance	4	
5		5	

STRATEGIC RISK 9

Risk no:	SR9			
Risk Title:	NES does not put sufficient measures in place to address ongoing cost and funding pressures			
Risk Owner:	Jim Boyle	**Date Added to Register:**	**19 April 2023**	
		Review Date:	**27 July 2023**	
		Frequency of Review:		
Risk Category(s)	Finance			
Risk impacts on NES Strategy Key Area of Focus :	Performance			

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Primary 2	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
5	5		3	4		**Averse**	**1-3**
Gross Total:	25		**Net Total:**	12		**Primary 2**	**12**
							Outwith

Existing control rating:	**Partially controlled**

Cause:	Effect:
NES does not put sufficient measures in place to address ongoing cost and funding pressures as well as a high level of non-recurrent funding from SG	The Board will experience financial constraints and will risk the inability to set sustainable financial plans and to take remedial actions necessary to remain in financial balance
	Result:
	This could then result in failure to meet the aspirations set out in the Strategic Plan as well as having an increased risk of not being able to control the finances of NES

Control:		Additional Proposed Actions:	
1	The Annual Operational Planning process within NES gives Directorates indicative budgets to plan their own activities and expenditure and identifies cost pressures and potential savings across NES.	1	The financial implications of any requests to decommission specific activities, or to reduce funding generally will be fully explored, with the financial, staffing and service impacts fully set out
2	The Senior Operational Leadership Group, chaired by the Director of Planning reviews budget submissions from across NES to ensure congruence, no duplication and identify opportunities for collaboration and efficiency savings.	2	
3	This process enables decisions to be taken by the ET on prioritisation measures needed to deliver a balanced budget to the Board to be based on the impact of the planned activities.	3	
4	NES Board considers measures and makes approvals to balance the annual budget, including the measures suggested by the ET to reach a balanced position.	4	
5	Close working with SG to address the underlying deficit resulting from the expansion of TGs and uplifts that have been less than cost pressures in this area. SG have agreed to underwrite the in-year deficit position on MTG's.	5	

STRATEGIC RISK 10

Risk no:	**SR10**			
Risk Title:	Failure to adequately anticipate and mitigate the impacts of policy, legislative, economic and societal change			
Risk Owner:	Karen Reid	**Date Added to Register:**	**19 April 2023**	
		Review Date:	**27 July 2023**	
		Frequency of Review:		
Risk Category(s)	Strategic			
Risk impacts on NES Strategy Key Area of Focus :	**Performance**			

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Contingency	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
4	3		4	2		**Open**	**10-12**
Gross Total:	**12**		**Net Total:**	**8**		**Contingency**	**8**
							Within

Existing control rating:	**Controlled**

Cause:	**Effect:**
NES is not able to adequately anticipate and mitigate the impacts of policy, legislative, economic and societal change	We may be unable to attract, educate and train sufficient workforce supply, across the health and social care workforce, and in particular trainees and employees in specialist professional
	Result:
	This could result in a compromise in our ability to deliver on our Strategic Plan or significant parts of it, or to deliver Directorate Operational Plans

Control:		**Additional Proposed Actions:**	
1	There are many regular engagements with a wide range of stakeholders - governmental, professional, peer Boards - to ensure that NES is aware of changes to policy, demographic trends, technological change, which will feed into the NES Strategic Plan	1	
2	Scottish Government Priorities are fully discussed with the NES/SG Sponsorship Team and are then incorporated into the Annual Delivery Plans that drive the core activity of the Board	2	
3		3	
4		4	
5		5	

STRATEGIC RISK 11

Risk no:	SR11			
Risk Title:	Poor learning outcomes and learning experience for our stakeholders			
Risk Owner:	Karen Wilson	Date Added to Register:	**19 April 2023**	
		Review Date:	**27 July 2023**	
		Frequency of Review:		
Risk Category(s)	Operational	Reputational		
Risk impacts on NES Strategy Key Area of Focus :	**People**			

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Contingency	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
4	4		3	3		**Open**	10-12
Gross Total:	16		**Net Total:**	9		**Contingency**	9
							Within

Existing control rating:	**Controlled**

Cause:	Effect:
NES delivers poor learning outcomes or a poor quality learning experience to our stakeholders, or if we are inflexible in evolving the methods of delivery of training and education	This could lead to the Health and Social Care workforce not having the necessary knowledge and skills to deliver good quality care
	Result:
	This could result in NES becoming disconnected from the needs of the wider workforce and failing to meet the needs of staff, trainees, learners and stakeholders, leading to serious reputational damage and reassessment of the Board's role in delivering education and training

	Control:		Additional Proposed Actions:
1	Chief Executive and/or NES Directors maintain open and collaborative relationships/arrangements with counterparts in partner organisations	1	Development of a Learning & Education Strategy.
2	Ensure Chair is well briefed to manage relationships with other Board/organisational Chairs	2	Development of a strategy and resources for coproduction & engagement.
3	Parliamentary monitoring service provides daily briefing to NES Executives and senior managers. Board papers and minutes made available on NES corporate website. Discussions about pressures and national developments at ET are communicated to staff through regular staff video and Intranet	3	
4	Strong stakeholder involvement in developing educational resources, with contribution/coproduction with people with lived or living experience where appropraite.	4	
5	Where possible, strong evidence is used in the development of educational resources.	5	

STRATEGIC RISK 12

Risk no:	SR12			
Risk Title:	Insufficient investment in TURAS Learn and other NES learning platforms.			
Risk Owner:	Christopher Wroath	**Date Added to Register:**	**19 April 2023**	
		Review Date:	**27 July 2023**	
		Frequency of Review:		
Risk Category(s)	Operational		Reputational	
Risk impacts on NES Strategy Key Area of Focus :	People			

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Primary 2	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
4	3		4	3		**Open**	**10-12**
Gross Total:	**12**		**Net Total:**	**12**		**Primary 2**	**12**
							Within

Existing control rating:	**Uncontrolled**

Cause:	Effect:
NES do not sufficiently invest in the TURAS learning platform as well as other learning platforms provided by NES	This would lead to the Board being unable to meet the learning needs and expectations of all stakeholders
	Result:
	This could result in NES becoming disconnected from the needs of the wider workforce and failing to meet the needs of staff, trainees, learners and stakeholders, leading to serious reputational damage and reassessment of the Board's role in delivering education and training

Control:		Additional Proposed Actions:	
1	A significant amount of time and resource is continued to be invested to establish the learning needs of a very wide stakeholder group	1	
2	Strategic case for investment has been prepared for discussion with the Scottish Government, and the 2023/24, single year financial agreement made to fund the TURAS platform refresh	2	
3		3	
4		4	
5		5	

Risk no:	SR13
Risk Title:	Failure to recruit and retain sufficient number of appropriately skilled and experienced staff within the NES Technology Service

Risk Owner:	Christopher Wroath	Date Added to Register:	19 April 2023
		Review Date:	27 July 2023
		Frequency of Review:	

Risk Category(s)	Operational
Risk impacts on NES Strategy Key Area of Focus :	People

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Contingency	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
4	3		4	2		Open	10-12
Gross Total:	12		**Net Total:**	8		Contingency	8
							Within

Existing control rating:	Controlled

Cause:	Effect:
NES does not recruit and retain sufficient number of appropriately skilled and experienced staff within the NES Technology Service	This might lead to an inability to meet the technology delivery requirements of NES and/or the Digital Health and Care Strategy and regulatory and professional needs
	Result:
	This could result in significant risk to NES's position as a key delivery partner of the Scottish Government in the area of technology and digital development and service provision

Control:		Additional Proposed Actions:	
1	Decisions already taken to stabilise the NES Technology workforce by augmenting the senior management and professional leadership cohort.	1	Work with Higher/Further Education establishments in Scotland, in addition to targeted Third Sector and related bodies to support greater apprenticeship opportunities and related early career routes into NES Technology.
2	Decisions taken to convert some temporary posts to permanent contracts of employment, to reduce the likelihood of loss of skills and experience	2	
3	Continued staus of NES as the preferred delivery partner for the SG for IT and digital provides an attractive experience for prospective employees, as well as those already employed within the Board	3	
4		4	
5		5	

STRATEGIC RISK 14

Risk no:	SR14			
Risk Title:	Inadequate Board governance, systems, processes and scrutiny of them			
Risk Owner:	Karen Reid	**Date Added to Register:**	**19 April 2023**	
		Review Date:	**27 July 2023**	
		Frequency of Review:		
Risk Category(s)	Governance			
Risk impacts on NES Strategy Key Area of Focus :	**Performance**			

Current Net Risk Rating: (Priority 1, 2, 3 or 4)	Risk Movement: (↑,↔,↓)
Business as Usual	

Gross Impact (1-5)	Gross Likelihood (1-5)		Net Impact (1-5)	Net Likelihood (1-5)		Board Risk Appetite v Net Total	
5	5		2	2		**Averse**	**1-3**
Gross Total:	**25**		**Net Total:**	**4**		**Business as Usual**	**4**
							Outwith

Existing control rating:	**Partially controlled**

Cause:	Effect:
NES does not put sufficient arrangements in place in relation to Board governance, systems, processes and scrutiny of them	This could lead to corporate non-compliance and failure to comply with statutory, legislative and climate emergency/sustainability requirements
	Result:
	This could result in a loss of credibility towards the Board, from the Scottish Government as well as a range of audit and scrutiny bodies, which could pose a threat to the general credibility and future viability of NES

Control:		Additional Proposed Actions:	
1	Standing committees responsible for each governance domain supported by Executive Groups.	1	New refreshed Board and committee Assurance Framework has been developed and discussed with the Board at a development session. This will be further developed before final implementation
2	Each committee provides an annual report to Audit Committee detailing how it has discharged its remit.	2	
3	Comprehensive programme of internal audit	3	
4	An Assurance framework has been developed in line with the 'Blue Print for Governance' and the Assurance and Audit Committee Handbook	4	
5	Ensure corporate awareness of relevant statutory regulatory oversight, and maintain close working with relevant professional and other regulatory bodies	5	

NES Board Risk Appetite
August 2023

NHS Education for Scotland

Classification	Description	Residual Score Range: Likelihood x Impact
Averse	Avoidance of risk and uncertainty is a key organisational objective	1 - 3 (Low Priority)
Minimalist	Preference for safe options where the inherent risk has low impact and there is a potential for limited reward	4 - 8 (Housekeeping Priority)
Cautious	Preference for safe options where the inherent risk has relatively low likelihood and there is limited potential for reward	4 - 9 (Contingency Priority)
Open	Willing to consider all options and choose the one that that is most likely to result in success, despite a relatively high level of risk	10 - 12 (Primary 2 Priority)
Hungry	Eager to be innovative and to chose options offering the highest potential rewars or transformation, despite a high level of residual risk	15 - 25 (Primary 1 Priority)

NES Board Risk Appetite

August 2023

Type of Risk	Concept	Pilot / Test of Change	Business as Usual (Net Risk)
Strategic / Policy Risks	Hungry	Hungry	Open
Operational / Service Delivery Risks	Hungry	Hungry	Open
Finance Risks	Minimalist	Minimalist	Averse
Reputational / Credibility Risks	Open	Cautious	Cautious
Accountability / Governance Risks	Minimalist	Minimalist	Averse
Technology Risks (new category added by Executive Team)	Hungry	Hungry	Open

NHS Education for Scotland   **NES/23/50**
Item 8ci
Date of meeting   10th August 2023

Board

1.   Title of Paper
       Strategic Key Performance Indicators: Board Performance Report 2023-24, Q1

2.   Author(s) of Paper
       Christina Bichan, Director of Planning & Performance
       Joe Hands, Principal Lead – Quality Improvement
       Simon Williams, Principal Educator – Planning & Corporate Resources

3.   Lead Director(s)
       Christina Bichan, Director of Planning & Performance

4.   Situation/Purpose of paper

4.1   This first quarterly performance report to the Board for 23/24 presents the data
       available in phase 1 of implementation of the Board's new balanced scorecard
       approach as part of embedding the Strategic Key Performance Indicators
       (KPIs) approved by the Board in May 2023 as the central element of
       performance management within NES.

4.2   The Board are asked to:
       • Note the performance reported.
       • Approve the amendments made in respect of definitions.
       • Provide feedback on the presentation style of the report.

5.   Background and Route to Meeting

5.1   Progressing delivery of our NES Strategy 2023-26 requires us to work
       differently as an organisation, ensuring that we focus our attention and
       resources on the areas where we can maximise our impact and generate
       greatest benefit for the health and social care system.

       Implementing a refreshed mechanism for performance management is part of
       this, assisting the Board in executing good governance, seeking assurance on
       the measuring and monitoring of impact and the reach of NES strategic
       activities.

5.2 Draft KPIs were presented to the Board at a Board Development session in February 2023. Following feedback from the Executive Team and Board, and consideration of feedback from the public consultation of the new strategy, these KPIs were revisited and further refined before being approved at the Board meeting on 25 May 2023.

5.3 This paper represents the first time the Board will receive a report on performance against the strategic KPIs. Performance Reports will be presented to Board on a quarterly basis going forwards.

6. Assessment/Key Issues

6.1 At the time of approving the KPIs, it was noted that a period of transition would be required while data collection and analysis mechanisms were developed and implemented, baseline data gathered and analysed, and targets set. In line with this period of transition not all metrics are available for reporting in this first quarterly report.

6.2 To ensure data quality and repeatability, a definition and measurement plan has been developed and implemented for each KPI scheduled to be reported in August 2023. As this process was worked through for each measurement area it was identified that in the case of SKPI4 (Vacancy Rate) data reporting would not be possible in time for the Q1 reporting deadline. The affected measures will therefore first be reported to Board in the Quarter 2 Performance report.

6.3 The balanced scorecard template being used for reporting is presented to Board for the first time and comments are welcomed to inform any amendments and refine its design. Table 1 details the definitions used for the main reporting columns in the template.

Table 1: Balanced Scorecard Reporting Template Column Definitions

Field	Definition
Most recent performance	This shows the most recent data that is being reported for that quarter. For example, this may report Quarter 1 of 2023/24 and will continue to report this until the next data becomes available.
Last reported performance	Where populated, this shows the last reported data prior to the most recent performance.
Trend Line	This provides a small graphic illustrating the trend of the data over time and will populate more as the data becomes available.
Frequency	This indicates the frequency of the reporting specific to the measure.
Data Narrative	Provides a summary of what the data is saying within the trend and what it means within the system.
Insights and Actions	This provides additional insights from subject matter experts around what is happening and what actions are being taken around this.

6.4 While the KPIs relating to the NES Strategy 2023-26 will remain stable over the life of the strategy, it is possible for how they are measured to be changed over time to better meet the Boards needs and demonstrate performance. During development of measurement definitions and data collection plans, a requirement to make minor amendments to the terminology used in some KPIs was identified. However, no material changes have been made.

7.   Recommendations

7.1 The Board are asked to:

- Note the performance reported.
- Approve the amendments made in respect of definitions.
- Provide feedback on the presentation style of the report.

a) Have Educational implications been considered?

☒Yes

☐No

b) Is there a budget allocated for this work?

☒Yes

☐No

c) Alignment with Our Strategy 2023 – 26 People, Partnerships and Performance

☒1. People Objectives and Outcomes

☒2. Partnership Objectives and Outcomes

☒3. Performance Objectives and Outcomes

d) Have key strategic risks and mitigation measures been identified?

☒Yes

☐No

e) Have Equality, Diversity, Human Rights and health inequality issues been considered as per **Fairer Scotland Duty: Guidance for Public Bodies** and **Corporate Parenting** as per the **Children and Young People (Scotland) Act 2014?**

☒Yes

☐No

f) Have you considered Emergency Climate Change and Sustainability implications as per DL (2021) 38?

☒Yes

☐No

g) Have you considered a staff and external stakeholder engagement plan?

☒Yes

☐No

Author name: Christina Bichan
Date: 28 July 2023
NES

NHS Education for Scotland   **NES/23/51**
Item 8cii
Date 8ᵗʰ August 2023

Board

1. **Title of Paper**
   2023/24 Quarter 1 Delivery Report

2. **Author(s) of Paper**
   Karen Howe, Planning and Corporate Governance Manager

3. **Lead Director(s)**
   Christina Bichan, Director of Planning and Performance

4. **Situation/Purpose of paper**

4.1 This paper provides an update on delivery performance using RAG exception reporting against the NES 2023/24 Annual Delivery Plan for Quarter 1 of 2023/24.

5. **Background and Route to Meeting**

5.1 This paper was prepared for the purposes of the Board and was considered by the Executive Team *en* route to the 10ᵗʰ August 2023 Board meeting.

5.2 The ADP as it stands remains a draft document however it is intended that the final version will be submitted for Board approval at the September 2023 meeting, following any necessary amendments being made in response to awaited Scottish Government feedback.

5.3 Access to the full ADP and Q1 updates has been provided for Board members through a link included within the email accompanying the meeting papers, ensuring that the draft document is not subject to publication until such time as Scottish Government and Board approval has been secured.

6. **Assessment/Key Issues**

6.1 The 23/24 Annual Delivery Plan contains 141 deliverables, 114 of which (81%) are green at the end of quarter 1. A following 25 (18%) are amber and 1% (2) are blue as now complete. There are no deliverables with a red status at quarter end. A summary of delivery performance is provided in Appendix 1.

6.2 Of the 25 amber deliverables, all are subject to ongoing mitigating actions with progress in later quarters expected to bring delivery back on track. Most amber targets are linked to short delays in the work, often arising due to staff shortages (sickness or absence). A small number of amber deliverables are in transition while strategic decisions about those areas of work are made to ensure alignment with the recently approved NES Strategy 2023-26.

6.3 The main impacts reported from the amber ratings are:

- Reduced support and education to optometrists around the glaucoma service, mandatory training and support for independent prescribing.
- Lower than expected numbers attending psychology trauma training.
- Delay in commencement of the 5th cohort of compassionate communication training.
- Delays to internal NES succession planning and commissioned external CEO succession planning activity.
- Lower than planned number of Advanced Medical Educator courses provided.
- Delays to delivery of the Widening Access Programme.
- Support for the vaccination programme, Turas Family Nurse Partnership and Turas Care Management delayed.
- Delays in developing technology solutions for online education and accrediting body change programme as well as the redesign of the Knowledge Network.

6.4 <u>Refining the draft ADP:</u> As a result of ongoing engagement as well as changes to requirements and our operating environment the following amendments have been made to the draft ADP within this quarter.

- 5625 – revised timescale to obtain credit rating status, with application being made in Q3 of 24/25 and ideally credit rating status being obtained in Q2 of 25/26.
- 5492 – Psychology have removed reference to 80 staff (40 adult services and 40 children's services) being trained in neurodevelopmental diagnosis from the deliverable. Instead, further detail has been added to the Q1 and Q2 milestones, stating that training will take place for 25 from adult services and 30 from children's services for ADHD and 80 staff will be trained in comorbid mental health conditions.
- 5487 – Psychology have removed reference to the numbers being trained and instead added in further detail for Q2 and Q3 milestones.
- 5844 – Youth Academy recruitment figures for Q1 have been amended from 100 to 70 to align with updated expectations.
- 5461 – Psychology removed the first item in the deliverable i.e. to have 2000 Attendances at awareness raising events such as the " introducing the National Trauma Training Programme" Webinar.
- 5859 – ANIA milestones have been developed and added for Q1 and Q2.

- A new deliverable has been created to represent the Technology Enabled Learning Work (TEL): Deliver TEL alignment with: the learning & education strategy; various corporate QI projects; and NES work as dictated by strategic priorities, including engagement and needs assessment for stakeholders.

  All amendments have been reviewed and approved by the Executive Team.

6.5 Risk Management: There are no red deliverables to report this quarter and no significant impact relating to the Boards corporate risk register. In future reports, any red deliverables where there is a related corporate risk will be highlighted.

7.   Recommendations

7.1 The Board is asked to note the assurance provided in respect of delivery progress against the draft 23/24 at the end of Quarter 1.

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a. **Have Educational implications been considered?**

x☐Yes
☐No

b. **Is there a budget allocated for this work?**

x☐Yes
☐No

c. **Alignment with Our Strategy 2023 – 26 People, Partnerships and Performance**
☐1. People Objectives and Outcomes
☐2. Partnership Objectives and Outcomes
x☐3. Performance Objectives and Outcomes

d. **Have key strategic risks and mitigation measures been identified?**

x☐Yes
☐No

e. **Have Equality, Diversity, Human Rights and health inequality issues been considered** as per **Fairer Scotland Duty: Guidance for Public Bodies** and **Corporate Parenting** as per the **Children and Young People (Scotland) Act 2014?**

☐Yes
x☐No

f. Have you considered Emergency Climate Change and Sustainability implications as per DL (2021) 38?

x☐Yes
☐No

g. Have you considered a staff and external stakeholder engagement plan?

☐Yes
x☐No

Author name: Karen Howe
Date: 18/07/23
NES

Aim: To provide an overview of progress and highlight key achievements, delays and risks in relation to delivery of the draft NES ADP 2023/24.

Delivery Status at 30 June 2023 (Quarter 1)

- **83% of deliverables** are completed or on target to be completed in line with ADP milestones at the end of Quarter 1, with a further **18%** progressing with minor delays.
- Performance is comparable with the position in previous years.
- 1 new deliverable has been agreed and added to the ADP in respect of TEL, it will be reported on from Q2.

Status:	Q1 23/24	Q2 23/24	Q3 23/24	Q4 23/24
Complete	2	-	-	-
On Track	114	-	-	-
Minor Delay	25	-	-	-
Significant Delay	0	-	-	-
Closed - no further action	0	-	-	-
Total Deliverables	141	-	-	-

Percentage of on target deliverables, by Quarter, 2018/19 – 2023/24

Key Achievements

1. 45 General Practice delegates attended simulation-based learning sessions.
2. 98 trainee pharmacy technicians progressing with full work-based assessor support.
3. 88 Family nurses progressing through our family nursing education programme.
4. All speciality dental training posts for 23-24 filled and Reviews of Competence arranged for all dental trainees.
5. 5397 pharmacy e-learning completions.
6. New CWS Social Care Team established as part of the Centre for Workforce Supply to support recruitment into adult social care across Scotland.
7. 77 young people recruited to the NHS Scotland Youth Academy.
8. 85 DClinPsych trainees recruited and 15 clinical Psychology trainees completed their programme of training.
9. 46 Multi-professional Maternity Development Programme courses delivered for 475 staff.
10. New NES strategy, and supporting Key Performance Indicators and Communication & Engagement Strategy, completed and signed off by the Board.

Delays and associated impact

Of the 25 amber deliverables, all have mitigating actions in place.
Progress in later quarters is expected to bring delivery back on track.
Most of the delays are as a result of staff shortages (sickness or absence) and having a short term impact on the timeliness of activity.
A small number are impacted by short delays in strategic decision making.
The associated impact is a small reduction in the scale of our educational offering in some instances and a lengthening in the timeline for delivery in others.

Corporate Risks Affecting Delivery

At the end of Q1 there are no deliverables reporting significant delay.
There are no impacts highlighted at present which are aligned to the Boards Corporate Risks.

NHS Education for Scotland   **NES/AR/23/31**
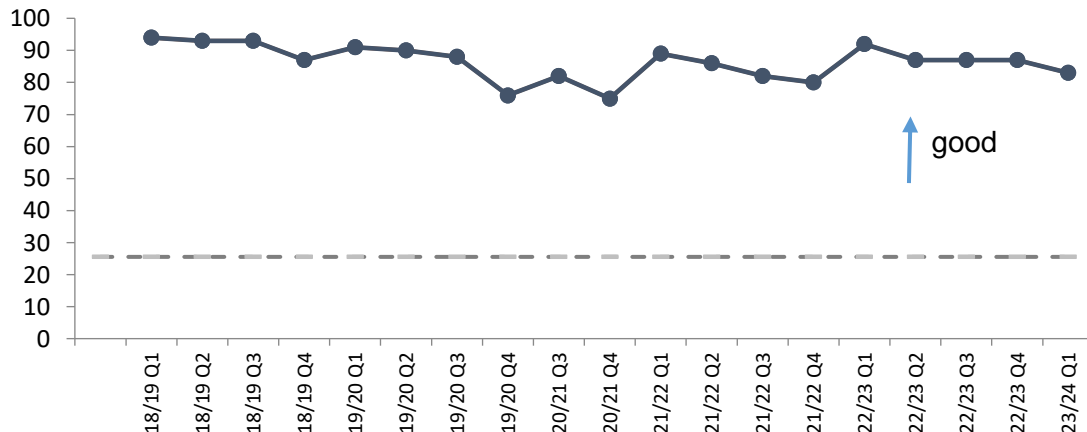
AUDIT AND RISK COMMITTEE

Minutes of the twelfth Audit and Risk Committee held on Thursday 27 April 2023 via Microsoft Teams

Present: Jean Ford, Non-Executive Director, and Chair
                    Anne Currie, Non-Executive Director
                    Gillian Mawdsley, Non-Executive Director

In attendance: Jenn Allison, Senior Officer (minute taker)
                    Tracey Ashworth-Davies, Executive Director of Workforce (item 8a)
                    Jim Boyle, Executive Director of Finance
                    David Garbutt, NES Board Chair
                    James Lucas, KPMG Internal Audit
                    Christopher McClelland, Audit Scotland External Auditors
                    Helen Russell, Audit Scotland External Auditors
                    Janice Sinclair, Head of Programme, Finance
                    Della Thomas, Board Secretary and Corporate Governance Principal Lead

1.   Welcome and Introductions

1.1 The Chair welcomed everyone to the meeting and noted that Tracey Ashworth-Davies, Director of Workforce, would be in attendance for item 8a, Internal Audit Recruitment report.

1.2 The Chair informed the Committee that three new non-executive directors would join the NES Board on 1 May and two of our new non-executives (Ally Boyle and Olga Clayton) would join the Audit risk Committee (ARC) from 1 June 2023.

2.   Apologies for absence

2.1 Apologies were received from Karen Reid, NES Chief Executive and Carole Grant, External Audit, Audit Scotland.

3.   Declarations of interest

3.1 There were no declarations of interest in relation to items on the agenda.

4.   Notification of any other urgent business

4.1 There was no other business raised for discussion.

5.   Draft Minutes of the Audit and Risk Committee, 19 January 2023
NES/AR/23/13

5.1 The draft minutes were approved as an accurate record with the following corrections agreed:

- Clarify paragraph 8.11 to explain that the Committee had asked if other audits should be conducted considering the Property Transaction Monitoring audit and NHS Scotland Academy Governance structure audit had not taken place or if audits were charged for on basis of hours provided.
- Amend paragraph 9.3 from 'audit report' to 'final external audit annual plan.
- Add action to paragraph 9.3 to note that a meeting will be set up between external auditors and non-executive Equality and Diversity and Whistleblowing/Climate Change Champions.

6. Action list of the Audit and Risk Committee   NES/AR/23/14

6.1 Members noted that 3 of the 4 actions have been marked as complete or closed and an action to set up meetings with External Auditors and NES non-executive Equality and Diversity and Whistleblowing/Climate Change Champions is in progress.

6.2 A Private meeting will also be set up between external auditors and all non-executive ARC members after the June meeting.

6.3 The Committee noted the completed action for the Chair of the Committee to contact other Committee Chairs regarding monitoring Internal Audit actions and were satisfied that internal audit actions are being suitably progressed and completed. The Chair summarised that the ARC remains responsible for overseeing all Internal Audit actions and the sub-committees will monitor progress against actions relevant to their remit. The Board Secretary clarified that once a Committee is satisfied that a management action has been completed, the executive lead will notify the internal auditor so they can determine how this is then reported back to the next ARC.

7. Matters arising

7.1 The Chair noted that the Financial Plan and Corporate Governance Package, which were approved by the ARC at the January meeting, were approved by the Board at the meeting on 23 March 2023.

8. Internal and External Audit

Internal Audit

a) Recruitment   NES/AR/23/15

8.1 Tracey Ashworth-Davies was welcomed to the meeting.

8.2 James Lucas introduced the report which reviewed the newly developed process and controls in place to manage the end-to-end recruitment process for NES, specifically focusing on those roles that have been managed by NES within the newly implemented model operated and hosted by NHS Lothian via the East Region Recruitment Service (ERRS).

8.3 The overall assessment of the arrangements is one of 'Significant assurance with minor improvements required' (amber-green).

8.4 The report raised one medium rated finding in relation to strengthening the workforce planning process covering identification of key support roles. 4 low rated findings were raised in relation to strengthening the operating effectiveness of the process by providing better consistency in business cases, improving the monitoring activities and better mapping of funded posts to the operational plan within Directorates.

8.5 Tracey Ashworth-Davies informed the Committee that NES had previously started succession planning work related to the medium action but this had been paused until National developments were announced. In view of ongoing delays this work will now be restarted and later aligned with any forthcoming Once for Scotland developments announced by Scottish Government (SG).

8.6 The Committee asked if the actions could be complete by the due dates. Tracey Ashworth-Davies confirmed that she was happy with the timescales, however she noted that in relation to the action regarding mapping posts to funding, this may depend on the functionality of the Kenexa system.

8.7 The Committee asked how the ERRS was working. Tracey Ashworth-Davies informed the Committee that arrangements are working well so far, however the impact of the arrangements will be better understood once it has been running longer.

8.8 The Committee noted the report and the assurance provided and asked that the report be submitted to the Staff Governance Committee (SGC) for monitoring of the management actions to closure, seeking further updates as they deem appropriate.

b) Progress Report   NES/AR/23/16

8.9 James Lucas introduced the report which highlights progress with the 2022/23 Internal Audit plan and against the agreed management actions.

8.10   There has been good progress by management in implementing outstanding actions. 12 management actions have been closed in the period, which leaves a total of 10 outstanding, including 7 that are not yet due.

8.11   3 actions are overdue, 2 of which relate to the Cloud Disaster Recovery internal audit from earlier in the financial year, and these are anticipated to be complete by end of June following appointment of a new Associate Director (Operations) in April within NTS.

8.12   The Committee were pleased to see so many actions closed and asked for more information regarding the 3 overdue actions in relation to Cloud Disaster Recovery. James Lucas confirmed that several discussions took place with NES Technology Services (NTS) management and it was noted that within tight resources they were able to close a number of actions and that the remainder of these 3 remaining actions would be best place to be led by the new Associate Director. James Lucas commented that he felt it was acceptable to extend the deadline to June 2023.

8.13   6 of the 7 scheduled internal audits for this financial year have been completed, deferred or are not required. Property transaction monitoring is not required in year, and NHS Scotland Academy governance consultancy report was deferred. The final planned audit on Workforce analysis is in progress and will be reported to the June Committee.

8.14   Following discussion, the Committee were content with the report and the assurance provided.

c) Annual Internal Audit Plan and Charter 2023/24   NES/AR/23/17

8.15   James Lucas introduced the Final draft of the Annual Internal Audit Plan for 2023/24. The initial draft was presented to the Audit and Risk Committee in January 2023 and has subsequently been reviewed by NES Executive Team.

8.16   6 audits have been scheduled for 2023/24 which provide coverage over the key risk areas required to provide NES with an internal audit opinion to inform NES' Annual Governance Statement at the end of 2023/24.

8.17   James Lucas advised the Committee that the plan is based on a previous version of the risk register and that the plan will be realigned to the new version of the risk register, which has recently been approved by the Board.   **Action: JL**

8.18   The Committee noted that a Property Transaction Monitoring audit is likely to take place due to leases coming to an end.

8.19   Jim Boyle informed the Committee that the Director of NES Technology Service (NTS) has requested that the NTS Strategic Planning audit is moved from quarter 1 to quarter 2 or 3. This is due to other audits taking place in NTS regarding Information Management and Security and Network Information Systems. This was agreed by the Committee.

8.20   A query was raised as to why the NHS Scotland Governance audit, which was deferred from last year's plan, was not scheduled to take place and James Lucas confirmed that in discussions with the NES Chief Executive it was agreed this would be conducted as a separate advisory report. The Committee noted that advisory reports do not provide assurance ratings and it was suggested that Sustainability and Climate Change and the Board Assurance Framework may also be suitable areas for Advisory Reports. James Lucas would discuss this with the NES Executive Team. The Committee also requested that any advisory reports are also included as an appendix to the Internal Audit Plan.   **Action: JL**

8.21   The Committee noted the Internal audit charter which defines the activities, purpose, authority and responsibilities of internal audit and ensures the internal audit services provided meet the requirements of Internal Auditing Standards and KPMG's Internal Audit Manual. James Lucas informed the Committee that no changes have been made to the Charter since it was approved by the Committee in 2022.

8.22   Subject to the changes referred to in 8.19 and 8.20 above, the Committee approved the Internal Audit Plan for financial year 2023/24 and the KPMG Charter.

9.   External Audit

   a) Follow up on External Audit Recommendations
   NES/AR/23/18

9.1 Jim Boyle introduced the paper which updated the Committee regarding progress against the 2 outstanding External Audit Recommendations.

9.2 The Committee noted that the 2020/21 recommendation regarding Performance Targets will be completed to align with the new NES Strategy for 2023-26 and will be presented to the NES Board in May 2023.

9.3 The 2021/22 recommendation in relation to the updating of the dilapidations provision is ongoing with the first refreshed dilapidation report for 2 Central Quay in Glasgow expected later this month. The recommendations in that report will be reviewed to assess the likely impact on the other dilapidation valuations.

9.4 The Committee noted and were satisfied with the progress of implementation of the external audit recommendations.

b) Final External Audit Plan 2022/23 NES/AR/23/19

9.5 Helen Russell introduced the External Audit Plan for financial year ending 31 March 2023, which sets out Audit Scotland's audit approach including significant audit risks, the audit timeline, materiality and other matters required to be reported within the audit plan. This will be the first audit plan of a 5 year appointment.

9.6 The Committee noted that for the year ended 31 March 2023 Audit Scotland have set materiality at £13.2m, which is 2% of gross expenditure based on the audited financial statements for 2021/22 and performance materiality at £8.6m, which is 65% of planning materiality and that Finances, Fraud and Cyber Security will remain key risks.

9.7 Helen Russell advised the Committee that the cost of leases has been reclassified as a capital cost and will be brought into the Annual Accounts and that as Climate Change has become a key priority across Scotland NES' arrangements for responding to Climate Change will be assessed.

9.8 A query was raised regarding how well developed the standards are in relation to Climate Change. Helen Russell confirmed there are a range of questions which will help to form a baseline of where organisations are at.

9.9 Further discussion took place regarding the importance of Health Care Sustainability and Realistic Medicine as well as Environmental Sustainability. Helen Russell noted that this area is not within the scope of the annual accounts however noted that Values Based Health Care is a relatively new area of work and that it will be helpful for External Audit to be aware of developments.

9.10 The Committee approved the External Audit Plan and External Audit Fee for financial year 2022/23.

c) External Audit 2022/23 Progress Report NES/AR/23/20

9.11 Helen Russell introduced the External Audit 2022/23 Progress Report for financial year ending 31st March 2023.

9.12 Helen Russell informed the Committee that planning work is complete and the review of the systems of internal control is substantially complete, with no significant issues identified.

9.13   The Committee noted that External Audit are in the process of preparing for the final accounts audit, which is due to commence on the 9 May 2023. The results will be reported in the Annual Audit Report which is due to be presented at the June 2023 meeting of the Audit and Risk Committee.

9.14   The Committee noted the progress report.

10.   Board Assurance Framework   NES/AR/23/21

10.1   Della Thomas presented minor revisions to the Board Assurance Framework and an update on the work commissioned to review and revise the Board Assurance Framework and develop Committee Assurance Frameworks.

10.2   The Committee noted that the Board Assurance was last reviewed by the ARC in April 2022 and the Board in November 2022 and that it has been updated to include reference to the second edition Blueprint for Good Governance.

10.3   Della Thomas informed the Committee that the updated versions will be in alignment with new NES Strategy, Key Performance Indicators (KPIs) and Strategic Risks and will assist Board and Committees with active governance and should help to provide greater assurance.

10.4   The Committee approved the minor changes to the existing Board Assurance Framework and the proposal that revised Board and Committee Assurance Frameworks will be discussed at the 29 June Board Development session, followed by review and approval by the Audit and Risk Committee (by correspondence) for onward submission to the 10 August 2023 Board for final approval.

11.   Strategic Risk Update

   a) Strategic Risk Register   NES/AR/23/22

11.1   Jim Boyle presented the re-formatted and updated NES Strategic Risk Register which was approved by the Board on 23 March 2023 and informed the Committee that it is likely that further refinements will be made in due course.

11.2   Jim Boyle informed the Committee that the revised layout will allow members to more easily focus on the key issues highlighted for each risk: the gross and net risk scores; the position of each net risk score against the risk appetite set by the Board; and the effectiveness of the controls put in place to reduce risk exposure.

11.3   Jim Boyle added that a key concern of the ARC regarding effectiveness of controls was addressed in the review and that the control rating now shows if the risk is in or out of the Board Risk Appetite.

11.4   The Committee welcomed the new format of the Strategic Risk Register and felt that it will help to highlight any risks that may require more attention of the Board. Della Thomas informed the Committee that the new format will also be rolled out to the other Committee risk reports and aligned with the Committee Assurance Frameworks. The Chair of the ARC requested a meeting with Jim Boyle to discuss how the risk register aligns with the Board Assurance Framework.   **Action: CE Office**

11.5   James Lucas also welcomed the new format and suggested that action owners and due dates are also added to the control actions. He informed Jim Boyle that he would provide further feedback via email.   **Action: JL**

11.6   Jim Boyle noted that the NES Risk Management Group (RMG) oversee the management of the risk registers and the Executive Team will be reviewing the Strategic Risks on a fortnightly basis, prior to onward reporting to the Board and Committees.

11.7   The Committee noted that the RMG have confirmed that all COVID-19 risks are either no longer relevant and can be closed or have been included within other risks in directorate operational risks and approved the new reporting format.

    b) Annual Risk Management Group (RMG) report   NES/AR/23/23

11.8   Jim Boyle presented the Annual Risk Management Group (RMG) report which provided the Committee with a summary of progress against each of the remitted responsibilities.

11.9   Jim Boyle advised the Committee that the RMG have settled in well and are working effectively with good meeting agendas and effective reviews taking place, helping to identify gaps.

11.10 The Committee were pleased to see good progress with the RMG and praised the group for the new risk metrics and reporting format. The Committee suggested it would be beneficial to look at developing staff training in risk management for delivery to a wider audience than those sitting on the RMG. Jim Boyle will discuss this with the Executive Team.   **Action: JB**

12.   Quarterly Sustainability / Climate Change report   NES/AR/23/24

12.1   Jim Boyle presented the report to update the Committee on the activity, both within NES and nationally on the Climate Emergency Change and Sustainability agenda.

12.2   Jim Boyle advised the Committee that positive feedback had been received from Scottish Government (SG) following the submission of the Annual Climate Change and Sustainability report in November 2022 recommending a few areas for improvement. SG will be publishing the full report, covering all Health Boards soon.

12.3   Jim Boyle added that a National Group are currently looking at how to rationalise the Climate Change and Sustainability reporting to SG and that it is likely that more data will be required to report green gases.

12.4   The Committee noted that the NES Climate Change and Sustainability Group meet regularly to progress actions to reduce carbon emissions and identify ways NES can influence Clinical practice. They are looking at Terms of Reference (ToRs) for the group at the next meeting and increasing membership to ensure Clinical Directorates are involved.

12.5   The Committee congratulated colleagues on the positive feedback received from SG, noted the national and local considerations in the Climate Emergency and Sustainability policy area and asked that further consideration be given to reporting of this to the Board.   **Action: DT/JB**

13.   Counter Fraud

    a) Counter Fraud Activity in NES   NES/AR/23/25

13.1   Janice Sinclair updated the Committee regarding activities underway in NES which are aimed at supporting the Strategy to Combat Financial Crime in NHS Scotland.

13.2   The Committee noted that there have been no declarations of gifts and hospitality since the October 2022 ARC meeting and noted the information provided regarding three cases reported to Counter Fraud Services (CFS) since October, none of which have impacted on the organisation but act as a reminder of the risks.

13.3   The Committee noted the information contained in the report.

b) Counter Fraud Standard Self-Assessment and Fraud Annual Action Plan

NES/AR/23/26

13.4   Janice Sinclair presented the paper to inform the Committee of how the Board is meeting the requirements of the Counter Fraud Standard and the Fraud Annual Action Plan for 2022/23.

13.5   The Committee noted that the Counter Fraud Standard (the standard) became effective from April 2022 and that given the early stage of implementation, NHS Boards are not expected to comply with all of the requirements immediately.

13.6   The Committee noted that NES has not reached full compliance against all components as at the end 2022/23. Janice Sinclair advised the Committee that NES has taken a measured and proportionate approach to meeting the criteria and anticipates achieving improvements in future years.

13.7   The Committee noted the information contained in the report.

14.   Annual Accounts Update

a) Review of Accounting Policies

NES/AR/23/27

14.1   Janice Sinclair presented the paper to inform the Committee of the suite of relevant accounting policies to be adopted by NHS Boards for the 2022/23 annual accounts, which were issued by the Scottish Government (SG) on 10th March 2023.

14.2   The Committee suggested it would be useful in future to understand the impact of the policies for NES.

14.3   The Committee approved the accounting policies for 2023/23, subject to a final review at the June Audit and Risk Committee.

b) Annual Losses Report

NES/AR/23/28

14.4   Janice Sinclair presented the paper which provided the Committee with information on the losses and special payments incurred for the financial year 2022/23.

14.5   The Committee noted the expected net loss to NES is £11k. The total gross value of the losses reported on the return is £930k (2021-22 £517k), of which £687k has been recovered in full with £232k expecting to be recovered in 2023/24.

14.6   The Committee noted that some of the losses that could not be recovered was due to cancelling conferences due to the public holiday for the Queen's funeral.

14.7   Discussion took place regarding the level of losses in relation to over payment of salaries and noted that this is often due to delays in Placement Boards submitting information changes regarding Trainees.

14.8   The Committee suggested that some communication goes out to staff to help to raise awareness of the importance of timeously reporting changes to staff contracts which impact pay.   **Action: JS**

14.9   The Committee noted the losses and special payments for 2022/23.

15.   Draft Corporate Governance Statement for Annual Report NES/AR/23/29

15.1   The Chair invited Della Thomas to introduce the Draft Corporate Governance Statement for inclusion in the 2022/23 Annual Report, which will come back to the Committee as part of the 2022/23 Annual Report of the Audit and Risk Committee at the 15 June 2023 meeting.

15.2   The Committee noted that as it was agreed not to hold an Annual Report and Annual Accounts (ARA) informal workshop this year, the first time the full Board will see the draft ARA will be at the very final stages of the process at 29 June Board meeting. It was agreed that it would be helpful to circulate the attendance tables to members as although attendance has been carefully recorded from the minutes of each of the meetings, occasionally an error may occur.   **Action: DT**

15.3   The Committee noted that there was a primary scrutiny function for the ARC at the June meeting and agreed to allocate more agenda time for this than in past years when the Annual Accounts Workshop had taken place.

15.4   The Committee noted the suggestions from the external auditor to include more past work from 2022 to the statement and that additions would be made in relation to counter fraud. The committee asked for changes made to more accurately reflect whistleblowing and Climate Change reporting.   **Action: DT**

15.5   The Committee noted the work to date and that the statement will come back to Committee again in June as part of the Annual Report.

16.   Review of Committee Effectiveness

16.1   The Chair invited the Committee to provide feedback regarding the effectiveness of the meeting.

16.2   The Committee agreed that it had been a good meeting, covering a broad range of the ARC remit through quality papers and helpful contributions from both members and attendees.

16.3   It was also agreed that it is beneficial for executives to be in attendance for relevant Internal Audit papers and a minor improvement was suggested to confirm when actions are agreed.

17.   Audit Scotland Reports

15.1   The Committee noted the following Audit Scotland reports:

- Scottish Government Annual Audit 2021/22
- SG Scottish Consolidated Fund Annual Audit 2021/22
- NHS in Scotland 2022
- Scotland's financial response to Covid19 Spending
- How the Scottish Government is set up to deliver Climate Change goals

18.   Date and time of next meeting

18.1   The next meeting of the Audit and Risk Committee will be held on Thursday 15 June 2023 at 09:30.

NES
May 2023
JA/DT/JB/JF