

AGENDA FOR THE ONE HUNDRED AND SEVENTY SECOND BOARD MEETING

Date: Thursday 16 February 2023

Time: 09:45 – 11:30

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

1. **09:45 Chair’s introductory remarks**
2. **09:46 Apologies for absence**
3. **09:47 Declarations of interest**
4. **09:48 Minutes of the One Hundred and Seventy First Board Meeting** 24 November 2022 for approval NES/23/02
5. **09:50 Matters arising from the Minutes and notification of Any Other Business**
6. **09:51 Actions from previous Board Meetings** NES/23/03
For review
7. **Chair and Chief Executive reports**
 - a. **09:55 Chair’s Report** NES/23/04
 - b. **10:05 Chief Executive’s Report** NES/23/05
8. **Performance Items**
 - a. **10:30 2022/23 Quarter 3 Financial Report** NES/23/06
For Review and Approval (J. Boyle)
 - b. **10:40 2022/23 Quarter 3 Risk Register Report** NES/23/07
For Review and Approval (J. Boyle)
 - c. **10:50 2022/23 Quarter 3 Delivery Performance Report** NES/23/08
For Review and Approval (C. Bichan)

9. Governance Items

- a. **11:05** Significant issues to report from Standing Committees:
 - i. **11:05** Education and Quality Committee held on 8 December 2022
(D. Hutchens, verbal update)
 - ii. **11:08** Audit and Risk Committee held on 19 January 2023
(J. Ford, verbal update)
 - iii. **11:12** Staff Governance Committee held on 2 February 2023
(A. Currie, verbal update)
- b. **11:15** Corporate Governance Package (Board Standing Orders, Standing Financial Instructions, Board Scheme of Delegation, Code of Conduct and Committee Terms of Reference)
For Review and Approval (J. Boyle/D. Thomas) NES/23/09
- c. **11:25** Governance of the Education and Quality work of the NHS Scotland Academy
For Approval (K. Wilson/D. Thomas) NES/23/10

10. Items for Homologation or Noting

- a. **11:27** NES Standing Committee Minutes
 - i. Education and Quality Committee, 15 September 2022 NES/23/11
 - ii. Audit and Risk Committee, 6 October 2022 NES/23/12
 - iii. Staff Governance Committee, 3 November 2022 NES/23/13For Homologation
- b. **11:27** Redress of Historical Child Abuse in Care Settings
Annual Report
For Noting NES/23/14
- c. **11:28** Extending the role of the NHS Scotland Academy
Director
For Homologation and Noting
(K. Wilson) NES/23/15

11. **11:30** Any Other Business

12. **11:30** Date and Time of Next Meetings

- **Private Board:** 16 February 2023 at 11:45
- **Board Development:** 20 February 2022 at 09:30
- **Public Board:** 23 March 2023 at 10:15

NHS Education for Scotland (NES)
e-mail: Chair & Chief Executive's Office - ceo.nes@nes.scot.nhs.uk

NHS Education for Scotland

DRAFT MINUTES OF THE ONE HUNDRED AND SEVENTY-FIRST BOARD MEETING HELD ON 24 NOVEMBER 2022

As a result of NES moving into a hybrid approach to work from March 2022, this meeting was held via Microsoft Teams and as an in-person meeting opportunity at the NES Westport office in Edinburgh.

Present: David Garbutt (DG) (Chair)
Jim Boyle (JB), Executive Director of Finance
Anne Currie (AC), Non-Executive Director / Equality, Diversity and Human Rights Champion
Jean Ford (JF), Non-Executive Director
Lynnette Grieve (LG), Non-Executive Director / Employee Director
Douglas Hutchens (DH), Non-Executive Director (Vice Chair)
Gillian Mawdsley (GM), Non-Executive Director / Whistleblowing Champion and Climate Emergency and Sustainability Champion
Karen Reid (KR), Chief Executive & Accountable Officer
Sandra Walker (SW), Non-Executive Director
Emma Watson (EW), Executive Medical Director
Karen Wilson (KW), Executive Director of Nursing / Deputy Chief Executive (Clinical)

In attendance: Tracey Ashworth-Davies (TAD), Director of Workforce / Deputy Chief Executive (Corporate) (left the meeting at 11.52am, during item 9c)
Christina Bichan (CBi), Director of Planning & Performance (joined the meeting at 10.55 for item 8a and stayed for the remainder of the meeting)
Colin Brown (CB), Head of Strategic Development, CE Office
Pauline Donald (PD), Finance Manager (to observe)
David Felix (DF), Postgraduate Dental Dean / Director of Dentistry
Nick Hay (NH), Public Affairs Manager (to observe)
CarolAnne Keogh (CAK), Head of Human Resources (to observe)
Katy Hetherington (KH) Equality, Diversity & Human Rights Principal Lead (for item 8d)
Kevin Kelman (KK), Director of NHS Scotland Academy
Claire Neary (CN), Policy & Briefings Manager (to observe)
Gordon Paterson (GP), Director of Social Care
Janice Sinclair (JS), Deputy Director of Finance (joined the meeting at 11.25am for items 8b, 8c and 9a)
Della Thomas (DT), Board Secretary / Principal Lead, Corporate Governance
Anne Watson (AW), Postgraduate Pharmacy Dean / Director of Pharmacy
Christopher Wroath (CW), Director of NES Technology Service
Alison Shiell (AS), Manager, Planning & Corporate Governance (Minute Taker)

1. Chair's Introductory Remarks

- 1.1. The Chair welcomed everyone to the meeting. He began by highlighting that this meeting marked Sandra Walker's final Public Board Meeting before she retires from the NES Board on 31 December 2022. On behalf of the Board, the Chair thanked Sandra Walker for her service and exceptional contribution and wished her well for the future.

- 1.2. The Chair also welcomed Pauline Donald (Finance Manager), CarolAnne Keogh (Head of Human Resources) and Claire Neary (Policy & Briefings Manager) who were all observing the meeting as part of their induction into NES.

2. Apologies for absence

- 2.1. Apologies for absence were received from Annie Gunner Logan, John MacEachen and Judy Thomson.

3. Declarations of interest

- 3.1. 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 Seventieth Board Meeting (NES/22/73)

- 4.1. The minutes of the Board meeting held on 29 September 2022 were approved.

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 also no notifications of any other business requiring consideration by the Board.

6. Actions from previous Board Meetings (NES/22/74)

- 6.1. The Board received the rolling Board action list for review and agreement. The Board noted that all actions from recent Board meetings are now complete.

- 6.2. The following point was discussed:

- a. 29 September 2022, Minute 6.2a: In response to the action update regarding climate change and sustainability reporting going forward, the Board confirmed their approval of the proposed Committee / Board governance and reporting arrangements. In response to a query, it was clarified that climate change and sustainability will be added to the Board/Committee cover paper template and the new templates and guidance will come into effect from 1 January 2023. Climate change and sustainability will then be reported by exception in all reports.

- 6.3. The action list was agreed.

7. Chair & Chief Executive Updates

- a. Chair's Report (NES/22/75)

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

- 7.2. There were no questions regarding the Board Chair's report and the Board moved onto the next item on the agenda.

- b. Chief Executive's Report (NES/22/76)

- 7.3. Karen Reid introduced this report and began by highlighting the amount of excellent work that continues to be delivered by staff across NES and the NHS Scotland Academy (NHSSA).

7.4. Karen Reid highlighted that since the November Public Board papers were issued, the NES and NHS Golden Jubilee (NHS GJ) Chairs and Chief Executives had met to discuss NHSSA governance. They concluded that now that the work of the NHSSA is much more developed, and the relationships between NES and NHSGJ well established, the original governance structure is disproportionate. The NHSSA Joint Strategic Programme Board will be stood down. The NHSSA Executive Group will report to the NES Education & Quality Committee and the NHS GJ Strategic Portfolio Governance Committee. This change will be taken through the NES and NHGJ Standing Committees for review and approval and onward to the respective parent Boards. The formal paper outlining changes to NHSSA governance will be submitted to the 16 February 2023 Public Board meeting. **Action: DT**

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

- a. A new Chair has been appointed to the Scottish COVID-19 Public Inquiry. NES is awaiting further information from the Central Legal Office (CLO) regarding notification of any formal evidence and has submitted information to assist with an initial scoping exercise.
- b. Karen Reid highlighted the ongoing challenging fiscal environment. NES is awaiting a significant amount of in-year funding from Scottish Government (SG).
- c. NES continues to work with SG officials, advisers, and key partners to develop the plans for the establishment of the National Centre for Remote and Rural Health and Social Care. NES is awaiting clarification from SG regarding the Centre's funding arrangements.
- d. Karen Reid commended the launch of the Dundee Dental Hospital and Research School, which is a new venture between the University of Dundee, NHS Tayside and NES. Karen Reid thanked Professors David Felix and Jan Clarkson (Associate Postgraduate Dental Dean) and colleagues within the NES Dental directorate for their contribution to this innovative collaboration.

7.6. During discussion, the following points were raised:

- a. In response to a query from the Board, Gordon Paterson advised that his and Karen Wilson's recent study tour to the 'Academies' of Nashville (USA) was supported by The Wood Foundation philanthropic organisation. The aim of the visit was to learn more about the support that is given to senior phase school pupils to enable them to experience working in health services. The partnership approach used in Nashville aligns with the Youth Academy model which is being developed and led by the NHSSA with support from The Wood Foundation. Karen Wilson advised that the learning from the visit is already being used in discussion with NES partners and stakeholders to take the Youth Academy work forward. Future updates on this area of work will be reported via the Education and Quality Committee.
- b. The Board welcomed NES's involvement in the meeting with the Cabinet Secretary for Health and Social Care regarding Enhanced Monitoring in Scotland and acknowledged NES's significant role in ensuring the quality of Scottish medical education and training. Emma Watson and Alastair McLellan (Postgraduate Dean, West Region) will present an Enhanced Monitoring update to NHS Scotland (NHSS) Board Chairs and Chief Executives in due course.
- c. The Board discussed the recruitment of a Credit Rating and Quality Assurance Lead to support NES's ambition to become a Credit-Rating Body and whether there was any potential risk to this work as a result of the challenging fiscal environment. Karen Reid reassured the Board that the NES Credit Rating plan is a strategic priority for NES. A further update on an overall lead for NES education will be provided to the Board in due course.

- d. The Board discussed upcoming NHSS industrial action. Whilst the Board noted that number of posts likely to be affected in NES is relatively small, Tracey Ashworth-Davies confirmed that NES has made appropriate preparations in advance of any action taken by NES staff. NES is working with relevant stakeholders to monitor the impact of any industrial action on student / trainee placements. Karen Wilson, Emma Watson and David Felix provided individual updates on NMAHP, Medical and Dental placements respectively. The Employee Director noted that a revised pay offer was made to the trade unions on 23 November 2022 and further discussions with Scottish Government will take place shortly.
- e. The Board commended the launch of the Dundee Dental Hospital and Research School and noted the excellent work being delivered by the Scottish Dental Clinical Effectiveness Programme (SDCEP) which sits within the NES Dental directorate. The NES Board Chair and Whistleblowing Champion / Climate Emergency and Sustainability Champion recently attended a workshop run by the SDCEP team entitled 'Sustainable Oral Health – What is it? How do we achieve it?' and noted the innovative work being considered in this area. It was agreed that the slides from this session should be shared with Board members for their information.
Action: CE Office
- f. The Board welcomed the request from Scottish Government to NES to provide reporting on occupancy in Adult and Older Peoples Care Homes. Christopher Wroath confirmed that NES Technology Service (NTS) colleagues are working with key stakeholders to support any improvements to delayed discharges during the winter period. This new piece of work builds on the Care Home Safety Huddle App that was developed by NES during the COVID-19 pandemic and will enable information to be shared between the acute and social care sectors more quickly. It was noted that the information that can be shared will not take account of individual's care needs, rights or choices nor will it identify staffing requirements.
- g. The Board discussed the upcoming retirements within the Dental directorate senior team and noted that David Felix is also due to retire at the end of March 2024. David Felix confirmed that recruitment processes are underway and that the changes provide an opportunity to rebalance existing workloads and individual workstream structures. The Board Chair highlighted that organisational / directorate structures are demitted to the NES Chief Executive and Executive Team.

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

8. Annual Items

a. Annual Progress Against Strategic Outcomes and Annual Review Self-Assessment 2021/22 (NES/22/77)

8.1 Christina Bichan presented the annual progress report against NES's strategic outcomes and the 2021-22 NES Annual Review Self-Assessment to the Board for review and approval. Christina Bichan advised that the two documents had been merged to create a single report which fulfils both purposes for the 2021-22 reporting period. Further information is awaited from Scottish Government in relation to the submission of the 2021-22 Self-Assessment document, which forms part of the formal Annual Review process.

8.2 There were no questions regarding the content of the report. The Board approved the 2021-22 progress report against NES's strategic outcomes and the 2021-2022 NES Annual Review Self-Assessment and the Chair thanked Christina Bichan and her team for their work.

b. Annual Climate Emergency and Sustainable Development Report (NES/22/78)

- 8.3 Jim Boyle presented the inaugural Annual Report on the NHS Scotland Global Climate Emergency and Sustainable Development Policy to the Board for review and approval in advance of its submission to Scottish Government by 30 November 2022. An earlier version of this report had recently been reviewed by the Audit & Risk Committee at their meeting held 6 October 2022. The Board noted there had been a circulation issue in relation to this paper and a new Appendix 1 had been re-issued to the Board.
- 8.4 As part of his introductory comments, Jim Boyle highlighted that the report uses a pre-agreed template and as such not all parts require completion by the national NHSS Boards. NES has recently appointed its Non-Executive Climate Emergency and Sustainability Champion (Gillian Mawdsley) and Executive Sustainability Lead (Jim Boyle) and the governance and membership of the internal NES sustainability group will shortly be refreshed to enable further sustainability improvements in NES going forward. Future climate emergency and sustainability updates will be reported via the Audit and Risk Committee.
- 8.5 Jim Boyle advised that this inaugural report acts as a benchmark for progress in relation to the implementation of actions contained within SG's Climate Emergency and Sustainable Development policy. NES has been rated as Bronze for 2021-22. Whilst progress is being made within NES, further work is required to ensure compliance with SG's recently published NHSS Climate Emergency and Sustainability Strategy: 2022-26. Jim Boyle highlighted that travel and transport, the NES estate, sharing good practice and implementing improvements within education and training will be the areas where NES will be able to have the most significant impact in response to the climate emergency.
- 8.6 The paper was taken as read and the following points were raised in discussion:
- a. The NES Climate Emergency and Sustainability Champion welcomed the report and acknowledged the significant amount of work undertaken in NES to date and plans for further improvements going forward.
 - b. The Board recognised the importance of responding to the climate change emergency and looked forward to hearing updates from the internal NES Sustainability group. The question of how all staff could embed sustainability into their work going forward was discussed. The potential for the creation of a collective sustainability objective for the NES Executive Team / senior managers was suggested. Karen Reid, Karen Wilson and Tracey Ashworth-Davies will give this some consideration. **Action: KR / KW / TAD**
 - c. Jim Boyle confirmed that the national Board Executive Leads are meeting shortly to consider whether collective climate change and sustainability reporting may be helpful going forward.
 - d. In response to a query from the Board, Jim Boyle advised that the NES Salary Sacrifice Electric Vehicle scheme (which was considered at the Public Board meeting on 29 September 2022) was undergoing further due diligence in advance of an upcoming meeting with the preferred supplier. It is hoped the scheme will be made available to NES staff by 01 April 2023.
- 8.4. After discussion, the Board approved the 2021-22 Annual Report on the NHS Scotland Global Climate Emergency and Sustainable Development Policy for submission to Scottish Government. The Chair thanked Jim Boyle and his team for their work.

c. Public Bodies Climate Change Duties Annual Report (NES/22/79)

- 8.5 Jim Boyle presented the draft Public Bodies Climate Change Duties Annual Report to the Board for review and approval in advance of its submission to the Sustainable Scotland Network by 30 November 2022.

8.6 During his introductory comments Jim Boyle advised the Board this annual report is submitted by all public bodies in accordance with Scottish Government policy. There is a possibility this report may be superseded by the annual Climate Emergency and Sustainability report submitted under item 8b of this Board agenda.

8.8 There were no questions regarding the content of the report. The Board approved the draft Public Bodies Climate Change Duties Annual Report for submission to the Sustainable Scotland Network and the Chair thanked Jim Boyle and his team for their work.

d. NES Draft Counter Fraud Policy (NES/22/80)

8.9 The Chair welcomed Janice Sinclair to the meeting for this item. Janice Sinclair presented the draft NES Counter Fraud Policy to the Board for review and approval and advised that NES's Counter Fraud Policy and Fraud action plan have been combined and updated into a single document. In terms of governance sequencing, the draft policy was considered by the Audit and Risk Committee at their meeting on 6 October 2022 and submitted to the Partnership Forum on 17 November 2022 for information.

8.10 There were no questions regarding the content of the paper. The Board approved the draft NES Counter Fraud Policy and the Chair thanked Janice Sinclair and her team for their work.

9. Performance Items

a. 2022/23 Quarter 2 Financial Report (NES/22/81)

9.1 Jim Boyle presented the 2022-23 Quarter 2 financial report to the Board for review and approval.

9.2 As part of his introductory comments, Jim Boyle outlined the continuing uncertainty around funding at a national level which, in turn, continues to have an impact on financial planning within NES. Jim Boyle highlighted the full year forecast position of a £3.5million underspend, which is dependent on the receipt of all anticipated funding allocations. NES is currently awaiting a significant number of outstanding allocations from Scottish Government (SG). £1.2million of the forecast £3.5million underspend has arisen as a consequence of a capital allocation being made available by SG to NES to allow some planned revenue spending. The NES Finance team continue to engage with SG Finance colleagues regarding NES's funding position.

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

a. The Board recognised the very challenging financial position. Board members all agreed a collective concern in relation to the potential risk that NES is exposed to as a result of the outstanding SG allocations and forecast underspend.

b. The Board acknowledged that NES will need to focus on efficiency savings going forward and consider the possibility of deprioritising activities. Jim Boyle reported that the NES Finance team are looking at a range of efficiency saving programmes and are working with directorates to identify where any efficiencies can be made. Karen Reid confirmed that the Executive Team met recently to discuss NES's current and future fiscal position. Colleagues are working with the SG sponsor team to review strategic priorities and future funding arrangements. The Board agreed it would be helpful to schedule a discussion on a strategic approach to efficiency savings at future Board Development session. **Action: DT**

c. Tracey Ashworth-Davies advised that the Executive Team will shortly start reviewing all business case requests for recruitment of posts within NES to ensure they are focused on strategic priorities and have confirmed funding in place.

9.4 After discussion the Board approved the 2022-23 Quarter 2 financial report and the Chair thanked Jim Boyle and his team for their work.

b. 2022/23 Quarter 2 Risk Register Report (NES/22/82)

9.5 Jim Boyle presented the 2022/23 Quarter 2 NES Risk Register to the Board for review and approval. As part of his introductory comments, Jim Boyle highlighted that a new Risk 21 has been added in relation to the challenging NES fiscal position. Jim Boyle highlighted that the Board Development meeting scheduled for 20 February 2023 will consider draft strategic risks aligned to the new draft strategy and discuss risk appetite and a further update will be submitted to the Public Board in due course.

9.6 The paper was taken as read and the following point was raised in discussion:

- a. The Board noted that a separate COVID-19 Risk Annex is no longer being submitted to Public Board meetings. In response to a query from the Board in relation to the Board's assurance role, Jim Boyle will take forward a mapping process to ensure that the Board receives assurance that the COVID-19 risks have been mitigated or become 'business as usual'. The outcomes of this mapping process will be circulated to the Board for their information once the process is complete. **Action: JB**

9.7 The Chair thanked Jim Boyle and his team for their work and the Board approved the 2022-23 Quarter 2 Risk Register report.

c. 2022/23 Quarter 2 Delivery Performance Report (NES/22/83)

9.8 Christina Bichan presented the Quarter 2 2022-23 performance report to the Board for review and approval. The paper reported performance against the NES 2022/23 Operational Plan. Christina Bichan gave a short PowerPoint presentation to outline the overall position and steps in relation to future performance monitoring and reporting.

9.9 As part of her introductory comments, Christina Bichan highlighted the progress of the development of strategic Key Performance Indicators (KPIs) for NES. The draft KPI metrics will be discussed at the 20 February 2023 Board Development session. The KPIs aim to demonstrate NES's impact more clearly at a strategic level.

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

- a. The Board welcomed the updated format of the report and the linking of priority targets to individual strategic themes. In response to a query from the Board on page 7 of the report regarding the NES Technology Service (NTS) priority amber target under Strategic Theme 5 (a higher performing organisation), Karen Reid advised that recruitment process for the NTS Associate Director posts is progressing and interview dates have now been scheduled.
- b. The Board raised a question in relation to the number of performance targets (11) that had to be updated as a result of quality checks before the report was finalised. Consideration may need to be given to the preparation of Finance, Risk and Performance reports going forward, particularly in relation to the high number of performance targets that are currently in progress.
- c. Christina Bichan recognised that further work is still required in relation to future Board performance reports to ensure that the Board see the most relevant targets that impact NES's strategic delivery to undertake their governance and assurance role. It was agreed that Karen Reid, Jim Boyle and Christina Bichan will meet to discuss how the next performance report can be aligned to the NES Risk Register to ensure the Quarter 3 reports are as meaningful as possible for the Board. **Action: KR / JB / CBI**

9.11 After discussion, the Chair thanked Christina Bichan and her team for their work and the Board approved the 2022-23 Quarter 2 performance report.

d. Equality & Diversity Mid-Year Report (NES/22/84)

9.12 The Chair welcomed Katy Hetherington to the meeting for this item. Katy Hetherington presented a mid-year report on NES's progress with delivering our statutory equality duties for review and approval. In terms of governance sequencing, Katy Hetherington advised that different aspects of the report have been delegated to the relevant individual NES Standing Committee either at their scheduled committee meetings or via correspondence as appropriate for approval.

9.13 During her introductory comments, Katy Hetherington highlighted the establishment of an infrastructure to support NES's work on equality, diversity, inclusion and human rights.

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

- a. The Non-Executive Equality, Diversity and Human Rights Champion welcomed the Equality and Diversity Mid-Year report and commended the work being delivered both within NES and to NHSS Boards.
- b. The Board welcomed the plans to review NES's equality outcomes to ensure they align with NES's new strategic plan.
- c. In response to a query from the Board, Karen Reid confirmed that sustainability would be embedded across all NES governance processes including equality, diversity and human rights. References to NES whistleblowing processes should also be incorporated.
- d. The Board Chair advised Board Members to speak to Katy Hetherington regarding the possibility of joining future staff network meetings.

9.15 After discussion the Board noted the legislative requirement to publish a report on progress with the Scottish Specific Duties of the Public Sector Equality Duty by April 2023. The Board approved the Equality and Diversity Mid-Year report and the Chair thanked Katy Hetherington and her team for their work.

10. Governance Items

a. Significant issues to report from Standing Committees

Audit and Risk Committee held on 6 October 2022

10.1 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 two internal audit reports on Disaster Recovery (Cyber Attack) and the NES Technology Service (NTS) IT Business and Support Model which both contained a high number of management recommendations. The Committee considered the context behind the number of recommendations and agreed how these should be addressed and taken forward. Both internal audit reports were submitted to the Digital and Information Committee for further consideration at their meeting on 31 October 2022. The Committee noted that the NES internal auditor contract is shortly up for renewal.
- b. The Committee received a presentation from a member of the NHSS Counter Fraud Services team and approved the draft NES Counter Fraud Policy subject to one minor clarification point.
- c. The Committee completed their annual review of the Audit and Risk Committee Terms of Reference and noted the update highlighting climate emergency and sustainability reporting going forward.

Digital and Information Committee held on 31 October 2022

10.2 David Garbutt gave a brief overview of the key issues discussed at the most recent meeting of the Digital and Information Committee:

- a. The Committee considered the Caldicott Guardian report and discussed the NTS IT Business and Support Model internal audit report that was had been submitted to the 6 October 2022 Audit and Risk Committee (ARC). The Committee agreed that a process for reporting the completion of internal audit recommendations back to the ARC would need to be agreed.

Staff Governance Committee held on 3 November 2022

10.3 Anne Currie gave a brief overview of the key issues discussed at the most recent meeting of the Staff Governance Committee:

- a. The Committee received and approved the 2021-22 Staff Governance Monitoring return for submission to SG.
- b. The Committee noted improvements in the completion of mandatory staff training, however the Whistleblowing module completion numbers were highlighted as a concern. Work is underway to refresh and reduce the length of this training module.
- c. The Committee received an update on the provision of leadership and management development support for NES staff and welcomed the introduction of the NES Workforce Development Fund.

b. Board and Committee Meeting Dates 2023-24 (NES/22/85)

10.4 Della Thomas presented the 2023/24 Board and Committee Meeting dates to the Board for review and approval.

10.5 There were no questions regarding the content of this paper. The Board approved the 2023-24 Board and Committee meeting dates subject to the NHSS Academy Joint Strategic Programme Board dates being removed as per changes to NHSS Academy governance discussed earlier under item 7b of this meeting.

c. Board Assurance Framework (NES/22/86)

10.6 Jim Boyle presented the current NES Board Assurance Framework to the Board for review and approval. During his introductory comments, Jim Boyle highlighted the upcoming work to revise the framework with the aim of creating a clearer version going forward and alignment with NES's new strategic plan.

10.7 There were no questions regarding the content of the report. The Board approved the current Board Assurance Framework whilst noting that the framework will be revised in line with planned corporate governance changes and guidance on assurance mapping from the Corporate Governance Blueprint Group.

d. Co-opted Member of Digital & Information Committee (NES/22/87)

10.8 Della Thomas presented a paper that, as per the Board Standing Orders, invited the Board to approve Angus McCann (Non-Executive Director, NHS Lothian) as a co-opted member of the NES Digital and Information Committee (DIC) for a further year.

10.9 The Board Chair highlighted Angus McCann's valuable contribution to the DIC. The Board approved Angus McCann's co-opted membership of the DIC for a further 12 months.

e. Change of name of the Digital & Information Committee (DIC) (NES/22/88)

10.10. Della Thomas presented a paper that invited the Board to homologate the decision of the DIC to change their name to the Technology and Information Committee (TIC) in order to more accurately reflect the work of this Committee.

10.11 The Board homologated the change of name of the DIC to the Technology Information Committee.

11. Items for Homologation or Noting

a. NES Standing Committee Minutes

i. Digital and Information Committee 6 June 2022 (NES/22/89)

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

ii. Audit and Risk Committee 16 June 2022 (NES/22/90)

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

iii. Staff Governance Committee 11 August 2022 (NES/22/91)

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

b. Final Three-Year Workforce Plan (NES/22/92)

11.4 The final version of the 2022-25 NES Strategic Workforce Plan was homologated by the Board. The plan was submitted to Scottish Government (SG) and published to the NES corporate website on 31 October 2022 as per SG requirements.

12. Any Other Business

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

13. Date and Time of Next Meeting

13.1 The next Public Board meeting will take place on 16 February 2023 at 10.15am.

13.2 The Chair thanked everyone for their attendance and closed the meeting at 12.45pm.

NES
February 2023
AS/DT/DG/KR
v.02

Actions arising from Board meetings: Rolling list

Minute	Title	Action	Responsibility	Date required	Status and date of completion
Actions agreed at Board meeting on 24 November 2022					
7.4	Chief Executive's Report	Add future NHS Scotland Academy governance paper to Board Schedule of Business	Della Thomas	February 2023	Complete This paper is presented to the February Board under item 10c.
7.6e		Share sustainable Oral Health session PowerPoint slides with Non-Executive Directors for their information	Chair & CE Office	December 2022	Complete PowerPoint slides shared with Board Members on 7 February 2023.
8.6b	Annual Climate Emergency and Sustainable Development Report	Explore how all NES staff can embed sustainability into their work going forward including the potential creation of a collective sustainability objective for the NES Executive Team / senior managers.	Karen Reid / Tracey Ashworth-Davies / Karen Wilson	February 2022	Complete The Executive Team will consider and agree a collective sustainability objective for 2023-24. During 2023-24, consideration will be given as to how staff can embed sustainability into their own objectives going forward.
9.3b	Finance Report	Schedule Board discussion on strategic approach to efficiency savings at future Board Development session	Della Thomas	February 2023	Complete A session on Best Value has been scheduled for 20 April Board development meeting as part of this meeting other approaches to efficiency will be explored.

Minute	Title	Action	Responsibility	Date required	Status and date of completion
9.6a	2022/23 Quarter 2 Risk Register Report	Take forward COVID-19 Risk Annex mapping process to ensure that Board receives assurance that these risks have been mitigated / become business as usual. Circulate outcomes of mapping process to the Board for their information once mapping process complete	Jim Boyle	February 2023	In Progress The Executive Team are actively reviewing the COVID-19 Risk Annex and further information will be shared at the Board Development session on 20 February 2023.
9.10c	Quarter 2 2022/23 Delivery Performance Report	Discuss how Quarter 3 2022/23 Delivery Performance Report can be aligned to the NES Risk Register to ensure the Quarter 3 report is as meaningful as possible for the Board	Christina Bichan / Jim Boyle / Karen Reid	February 2023	Complete The 2022-23 Quarter 3 Delivery Performance Report has been updated to include a summary of aligned corporate risk for all areas reporting significant delay. This report has been submitted under item 8c of the 16 February Public Board agenda.



NES/23/04

CHAIR'S REPORT

David Garbutt, Chair of NES Board

16 February 2023

February 2023

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

November 2022

1. I attended the confirmation event for the Scottish Improvement Leaders programme (ScIL) where several cohorts were celebrating their success. This continues to be an excellent programme developing the improvement agenda and is well received by staff who go on to undertake outstanding improvement work in their Boards.
2. I attended a Board meeting of The Promise Scotland where we reviewed progress over the last year and received an update on budget and action plan for the next two years.
3. I met with the other National Board Chairs for our regular catch up and discussed the winter pressures and the support which we could provide to Territorial Boards.
4. I gave a Remuneration Committee Roadshow presentation to the members of the State Hospital Board and answered their questions about appraisals and the TURAS system.
5. I spoke at the 'Introduction to The Remote and Rural Series of Learning Events', where we had over 200 virtual attendees, and received a number of questions about the proposed National Centre for Remote and Rural Health and Social Care.
6. I attended the NHS Global Citizenship Advisory Board where we agreed a new model of engagement for NHS staff with the partner countries identifies by the Scottish Government.

December 2022

7. I chaired the third NPMC (National Performance Management Committee) Meeting where we reviewed the additional evidence submitted by the Boards in relation to their 2021-22 Executive Management appraisals, then wrote to the Cabinet Secretary for Health and Social Care to ask for approval of gradings and scope of uplift.
8. I was invited to join the NHS Golden Jubilee (NHS GJ) stakeholder panel to assess presentations given by applicants for the role of Chief Executive. Gordon James was appointed as the new NHS GJ in December 2022.
9. I attended a meeting with the Scottish Government Public Appointments Unit to scope out the roles for new non-executives.

10. I visited the University of Strathclyde with Karen Reid (Chief Executive) and Colin Brown (Head of Strategic Development, CE Office) and had an interesting discussion with the Vice Chancellor and his senior team about possible areas of future co-operation.
11. I had a meeting with a Scottish Clinical Leadership Fellow (SCLF) about the role of Quality Improvement and quality systems approaches in health and care.
12. I attended a meeting of Board Chair mentors to discuss group dynamics and psychological safety.
13. I chaired the first meeting of the Board Development Reference Group which will be a sounding board for NES with our development cycle following the launch of the second edition of the Blueprint for Good Governance in NHS Scotland.
14. I met with National Board chairs to finalise our action learning set and consider the outcomes from the approach.
15. I held another NPMC informal meeting to consider late submissions to the Committee.
16. I attended the Cabinet Secretary for Health and Social Care's Systems Pressures and Recovery meeting where we had an in depth discussion about delayed discharges across Scotland and the impact on service delivery.

January 2023

17. I attended the National Board Chairs Group where we held discussions about the financial situation facing boards, winter pressures and workforce planning.
18. I held a preparation meeting for a disciplinary case on behalf of another Board.
19. I had a meeting with the Scottish Government Public Appointments team regarding the interview panel for the forthcoming NES non-executive posts.
20. I joined Karen Reid and Colin Brown for a discussion with the University of Dundee about collaborative working and the potential for wider co-operation.
21. I Chaired a full appeal panel for another board
22. I met NES's new External Auditors with the Chair of the Audit and Risk Committee and Jim Boyle (Executive Director of Finance).

23. I attended the NHS Scotland Aspiring Chairs advisory panel where we finalised the specification for the programme which will commence in April 2023. Interest will now be sought from Board Members who would like to attend the programme and from Boards who would like to host an aspiring Chair as part of their development.
24. I met with the Chair of The Promise Scotland to discuss health involvement in the programme.
25. I held a meeting with staff from NHS24 to describe the processes of the National Evaluation Committee (NEC) and the National Performance Management Committee (NPMC).
26. I held two days of interviews as part of the panel for appointing the Chairs of NHS Fife and NHS Grampian.
27. I attended the Cabinet Secretary for Health and Social Care's systems pressures meeting and heard some details about reduced demand and an improvement in delayed discharges.
28. I attended the main NHS Scotland Board Chairs Group (BCG) meeting and the BCG meeting with the Cabinet Secretary for Health and Social care and his officials. There were inputs about systems pressures apparently easing, discussion about Realistic Medicine and advocacy for a chaplaincy-based wellbeing model.

February 2023

29. I met with the Chair of BCG to discuss workforce planning and the potential for multi-disciplinary groups and new ways of working.
30. I attended The Promise Scotland Finance Committee to discuss the agreed budget for the forthcoming financial year.
31. I attended a meeting to discuss the role of the Promise Scotland from an NHS perspective.
32. I met Neena Mahal (ex Chair of NHS Lanarkshire) to discuss the Board Self-Assessment tool she has been asked to pilot with NHS Highland and the likely outcome for other Boards in the future.
33. I delivered a Remuneration Committee Roadshow on executive appraisal to members of the NHS24 Remuneration Committee.
34. I met with the Scottish Government Director of Health Workforce to consider developmental points arising from our recent interviews for the Chair role at NHS Fife, Grampian and Highland.

35. Together with Anne Currie and Douglas Hutchens (NES Non-Executive Directors) I held an open event for potential applicants for NES Non-Executive posts.

Extension of Term

36. I am pleased to record that we have secured an extension of term for Douglas Hutchens (Non-Executive Director and Deputy Chair) for six months, commencing on 1 March 2023 and ending on 31 August 2023.

NES
Item 7b
16 February 2023

NES/23/05



CHIEF EXECUTIVE'S REPORT

Professor Karen Reid, Chief Executive

February 2023

1. INTRODUCTION

- 1.1. The agenda for our February Board meeting includes a paper that sets out a proposal to extend and expand the role of the NHS Scotland Academy (NHSSA) Director and transfer employer arrangements to NES. As the statutory education and training provider for health and social care in Scotland and alongside the development of our new strategic plan there is an opportunity for NES to broaden its focus to include developing and implementing a new education and learning strategy. The Board are asked to note and homologate this proposal which has been agreed in conjunction with NHS Golden Jubilee as our NHSSA partner and approved by the NES Education and Quality Committee.
- 1.2. The Board will also receive a number of governance and performance items for assurance and approval, including the 2022-23 Quarter 3 Financial, Risk and Delivery Performance Reports, the annual Corporate Governance Package and a paper that sets out the streamlining of the governance structure of the NHSSA.

2. ANNOUNCEMENTS

2.1 **Anne Watson (Pharmacy Postgraduate Dean / Director of Pharmacy)**

Professor Anne Watson has notified her intention to retire at the end of June 2023. Anne joined NES in January 2004 and since 2016 has led the Pharmacy team through periods of considerable development and growth for the profession, including responding to large scale reforms of Pharmacy education and training across the UK. Anne's contribution, both within NES and the wider Pharmacy profession, cannot be underestimated and her wisdom, leadership and very significant professional expertise will be hugely missed. We will ensure Anne's contribution is fully celebrated before she leaves the organisation later this year.

2.2 **Deputy Medical Director**

I am pleased to announce that Professor Lindsay Donaldson joined NES on 9 January 2023 as Deputy Medical Director within the Medical Directorate. Lindsay was previously Director of Medical Education at NHS Greater Glasgow and Clyde and brings significant experience and expertise to this role.

2.3 **David McColl, (Deputy Director, NES Technology Service)**

Board Members may have already noted a recent announcement confirming that David McColl is shortly moving to Scottish Government (SG) on a two-year secondment. David is joining the SG Health and Care Directorate as a Deputy Director to take forward work to enhance the National Digital Platform and other significant programmes and system architecture. David joined NES in 2007 and has been pivotal to the development and delivery of a new technology approach in NES. David played a particularly key role during the COVID-19 pandemic and oversaw the development and delivery of a number of applications that had a significant impact on the NHS response. I would like to thank David for his contribution and wish him well in his new role.

3. STRATEGIC UPDATES

- 3.1. The health and social care system continues to remain under significant pressure as the winter period progresses, both in the context of frontline service delivery and the challenging fiscal environment. NHS Scotland (NHSS) Board Chairs and Chief Executives continue to meet monthly with the Cabinet Secretary for Health and Social Care to discuss systems pressures. Board Chief Executives meet frequently with Scottish Government to discuss ongoing winter planning and service priorities in relation to the NHS recovery plan.
- 3.2. **National Centre of Excellence in Remote and Rural Health and Social Care**
NES and Scottish Government (SG) officials, advisers, and key partners are progressing plans for the establishment of the National Centre for Remote and Rural Health and Social Care (the Centre). NES are developing a revised plan to establish the Centre in a phased approach over the next three years in response to ongoing budget pressures for SG. The revised plan was submitted for consideration by the Cabinet Secretary for Health and Social Care on 1 February 2023.
- 3.3 The revised plan includes programmes of work to address priority areas for specific remote, rural and island workforce groups within phase one and then to expand the reach across further workforce groups within the subsequent development phases in accordance with SG funding.
- 3.4 **Sponsorship**
Ongoing engagement continues with the NES sponsor team in SG, involving discussions around commissioning, potential changes to finance procedures and the NES funding allocation. Discussions are also ongoing in terms of external consultation on NES's draft strategy. The wider sponsorship meeting schedule has been amended, with meetings to take place every eight weeks going forward.
- 3.6 **COVID-19 Public Inquiry**
 - a. Following on from the update provided in the Chief Executive's Report to the November 2022 Board meeting and the announcement of Lord Brailsford as the new Chair of the Scottish COVID-19 Public Inquiry, the inquiry Terms of Reference (ToRs) have been [updated](#) to include the addition of a human rights approach, including the right to family life. Whilst the inquiry ToRs remain predominantly the same and the consideration of bereaved families and Long COVID remain at the forefront, there has been a change in the interpretation of one particular item in the ToRs: 'the delivery of education and certification' (item k). It is clear that the scope now includes NHS professional education and certification and potentially social care which increases the scope of evidence that NES is likely to be called for.

- b. All Scottish Health Boards have been granted Core Participant status for the Scottish COVID-19 Public Inquiry. The Inquiry is now moving from a scoping to active evidence gathering phase and NES Directorate leads continue to co-ordinate evidence gathering and collation in advance of any formal evidence requests using an agreed corporate governance process. Preparations are also underway to support NES staff that may be called to give in-person witness evidence to the Inquiry.
- c. Since the November 2022 Board meeting, NES has received a notice to submit evidence to the Scottish COVID-19 Public Inquiry. We have also responded to a request for information from the UK COVID-19 Public Inquiry.
- d. The Scottish Inquiry Team continues to liaise regularly with the UK COVID-19 Public Inquiry and we await a memorandum of understanding which will formulate how both inquiries will collaborate in the future.

3.7 Climate Change Emergency and Sustainability

The Audit & Risk Committee (ARC) recently received an update on the various reports submitted by NES on Climate Emergency and Sustainability. NES submitted its Public Bodies Climate Change Duties Report in November 2022, following Board approval and Scottish Government (SG) have come back with a few points where they are looking for supplementary information, around carbon emissions from employee car travel and electricity consumption at NES premises. The Executive Director of Finance recently attended the Climate Emergency Executive Leads update, and SG confirmed that they have follow up queries from all 22 Boards in Scotland. Future written reports will be provided to the ARC and will also be contained in this update to future Board meetings.

3.8 Whistleblowing – Delegated Executive Lead Report

As per the National Whistleblowing Standards, NHS Scotland Boards should receive quarterly updates in relation to any whistleblowing cases. It has been previously agreed that the NES Board should receive an update after the most recent meeting of the Staff Governance Committee (SGC). The SGC met on 2 February 2023 and received confirmation that NES received no whistleblowing concerns between 1 September 2022 to 31 December 2022.

3.9 NES Corporate Improvement Programme

- a. NES has established a Project Management Office (PMO) to manage and drive delivery of a Corporate Improvement Programme (CIP). The CIP will enable the delivery of strategic priority projects at pace using a programme and project management approach. The CIP reports into the NES Executive Team (ET) on a scheduled monthly basis and by exception at any ET meeting. Reporting will ensure ET oversight of the CIP and enables timely escalation of risks, issues, decisions and approvals. The proposed reporting mechanism will provide the following over-arching benefits:
 - Ensure cohesion and best value across NES for the CIP
 - Enable corporate thinking and oversight
 - Ensure CIP is aligned with core purpose and strategic intent

3.10 NHS Scotland Academy (NHSSA)

a. National Workforce Programmes

i. National Clinical Skills for Pharmacists Programme

Additional delivery days were scheduled in October, November and December at the request of the University of Dundee because the number of applications was exceeding available places. To date 484 learners across the 4 modules have attended, with over 1,000 places having been provided by the NHSSA. Delivery has been scheduled for 4 days a month until June 2023.

ii. National Ultrasound Training Programme (NUTP)

The National Ultrasound Training Programme launched on 28 November 2022. The programme has 2 operational Ultrasound (US) rooms within NHS Golden Jubilee (NHS GJ), with capacity for 2 trainees per week undertaking a maximum of 16 US assessments per day/per room. To date the programme has 8 learners undertaking focused, accelerated blocks of learning and the NUTP has undertaken an additional 559 US from November to mid-January 2023. The patients have come from across 6 NHS Board areas, with 452 US performed for NHS Lanarkshire patients, due to NHS Lanarkshire having the most long-waiting patients.

iii. Feedback from both learners and patients is positive, with learners recognising the value of this focused time for learning.

b. National Treatment Centres' (NTC) Programme

i. Foundations of Perioperative Practice

Cohort 5 started in December 2022 with 10 learners recruited across 4 Boards: NHS Greater Glasgow & Clyde, Grampian, Tayside and Highland. Scheduled dates for cohort 6 (April 2023) and cohort 7 (Aug 2023) are currently being recruited to. There has been a concerted and focused recruitment effort to improve use of the programme by the Boards, NTC Team and NHSSA team which has proven to be successful with a significant increase in learner numbers. The programme annual review process, which includes the collation of service impact data is now underway and will be reported on shortly through the NHSSA Executive Programme Group and both primary Boards.

ii. Anaesthetic Assistants

Cohort 2 is currently in progress with 11 learners from across 5 NHS Board areas. The next 2 cohorts (starting in March and September 2023) are being recruited to. The learner numbers for cohort 2 are significantly improved and this has been the result of a concerted, focused recruitment drive by the Boards, NTC partners and NHSSA team. Learner feedback to date for the programme has been very positive and constructive.

- iii. **Surgical First Assistants (SFA)**

The SFA Programme is developing at pace, with learning design roadmap workshops with stakeholders complete. Stakeholder meetings of our wide and inclusive stakeholder group are scheduled fortnightly, and the programme development is progressing well. NES educational governance approval is planned for the end of February 2023 and recruitment for Cohort 1 (indicative start date March 2023) has begun. Processes for Royal College of Surgeons course accreditation and SCQF (Scottish Credit and Qualifications Framework) accreditation are in progress. Contractual agreement for use of the AfPP (Association for Perioperative Practice) SFA Competency Toolkit is progressing through NES procurements and is presently on track for our development timeline of an e-portfolio. The programme will run over thirty-four weeks.
- iv. **Assistant Practitioner Peri-operative Practice**

An SBAR detailing the proposed SVQ and combined NHSSA Peri-operative IPL (interprofessional learning) development was presented to the NHSSA Executive Programme Group on 25 January 2023 and approval was given for a full business case to be developed. The SBAR details the creation of a 'Once for Scotland' programme for the development of Perioperative Assistant Practitioners (career level 4, SCQF level 7).
- v. The proposed programme will be structured around the SVQ framework and will also include additional learning activities including IPL delivered by the NHSSA that reflect the specific role of the Perioperative Assistant Practitioner. Duration of the course will be 1 year and will support progression of those with level 3 HCSW qualifications to progress into the role of Perioperative Assistant Practitioner (level 4). The NHSSA will support assessment of the SVQs through the recruitment of course specific assessors.
- c. **National Endoscopy Training Programme (NETP)**

Four NETP faculty delivered the first NETP Train the Colonoscopy Trainer course in Stobhill hospital on 8 and 9 December. Upskilling courses have been held in NHS Grampian, and dates are being set for courses to be held in NHS Tayside and NHS Lanarkshire in March and April.
- d. The first Endoscopy Non-Technical Skills course was held in NHS Lothian and there has been much demand with future dates agreed for NHS Grampian, NHS Lanarkshire and again in NHS Lothian. Several other dates have been secured in centres that will be delivered if we can confirm faculty are available.
- e. 19 trainees have now completed immersion training with all slots booked until October 2023. Most trainees in 2023 have been allocated two weeks, as feedback from 2022 was that one week did not achieve required numbers or DOPS (direct observation of procedural skills). At time of booking a second week is now being scheduled for 4-8 weeks after the first, allowing trainees time to put into practice the skills they learned in week one before they return.

- f. NHS GJ has become the first Board in Scotland to achieve JAG (Joint Advisory Group on GI Endoscopy) accreditation for Endoscopy Services and is now able to start the progress to become a JAG accredited Training Centre.
- g. **Nursing & Midwifery Council (NMC) OSCE Preparation (Digital learning programme)**
Adult Nursing digital resources are now complete with revisions made after review by colleagues in Infection, Control and Prevention. Resources are available on TURAS Learn. Phase 2 is the delivery of resources to support Mental Health and Midwifery and the video for this was filmed in the last two weeks of January with the timeline for completion by March 2023. Development of a Cultural Humility online digital learning resource in collaboration with the NES Equality, Diversity and Inclusion team and stakeholders is in the early stages of design following NHSSA Learning design roadmap workshop 1.
- h. **Preparing for work in health and social care in Scotland (Digital learning programme)**
Wider strategic discussions have taken place with the NES Social Care directorate around the formulation of a joint approach with the Scottish Social Services Council (SSSC) to scope current resources and future workstreams in this area and where NHSSA resources will fit into this. TURAS resources will undergo product annual review with completion of this and updates planned by March 2023. At the time of writing, 2,758 people have now used the resource.

4. DIRECTORATE UPDATES

4.1. Dental (including Healthcare Science and Optometry)

- a. **Healthcare Science**
Following recent enquiries about clinical scientist training numbers for September 2023 received from MSPs, professional, bodies and service leads, we have sent a draft statement to Scottish Government colleagues. This clarifies the funding position for the intake, affordable numbers and next steps in terms of ongoing dialogue with Government.
- b. The Healthcare Science core team has launched a new training website, similar to the deanery site, that hosts key training information for trainees and supervisors. It is at <https://www.hcstraining.nhs.scot/> The site will separate and streamline the guidance information that is currently mixed with learning resources on TURAS Learn and will become an important showcase for NES.
- c. The annual Healthcare Science training event took place between 8 - 10 February 2023.

4.2 NES Technology Service (NTS)

a. NTS Organisational Change

The NTS organisational change programme continues to progress. NTS Associate Director recruitment is now complete and the following four colleagues have been appointed: David Wilson (Operations) Greg Thomson (Data and Assurance), Tracey Baxter (Product and Delivery) and Daniel McCafferty (Engineering).

b. National Digital Platform (NDP)

The full launch of the NDP took place at Digifest in November 2022. This included an updated service catalogue, a new data catalogue and blog sections on the website. A service desk system and support process has also been built up to handle requests. NTS leadership alongside representatives from Scottish Government, NHS Greater Glasgow and Clyde (GGC) and local government presented a session on the sustainability of a platform approach.

- i. **EMPI (Enterprise Master Patient Index)** - Work continues to progress to point the EMPI service to use the National Shared Services (NSS) NextGate EMPI as the primary source of demographics. Issues with GP Practice data in NSS NextGate is delaying full switchover, therefore we are unable to decommission the NES instance of NextGate EMPI until this is resolved.
- ii. **Structured Clinical Data Service** - Increased dataset including travel vaccinations are now available on both sandbox (test) and production environments. Clinical structured data services based on other Fast Healthcare Interoperability Resources (FHIR) profiles has been deployed into the development environment.
- iii. **Developer Portal** - delivers functionality where developers can try out interacting with NDP services in a test environment. Version 1 of developer portal, which is a sandbox (test) environment for NHS Scotland developers, will be available for a trial period by the end of 2022-23 Quarter 4. Refinement taking place following usability testing and information governance review.
- iv. **Media Store** – provides unstructured, large binary clinical data storage capability and is being piloted with a Genomics workload in NHS GGC. Proof of concept built using the Amazon Web Services (AWS) S3 storage service. The test version of service will be part of developer trial described within the Developer Portal update. Collaboration with Genomics Scotland to trial use of the Media Store for their needs will take place in 2023-24 Quarter 1.
- v. **C-19 & Vaccination support** - NTS continue to develop the National Clinical Data Store (NCDS) which is the single point of truth for all vaccination data. Work continues on the next phase planned for an April 2023 release.

- vi. **Workforce Data Service** - Data service that identifies who is where, doing what in the NHS Scotland workforce. This data can be used for personalisation of services, identity and access management, and national workforce statistics reporting. Work continues with NSS / ATOS Work to replace the manual updating process of this from SWISS (Scottish Workforce Information Standard System) with a direct connection to eESS (Electronic Employee Support System).
 - vii. **Digital Front Door** – Scottish Government has commissioned NES to be the lead delivery partner for the Digital Front Door programme in Scotland. NTS have submitted a response to the commission with further discussions to be had with Scottish Government to agree the scope, roadmap and funding.
 - viii. **Digital Prescribing & Dispensing** – NTS continue to collaborate with NSS on the architecture and design of the new solution. A Senior Technical Product Manager role is being recruited by NTS to further support this programme.
- c. **Education and Training**
 Christopher Wroath (Director of NTS) is continuing work with Gartner to review our existing architecture and technology as well as what is available in the marketplace to arrive at a set of recommendations in terms of what we should continue to build, maintain and support and what we buy. NES requirements have been submitted to Gartner and the outcome of this review is expected to be complete by the end of March 2023.
- d. Further to the update provided to the November 2022 Board, NTS has received interest from Robert Gordon University to onboard to Turas Learn and Turas Portfolio.
 - e. **Turas Learn** – nearing completion of work required in order to onboard NSS and working on Course Booking requirements to allow Leadership and Management Programme (LaMP) and Faculty Development Alliance (FDA) to move from Portal to Turas Learn - both will be completed by end of March 2023.
 - f. **Turas Training Portfolio** – University of Dundee pilot went live on 9 January 2023. Stakeholder meetings are continuing to receive feedback and determine requirements for what needs to be in place for second placement in May. Discovery work ongoing in respect of Remote and Rural and Childsmile.
- g. **Health**
- i. **OpenEyes** - The Eyecare product remains available for use in services across NHS GGC, Forth Valley and Grampian. NTS has been focused on full rollout of the Glaucoma pathway in GGC. The plan is to rollout Cataract pathway in GGC next, with NHS Lanarkshire and NHS GJ in preparatory phases for rollout. Unclear plans and funding beyond April 2023 delaying further rollout and development plans.

- ii. **ReSPECT/ACP** - The ReSPECT (Recommended Summary Plan for Emergency Care and Treatment) product is now fully operational in NHS Forth Valley and NHS Tayside. Go-live in Tayside took place in November 2022. NHS Western Isles also released an MVP (Minimum Viable Product) version of the software to a pilot user group. NHS Lanarkshire are in testing with release expected before end of 2022-23 Quarter 4. The team are now focused on developing the Care Summary API to expose ECS/KIS/ReSPECT (Emergency Care Summary / Key Information Summary) data for Unscheduled Care Services.

- h. **Social Care** - Following a request from Scottish Government, work is underway to provide reporting on occupancy in Adult and Older Peoples Care Homes in partnership with the Care Inspectorate

4.3 Medicine

- a. **Scottish Clinical Leadership Fellowship (Cohort 13)**
Following a successful recruitment process there are 15 Scottish Clinical Leadership Fellows (SCLFs) starting the program in August 2023. This year will see collaboration with a number of partner hosts and we will welcome 4 of the cohort to work within NES. We are hosting an event in May celebrating 10 years of the SCLF program.

- b. **Medical Simulation Strategy**
Lindsay Donaldson (Deputy Medical Director) is now leading the strategic direction for Medical Simulation. A review of requirements to provide high quality, value for money simulation across Scotland is being undertaken. We are collaborating with Health Boards to ensure that we utilise the current facilities and training equipment to best effect and will continue to ensure that simulation is delivered in the most effective and efficient way possible.

- c. **ICD-11 training materials**
Over the past 12 months training materials for the implementation of the International Classification of Diseases version 11 for Mental, Behavioural and Neurodevelopmental Disorders (ICD11 MBDN) have been developed and rolled out across Scotland. The Minister for Mental Wellbeing and Social Care wrote to John Mitchell who commissioned the work to thank us for successfully delivering this commitment. Scotland is the first country in the world to clinically implement ICD 11 MBND.

4.4 Pharmacy

- a. **Trainee Pharmacist Foundation Training Year (FTY)** - The 2021-22 cohort of NES Foundation Trainee Pharmacists undertook the GPhC (General Pharmaceutical Council) Registration Assessment across two sittings in June and November 2022. A successful outcome in this assessment is one of the criteria for initial registration as a Pharmacist. The registration assessment outcomes for this cohort in Scotland was an 86.4% pass rate compared to a 73.5% overall UK pass rate. This is consistent with previous results where the Scotland performance is typically higher than the rest of the UK.

4.5 Nursing, Midwifery & Allied Health Professions (NMAHP)

- a. **NHS Gender Identity Services: Strategic Action Framework**

In December 2021, the Scottish Government published the [NHS Gender Identity Services: Strategic Action Framework](#) which included a number of commitments to drive improvement in the provision of gender identity healthcare in NHS Scotland. In order to develop and expand the available NHS workforce in Scotland to support those requiring gender identity healthcare, and ensure gender identity healthcare is person centred, sustainable and built on the principles of Realistic Medicine, the Scottish Government has commissioned NES NMAHP to take forward actions to support implementation of commitments eleven and twelve:

- To complete the development of a Transgender Care Knowledge and Skills Framework
- To explore opportunities for staff training and improved resources to support best care of trans people accessing services in the NHS.

- b. A business support member of staff and a subject matter expert will be recruited to join the NES team and it is planned for the work to be undertaken between April 2023 and March 2024. The National Gender Identity Healthcare Reference Group, co-chaired by Professor Nicola Steedman, Deputy CMO, Scottish Government and Dr Ewan Bell, Associate Medical Director, NHS Dumfries and Galloway, will provide oversight for the work.

- c. **UNCRC Skills and Knowledge Framework: Professional Panel**

Clare McGuire, NMAHP Head of Programme (Women, Children, Young People and Families) has been selected to be part of a Professional Panel to help develop a Skills and Knowledge Framework for United Nations Convention on the Rights of the Child (UNCRC) implementation. The panel will convene until February 2024 and completion is expected in April 2024. The project includes a Children and Families Panel to ensure resources are co-designed. The aim of the Professional Panel is to ensure the Framework and associated training materials support everyone to meet their duties under the UNCRC.

- d. **Mental Health Improvement, Self-harm and Suicide Prevention Programme**
NES and Public Health Scotland (PHS) were commissioned by Scottish Government through the National Suicide Prevention Leadership Group (NSPLG) to take forward a programme of work to support the implementation of 'Action 2' from The National Suicide Prevention Action Plan 'Every Life Matters' (2018)¹ with the first outputs being delivered in Spring 2019. A review of the National Suicide Prevention Action Plan and subsequent consultation saw the launch of a new National Suicide Prevention Strategy and Action Plan 'Creating Hope Together'² in late September 2022.
- e. During 2022 we have seen a number of key developments within the Mental Health Improvement, Self-harm and Suicide Prevention (MHI&SP) programme including the launch of our first progress report³ and animation⁴ reviewing and sharing the developments of the MHI&SP programme since Spring 2019. Some highlights include:
- Since April 2022 an extra 7000 views of our 'Ask, Tell, Respond' (adult) animations and 2800 views of our (Children & Young People /CYP) animation. Totalling now over 72,000 and 10,000 views respectively.
 - The development and launch of our 'Ask, Tell, Respond' Adult and CYP animations translated into Polish, Urdu and British Sign Language.
 - Building education and learning capacity to support delivery of mental health improvement and suicide prevention resources has seen our informed level facilitator network supporting the 'Ask, Tell, Respond' resources increased to over 200 organisations, an increase of around 25% this year.
 - The development and launch for testing across seven sites of 'The Skilled Level Facilitator Resources 'Supporting a Person at risk of Distress or Crisis' and 'Supporting a Person at risk of Suicide or Self-harm'.
 - The interest and demand for testing of the resources has exceeded our expectations. A year-long evaluation is currently in progress, which will conclude late February 2023, thereafter an evaluation report and celebration event will be held with the test sites and key partners in late March 2023.
 - Phase two development of the Advanced Technology/Technology Enabled Learning project supporting the development of immersive technology to create a flexible, safe to fail education environment to learn about suicide prevention and assessment.

¹ <https://www.gov.scot/publications/scotlands-suicide-prevention-action-plan-life-matters/>

² [Creating Hope Together: suicide prevention action plan 2022 to 2025 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/creating-hope-together-suicide-prevention-action-plan-2022-to-2025-gov.scot/)

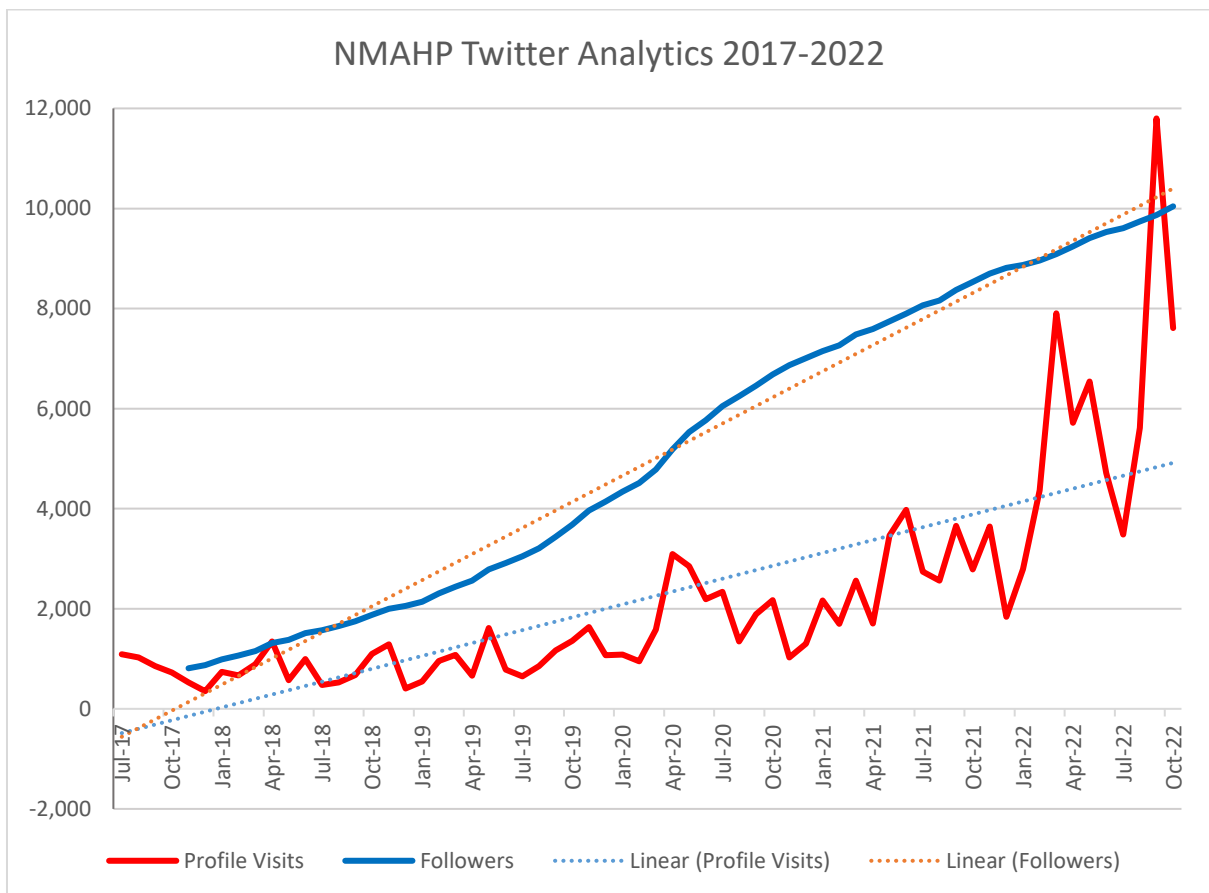
³ <https://sway.office.com/DV6NLudGCwP4IwgF?ref=Link>

⁴ <https://vimeo.com/744639396>

f. **NMAHP directorate social media presence**

In October 2022, the Nursing, Midwifery and Allied Health Professions' (NMAHP) Twitter account - @NESnmahp - hit 10,000 followers. This is such a success story for an account that launched just over five years ago and is managed by a group of NMAHP colleagues alongside their day jobs.

- g. We continue to recognise that social media plays a key role in health and care education and the intention of the NMAHP Twitter account was always to extend awareness of the directorate and its work. Through the account we connect and communicate not only with NMAHPs across Scotland but also with a broad network of professionals, individuals and organisations in the health and care arena. We work closely with the NES Digital Team to ensure our endeavours are complimentary and not in competition with wider NES tweets.



- h. Our follower count by *itself* is a great measure of influence and we have watched it grow month-on-month since 2017. We continue to look at ways to increase our audience and reach. We support Tweet plans around social media events such as AHPsDay when the account was trending as part of the #AHPsDayScot conversation. It's not news that posts with images earn more engagement than posts with text alone. Tweets with images earn nearly 40% more retweets and favourites than those without and we make sure we grab scrollers' attention by including images in our posts wherever possible.

- i. We have also grown the account's Social Authority score. This is a score given to Twitter users based on their engagement with other users. Metrics such as the number of followers, @replies and re-Tweets are used to build this score and - although it's not perfect - it can offer a good indication of how influential a user is. The @NESnmahp account's current score is 57 (which has increased from 48 in 2019). Considering the account's 'group-management-by-enthusiasts' model rather than dedicated communication experts, this is an extremely strong score.
- j. **What next?**
We have a short life working group currently looking at how we can improve the account's reach as we move in forward.

4.6 Planning and Performance

a. **Whistleblowing**

During 01 October 2022 to 31 December 2022, NES received no whistleblowing concerns. As of 31 December 2022, 225 line managers completed the mandatory level e-Learning with 80 yet to complete. It is acknowledged that further work is required to support line managers to complete their required suite of 'essential learning' and a number of steps are being taken to support improvement in this area.

- b. Hosted by the Independent National Whistleblowing Officer (INWO), the first NHS Scotland 'Speak-up' week was held during 03-07 October 2022. An all-staff video communication was presented by Christina Bichan (Director of Planning and Performance) and Gillian Mawdsley (Non-Executive Board Member and Whistleblowing Champion). This video highlighted the importance of a culture where speaking up and raising concerns is encouraged. Amongst other updates, staff were invited to complete a short whistleblowing survey. Insights from this included: the central role of the confidential contacts and line managers in supporting the whistleblowing process; clarity required around business as usual concerns; and views of whistleblowing in general. The NES Whistleblowing Steering Group met on a few occasions, and discussed outputs from 'speak-up' week, learning resources for confidential contacts, and future work priorities with the intelligence gathered through the survey being used to shape next steps.

c. **Strategy Development**

Work to develop a new strategic plan for NES has been progressing since last winter with initial thinking presented to the Board for feedback at a Board Development session in October 2022 and the Strategic Implementation Group in November 2022. This work has been taken forward through a Strategy Development Group established in July 2022 comprising of the Chief Executive, Deputy Chief Executives, Head of Communications, Head of Strategy and Director of Planning and Performance. Engagement with the Executive Team to further refine the strategic plan was progressed in January 2023 with feedback gathered being used to draft the next iteration which will be shared with Board members at the February Board Development Session.

d. **Measuring Performance**

Development of a set of strategic Key Performance Indicators (KPIs) aligned to the new Strategic Plan is also continuing to make progress. The Strategic KPI Advisory Group have reviewed and provided comment on the most recent iteration of measures and work has commenced on a draft reporting format. As some of the areas for measurement are new to NES it will be necessary for 2023/24 to be a transition year whilst we move to adopt new ways of working which enable us to report on each area. The Board will receive a full update on progress at the February Board Development Session.

e. **Corporate Governance**

The second edition of the NHS Scotland Corporate Governance Blueprint was issued in December 2022 and the NES corporate governance documents have been revised accordingly. We are supporting the recruitment of four new non-executive directors and business as usual Board and Committee work is progressing to schedule.

4.7 Psychology

a. **Trauma Presentation to the Scottish Government Cabinet**

NES Psychology were delighted that Dr Sandra Ferguson, Associate Director and lead for the National Trauma Training Programme (NTTP) was able to contribute to an education/awareness raising session for the Scottish Government Cabinet hosted by the Deputy First Minister, John Swinney. This was part of the joint Scottish Government and COSLA ongoing ambition of a trauma informed and responsive workforce and supports delivery of their organisational pledge in relation to that [NES Trauma Informed - Pledge your support \(transformingpsychologicaltrauma.scot\)](https://www.nes.scot.nhs.uk/trauma-informed-pledge). NES has also signed this pledge along with around 50 partners across Scotland. Sandra presented along with 2 colleagues representing the perspective of lived experience.

b. **Systems Training for Emotional Predictability and Problem Solving (STEPPS)**

The Psychological Interventions team for Adult Mental Health are pleased to announce that the STEPPS training is once again part of a Programme of training for the NHS workforce. STEPPS is a carefully designed package of care that supports people to understand the different components of dysregulated emotions and co-occurring problems provided either as a standalone treatment or as an adjunct to treatment playing a role in the treatment of people who may have been given a diagnosis of personality disorder. In 2022, an additional 40 staff from across Scotland have undertaken the training. It is the first time it has been delivered remotely and staff attended from Shetland, Orkney and Western Isles. We are pleased to contribute towards the net zero commitment made by the Scottish Government and intend to continue to offer STEPPS remotely moving forward. We would also like to acknowledge the support of NHS Grampian Psychology Services in working together with NES to provide this training.

4.8 Social Care

- a. Work continues to establish the Social Care Directorate with the appointment of a General Manager and an initial Directorate Development Session with colleagues from Corporate Improvement, Corporate Planning, Finance and Corporate Communication Teams.
- b. Supported by HR colleagues, the Social Care Directorate are preparing a presentation for the first meeting of the Joint Consultative Forum to apprise trade unions of the background to the establishment of the Directorate in support of NES's ambition to extend and improve education and learning opportunities for the social care sector in Scotland. This will support the organisational change process that is underway, in which consideration is being given to the possible transfer of staff from other NES Directorates into the Social Care Directorate.
- c. With the establishment of the Social Care Directorate, discussions are ongoing to agree a Memorandum of Understanding (MoU) between NES and the Care Inspectorate and the updating of the previous MoU with the Scottish Social Services Council.
- d. Working with colleagues from the Centre for Workforce Supply (CfWS) and following engagement with COSLA (Convention of Scottish Local Authorities), the SSSC, Scottish Government, CCPS (Coalition of Care and Support Providers in Scotland) and Scottish Care, the Social Care Directorate has developed a Business Case and Project Initiation Document to extend the CfWS's work to include international recruitment into social care services. This has been well received by the Director General for Health and Social Care and the Director General for Communities in Scottish Government and work is underway to advance this proposal, subject to confirmation of the required funding.
- e. The Social Care Directorate has brought forward further proposals to advance particular pieces of work aligned to Scottish Government priorities and these are under consideration by colleagues in government.
- f. The Social Care Directorate is representing NES on the Scottish Government Workforce Development Group for Adult Social Care. This group includes SSSC, Care Inspectorate and sector representatives and has produced a National Induction Framework for Adult Social Care in Scotland. It is recognised that the development of this framework is an iterative process and improvements to the product will be informed by user feedback. Scottish Government has proposed this group also develops a framework for Continuous Professional Development for the adult social care workforce.
- g. To promote the work and ambition of the Social Care Directorate in NES and to build relationships and explore areas of mutual interest with wider UK partners, Gordon Paterson (Director of Social Care) and Angella Fulton (Associate Director, Social Care) have connected with; the Chief Nursing Officer for Social Care and the Chief Social Worker in the Department for Health and Social Care;

the Chief Executive of Skills for Care in England; and with colleagues in HEIW and Social Care Wales.

4.9 Workforce

a. Hybrid Working

Both Property and Ways of Working have been recognised as high priority improvement projects for NES. A Property and Ways of Working Project Board is being established to provide governance and oversight to a number of key Short Life Working groups which will include: Wellbeing, Line Manager Support and Space Planning and Leases.

Key aims are to:

- Enable operational leadership to support the development of effective remote friendly/hybrid working arrangements across the organisation;
- Provide an environment which will enable meaningful dialogue and to work with challenges which the organisation and staff may face over the next 2 to 3 years as NES matures its ways of working;
- Maintain a focus on both organisational effectiveness and staff wellbeing.
- Identify, develop and implement improvements that will support the workforce to develop healthy, productive working arrangements that support work life balance, job satisfaction and emotional health and wellbeing;
- Foster and advance cross-directorate working, identifying areas of best practice and innovation so that these can be shared.

b. There continues to be strong focus on wellbeing, and several initiatives have been developed and implemented: Hybrid Working Sessions for Managers: supporting managers to support staff to work productively, avoid burn-out and stay well in a hybrid working environment; roll-out and promotion of the personal Microsoft Viva Insights tool, with a focus on staff wellbeing which will provide all staff with the opportunity of daily check-in and insights into their patterns of work promoting positive time management/taking breaks/managing workload; 'Viva Insights for Leaders and Managers' allowing line managers to see anonymised information at team, department, and organisational level, highlighting key patterns in ways of working which will allow positive approaches to improving staff experience and line management; Line Manager Mindfulness sessions offered to all staff across NES proving popular with an average of 30 participants per session; Wellbeing sessions on a variety of topics; Coaching for Wellbeing.

c. In light of the cost-of-living crisis, and the likely impact on wellbeing of staff, work is taking place in partnership group to provide communication, resources and links to practical information, savings and offers e.g. using Blue Light Card, NHS Credit Union.

- d. Staff communication and engagement continues to be a key priority in NES with the weekly executive video being presented by those leading directorates and major functions. Staff feedback on the value of weekly communication remains strong. Further work on communications strategy is planned to sustain a strong, cohesive culture in the context of hybrid working.
- e. **Equality, Diversity & Inclusion**
As part of the Public Sector Equality Duty, NES are required to publish a progress report every two years on: Equality Outcomes; mainstreaming equality into the work of NES; gender pay gap and employee diversity monitoring. The report will be approved by the Staff Governance Committee prior to the Board in March 2023.
- f. Plans to address learning needs on equality, diversity and inclusion by NES's Equality, Diversity and Human Rights Team have been informed by stakeholder engagement with Health Board partners and staff in NES. The analysis of findings will inform prioritisation plans over the short, medium and longer term to contribute to education and learning for our partners. Work continues in partnership with Scottish Government Health Workforce Teams and Third Sector organisations such as the Coalition for Racial Equality and Rights (CRER). Staff Networks continue to meet and have contributed to Scottish Government policy consultations on 'Once for Scotland' HR policies coordinated by the Staff Network Co-ordinator. An active Community of Interest provides staff with a forum for sharing practice and learning. The team hosted a Royal College of Nursing event on Neurodiversity in December 2022 and will also hold sessions hosted by NES staff. Awareness raising sessions on Equality Impact Assessment are regularly being held to continuously improve practice. Sessions in November and December 2022 had over 100 staff attending.
- g. **NES Workforce Planning**
The Strategic Workforce Plan 2022-2025 was published on the NES website in October 2022. Scottish Government will require a yearly update on progress of actions and assumptions made in the original plan.
- h. **Recruitment Activity**
Recruitment across NES remained buoyant in the first half of 2022, with year-on-year increases. As future funding risks became more apparent new vacancies slowed in Q3 and are settling to equivalent 2021 levels. Whilst there are likely to be higher volumes in Q4 in comparison to Q3, it is anticipated that there will be a further slowing of new vacancies.
- i. Ongoing Scottish Government temporary funding arrangements continue to lead to a high number of fixed term contract recruits and temporary agency workers - as of 31st December 2022, the percentage of staff in fixed term/agency contracts was 24.8% (an increase from 21.2% at the end of Q2). The volumes of agency workers remain high (63) with NTS having the greatest reliance. This is reflective of the current number of commissioned projects from Scottish Government together with the highly competitive digital employment market. HR, together with Finance, will continue to monitor volumes of both NES fixed term contracts as well as agency assignments

- j. The Establishment Control process has been refreshed with the aim of ensuring recruitment is prioritised appropriately across NES. This process was implemented in January 2023, reflective of the current financial climate and the need to closely align capacity and capability in accordance with NES-wide, as opposed to directorate, priorities. The Executive Team will review establishment control business cases regularly, currently every two weeks.
- k. The transition of NES recruitment activity into the East Region Recruitment Service (ERRS) took place on 25 July 2022. Although there have been steady improvements, transition challenges continue including with technology. These will be resolved.
- l. A Performance Oversight Group has been created to bring greater focus to addressing these issues. Locally, NES have retained a temporary internal HR Transition team and so maintain a continuity of service delivery across the organisation - this team is funded until March 2023, to allow the East Region service model to further embed.
- m. **Lead Employer**
The Lead Employer programme continues to work towards ensuring systems, processes and communications are in place to support the operation of the Lead Employer arrangements across NHS Scotland, with all Doctors and Dentists in Training now employed under these arrangements. Component parts to the project include: further development of Standard Operating Procedures (SOP) and refresh of the Turas Hub – a site used by trainees to access information pertaining to their employment, as well as by NHS colleagues who provide operational support to trainees whilst in employment, for example HR, Finance, Payroll, Medical Staffing
- n. **NHSS National Trainee Services**
In 2022, there was a significant, UK-wide increase in the number of international Doctors in Training (DiTs) requiring a visa in order to be eligible to work in the UK. For the February 2023 intake, the number requiring sponsorship did not follow this increase, with volumes in-line with previous February intakes. However, early recruitment data for August 2023, shows an overall increase of applications (21%), alongside an increase in the proportion of candidates declaring an immigration status on their application form (54% up from 47%). Further analysis of the data is being carried out to support development of estimates for August 2023, including forecast sponsorship costs and resource requirements. Internal processes and team structure is being reviewed to increase efficiency in handling a higher volume workload with dedicated points of contact for key stakeholders. 'Bulk application' tools, introduced by the Home Office, are being trialled.
- o. **Widening Access/ Employability/Careers**
The NES Widening Access Team continues to support the delivery of a wide range of programmes and activities aimed at widening access to jobs, careers and training for groups who are currently underrepresented in the NHSS Workforce. Working in partnership with Scottish Government, Health Boards and the NHSS Health Care Academy, the current focus is on young people,

including those with experience of care. It is also on UK Armed Forces veterans and service leavers with the intention to potentially broaden the range of programmes to include other groups, for example people, those who have convictions, people impaired by disabilities and long-term illness, refugees and asylum seekers. This work aligns with and complements NES equality and diversity commitments. A Widening Access Framework is under development scoping the range of activities, programmes and plans underway across NES directorates. A continuing focus is providing access for the NHSS Support Workforce (including Estates and Facilities) to high quality and accessible learning and development throughout their careers.

- p. NES Widening Access programmes and activities will align with policy and direction emerging from the Scottish Government Workforce Directorate notably the workforce elements of the national Place and Wellbeing Programme and the Anchor Institutions model.
- q. A national group has been established by Scottish Government to steer and coordinate the development of Apprenticeships and other pathways into employment. There is significant activity underway across NES and this will be an opportunity to scope and present the work nationally and as part of the NES Widening Access Framework.
- r. **NES Internal Learning & Development**
The education, training and development of the NES workforce is critical to delivering high quality support, training, learning and development. A workforce development fund of £200K was established in 2022 with c. £130k deployed to date, aligned to workforce development plans under the direction of directorates.
- s. Work continues to drive uptake of essential learning across NES. The team is working to a focused improvement plan which includes refreshing content, widening accessibility, and actively monitoring and encouraging managers to work with their teams to ensure the completion of essential learning. A progress update was provided to the February 2023 Staff Governance Committee and new content is completed and ready for wider release.
- t. A soft launch in December 2022 of induction modules for first line managers was positively evaluated. These will be rolled out from February 2023 onwards, targeted at all existing and new line managers covering key knowledge requirements and promoting access to resources online supporting line managers in their leadership of hybrid working teams. The materials will be developed further through feedback and evaluation to keep them relevant and current with practice in NES.
- u. **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 5 years and include support to succession planning, initially in the health sector, at senior executive level.

v. **Building Digital Skills and Leadership Programme**

NES is the strategic delivery partner for Scottish Government in improving digital and leadership across the health and social care sector. 'Leading Digital Transformation in Health & Care for Scotland', a flexible certificate, diploma or full MSc programme, has recently been designed and launched in conjunction with Edinburgh University, resulting in 70 applications which is strong endorsement of the need for digital skills provision at this level. NES staff are among the applicants. Work is underway to scope and design a masterclass series for Executive and Non-Executive Board Members offering the opportunity to strengthen digital leadership skills around the board table.

w. **Centre for Workforce Supply (CWS)**

The CWS continues to support NHSS Boards on a wide range of activities essential to international recruitment of a range of clinical staff including nurses, AHPs and radiographers. Working with the NES Medical Directorate, options to support international medical recruitment have been mapped with further detail into NHSS Board gaps being gathered. This will allow appropriate international recruitment strategies to be pursued. Discussion is underway with Scottish Government and COSLA regarding the potential of a CWS model to support international recruitment by organisations providing social care.

x. **Corporate Improvement Programme Update**

NES has established a Corporate Radar process to enhance cross-directorate oversight of **new work requests**. It has been developed to:

- i. Provide a "Once for NES" approach which aligns activity to strategic objectives.
- ii. Ensure resource deployment demonstrates best value by doing the right things in the right way
- iii. Enable the appropriate resourcing of activity
- iv. Increase collaboration and reduce duplication by identifying multi-disciplinary and cross Directorate work opportunities as they arise
- v. Facilitate delivery of organisational activity through simple and modern business processes and a flexible and agile corporate infrastructure
- vi. All new commissions into NES are now being routed through the Corporate Radar.

CALENDAR

This section of the report provides an overview of the meetings I have attended since 17 November 2022. Rather than list every date individually, where possible meetings have been grouped and additional context provided.

NES Executive Team (ET) and Strategic Implementation Group (SIG)

Executive governance within NES has recently been reviewed to ensure that strategic decision-making within the organisation is conducted as effectively and efficiently as possible. The NES Executive Team (direct reports to the Chief Executive) now meets formally on a twice-monthly basis to focus on and consider strategic matters, collective strategic decision-making, strategic scrutiny and cross-organisational leadership.

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 a System Pressures and Recovery Meeting with the Cabinet Secretary for Health and Social Care. For the winter 2022/23 period, Board CEs meet fortnightly to discuss systems pressures and winter planning priorities.

Meetings between 17 November 2022 – 9 February 2023

NES meetings

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 current strategic priorities and the ongoing development of the NES strategic plan. I also joined the Scottish Improvement Leaders (ScIL) annual celebration and network event and very much enjoyed meeting past and present ScIL cohorts and hearing about the interesting and inspiring work that is being taken forward.

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 NHS Greater Glasgow and Clyde, Borders, Highland, Golden Jubilee, Healthcare Improvement Scotland, Public Health Scotland and National Shared Services.

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 the Digital Health and Care and Innovation Centre, (DHI), Mental Welfare Commission, Royal College of General Practitioners, Care Inspectorate, University of Strathclyde, University of Dundee, University of St Andrews, Health Education England, Health Education and Improvement Wales, Northern Ireland Medical and Dental Training Agency, Audit Scotland, KPMG, the Open University, Scottish Refugee Council and the Nursing and Midwifery Council. I have also met with colleagues from the Forward Institute in relation to leadership development.

I also chaired the first meeting of the Mental Health and Wellbeing Workforce Education and Training Strategic Advisory Group which brings together cross-sectoral senior leaders, NES and Scottish Government colleagues to develop ideas for workforce development, education and training to better meet the needs of people with mental health / wellbeing concerns. The remit and functions of the group have been aligned alongside the revision of Scottish Government's Mental Health and Wellbeing Strategy and the Mental Health and Wellbeing Workforce Action Plan.

Scottish Government (SG)

I have met with a number of SG colleagues since the last Board meeting including Gillian Russell (Director of Health Workforce), Stephen Lea-Ross (Deputy Director, Health Workforce) Stephen Gallagher (Director for Digital Health and Care), Catherine McMeeken (Deputy Director, Director of Leadership, Culture and Wellbeing), Graeme Logan (Director of Learning), Donna Bell (Director of Social Care and National Care Service), Alex McMahon (Chief Nursing Officer), Anna Dominiczak (Chief Scientist Officer) and Angie Wood (Interim Director Social Care and Improvement).

I have also attended a number of meetings involving SG and other key stakeholders including meeting with the Chair and Vice Chair of the Independent Review of Inspection, Scrutiny and Regulation of Social Care and a discussion on the commencement of the Mental Health Scrutiny and Assurance Evidence Review. Emma Watan (Executive Medical Director) and I also met with Richard Lochhead MSP to discuss workforce education and training in Moray.

In terms of wider SG meetings, I have chaired meetings related to the National Leadership Development Programme (NLDP) including the Leading to Change Programme Board and attended meetings of the Scottish Leaders Forum, National Dementia Strategy Advisory Group, the Independent Review of Qualifications & Assessment in Scotland Collaborative Community Group, Preventative and Proactive Care Programme Steering Group, the Scottish Health and Industry Partnership oversight group (SHIP), the Scottish Medical Schools Board, the Management Steering Group (MSG), the Care and Wellbeing Portfolio Board and the Centre for Sustainable Delivery (CfSD) Strategy Board.

Board Paper

1. **Title of Paper**

2022/23 Quarter 3 Financial Report

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

Jim Boyle, Executive Director of Finance
Janice Sinclair, Deputy Director of Finance
Margaret Reid, Interim Head of Finance Business Partnering

3. **Lead Director(s)**

Jim Boyle, Director of Finance

4. **Purpose of Paper**

The purpose of this paper is to:

- a) Inform the Board of the financial position at the end of Quarter 3 (Q3) of financial year 2022/23. Based on the financial planning assumption that NES will receive full allocation of all outstanding funding, this shows a projected underspend position of £2m year to date and a full year forecast position of £4.8m underspend.
- b) Highlight the ongoing uncertainty around funding at a national level which continues to create financial planning uncertainty for NES
- c) Update and confirm the Board's position on the Scottish Government's request that NES fund anticipated allocations from the NES baseline.

5. **Background and Route to Meeting**

- 5.1 The financial position set out in this report, and in previous reports to the Board, is in a climate of considerable cost and funding pressure across the NHS in Scotland. Allocations for additional commissions carried out on behalf of the Scottish Government have been extremely late in being confirmed, although confirmations have now started to be received. The lateness of funding confirmation has caused significant financial planning difficulties for NES, however, unless notified that work should cease NES has continued to deliver its programme of work whilst awaiting funding confirmation.

- 5.2 As shown in Table 1 below, at the end of Q3 there is a forecast underspend of £4.8m against a budget of £627.7m. £1.2m of that is related to a potential return of funding to the Scottish government relating to planned revenue expenditure now to be met from an agreed capital allocation, where expenditure meets the criteria of capitalisation under the provisions of the Capital Accounting Manual.
- 5.3 This leaves £3.6m as generally available for utilisation by NES. Table 1 shows further detail of the overall NES financial position. The report sets out that there are a number of cost and funding uncertainties that are likely to impact on the overall financial position, and the forecast underspend will provide some flexibility to mitigate some of those uncertainties.
- 5.4 As described further in the report (paragraph 6.20), £1.1m of the underspend relates to the UK Government decision not to progress with the National Insurance increase of 1.25%.

6. Assessment/Key Issues

- 6.1 As shown in Table 1 below, the revenue outturn forecast year-end position for the whole of NES is a forecast underspend of £4.773m, with £0.865m in directorates, and £3.908m in corporate provisions. The main increase in underspend in the quarter has been within corporate provisions where we see the impact of the release of the NI reversal by the UK Government of £1.1m. See Appendix 1 & 2 for detail.

Table 1: Corporate Summary Financial Position

<u>NES Year-End Forecast as at Q3</u>			Forecast (Over)/ Underspend at Q3
	Current Budget	Forecast Outturn	
	£000s	£000s	£000s
Medical Training Grade Salaries	310,181	310,289	(108)
Remainder of NES	317,497	312,616	4,881
TOTAL NES	627,678	622,905	4,773

Capital Funding

- 6.2 A total capital allocation has now been agreed with Scottish Government at £1.7m. The £1.2m referred to in 5.2 above relates to expenditure which we had previously anticipated would be funded via a Revenue to Capital Transfer.
- 6.3 The balance of the capital allocation represents additional expenditure and will not impact on the forecast revenue position. The capital plan can be seen in Table 2 below.

Table 2: Confirmed Capital position FY 2022/23

Project Name /Allocation Description	£000s Capital Forecast
Surface Hubs	144
Ophthalmic seimulators /Slit Lamps	348
Real Time Staffing Development	669
Dental Equipment	59
Physical Server (x2)	47
WiFi Replacement	54
TURP Simulator	132
Bronchoscopy Simulator Modules	278
Total Anticipated Capital Allocations	1731

- 6.4 Due to long lead times covering the tender process, order completion and delivery, NES' ability to complete two significant items of spend, namely the purchase of the cataract simulators and the repurpose of office accommodation were cancelled. We continue to identify a solution to facilitate spending within the agreed procurement timelines and balanced against the commercial demands of our suppliers. The opportunity to identify alternative spend options has now ceased in recognition of the Scottish Government's request to make available unspent funds for redirection to revenue. The final Capital position has therefore now been agreed with the Scottish Government at £1.7m.

Directorate Variances

- 6.5 Most Directorates are forecasting outturns that are reasonably close to budget, largely driven by the expectation that funding will be received and spend achieved. Details of the significant variances are provided below:

Medical Training Programme Management - MTG Salaries

- 6.6 The full year forecast for Medical Training Grades is an overspend of £108k, an increase of £104k since Q2
- Trainees in GP practice placements are currently forecast to be overspent by £601k due to higher numbers based in practice; and higher salaries being paid to some of the trainees employed to reflect their service history.
 - Offsetting this there is a net underspend of £511k on hospital placements, arising from:
 - more trainees opting for less than full time placements - £282k
 - additional posts being paid at the lower vacancy rate - £153k
 - fewer extensions to training posts being paid as derogations remain in place - £128k.
 - Funding for fewer paid post-CCT trainees has been required as more take up consultant posts within the six-month grace period - £176k

These are partly offset by additionally funded expansion posts being paid (£236k).

Medical Professional Development (Medical PD)

6.7 The full-year forecast reflects a current underspend of £400k.

- This represents an increase in the full year underspend of c.£170k, against that reported at Q2. £199k of the FY underspend is from vacancies across several Fellow programmes.
- Due to the nature of the various projects delivered in Medical PD, budgets are often estimated at the outset and require to be flexed as deliverables and timelines become more certain. We are now forecasting a net underspend across circa 35 projects leading to an aggregate underspend of £200k. We will continue to monitor this over the last quarter in 2022-23.

NES Technology Service

6.8 The full-year forecast for NES Technology Service is an overspend of £196k.

- This represents an increase in the forecast year-end overspend of £173k, largely due to a reduction in Scottish Government allocations of £276k, coupled with an unexpected payment of £85k for Protect Scotland SMS, originally expected to be covered by NSS.
- These increased costs are partly offset by a reduction of £165k due to vacant posts and additional income of £40k.

Healthcare Sciences

6.9 The full year forecast for Healthcare Sciences is an underspend of £203k.

- There has been a movement since Q2 of £186k as a result of lower training grades of £109k due to trainees leaving earlier than expected and late starters to the Clinical Scientist training programme. Some new trainees already have MSc equivalence at appointment and so they do not require the academic element of training, delivering a £27k underspend. There is also a further £50k underspend from lower trainee travel and training costs.

Workforce & Planning

6.10 The full year forecast for Workforce and Planning is an overspend of £29k.

- The full year forecast overspend is £29k, however this does represent a movement since Q2 of £119k. There have been higher recruitment costs for GP Trainees due to the changes in Home Office guidelines, namely the inclusion of the medical practitioner profession on the Home office's Shortage Occupation List, which has generated higher activity levels than first expected. We are also seeing the impact of EU applicants who are now having to apply for a visa to work in the UK post Brexit.

- There has been an increase in the South East recruitment service levels against the original budget of £137k, which represents an increase of £55k and is the subject of review.

6.11 The analysis across all Directorates is shown in Appendix 1.

Corporate Provisions Budget

- 6.12 The Corporate Provisions budget contains items that do not sit within any particular directorate, or where sums are held centrally to deal with corporate spending or funding issues.
- 6.13 The main movement in the quarter is the increase in underspend largely due to the National Insurance increase 1.25%, having been cancelled by the UK Government. Confirmation by the Scottish Government that the funding for the planned increase will remain with Boards accounts for £1.1m of the underspend position.
- 6.14 Appendix 2 provides further detail of the items held in Corporate Provisions.

Covid Costs

- 6.15 Boards continue to contain, where possible, the ongoing impact of the response to Covid within business-as-usual activity and funding. The Scottish Government have asked all NHS Boards work to reduce costs as far as possible. The impact for NES is now absorbed and reported within Directorate spending and year-end forecasts.

Medical Training Grade Salaries (MTGS)

- 6.16 As noted at 6.6 above, the Medical Training Grade Salaries budget, which represents 49% of total NES budgeted spending in 2022/23, is forecasting a full year overspend of £108k in relation to the funding gap. However, this position currently offers very low risk to the NES projected year end corporate position, based on the previous commitment by the SG to underwrite any funding gap in this spending budget. However, given the current financial position across NHS Scotland, this position will be monitored closely and any change in this position reported to the Board in future reports.

Savings

- 6.17 We continue to see reductions in spending as a result of the vacancy lag, with £2.5m being recorded to date. The forecast position for the remainder of the year, taking into account known vacancies indicates a further £0.5m, so a year-end forecast outturn of £3m.

Overall NES Corporate Position

- 6.18 As shown in Table 1 above, the overall corporate position for NES is a forecast underspend of £4.8m against a budget of £627.7m. The overall underspend forecast position for NES is dependent on the receipt of all the outstanding anticipated Scottish Government allocations.

6.19 The report also sets out that there are a number of cost and funding uncertainties that are likely to impact on the overall financial position, and the forecast underspend will provide some flexibility to mitigate some of those uncertainties.

6.20 The 1.25% National Insurance rise that was planned for November 2022 implementation has now been postponed, and this has created some budget headroom for NES, with approximately £1.1m that will no longer be required to be spent. The Scottish Government has now confirmed that this will be left with Boards in the current financial year, now releasing a further £1.1m underspend for NES thus providing additional flexibility to meet other potential spending pressures.

Funding

6.21 As shown in Table 3 below, as at the end of Q3, NES is expecting to receive recurring allocations of £513.8m and £113.9m in non-recurring and earmarked allocations, delivering total funding of £627.7m. This is based on best available information from Scottish Government as at the time of writing this report. Table 3 also shows that £82.1m of allocations have still to be received. We recently had confirmation that we can expect to receive £68.5m within the January and February allocation letters. We have now received £30.8m in the January allocation letter, of which £24.3m is earmarked recurring and the remainder non-recurring of £6.4m, delivering an updated total funding of £576.3m.

6.22 This is to be welcomed and it reduces the uncertainty around financial planning and reporting. However, this does mean there is a further £13.6m of funding outstanding (Appendix 3A). Within this balance remains the National Boards Saving of £1.5m, and given the continuing revenue pressures it looks likely that NES may not receive this funding for 2022/23, indeed given the full year forecast underspend we may be asked to cover this from within our baseline. We could accommodate this in year within our forecast full year underspend. NES would however require the savings recurringly moving into 2023/24 and beyond to the deliver baseline budget.

Table 3: Total Anticipated Revenue Funding as at 31st December 2022

	Recurrent £000s	Non-		Total £000s	Total split by:	
		Recurrent £000s	Earmarked £000s		Received £000s	Outstanding £000s
Original budget	495,216	0	0	495,216	493,716	1,500
Medical Training Grade Expansions	4,576	18,721	0	23,297	21,716	1,581
Medical ACT additional funding	0	13,325	0	13,325	0	13,325
Medical Education Package funding gap	0	10,476	0	10,476	0	10,476
Primary Care Fund National Boards	0	10,897	0	10,897	7,793	3,103
Psychology Mental Health	0	17,529	7,365	24,894	0	24,894
Other	13,983	28,131	7,460	49,574	22,336	27,238
Total in-Year allocations	18,559	99,079	14,825	132,463	51,845	80,617
Total Revenue Allocation	513,775	99,079	14,825	627,679	545,561	82,117

- Projections set out in this report are based on the information available at this time, but should funding assumptions have to be changed, future reports will take account of that, and projections will be reflective of the revised position. Details of the individual anticipated allocations are provided in Appendix 3. Detail of the outstanding funding remaining unconfirmed by SG to date of £13.6m is provided in Appendix 3A. It is worth noting that this is mainly over three budget areas totalling £10.8m and includes:

• National Boards Savings	£1.5m
• Pharmacy Foundation training	£7.6m
• Pharmacy AEIPC,GP Clinical Programme	£1.7m

6.23 Pharmacy outstanding funding represents a risk, and discussions are continuing with Scottish Government colleagues to finalise the position for 2022/23. Indications at this stage are that there is likely to be a shortfall against expected allocations, and should this be the case, then this will be raised with the Sponsor Team. The main area of financial risk are salary costs that have been incurred and would have to be covered by NES if funding were not received in full.

6.24 Boards are still being advised not to incur future new expenditure against any unconfirmed allocations. However, as already advised many of the unconfirmed allocations already have existing matching spending commitments, and have people already in post, so the ability to freeze spending is limited. This represents the greatest area of risk to NES.

Funding from NES Baseline

6.25 The Scottish Government previously made a request for NES to fund c.£1.1m from our baseline. Since the original request was made, they have confirmed they will fund the largest element of the request, Centre for Workforce Supply £500k. Other changes to the funding requirement have also been made, and the revised request has now reduced to £338k. Given the projected underspend position for NES set out in this report, there is potential to cover this outstanding balance from NES baseline.

6.26 However, it is still not proposed at this stage that NES confirm acceptance of funding these workstreams from baseline funding, as there remains some uncertainty around receipt of funding for other allocations, as well as coverage of existing and committed costs on posts funded through non-recurrent allocations. Given the full year forecast underspend it is subject to ongoing discussion with the Sponsor Team.

Strategic Risks

6.27 £13.6m of Scottish Government funding remains unconfirmed, and that represents a financial risk to the Board where spending commitments have already been made.

6.28 The return of funding with respect to the £1.5m National Boards savings target remains outstanding, and it is now viewed as very unlikely that this allocation will

come to NES (and other Boards) in 2022/23, we do however still have this within our unconfirmed allocations at this time and is subject to ongoing review with the Scottish Government. Consideration should be given to the possibility of NES funding this in 2022/23 from the forecast underspend with the caveat that the funding will be required recurrently in 2023/24 and moving forward. However, the receipt of this allocation is becoming more unlikely as time passes, and financial planning should be considered without this as an assumed funding.

- 6.29 There is a risk of unspent Additional Costs of Teaching (ACT) funding by Boards. The current Medical ACT position is currently reflecting a slippage from in-year bids of c.£700k. Steps are now being taken to mitigate the risk of not fully spending the ACT funding. We are currently waiting for confirmation from the other Boards regarding new bid applications and an update on any further potential slippage. This position will be closely monitored, and updates will be provided.
- 6.30 Earlier warning of underspend remains key if we are to provide NES with the opportunity to deliver a better managed full-year outturn. Finance Managers continue to engage with directorates, to ensure that forecasts and spending plans are as accurate and robust as possible. The updated expected funding position and timeline for receipt of funds will facilitate the process and create some certainty around final forecast position.

7. Recommendation for Decision

The Board is invited to:

- Note financial results for the first nine months of the year to 31st December 2022.
 - Note the updated position with regards funding timelines.
-

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: Jim Boyle, Janice Sinclair, Margaret Reid
Date: 5 February 2023
NES

Corporate Summary Financial Position by Directorate

Full Year Forecast Q3

	Current Budget £000	Forecast Outturn £000	(Over)/ Underspend £000	Movement in Forecast since Q2
Directorate				
Quality Management	105,847	105,813	34	(11)
Strategic Planning & Directorate Support	6,631	6,511	120	28
Training Programme Management	21,016	21,054	(38)	45
Medical Training Grade Salaries	310,181	310,289	(108)	(104)
Professional Development	8,172	7,772	400	173
Pharmacy	15,633	15,629	4	(8)
Medicine Total	467,480	467,068	412	123
NES Technology Services	22,048	22,244	(196)	(173)
Dental	47,757	47,281	476	(22)
NMAHP	16,777	16,782	(5)	9
Psychology	38,005	37,982	23	7
Healthcare Sciences	4,369	4,166	203	186
Optometry	1,369	1,367	2	(3)
Workforce & Planning	12,382	12,411	(29)	(119)
Finance, Properties & FM	7,774	7,793	(19)	(6)
NHS Scotland Academy	1,487	1,490	(3)	(18)
Social Care	250	249	1	6
Total Directorate Provisions	619,698	618,833	865	(10)
Corporate Provisions	7,980	4,072	3,908	1,242
NES Total	627,678	622,905	4,773	1,232

Appendix 2

Corporate Provisions Forecast Year-end Outturn 2022/23

	Underspend / (Overspend) £000's	Comments
Revenue to Capital Saving	1,199	
National insurance reduction - 5 month saving	1,114	
2021/22 Funding carry forward confirmed by SG	572	
Vacancy lag increase	500	
Depreciation change of accounting treatment	245	Change of accounting treatment from SG to pre 2019 levels
Directorate wide appointments below budget	203	
Additional support for Directorates less provisions not required	(31)	
VAT refund	153	HMRC E-library 2019/20 Vat refund :HMRC rule change
Procurements savings target released	(300)	Procurement savings recognised
Other	253	Written off accruals
Corporate provisions year end Forecast underspend at Q3	<u>3,908</u>	

Appendix 3

2022/23 Funding Summary

Area	Recurrent	Earmarked	Non Recurrent	Total	Received	Outstanding
Baseline budget	493,716	-	-	493,716	493,716	-
National Boards	1,500	-	-	1,500	-	1,500
Original Budget	495,216	-	-	495,216	493,716	1,500
In Year allocations						
National Boards - Return non-recurrently	-	-	-	-	-	-
TEL Carried Forward	-	-	500	500	500	-
COVID Envelope	-	-	400	400	400	-
NDS SCI Diabetes	-	-	883	883	883	-
NDS	-	-	5,271	5,271	4,348	923
Medical Training Grade Expansions	4,576	-	18,721	23,297	21,716	1,581
Medical ACT additional funding	-	-	13,325	13,325	-	13,325
MEP funding gap	-	-	10,476	10,476	-	10,476
IST & IMT Funding	-	-	285	285	285	-
Medical Study Leave	-	1,000	-	1,000	1,000	-
Medical Training Grades Salary Funding Gap	-	-	-	-	-	-
Primary Care Fund National Boards	-	-	10,897	10,897	7,793	3,104
Psychology CAMHS and PT	-	-	-	-	-	-
Psychology Mental Health	-	7,365	17,529	24,894	-	24,894
Pharmacy AEIPC,GPCP, Non Global Sum and GMS	-	-	1,673	1,673	-	1,673
Pharmacy PRPS	-	5,988	1,636	7,624	-	7,624
Outcome Framework-CNOD Bundle (NMAHP only)	505	-	4,452	4,957	3,126	1,831
BSc Paramedic Programme	416	-	-	416	208	208
Depreciation	-	-	-	-	-	-
WF Tech enable workforce	-	-	1,100	1,100	729	371
Centre for Workforce Supply	-	-	502	502	-	502
National Leadership Development Programme	-	-	921	921	-	921
Provisions Afc balance	-	-	-	-	-	-
Digital funding NDS Tie in	-	-	2,062	2,062	2,062	-
Digital funding PharmPress	-	338	-	338	338	-
Provisions 2021-22 Surplus Brought Forward	-	-	-	-	-	-
Social Care	-	-	250	250	-	250
NHS Scotland Academy	546	-	1,995	2,541	2,489	52
NHS Scotland Academy - to be returned	-	-	1,054	1,054	-	1,054
Dental Overseas levy	-	-	-	-	-	-
Dental Aberdeen Dental School	-	-	3,074	3,074	3,074	-
Dental Specific Covid (Dental School staffing)	-	-	-	-	-	-
HCS Cardiac Science training	-	-	388	388	-	388
Anticipated pay award (PSP correction)	12,436	-	-	12,436	-	12,436
Other allocations (under £300k)	80	134	3,793	4,007	2,894	1,113
Total in-Year allocations	18,559	14,825	99,079	132,463	51,845	80,618
Total Revenue Allocation	513,775	14,825	99,079	627,679	545,561	82,118
		113,904				

2022/23 Unconfirmed Funding Summary

Outstanding Allocations After the confirmed Allocations of January and February	Overpayment	Remaining
		£000
National Boards Savings		1,500
NDS		923
Psychology Mental Health		(113)
Pharmacy AEIPC,GP Clinical Pharm		1,673
Pharmacy Foundation Training Year		7,624
Tech-enabled Workforce		371
National Leadership Development Programme		921
Social Care		250
NHS Scotland Academy		52
NHS Scotland Academy - incorrectly paid to NES	(1,054)	0
HCS Cardiac Science Training		388
Other allocations (under £300k)		1,113
Total Allocations	(1,054)	14,702

Net Outstanding Allocation Position

13,648

NHS Education for Scotland

NES/23/07

Item 08b

16 February 2023

Board Paper

1. Title of Paper

2022/23 Quarter 3 Corporate Risk Report

2. Author(s) of Paper

Rob Coward – Principal Educator, Planning and Corporate Resources

Lead Director(s)

Jim Boyle, Director of Finance

3. Situation/Purpose of paper

The purpose of this paper is to present the NES Corporate Risk Register as at 7 February 2023.

4. Background

4.1 The paper presents the NES Corporate Risk Register as at 7 February 2023. The Board should note that the Executive Team have extensively reviewed the Corporate Risk Register and this will be discussed at the Board Development session on 20 February 2023, and formally discussed at the Board in March.

5. Assessment/Key Issues

Corporate Risk Register

5.1 There have been no updates to the Corporate Risk Register since it was reviewed by the Board at the November meeting. A new risk relating to funding for training places was

identified by the Risk Management Group at its January meeting for potential escalation to the Corporate Risk register. This will be reviewed by the Executive Team prior to incorporation in the Corporate Risk Register.

5.2 As discussed at the Board development session, the Corporate Risk Register will be substantially revised to ensure clear alignment with NES's new strategic priorities. A new style of 'risk log' is being piloted by the Risk Management Group and will be presented to the Audit and Risk Committee for approval. It is anticipated that the risk log will improve the clarity of risk reports and enhance assurance in this key area of work. A key focus for the risk log will be the effectiveness of mitigating controls.

5.3 As agreed at the November Board meeting, work has commenced on the review of risks relating to the Covid pandemic, which were previously presented to the Board as an annex to the Corporate Risk Register. These risks will be closed, moved to directorate risk registers or retained on the Corporate Risk Register. Directorates are currently reviewing all Covid risks relating to their work and a report on the outcomes of this work will be presented to the Board at its next meeting.

6. Recommendations

The NES Board is asked to note and approve the NES Corporate Risk Register and provide any further feedback as appropriate.

Author to complete

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 risks and mitigation measures been identified?

Yes

No

e) Have Equality and Diversity 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

RC/JB

NES

February 2023

Board Paper

1. Title of Paper

2022/23 Quarter 3 Delivery Performance Report

2. Author(s) of Paper

Karen Howe, Planning and Corporate Governance Manager
Christina Bichan, Director of Planning and Performance

3. Lead Director(s)

Christina Bichan, Director of Planning and Performance

4. Situation/Purpose of paper

- 4.1 Performance is reported quarterly to the NES Board using RAG exception reporting for the targets underpinning the 22/23 Detailed Operational Plan. This report covers Quarter 3 from 1st October 2022 to 31st December 2022.
- 4.2 During 2021/22 we started to review our strategic vision and future operating model. This includes improvements to our corporate performance framework by establishing strategic key performance indicators (KPIs), which will measure business outcomes rather than activities, using evidence-based performance measurement methodology (PuMP® – Performance Measurement Programme). This work is ongoing alongside further development of a refreshed Strategy and evolution of the Board’s planning approach to better support outcome focused delivery.

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 16 February 2023 Board meeting.

6. Assessment/Key Issues

- 6.1 The 2022/23 Detailed Operational Plan contains 549 targets, of which at the end of Quarter 3, 27 are red, 43 are amber, 456 are green and 23 are blue. This gives an overall delivery performance position of 87% on track or complete at the end of Quarter 3. Of the 78 priority targets, 1 is red, 5 are amber, 71 are green and 1 is blue.
- 6.2 When targets are reviewed by strategic theme, then strategic themes 1 (Quality Learning & Employment Environment), 2 (National Infrastructure for attraction, recruitment, training and retention) and 5 (High Performing Organisation) are all on, or over, 90% on track or complete (92%, 92% and 90% respectively). While strategic theme 3 (Education and training for a skilled, adaptable and compassionate workforce) and strategic theme 4 (National digital platform and analysis) are 89% and 85% on track or complete, respectively.
- 6.3 This year, a new RAG rating (blue) has been included, to clearly show which targets are fully completed, aligning with the approach utilised by Scottish Government in annual delivery planning. At the end of Quarter 3, there are 23 blue targets reported indicating that 4% of targets have been achieved.
- 6.4 Of the 27 red targets, 13 are subject to ongoing mitigating actions with progress monitoring continuing. The majority of red targets are linked to delayed allocation of, reduction in or withdrawal of funding. Difficulties in recruiting to key positions has also resulted in delay in some target areas, with a degree of reprioritisation being necessary to fit with resource availability.
- 6.5 The main impacts as a result of the delays being forecast are:
- 50% reduction in non medical prescribing education from 100 places to 50.
 - Staff training and improved resources to support best care of trans people accessing services in the NHS will not be developed this financial year.
 - Further development and promotion of an integrated digital resource for: District Nurses, General Practice Nurses, Care Home and Prison Health Care Nurses will not be progressed in 22/23.
 - Development of a link between Turas Learn and Turas Appraisal allowing a learning record to be viewed and created as part of the PDP process will not be developed within 22/23.
 - Development and implementation of a solution that enables the sharing of a single medication record in at least one NHS Board in Scotland will continue to progress but with slippage in the timeline.
 - Delivery of QI training and education to Board coaches and finance leads participating in the Value Management Collaborative to support the spread of Value Management through the testing of an eLearning module and resource pack within existing boards will not progress further this year.

6.6 For all red targets, where there is a related corporate risk this has been highlighted in response to Board feedback during consideration of the Quarter 2 report. The majority of red targets are linked to corporate risk R21 - *Delays in confirming allocations or reduction to allocations lead to a failure to deliver against the Strategic plan and impact on ability to manage the financial outturn at the end of the year* and R20 – *Inability to fully support the delivery of the NES Strategy due to lack of capacity in corporate support infrastructure.*

7. Recommendations

7.1 The Board is asked to note Quarter 3 performance against the 2022/23 Detailed Operational Plan.

Author to complete **checklist.**

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: Karen Howe

Date: 19/01/23

NES

NHS Education for Scotland – 2022/23 Quarter 3 Performance Report

1. Introduction

This third performance report of 2022-23, provides an update on progress in delivery of the targets set in the 2022-23 Detailed Operational Plan, which continues to focus on delivery of our 2019-2024 strategy.

Alongside delivery of this years Detailed Operational Plan, work has continued to develop a new Strategic Plan and performance measurement approach in NES, which will better support the Board in monitoring progress against our strategic intent from 23/24 onwards.

2. Summary of Performance

Progress against our strategy is based on the RAG (Red, Amber, Green) ratings, with an additional 'blue' category this year, to more clearly reflect the work that has been completed and align with the progress monitoring approach utilised by Scottish Government in Board's quarterly delivery returns. Overall, there are 549 individual targets, which are distributed across our 5 strategic themes. Of those 549 targets, 78 (14%) have been identified as priority targets. In addition to the targets set out in the Detailed Operational Plan, within the NHS Scotland Academy there are 6 priority deliverables for 22/23 with performance at the end of quarter 3: 83% Green and 17% Amber. The 1 amber area relates to the establishment of the National Endoscopy Training Programme.

RAG definitions used across the organisation are as follows:

- **Red** – progress unsatisfactory. The target is more than 10% off the stated goal and/or delayed by more than 3 months.
- **Amber** – progress partially unsatisfactory. The target is 10%, or less, off the stated goal AND/OR is delayed by 3 months or less.
- **Green** – progress against this target/outcome has been satisfactory and ongoing, with 100% of the target on track and within timescales.
- **Blue** – work fully completed.

When a target lacks a numerical indicator, the lead for that work uses their expertise to advise on the most appropriate RAG rating, based on the definitions above.

Following an audit recommendation, RAG ratings and updates are subject to a number of quality checks before they are finalised. Overall, 11 targets were followed up for further clarification, with 6 amber targets moving to red; and 1 green target moving to blue. The remaining targets were unchanged

3. Performance Measurement against the 2019-2024 NES Strategy Q3 22-23

Figure 1 shows a summary of performance across all 549 targets, with 456 green (83%), 43 amber (8%), 27 red (5%) and 23 blue (4%). Figure 2 shows a summary of performance across the 78 priority targets, 67 were green (86%), 8 amber (10%), 2 red (3%) and 1 blue (1%). More detailed analysis of the performance in respect of red rated items is presented in section 3.1 with analysis of performance by strategic theme being presented in sections 3.2 onwards.

Figure 1 – Summary of Q3 22/23 (all targets, n= 549)

Performance (All Targets)

Targets by Directorate and RAG					
DirectorateName	Red	Amber	Green	Blue	Total
Dental	5	1	64	1	71
Digital Group	3	6	41	3	53
Finance		2	11	2	15
Medical	4	7	89	2	102
NDS	1	4	11	1	17
NMAHP	10	4	90	5	109
Planning & Corporate Resources		1	14	6	21
Psychology	3	12	74		89
Workforce	1	6	62	3	72
Total	27	43	456	23	549

Targets by Strategic Theme and RAG	
StrategicThemeName	Total
A high performing organisation (NES)	71
A high-quality learning and employment environment	53
A national digital platform, analysis, intelligence and modelling	15
Education and training for a skilled, adaptable and compassionate workforce	102
National infrastructure to improve attraction, recruitment, training and	109
Total	352

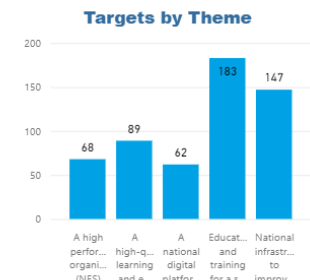
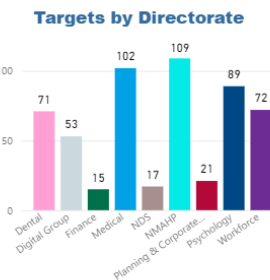
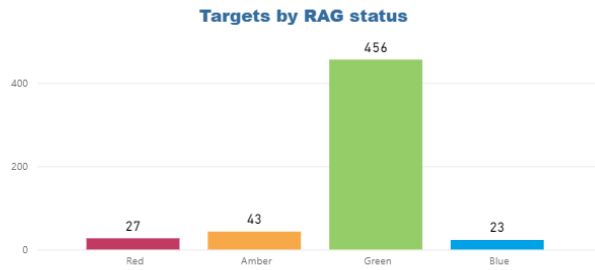
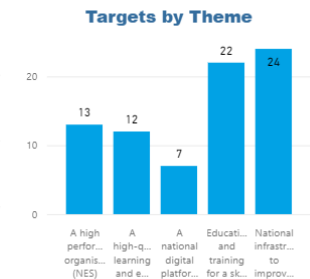
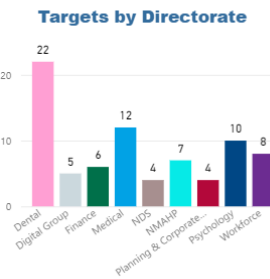
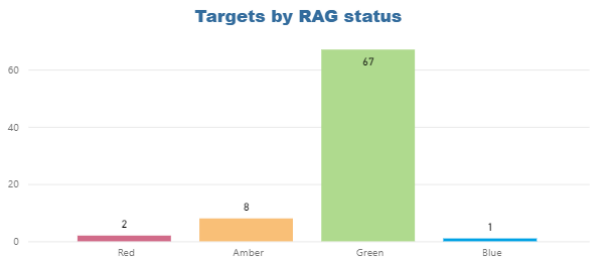


Figure 2 – Summary of Q3 22/23 (priority targets, n= 78)

Performance (Priority Targets)

Targets by Directorate and RAG					
DirectorateName	Red	Amber	Green	Blue	Total
Dental	1		21		22
Digital Group		2	3		5
Finance			5	1	6
Medical			12		12
NDS	1	1	2		4
NMAHP			7		7
Planning & Corporate Resources		1	3		4
Psychology		3	7		10
Workforce		1	7		8
Total	2	8	67	1	78

Targets by Strategic Theme and RAG	
StrategicThemeName	Total
A high performing organisation (NES)	22
A high-quality learning and employment environment	5
A national digital platform, analysis, intelligence and modelling	6
Education and training for a skilled, adaptable and compassionate workforce	12
National infrastructure to improve attraction, recruitment, training and	7
Total	52



3.1 All Red (priority and non-priority) targets Q3 2022/23

An overview of the status of each of the target areas which are reporting as Red at the end of Quarter 3 is provided in Table 1 below. As can be seen there are 3 targets which were closed at Q1; and 6 targets closed in Q2, with no further action planned for 22/23. These were reported to Board in the last performance update and have therefore been incorporated at the end of the table but shown in grey for clarity.

There are 5 targets which are reporting as Red at the end of Quarter 3, that will not be subject to further activity in 22/23 and have therefore been closed. These will be shown in grey in future updates. To date there has not been a formal closure approval route within NES for these instances however a corporate process will be introduced for 23/24.

Of the 27 Red targets, 13 of them are subject to ongoing mitigating actions as shown in the update column with progress monitoring continuing. Where there is a related corporate risk this has been highlighted in response to Board feedback during consideration of the Quarter 2 report.

Table 1: All 2022/23 targets reported as Red status at the end of Quarter 3.

Target	RAG Rating	Update	Related Corporate Risk
Dental - Up to 90 Dental Core and up to 45 (40 NES-funded) Specialty and post Certificate of Completion of Specialist Training (CCST) trainees achieving the learning outcomes of the relevant curricula to the GDC (General Dental Council) standards. (TAR0004874)	Red	Meetings with OMFS units in Scotland have taken place and 2 units have gone out to a second round of local recruitment, resulting in a further 8 DCT posts in OMFS units being filled. Posts in OMFS have been modified for recruitment in 2023, to include more rotational posts which is advantageous for applications to Specialty training.	R4 – Challenges that Boards and others have in meeting demand for staffing result in a negative perception of NES's involvement in the attraction, recruitment and retention of the workforce.
Medical - Development of a web-based tool that enables learners to log all evidence of their experience and competencies by Aug 2022. (TAR0005153)	Red	Work is continuing with the digital team at NES to build an e-portfolio for learners and is progressing well. The R&R credential e-portfolio is part of the NES digital workplan. There is some slippage from the August 2022 deadline with an anticipated date for e-portfolio completion as March 2023 due to the workload in Digital.	R20 – Inability to fully support the delivery of the NES Strategy due to lack of capacity in corporate support infrastructure.
NMAHP - Subject to funding, we will support up to 100 NMAHPs that meet Scottish Government funding criteria to undertake non-medical prescribing education provided by universities across Scotland between September 2022 and March 2023. (TAR0005082)	Red	Funding of £50,000 has been approved to support 50 NMAHPs to undertake the non-medical prescribing module, commencing in January 2023. Owing to funding being received so late in the financial year (it was only confirmed in November 2022), we were unable to support a September intake of students as planned.	R21 – Delays in confirming allocations or reduction to allocations lead to a failure to deliver against the Strategic plan and impact on ability to manage the financial outturn at the end of the year.

Target	RAG Rating	Update	Related Corporate Risk
NMAHP - By March 2023 we will complete the development of a Transgender Care Knowledge and Skills Framework for the Health and Social Care workforce in Scotland. (TAR0005320)	Red	Staff training and improved resources to support best care of trans people accessing services in the NHS will not be developed this financial year as a result of funding delays. The specification for the commissioned work has now been agreed with Scottish Government and a subject matter expert position will be advertised in January 2023, with a view to commencing work in April 2023. Target to be closed Q3.	R21 – Delays in confirming allocations or reduction to allocations lead to a failure to deliver against the Strategic plan and impact on ability to manage the financial outturn at the end of the year.
NMAHP - By March 2023 we will work with existing practice development and education infrastructures in a minimum of five NHS Boards and/or Health & Social Care Partnerships to embed the learning resources (developed in 2021) for Allied Health Professionals at the Skilled level of the Autism Framework that focus on the communication and functional aspects associated with autism. (TAR0005054)	Red	Scoping the learning and development needs of Allied Health Professionals (AHP) at the Enhanced and Specialist level of the Autism Framework and delivery of learning opportunities has met with some challenges with securing a Principal Educator. We were unable to continue the initial secondment. The first new recruitment process was unsuccessful and the post is currently being re-advertised to take this work forward. Given the shortened timeframe we will review the deliverables once a postholder is in place.	R4 – Challenges that Boards and others have in meeting demand for staffing result in a negative perception of NES's involvement in the attraction, recruitment and retention of the workforce.
NMAHP - Subject to funding, we will test, further develop and promote an integrated digital resource with core and specific areas for: District Nurses, General Practice Nurses, Care Home and Prison Health Care Nurses by March 2023. (TAR0005095)	Red	The funding is not available for this work this year. Target to be closed in Q3.	R21 – Delays in confirming allocations or reduction to allocations lead to a failure to deliver against the Strategic plan and impact on ability to manage the financial outturn at the end of the year.
NMAHP - By March 2023 we will work in partnership with up to 20 Allied Health Professionals within Child and Adolescent Mental Health Services (CAMHS), and through educational activities, develop an	Red	The person to develop an implementation plan in relation to the Effective Decision Making Framework to support AHPs Child and Adolescent Mental Health Services (CAMHS) commenced in September. Recruitment to this post was significantly delayed. Following further	

Target	RAG Rating	Update	Related Corporate Risk
implementation plan in relation to the Effective Decision Making Framework. (TAR0004978)		discussions and engagement with stakeholders in CAMHS and providers of education related to the Effective Decision Making, and the challenges with capacity and the large number of new AHPs in CAMHS teams, the priority is to now further understand their needs via a Learning Needs Analysis.	
NMAHP - By March 2023, we will develop opportunities for staff training and improved resources to support best care of trans people accessing services in the NHS. (TAR0005321)	Red	We will not develop training and resources this financial year owing to delays in funding being received. It is anticipated that this work will proceed in 2023/2024. The specification for the commissioned work has been agreed with SG and a subject matter expert position will be advertised in January, with a view to commencing work in April 2023. Target to be closed Q3.	R21 – Delays in confirming allocations or reduction to allocations lead to a failure to deliver against the Strategic plan and impact on ability to manage the financial outturn at the end of the year.
NMAHP - By March 2023 subject to funding work with NHS Scotland Assure and NHS Scotland Academy to further develop the Knowledge and Skills framework for the healthcare-built environment workforce. Deliver 5 leadership sessions linked to the leadership strategy for executive directors and non-executive directors of health boards in NHS Scotland. Provide annual report to Programme Board by March 2023. (TAR0005112)	Red	Work is happening, but the leadership sessions will not take place by March 2023. 1. Healthcare Built Environment Learning and Development Steering group Initial meeting scheduled to take place January 2023. 2. An animation to support Knowledge and Skills Framework has been added to HBE TURAS Learn zone and site activity is monitored via monthly Google analytics. 3. Senior Leadership Spotlight sessions were cancelled in October, due to illness, and November, following communication from the Chief Executive to postpone until March 2023, due to winter pressures. Clinical Hand Wash Basin infographic/animation on course. Healthcare Built Environment Learning and Development Strategy year 2 action plan to be reviewed in December 2022 to ascertain what targets have not been met and if remaining targets are on course for completion by 31st March 2023- targets not met will be added to the project risk register.	R1 – pressures on the system result in education and training being considered as less important than service delivery priorities.

Target	RAG Rating	Update	Related Corporate Risk
<p>NMAHP - We will scope the learning and development needs of Allied Health Professionals (AHP) at the Enhanced and Specialist level of the Autism Framework in relation to new and emerging models of care and service delivery for autistic people (e.g. nurse/AHP lead primary care teams) and deliver 4 learning opportunities and/or resources to meet those needs by March 2023. (TAR0005053)</p>	Red	<p>Scoping the learning and development needs of Allied Health Professionals (AHP) at the Enhanced and Specialist level of the Autism Framework and delivery of learning opportunities has met with some challenges with securing a Principal Educator. We were unable to continue the initial secondment. The first new recruitment process was unsuccessful and the post is currently being re-advertised to take this work forward. Given the shortened timeframe we will review the deliverables once a postholder is in place.</p>	<p>R4 – Challenges that Boards and others have in meeting demand for staffing result in a negative perception of NES's involvement in the attraction, recruitment and retention of the workforce.</p>
<p>NTS - Fully automate the application and approval process in respect of Out of Programme and Less than Full Time applications. This will provide functionality to allow trainees to apply electronically and allow the relevant parties to record the relevant outcome of the application. Turas applications which require to be updated as a result will be updated automatically removing the need for manual keying (TAR0004927)</p>	Red	<p>After discussions with medicine it was agreed that tracking Medical Act monies was higher priority therefore this piece of work will move to 23/24. Target to be closed Q3.</p>	<p>R6 - In the face of new and existing demands, NES is unable to allocate resources to support priority activities in an agile and responsive manner.</p>
<p>NTS - Develop link between Turas Learn and Turas Appraisal allowing learning record to be viewed and created as part of the PDP by 31/03/2023 (TAR0004926)</p>	Red	<p>Funding still to be identified for Appraisal. A bid was included to resource an enhanced team around Appraisal that could carry out any prioritised feature enhancements, an example being developing linkage between Learn and Appraisal. The Learn end of this linkage was developed as part of delivery of the Learning Record Store in 2019-20, resourced by funding made available that year.</p> <p>Discussions are still ongoing in relation to funding for this particular linkage and wider Appraisal funding to cover other requested developments</p>	<p>R21 – Delays in confirming allocations or reduction to allocations lead to a failure to deliver against the Strategic plan and impact on ability to manage the financial outturn at the end of the year.</p>

Target	RAG Rating	Update	Related Corporate Risk
		such as Board Chair Appraisals. Until funding is sourced, unless this work is prioritised in place of other work supporting NES core business, the work on this will not progress.	
<p>NTS - By March 2023 develop and implement a solution that enables the sharing of a single medication record in at least one NHS Board in Scotland. This will be achieved by ingesting medication data from various sources (e.g. GP-IT systems, HEPMA, ChemoCare) into a central repository (Clinical Data Repository, part of the National Digital Platform) and making this available for Health and Care workers when requested, resulting in improved access, safety, efficiency and smoother transitions of care and out of hours (TAR0005032)</p>	Red	Significantly delayed. The sharing of data from GP-IT to care settings is being trialed in A&A on a small scale and the medicines aspects should be explored as part of this work. The need to update ECS has been elevated at the CS Service board which reinforces the need for development. There is the opportunity to include HEPMA data end of Q4 through the adoption of UK core R4 FHIR standards by CMM. However, there is no confirmation that SMR will be formally confirmed as yet. Full use of the application requires import of data from the existing Core Dataset recording spreadsheets.(Including on-going interventions)	
<p>PCR (Communications) - Roll out corporate Comms plan to NES by 30/06/2022. Implement at least 1 corporate publicity campaign by 31/12/2022 to support new strategic direction for NES. Support other communications activity and projects as directed by the organisation. (TAR0004947)</p>	Red	Extended timeline for delivery of strategic plan has resulted in delay to corporate comms in this area. Comms strategy to be produced once Organisational strategy is ready. Anticipated that this will be ready for approval by Board in Q4.	R20 – Inability to fully support the delivery of the NES Strategy due to lack of capacity in corporate support infrastructure.
<p>Psychology - Psychology Trainee survey - using reporting processes developed with NES Digital complete roll out of trainee survey to NHS Boards. (TAR0004843)</p>	Red	No progress to date but we have been assured development is planned for Q4. The work will go alongside Pharmacy's Quality Management app development.	R20 – Inability to fully support the delivery of the NES Strategy due to lack of capacity in corporate support infrastructure.

Target	RAG Rating	Update	Related Corporate Risk
<p>Psychology - Continue to embed and consolidate Cognitive Rehabilitation (CR) approaches to improve access for people living with mild to moderate dementia by offering 2 remote delivery/face to face workshops for up to 50 health and social care staff by March 2023. Widely promote newly developed CR e-learning module, practice based video content, and existing resources to support the use of CR techniques in routine clinical practice. (TAR0005282)</p>	Red	Event in Q4 going ahead and applications are open. RISK - due to low uptake for the first event earlier this year, it is likely that significantly less staff will be trained than planned following the Q4 delivery. Total trained to date = 0	R1 – pressures on the system result in education and training being considered as less important than service delivery priorities.
<p>Workforce - Complete a review of Leadership & Management Zone and establish resource development plan by December 2022, supported by user feedback and partnership consultation. (TAR0005213)</p>	Red	No further update while the Leading to Change workstream is being implemented. Ongoing review, update and improvement on the Leadership and Management zone.	R20 – Inability to fully support the delivery of the NES Strategy due to lack of capacity in corporate support infrastructure.
<p>Workforce (QI) - Deliver QI training and education to board coaches and finance leads participating in the Value Management Collaborative. Support the spread of Value Management through the testing of an eLearning module and resource pack within existing boards. (TAR0005013)</p>	Red	SMART Target is being closed down due to funding no longer being made available. Target to be closed in Q3.	R21 – Delays in confirming allocations or reduction to allocations lead to a failure to deliver against the Strategic plan and impact on ability to manage the financial outturn at the end of the year.
<p>Optometry - In 2022/2023 we aim to finalise design and deliver a medically orientated Continuing Professional Development (CPD) package to the Optometry profession, and being accessible to a</p>	Red	Due to reduced workforce, reduced funding and alternative priorities given by SG, this target will not be delivered in 2022/23. Closed in Q2.	

Target	RAG Rating	Update	Related Corporate Risk
sufficient number of practitioners to meet the demands. (TAR0004698)			
Optometry - To deliver 4 face-to-face training events in the capacity to consent workstream by quarter 4. (TAR0004705)	Red	Due to reduced workforce, reduced funding and alternative priorities given by SG, this target will not be delivered in 2022/23. Closed in Q2.	
Optometry - To deliver 4 face-to-face training events focusing on skills required to support the GOS (General Ophthalmic Services) optometry service by the end of Q4. (TAR0004704)	Red	Due to reduced funding and uncertainty around future funding this target will not be delivered in 22/23. Closed in Q2.	
Medical - Have appointments for up to 10 GP-SIPS (Stay in Practice Scheme) doctors at an average of 6 sessions per week. (TAR0005010)	Red	No longer commissioned activity. Closed in Q2.	
NMAHP - Subject to funding, take forward the educational recommendations following the development of Integrated Healthcare Framework for People Living in Care Homes by March 2023. (TAR0005096)	Red	No commission was forthcoming for 22/23 - target closed in Q2.	
Psychology - Complete Turas Learn e-learning programme for Lets Introduce Anxiety Management (LIAM) and brief Behavioural Activation by December 2022. (TAR0004826)	Red	This piece of work has been paused due to other priorities and will not be completed in this financial year. Target closed in Q2.	
Medical - Subject to funding, deliver QI training and education to inter-disciplinary professionals working in Primary Care. (TAR0005311)	Red	Funding not secured, therefore not commissioned to deliver in 22/23. Target closed in Q1.	
NMAHP - Subject to funding, develop 'teenagers and young adults' cancer specific information for non-	Red	Funding not secured, therefore not commissioned to deliver in 22/23. Target closed in Q1.	

Target	RAG Rating	Update	Related Corporate Risk
specialist staff by March 2023. (TAR0005129)			
Optometry - Subject to funding. By end of Q4, to accredit a minimum of 75% of Optometrists enrolled in the third cohort of NES accredited training, Scottish Qualifications Authority level 11 course, to manage ocular hypertension and glaucoma in the community. (TAR0004695)	Red	Funding not secured. Target closed in Q1.	

3.2 A high quality learning & employment environment

In total, 89 targets (17%) contribute to the delivery of this strategic theme, with 2 red, 10 amber, 75 green and 2 blue at Q3. Overall, 87% of targets under this strategic theme are on track or completed.

There are 12 priority targets under this strategic theme, 100% of which are green.

3.2.1 Constraints

Progress at Q3 appears on track. Across this theme, 4 targets are delayed because of workload within NTS and/or technical issues.

3.2.2 Action required to improve performance

No action necessary.

3.3 National infrastructure to improve attraction, recruitment, training and retention

In total, 147 targets (27%) contribute to the delivery of this strategic theme, with 7 red, 8 amber, 129 green and 3 blue at Q3. Overall, 90% of targets under this strategic theme are on track or complete.

There are 24 priority targets under this strategic theme, with 3 amber and 21 green. Table 2 shows the amber priority targets under this theme.

**Table 2 – Priority Amber targets Q3 2022/23 under Strategic Theme 2
(National infrastructure to improve attraction, recruitment, training and retention)**

Target	RAG Rating	Update
Psychology - Support 3 trainee health psychologists to complete training by February 2023 and 1 trainee by April 2023. Support 5 trainee health psychologists to complete training by February 2024. Commission and recruit up to 4 trainee health psychologists to commence in February 2023. (TAR0004784)	Amber	3 trainee health psychologists on track to complete training by February 2023, with a further 1 to complete in June 2023. 2 trainee health psychologists on track to complete training by February 2024, with a further 1 to complete in March 2024. 1 trainee from the 2022 cohort has withdrawn. Recruitment for the 2023 intake has concluded with offers made to 4 candidates.
Psychology - Support 46 trainees for psychological therapies in primary care (PTPC) and 36 MSc trainees in applied psychology for children and young people (APCYP) to complete training by January/February 23. Commission and recruit up to 50 MSc trainees in psychological therapies in primary care (PTPC) and 40 MSc trainees in applied psychology for children and young people (APCYP) to commence in January/February 2023. (TAR0004783)	Amber	46 PTPC trainees on track to complete by the end of January 2023. One trainee has failed the programme. Interviews for Jan 2023 intake have concluded and offers made to 48 candidates. 36 APCYP trainees on track to complete by the end of February 2023. Interviews for Feb 2023 intake have concluded and offers made to 36 candidates.
Workforce - Develop baseline and targets (linked to Key Performance Indicators) on brand and attraction activity as a remote friendly organisation using insights from the People Recovery Group and Staff Networks to develop stories/ blogs/ case studies, measuring impact on recruitment pool. (TAR0004715)	Amber	This work has been paused but will be reviewed following the first phase of workforce planning in February 23.

3.3.1 Constraints

Progress at Q3 appears on track. Across this theme, 7 targets are not on track because of delays in securing funding.

3.3.2 Action required to improve performance

No action necessary.

3.4 Education & training for a skilled, adaptable and compassionate workforce

In total, 183 targets (33%) contribute to the delivery of this strategic theme, with 14 red, 11 amber, 151 green and 7 blue at Q3. Overall, 86% of targets under this strategic theme are on track or complete.

There are 22 priority targets under this strategic theme, with 1 red (target closed) and 1 amber and 20 green. Table 3 shows the priority amber targets under this theme.

Table 3 – Priority Amber targets Q3 2022/23 under Strategic Theme 3 (Education & training for a skilled, adaptable and compassionate workforce)

Target	RAG Rating	Update
<p>Psychology - To provide access to training and some backfill funding support to services for different levels of family therapy training including: the ongoing training of 3 masters trainees who started in Sept 20 and due to complete Aug 22, a cohort of 7 trainees in year long intermediate course starting in Oct 21, a cohort of trainees to undertake year long foundation training starting Sept 22 and an intake of 3 family therapy masters trainees to commence in Sept 22. To continue to support training in Family Based Therapy for anorexia. To provide access to year long IPT practitioner training and backfill support to services to 6 CAMHS clinicians starting in Sept 21, and 8 CAMHS clinicians to start in Sept 22 with additional clinicians supported to train to interpersonal psychotherapy training supervisor level. (TAR0004799)</p>	Amber	<p>Family therapy: Sept 22 cohort: 11 foundation Family therapy trainees ongoing after 1 drop out, 2 masters trainees ongoing after 1 drop out. IPT: Sept 22 cohort ongoing. FBT: planning of 40 clinicians to be trained in introductory level in January, and 9 clinicians selected for FBT practitioner level and 1 to supervisor. Delay in starting clinicians due to new information governance procedures and delay in procurement in quarter 2.</p>

3.4.1 Constraints

Most of the delays under this theme have been due to a reduction in or withdrawal of funding.

3.4.2 Action required to improve performance

No action required.

3.5 A national digital platform, analysis, intelligence and modelling

In total, 62 targets (11%) contribute to the delivery of this strategic theme, with 3 red, 7 amber, 49 green and 3 blue at Q3. Overall, 84% of targets under this strategic theme are on track or complete.

There are 7 priority targets under this strategic theme, 2 of which are amber, 1 is red (TAR0005032 – reported in Table 1) and 4 are green. Table 4 shows the priority amber targets under this theme.

Table 4 – Priority Amber targets Q3 2022/23 under Strategic Theme 4 (A national digital platform, analysis, intelligence and modelling)

Target	RAG Rating	Update
NDS - Support and continually improve the functionality on Turas Learn to meets the needs of learners, educators and administrators throughout financial year 2022/23. (TAR0004923)	Amber	Still awaiting confirmation of the education strategy and work being completed by Gartner. In discussions with Microsoft in respect of Viva Learn. UX Research also being undertake in respect of the Admin interface to identify required improvements in this area.
NDS - Platform Development - By March 2023, develop, maintain and operate a coherent Digital platform infrastructure core components, cloud environment, and offer platform services to support health and care for people across Scotland. (TAR0005022)	Amber	Platform development has increased in Q3, with significant progress on removing the the NES Nextgate EMPI and migrating to the NSS API. Work has also been started on a developer portal to access services and the NDP website was launched at Digifest in early November. Q4 should bring completion of the demographics service and onboarding of other NES products such as VMT on to NDP EMPI.

3.5.1 Constraints

Progress at Q3 appears on track.

3.5.2 Action required to improve performance

No further action required.

3.6 A higher performing organisation (NES)

In total, 68 targets (12%) contribute to the delivery of this strategic theme, with 1 red, 7 amber, 52 green and 8 blue at Q3. Overall, 90% of targets under this strategic theme are on track or complete.

There are 13 priority targets under this strategic theme, with 2 amber, 1 blue and 10 green. Table 5 shows the amber priority targets under this theme.

Table 5 – Priority Amber priority targets Q3 2022/23 under Strategic Theme 5 (A higher performing organisation)

Target	RAG Rating	Update
NDS - By the close of formal Stage 2 Re-Organisation, we shall have secured the right number of skills, trained and supported staff, in the right place, at the right time and in the right roles to meet current and expected demand. (TAR0005288)	Amber	Phase 2 A recruitment is in progress with 3 out of the 4 Associate Director roles having preferred candidates. Interviews for the 4th AD post will conclude in early January. Phase 2B design work will resume in January.
Finance - Prepare and implement a strategy to secure accommodation in both Glasgow and Inverness in advance of the lease events in 2023 using the data gathered from Directorates regarding technology enabled learning and workstyles during 2022 in order to ensure continuity of service provision in the 2022 – 2023 period and thereafter. (TAR0005276)	Amber	The organisation has identified a preferred location in Glasgow which now has to go through the various approvals process (internally and externally) and will be working with another National Board to develop a shared accommodation plan before submitting a final report to the Cabinet Secretaries for both Finance and Health for approval.

3.6.1 Constraints

No clear constraints under this theme.

3.6.2 Action required to improve performance

No further action required.

3.7 NHS Scotland Academy

In addition to the targets set out in the Detailed Operational Plan, and in partnership with NHS Golden Jubilee - within the NHS Scotland Academy there are 6 priority deliverables for 22/23. Performance at the end of quarter 3 shows that 83% (5) are Green and 17% (1) Amber. The 1 amber area relates to the establishment of the National Endoscopy Training Programme with this area being closely monitored and highlighted as part of Quarterly Board reporting to Scottish Government.

NHS Education for Scotland
Item 09b
16 February 2023

NES/23/09

Board Paper

1. Title of Paper

Corporate Governance Package: Board Standing Orders; Standing Financial Instructions; Board Scheme of Delegation; Board Code of Conduct and Committee Terms of Reference

2. Author(s) of Paper

Della Thomas, Board Secretary / Principal Lead, Corporate Governance
Janice Sinclair, Deputy Director Finance

3. Lead Director(s)

Jim Boyle, Executive Director Finance

4. Situation/Purpose of paper

4.1 This paper brings the following elements of the Board Corporate Governance Package to the Board for review and final approval:

- Board Standing Orders (Appendix 1)
- Standing Financial Instructions (SFIs) (Appendix 2)
- Board Scheme of Delegation (Appendix 3)
- Board Code of Conduct (Website hyperlink)
- Audit and Risk Committee (ARC) Terms of Reference (ToRs) (Appendix 4)
- Education and Quality Committee (EQC) ToRs (Appendix 5)
- Technology and Information Committee (TIC) ToRs (Appendix 6)
- Remuneration Committee ToRs (Appendix 7)
- Staff Governance Committee (SGC) ToRs (Appendix 8)

5. Background and Route to Meeting

5.1 The Board Corporate Governance Package is reviewed on an annual basis by the ARC and approved for onward progression through to the 16 February 2023 Board for final approval and publication on the Board website.

5.2 The ToRs were sequenced through the respective Committees for review and approval prior to the ARC as follows:

- ARC ToRs – 6 October 2022 ARC meeting
- EQC ToRs – 8 December 2022 EQC meeting
- TIC ToRs – 31 October 2022 TIC meeting
- Remuneration Committee ToRs – by correspondence October 2022
- SGC and Remuneration Committee ToRs – 3 November 2022 SGC meeting and subsequently approved by correspondence.

5.3 Further to the Committee review and approval, changes were made to the ToRs as detailed in section 6 of this paper.

5.4 Changes recommended to the other corporate governance documents (Board Standing Orders; SFIs, Board Scheme of Delegation and Board Code of Conduct) are detailed in section 6. These documents were reviewed and discussed and approved by the ARC at the 19 January 2023 meeting.

6. Assessment/Key Issues

(Include narrative relating to a-g checklist by exception)

6.1 There is a risk that if the Corporate Governance Package is not considered from a strategic overview perspective, as well as an individual component perspective, then changes or improvements in governance elsewhere in the organisation or in the wider system may not be implemented as appropriate. The strategic overview also mitigates duplication of governance effort and enables the identification of any gaps and enhances governance line of sight.

Board Standing Orders

6.2 The Board Standing Orders approved by the Board at the 10 February 2022 Board meeting are published on the NES website [here](#)

6.3 Revisions were approved by the ARC and the revised version of the Board Standing Orders are included as Appendix 1. The approved changes are to section 1.1 to reflect the functions of the Board as per the second edition of the NHS Scotland Health Boards and Special Health Boards – Blueprint for Good Governance issued through DL (2022) 38 and to sections 1.8 - 1.10 to update these paragraphs to reflect the new 2022 Code of Conduct.

6.4 Changes will be made as highlighted in section 7.1 to ensure the links to the SFIs and Board Scheme of Delegation are updated, once these documents have received final Board approval and are published on the corporate website.

Standing Financial Instructions (SFIs)

6.5 The SFIs approved by the Board at the 10 February 2022 Board meeting are published on the NES website [here](#)

6.6 The revised 2023 SFIs approved by the ARC are attached as Appendix 2.

6.7 Several changes have been made to the SFIs this year, the most significant being the removal of authorisation tables now included in the Scheme of Delegation. Other changes include a new section on principles to be considered when setting course fees; updating Virement rules and clarifying the approval and reporting requirements for expenditure on programmes not covered by an existing budget.

6.8 All changes are detailed in the Table below.

Description	Section
1. COVID amendments now incorporated as Business as Usual	a) Section 9.19 approval of equipment on loan to other public bodies b) Section 11.9 limits for waiving Competitive Tendering amended in line with regulated procurement rules. c) Section 9.45 – operation of board Credit card scheme to remain delegated to the Deputy DoF.
2. Authorisation tables removed and inserted into Scheme of Delegation	Throughout
3. Change of titles and recognition of the new Deputy Chief Executive roles	Throughout
4. Amendments made to provide clarity	Throughout
5. Reference to the NES strategic financial principles incorporated (shown as an appendix for now until it is available on the Intranet)	Section 4.3 Section 6.9 Section 22.10
6. Reference to the Blueprint for Good governance updated to link to the 2 nd Edition	Section 3. Responsibilities of the Board
7. Clarify authorisation for expenditure not covered by a budget to be approved by both the Executive Director of finance, and the Chief Executive according to the scheme of delegation.	Section 6.12 Section 9.2
8. Income from Course fees	Section 9.27 (New)
9. Reminder to follow procurement rules prior to raising Purchase orders	Section 9.36 (New)
10. Removal of sections introducing the Scheme of Delegation to be	N/A

Description	Section
inserted to the introduction of the Scheme of Delegation	
11. Virement rules and circumstances updated	Sections 22.6 to 22.9
12. Updated references to banks for banking arrangements	Sections 8.3 and 8.4
13. Explained requirement to notify Finance of leases entered into	Section 9.30
14. Incorporate processes for updating payroll to reflect eESS/ePayroll interface	Sections 9.48 to 9.51
15. New separate section for Personal Use of Official Accommodation, Equipment or Vehicles (Previously included without a heading)	Section 19 (New)
16. Personal use section amended to reflect additional rules for IT equipment and Leased cars	Section 19
17. Joint working arrangements and Governance groups for the NHSSA updated	Section 15 and Section 25
18. Redundancy costs greater than £95k to be approved by the Chief Executive prior to going to the Remuneration committee	Section 9.52
19. Clarification of Performance Related Pay Progression	Section 9.58
20. References to Best Value	Section 11

6.9 The Strategic Financial Principles are currently shown as Appendix 2A to this document, and will be attached as an Appendix to the final published version on the NES website.

Board Scheme of Delegation

6.10 The Board Scheme of Delegation (SoD) approved by the Board at the 10 February 2022 Board meeting are published on the NES website [here](#)

6.11 The SoD has been revised and the changes approved by the ARC and is attached as Appendix 3. The most significant area of change has been the removal of Individual Authorisation limits from the SFIs which are now an integral part of the SoD and have been cross-referenced to the section of the SFIs to which they relate.

- 6.12 The upper limits for virements (Section 16) and for the approval of expenditure for which there is no budget (Section 17), have new limits proposed which delegate authority up to £500k to the Executive Director of Finance, and £1m to the Chief Executive. Any individual item valued between £500k and £1m will be reported to the Board.
- 6.13 The Deputy Chief Executive role has also been recognised in the SoD at Sections 6 and 18(h); and Section 14 has been updated to reflect that Executive Directors can also delegate budgets within their areas.
- 6.14 New sections have been added to reflect that responsibility for the Management of Capital Schemes (Section 29) and for Emergency Climate Change and sustainability (Section 51), have been delegated to the Executive Director of Finance.

Board Code of Conduct

- 6.15 The Board Code of Conduct was revised significantly and discussed and approved by the Board at the 26 May 2022 meeting. This is available on the NES website [here](#). No changes are recommended.

ARC ToRs

- 6.16 The ARC ToRs were reviewed at the 6 October 2022 meeting and approved with the following change:
- Section 9.7 was updated to include Climate Emergency and Sustainability and reference the NHS Scotland Global Climate Emergency and Sustainable Development Policy as per [DL \(2021\) 38](#)

- 6.17 The ARC ToRs are included as Appendix 4.

EQC ToRs

- 6.18 The EQC approved the following changes at the 8 December 2022 meeting:
- removal of references to the NHS Scotland Academy Joint Strategic Programme Board now that this group has been dissolved and clarification that the delegation and assurance provided is to the NES Board instead.
 - addition of paragraph 9.14 of the ToRs to strengthen the role of the EQC in relation to matters assigned to the Committee by the Board or other Standing Committee. In particular the Audit and Risk Committee may assign activity related to Internal Audit Reports.

- 6.19 The EQC ToRs are included as Appendix 5.

TIC ToRs

6.20 The TIC approved the following changes at the 31 October 2022 meeting:

- reference to cybersecurity have been added to strengthen the ToRs in sections 1.3 and 9.4.
- addition of paragraph 9.8 of the ToRs to strengthen the role of the EQC in relation to matters assigned to the Committee by the Board or other Standing Committee. In particular the Audit and Risk Committee may assign activity related to Internal Audit Reports.
- the Committee has changed its name from Digital and Information Committee to Technology and Information Committee and this is reflected accordingly within the ToRs.

6.21 The TIC ToRs are included as Appendix 6.

Remuneration Committee ToRs

6.22 Revisions to the Remuneration Committee ToRs were approved by correspondence in October and then subsequently as per the Staff Governance Standard reviewed and approved by the SGC as follows:

- an addition has been made to the membership of the Remuneration Committee in section 3.2 to add the Chair of the Audit and Risk as member of the Committee. This will be effective from the first meeting of the Remuneration Committee in 2023.
- paragraph 5.3 has been amended to clarify that if the Director of Workforce needs to offer apologies to a Remuneration Committee meeting, then a senior deputy with HR experience will be invited to attend instead.
- an addition has been made to section 9.1.5 to clarify the role of the Remuneration Committee should the NPMC return any of the executive's appraisal documents for amendments.
- a hyperlink to the Scottish Government and Audit Scotland Remuneration Committee Self-Assessment Pack (2007) has been added in paragraph 9.3. Whilst the NES Remuneration Committee ToRs referred to this document already, some members were not familiar with it. The document will be highlighted during the induction of any new members and the addition of the direct link in the ToRs may serve to remind existing members. The reference stating this document was being updated has been removed from paragraph 9.3 as it is understood that this work has not begun. The 2007 version remains the most current.
- reference added to the role of the accountable officer in approving all proposals for redundancy leading to contractual entitlement for a payment in excess of £95,000 before being submitted to the Remuneration Committee for review and approval in paragraph 9.7.

6.23 The Remuneration Committee ToRs are included as Appendix 7.

SGC ToRs

6.24 The SGC discussed the following revisions at the meeting held 3 November 2022 and approved the changes following the meeting by correspondence:

- revisions to 9.1.8 of the SGC ToRs to include assurance that the Partnership Forum discharges its duties. This will translate for example as the Partnership Forum Minutes and revised Partnership Agreement and Partnership Forum ToRs being brought through the SGC for noting.
- section 9.4 added to reflect that the Committee will deal with any such matters as may be assigned by the Board or other Standing Committee. In particular the Audit and Risk Committee may assign activity related to Internal Audit Reports.

6.25 The SGC ToRs are included as Appendix 8.

7. Recommendations

7.1 The Board is invited to note that as per their delegated remit the ARC has reviewed each individual element and taken a strategic overview of the whole corporate governance package and this has met with their approval.

7.2 The Board is invited to review the whole package and confirm approval for publication on the NES corporate website.

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: Della Thomas / Janice Sinclair
Date: February 2023
NES



**STANDING ORDERS FOR THE PROCEEDINGS
AND BUSINESS OF NHS EDUCATION FOR SCOTLAND (NES) NHS BOARD**

**Version 10
January 2023**

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1 General

- 1.1 These Standing Orders for regulation of the conduct and proceedings of NHS Education for Scotland (NES), the common name for NHS Education for Scotland NHS Board, [the Board] and its Committees are made under the terms of The Health Boards (Membership and Procedure) (Scotland) Regulations 2001 (2001 No. 302), as amended up to and including The Health Boards (Membership and Procedure) (Scotland) Amendment Regulations 2016 (2016 No. 3).

The NHS Scotland Blueprint for Good Governance (issued through [DL 2019 02](#)) and NHS Scotland Health Boards and Special Health Boards – Blueprint for Good Governance Second Edition (issued through [DL \(2022\) 38](#)) have informed these Standing Orders. The 2022 Blueprint describes the functions of the Board as:

- Setting the direction, including clarifying priorities and defining change and transformational expectations
- Holding the Executive Leadership Team to account by seeking assurance that the organisation is being effectively managed and change is being successfully delivered
- Managing risks to the quality, delivery and sustainability of services
- Engaging with key stakeholders, as and when appropriate
- Influencing the Board's and the wider organisational culture.

Further information on the role of the Board, Board members, the Chair, Vice-Chair, and the Chief Executive is available on the NHS Scotland Board Development website (<https://learn.nes.nhs.scot/17367/board-development>)

- 1.2 The Scottish Ministers shall appoint the members of the Board. The Scottish Ministers shall also attend to any issues relating to the resignation and removal, suspension and disqualification of members in line with the above regulations. Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances.
- 1.3 Any statutory provision, regulation or direction by Scottish Ministers, shall have precedence if they are in conflict with these Standing Orders.
- 1.4 Any one or more of these Standing Orders may be varied or revoked at a meeting of the Board by a majority of members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly states the extent of the proposed repeal, addition or amendment. The Board will annually review its Standing Orders.
- 1.5 Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances. The Scottish Ministers may by determination suspend a member from taking part in the business (including meetings) of the Board. Paragraph 5.4 sets out when the person presiding at a Board meeting may

suspend a Board member for the remainder of a specific Board meeting. The Standards Commission for Scotland can apply sanctions if a Board member is found to have breached the Board Members' Code of Conduct, and those include suspension and disqualification. The regulations (see paragraph 1.1) also set out grounds for why a person may be disqualified from being a member of the Board.

Board Members – Ethical Conduct

- 1.6 Members have a personal responsibility to comply with the Code of Conduct for Members of NHS Education for Scotland. The Commissioner for Ethical Standards in Public Life can investigate complaints about members who are alleged to have breached their Code of Conduct. The Board will have appointed a Standards Officer. This individual is responsible for carrying out the duties of that role, however he or she may delegate the carrying out of associated tasks to other members of staff. The Board's appointed Standards Officer shall ensure that the Board's Register of Interests is maintained. When a member needs to update or amend his or her entry in the Register, he or she must notify the Board's appointed Standards Officer of the need to change the entry within one month after the date the matter required to be registered.
- 1.7 The Board's appointed Standards Officer shall ensure the Register is available for public inspection at the principal offices of the Board at all reasonable times and will be included on the Board's website.
- 1.8 Members must always consider the relevance of any interests they may have to any business presented to the Board or one of its committees. Members must observe paragraphs 5.6 - 5.10 of these Standing Orders and have regard to Section 5 of the Code of Conduct, (Declaration of stage 1: Connection; stage 2: Interest and stage 3: Participation).
- 1.9 In case of doubt as to whether a "connection" should be declared, in the interests of transparency, members are advised to make a declaration of "connection". In such instances where this is a declaration of "interest" the member will not participate in any way in those parts of the meeting where they have declared an interest.
- 1.10 Section 3 of the Code of Conduct outlines the requirements regarding gifts and hospitality. Members will not accept any gifts or hospitality, other than under the limited circumstances specified in the Code of Conduct. Gifts and hospitality are therefore not registered. Members will promptly advise the Standards Officer if offered (and refuse) any gift or hospitality of any significant value and / or if I am offered any gift or hospitality from the same source on a repeated basis, so this can be monitored.
- 1.11 The Board Secretary and Principal Lead Corporate Governance shall provide a copy of these Standing Orders to all members of the Board on appointment. A copy shall also be held on the Board's website.

2 Chair

- 2.1 The Scottish Ministers shall appoint the Chair of the Board.

3 Vice-Chair

- 3.1 The Chair shall nominate a candidate or candidates for Vice-Chair to the Cabinet Secretary. The candidate(s) must be a non-executive member of the Board. A member who is an employee of a Board is disqualified from being Vice-Chair. The Cabinet Secretary will in turn determine who to appoint based on evidence of effective performance and evidence that the member has the skills, knowledge and experience needed for the position. Following the decision, the Board shall appoint the member as Vice-Chair. Any person so appointed shall, so long as he or she remains a member of the Board, continue in office for such a period as the Board may decide and will be reviewed by the Board every two years.
- 3.2 The Vice-Chair may at any time resign from that office by giving notice in writing to the Chair. The process to appoint a replacement Vice-Chair is the process described at paragraph 3.1.
- 3.3 Where the Chair has died, ceased to hold office, or is unable for a sustained period of time to perform his or her duties due to illness, absence from Scotland or for any other reason, then the Board's Chief Executive and Accountable Officer should refer this to the Scottish Government. The Cabinet Secretary will confirm which member may assume the role of interim Chair in the period until the appointment of a new Chair, or the return of the appointed Chair. Where the Chair is absent for a short period due to leave (for whatever reason), the Vice-Chair shall assume the role of the Chair in the conduct of the business of the Board. In either of these circumstances references to the Chair shall, so long as there is no Chair able to perform the duties, be taken to include references to either the interim chair or the Vice-Chair. If the Vice-Chair has been appointed as the Interim Chair, then the process described at paragraph 3.1 will apply to replace the Vice-Chair.

4 Calling and Notice of Board Meetings

- 4.1 The Chair may call a meeting of the Board at any time and shall call a meeting when required to do so by the Board. The Board shall meet at least six times in the year and will annually approve a forward schedule of meeting dates.
- 4.2 The Chair will determine the final agenda for all Board meetings. The agenda may include an item for any other business, however this can only be for business which the Board is being informed of for awareness, rather than being asked to make a decision. No business shall be transacted at any meeting of the Board other than that specified in the notice of the meeting except on grounds of urgency.

- 4.3 Any member may propose an item of business to be included in the agenda of a future Board meeting by submitting a request to the Chair. If the Chair elects to agree to the request, then the Chair may decide whether the item is to be considered at the Board meeting which immediately follows the receipt of the request, or a future Board meeting. The Chair will inform the member which meeting the item will be discussed. If any member has a specific legal duty or responsibility to discharge which requires that member to present a report to the Board, then that report will be included in the agenda.
- 4.4 In the event that the Chair decides not to include the item of business on the agenda of a Board meeting, then the Chair will inform the member in writing as to the reasons why.
- 4.5 A Board meeting may be called if one third of the whole number of members signs a requisition for that purpose. The requisition must specify the business proposed to be transacted. The Chair is required to call a meeting within 7 days of receiving the requisition. If the Chair does not do so, or simply refuses to call a meeting, those members who presented the requisition may call a meeting by signing an instruction to approve the notice calling the meeting provided that no business shall be transacted at the meeting other than that specified in the requisition.
- 4.6 Before each meeting of the Board, a notice of the meeting (in the form of an agenda), specifying the time, place and business proposed to be transacted at it and approved by the Chair, or by a member authorised by the Chair to approve on that person's behalf, shall be circulated to every member so as to be available to them at least four clear days before the meeting. The notice shall be distributed along with any papers for the meeting that are available at that point.
- 4.7 With regard to calculating clear days for the purpose of notice under 4.6 and 4.9, the period of notice excludes the day the notice is sent out and the day of the meeting itself. Additionally, only working days (Monday to Friday) are to be used when calculating clear days; weekend days and public holidays should be excluded.
- 4.8 Lack of service of the notice on any member shall not affect the validity of a meeting.
- 4.9 Board meetings shall be held in public. Once approved by the Board, a list of the public meetings to take place for the year, will be published on the Board's website. A public notice of the time and place of the meeting shall be provided at least three clear days before the meeting is held. The notice and the meeting papers shall also be placed on the Board's website. The meeting papers will include the minutes of committee meetings which the relevant committee has approved. The exception is that the meeting papers will not include the minutes of the Remuneration Committee. The Board may determine its own approach for Committees to inform it of business which has been discussed in Committee meetings for which the final minutes are not yet available. For items of business which the Board will consider in private session (see paragraph 5.22), only the

Board members will receive the meeting papers for those items, unless the person presiding agrees that others may receive them.

Calling and Notice of Board Meetings: Deputations and petitions

- 4.10 Any individual or group or organisation which wishes to make a deputation to the Board must make an application to the Chair's Office at least 21 working days before the date of the meeting at which the deputation wishes to be received. The application will state the subject and the proposed action to be taken.
- 4.11 Any member may put any relevant question to the deputation but will not express any opinion on the subject matter until the deputation has withdrawn. If the subject matter relates to an item of business on the agenda, no debate or discussion will take place until the item is considered in the order of business.
- 4.12 Any individual or group or organisation which wishes to submit a petition to the Board will deliver the petition to the Chair's Office at least 21 working days before the meeting at which the subject matter may be considered. The Chair will decide whether or not the petition will be discussed at the meeting.

5 Conduct of Meetings

Authority of the Person Presiding at a Board Meeting

- 5.1 The Chair shall preside at every meeting of the Board. The Vice-Chair shall preside if the Chair is absent. If both the Chair and Vice-Chair are absent, the members present at the meeting shall choose a Board member who is not an employee of a Board to preside.
- 5.2 The duty of the person presiding at a meeting of the Board or one of its committees is to ensure that the Standing Orders or the committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.
- 5.3 The person presiding may direct that the meeting can be conducted in any way that allows members to participate, regardless of where they are physically located, e.g. video-conferencing, teleconferencing. For the avoidance of doubt, those members using such facilities will be regarded as present at the meeting.
- 5.4 In the event that any member who disregards the authority of the person presiding, obstructs the meeting, or conducts himself/herself inappropriately the person presiding may suspend the member for the remainder of the meeting. If a person so suspended refuses to leave when required by the person presiding to do so, the person presiding will adjourn the meeting in line with

paragraph 5.12. For paragraphs 5.5 to 5.20, reference to 'Chair' means the person who is presiding the meeting, as determined by paragraph 5.1.

Quorum

- 5.5 The Board will be deemed to meet only when there are present, and entitled to vote, a quorum of at least one third of the whole number of members, including at least two members who are not employees of a Board. NHS Education for Scotland has fourteen members of the Board. The quorum for NHS Education for Scotland will be five. This will translate as three Non-Executive Directors and two Executive Directors. The quorum for committees will be set out in their terms of reference, however it can never be less than two Non-Executive Board members.
- 5.6 In determining whether or not a quorum is present the Chair must consider the effect of any declared interests.
- 5.7 If a member, or an associate of the member, has any pecuniary or other interest, direct or indirect, in any contract, proposed contract or other matter under consideration by the Board or a committee, the member should declare that interest at the start of the meeting. This applies whether or not that interest is already recorded in the Board Members' Register of Interests. Following such a declaration, the member shall be excluded from the Board or Committee meeting when the item is under consideration and should not be counted as participating in that meeting for quorum or voting purposes.
- 5.8 Paragraph 5.7 will not apply where a member's, or an associate of theirs, interest in any company, body or person is so remote or insignificant that it cannot reasonably be regarded as likely to affect any influence in the consideration or discussion of any question with respect to that contract or matter. In March 2015, the Standards Commission granted a dispensation to NHS Board members who are also voting members of integration joint boards. The effect is that those members do not need to declare as an interest that they are a member of an integration joint board when taking part in discussions of general health & social care issues. However, members still have to declare other interests as required by Section 5 of the Board Members' Code of Conduct.
- 5.9 If a question arises at a Board meeting as to the right of a member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting be referred to the Chair. The Chair's ruling in relation to any member other than the Chair is to be final and conclusive. If a question arises with regard to the participation of the Chair in the meeting (or part of the meeting) for voting or quorum purposes, the question is to be decided by the members at that meeting. For this latter purpose, the Chair is not to be counted for quorum or voting purposes.

- 5.10 Paragraphs 5.6-5.9 shall equally apply to members of any Board committees, whether or not they are also members of the Board, e.g. stakeholder representatives.
- 5.11 When a quorum is not present, the only actions that can be taken are to either adjourn to another time or abandon the meeting altogether and call another one. The quorum should be monitored throughout the conduct of the meeting in the event that a member leaves during a meeting, with no intention of returning. The Chair may set a time limit to permit the quorum to be achieved before electing to adjourn, abandon or bring a meeting that has started to a close.

Adjournment

- 5.12 If it is necessary or expedient to do so for any reason (including disorderly conduct or other misbehaviour at a meeting), a meeting may be adjourned to another day, time and place. A meeting of the Board, or of a committee of the Board, may be adjourned by the Chair until such day, time and place as the Chair may specify.

Business of the Meeting

The Agenda

- 5.13 If a member wishes to add an item of business which is not in the notice of the meeting, he or she must make a request to the Chair ideally in advance of the day of the meeting and certainly before the start of the meeting. The Chair will determine whether the matter is urgent and accordingly whether it may be discussed at the meeting.
- 5.14 The Chair may change the running order of items for discussion on the agenda at the meeting. Please also refer to paragraph 4.2.

Decision-Making

- 5.15 The Chair may invite the lead for any item to introduce the item before inviting contributions from members. Members should indicate to the Chair if they wish to contribute, and the Chair will invite all who do so to contribute in turn. Members are expected to question and challenge proposals constructively and carefully to reach and articulate a considered view on the suitability of proposals.
- 5.16 The Chair will consider the discussion, and whether or not a consensus has been reached. Where the Chair concludes that consensus has been reached, then the Chair will normally end the discussion of an item by inviting agreement to the outcomes from the discussion and the resulting decisions of the Board.
- 5.17 As part of the process of stating the resulting decisions of the Board, the Chair may propose an adaptation of what may have been recommended to the Board in the accompanying report, to reflect the outcome of the discussion.

- 5.18 The Board may reach consensus on an item of business without taking a formal vote, and this will be normally what happens where consensus has been reached.
- 5.19 Where the Chair concludes that there is not a consensus on the Board's position on the item and/ or what it wishes to do, then the Chair will put the decision to a vote. If at least two Board members ask for a decision to be put to a vote, then the Chair will do so. Before putting any decision to vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.
- 5.20 Where a vote is taken, the decision shall be determined by a majority of votes of the members present and voting on the question. In the case of an equality of votes, the Chair shall have a second or casting vote. The Chair may determine the method for taking the vote, which may be by a show of hands, or by ballot, or any other method the Chair determines.
- 5.21 While the meeting is in public the Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting. Board meetings will be made accessible, as appropriate, to enable this. The exception to this would be if any person in attendance was behaving inappropriately, disrespectfully or in an unruly manner and disruptive to Board proceedings. In such circumstances it would be the Chair's responsibility to invite a behaviour change or ask them to leave the meeting.

Board Meeting in Private Session

- 5.22 The Board may agree to meet in private in order to consider certain items of business. The Board may decide to meet in private on the following grounds:
- The Board is still in the process of developing proposals or its position on certain matters and needs time for private deliberation.
 - The business relates to the commercial interests of any person and confidentiality is required, e.g., when there is an ongoing tendering process or contract negotiation.
 - The business necessarily involves reference to personal information and requires to be discussed in private in order to uphold the Data Protection Principles.
 - The Board is otherwise legally obliged to respect the confidentiality of the information being discussed.
- 5.23 The minutes of the meeting will reflect when the Board has resolved to meet in private.

Minutes

- 5.24 The names of members present at a meeting of the Board, or of a committee of the Board, shall be recorded in the minute of the meeting. The names of other persons in attendance shall also be recorded.

5.25 The Board Secretary Principal Lead Corporate Governance (or his/her authorised nominee) shall prepare the minutes of meetings of the Board and its committees. The Board or the committee shall review the draft minutes at the following meeting. The person presiding at that meeting shall sign the approved minute.

6 Matters Reserved for the Board

Introduction

6.1 The Scottish Government retains the authority to approve certain items of business. There are other items of the business which can only be approved at an NHS Board meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.

6.2 This section summarises the matters reserved to the Board:

- a) Standing Orders
- b) The establishment and terms of reference of all its committees, and appointment of committee members
- c) Organisational Values
- d) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
- e) The Annual Operational Plan for submission to the Scottish Government for its approval. (Note: The Board should consider the draft for submission in private session. Once the Scottish Government has approved the Annual Operational Plan, the Board should receive it at a public Board meeting.)
- f) Corporate objectives or corporate plans which have been created to implement its agreed strategies.
- g) Risk Management Policy.
- h) Financial plan for the forthcoming year, and the opening revenue and capital budgets.
- i) Standing Financial Instructions and a Scheme of Delegation.
- j) Annual accounts and report. (Note: This must be considered when the Board meets in private session. In order to respect Parliamentary Privilege, the Board cannot publish the annual accounts, or any information drawn from it before the accounts are laid before the Scottish Parliament. Similarly, the Board cannot publish the report of the external auditors of their annual accounts in this period.)
- k) Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the [Scottish Capital Investment Manual](#).
- l) The Board shall approve the content, format, and frequency of performance reporting to the Board.
- m) The appointment of the Board's chief internal auditor. (Note: This applies either when the proposed chief internal auditor will be an employee of the Board, or when the chief internal auditor is engaged through a contract with an external provider. The audit committee should advise the Board on the

appointment, and the Board may delegate to the audit committee oversight of the process which leads to a recommendation for appointment.)

- 6.3 The Board may be required by law or Scottish Government direction to approve certain items of business, e.g. the integration schemes for a local authority area.
- 6.4 The Board itself may resolve that other items of business be presented to it for approval.
- 6.5 Additional matters which may be reserved for the Board are:
 - The contribution to Community Planning Partnerships through the associated improvement plans.
 - Health & Safety Policy
 - Arrangements for the approval of all other policies.
 - The system for responding to any civil actions raised against the Board.
 - The system for responding to any occasion where the Board is being investigated and / or prosecuted for a criminal or regulatory offence.
- 6.6 Within the above the Board may delegate some decision making to one or more executive Board members.

7 Delegation of Authority by the Board

- 7.1 Except for the Matters Reserved for the Board, the Board may delegate authority to act on its behalf to committees, individual Board members, or other Board employees. In practice this is achieved primarily through the Board's approval of the [Standing Financial Instructions](#) and the [Scheme of Delegation](#).
- 7.2 The Board may delegate responsibility for certain matters to the Chair for action. In such circumstances, the Chair should inform the Board of any decision or action subsequently taken on these matters.
- 7.3 The Board and its officers must comply with the [NHS Scotland Property Transactions Handbook](#), and this is cross-referenced in the Scheme of Delegation.
- 7.4 The Board may, from time to time, request reports on any matter or may decide to reserve any particular decision for itself. The Board may withdraw any previous act of delegation to allow this.

8 Execution of Documents

- 8.1 Where a document requires to be authenticated under legislation or rule of law relating to the authentication of documents under the Law of Scotland, or where a document is otherwise required to be authenticated on behalf of the Board, it shall be signed by an executive member of the Board or any person duly authorised to sign under the Scheme of Delegation in accordance with the Requirements of Writing (Scotland) Act 1995. Before authenticating any document, the person authenticating the document shall satisfy themselves that all necessary approvals in terms of the Board's procedures have been satisfied. A document executed by the Board in accordance with this paragraph shall be self-proving for the purposes of the Requirements of Writing (Scotland) Act 1995.
- 8.2 Scottish Ministers shall direct which officers of the Board can sign on their behalf in relation to the acquisition, management and disposal of land.
- 8.3 Any authorisation to sign documents granted to an officer of the Board shall terminate upon that person ceasing (for whatever reason) from being an employee of the Board, without further intimation or action by the Board.

9 Committees

- 9.1 Subject to any direction issued by Scottish Ministers, the Board shall appoint such committees (and sub-committees) as it thinks fit. NHS Education for Scotland Board Development website identifies the committees which the Board must establish. (<https://learn.nes.nhs.scot/17367/board-development>)
- 9.1a All of the Standing Committees shall consist of, or have a majority of, non-executive Board members.
- 9.1b The quorum of a Standing Committee of the Board shall normally be three non-executive members.
- 9.1c No expenditure shall be incurred by a Committee without the consent of the Chief Executive and Accountable Officer. Consent for this expenditure will not be unreasonably withheld.
- 9.2 The Chair shall appoint Board Members to Standing Committees and other roles within the NHS Board and partner organisations. The Board shall approve the Terms of Reference and membership of the Committees. The Board shall review these as and when required and shall review the terms within 2 years of their approval, if there has not been a review.
- 9.3 The Chair shall appoint Committee members to fill any vacancy in the membership as and when required. If a Committee is required by regulation to be constituted with a particular membership, then the regulation must be followed

- 9.4 Provided there is no Scottish Government instruction to the contrary, any non-executive Board member may replace a Committee member who is also a non-executive Board member, if such a replacement is necessary to achieve the quorum of the Committee.
- 9.5 The Board's Standing Orders relating to the calling and notice of Board meetings, conduct of meetings, and conduct of Board members shall also be applied to Committee meetings where the Committee's membership consist of or include all the Board members. Where the Committee's members includes some of the Board's members, the Committee's meetings shall not be held in public and the associated Committee papers shall not be placed on the Board's website, unless the Board specifically elects otherwise. Generally, Board members who are not members of a Committee may attend a Committee meeting and have access to the meeting papers. However, if the Committee elects to consider certain items as restricted business, then the meeting papers for those items will normally only be provided to members of that Committee. The person presiding the Committee meeting may agree to share the meeting papers for restricted business papers with others.
- 9.6 The Board shall approve a calendar of meeting dates for its Committees. The Committee Chair may call a meeting any time and shall call a meeting when requested to do so by the Board.
- 9.7 The Board may authorise Committees to co-opt members for a period up to one year, subject to the approval of both the Board and the Accountable Officer. A Committee may decide this is necessary to enhance the knowledge, skills and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of NHS Education for Scotland NHS Board and is not to be counted when determining the Committee's quorum and is a non-voting member.

NHS Education for Scotland
January 2023
DT



DRAFT STANDING FINANCIAL INSTRUCTIONS

February 2023

Date of next Audit and Risk Committee review: January 2024

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1. INTRODUCTION

1.1 Background

These Standing Financial Instructions are issued in accordance with the financial directions issued by the Scottish Government Health and Social Care Directorate (SGHSCD) under the provisions contained in the Regulation 4 of the NHS (Financial Provisions) (Scotland) Regulations, 1974 together with the subsequent guidance and requirements contained in NHS Circular No. 1974 (GEN) 88 and Annex, and NHS Circular MEL (1994) 80. Their purpose is to provide a sound basis for the control of NHS Education for Scotland's (NES) financial affairs and shall have the effect as if incorporated in the Standing Orders of NES.

1.2 The purpose of such a scheme of control is:

- to ensure that NES acts within the law and that financial transactions are in accordance with the appropriate authority;
- to ensure that proper accounting records, which are accurate and complete, are maintained;
- to ensure that financial statements, which give a true and fair view of the financial position of NES and its expenditure and income, are prepared timeously;
- to protect NES against the risk of fraud and irregularity;
- to ensure that all staff feel comfortable raising issues of concern, confident that those issues will be investigated fully and impartially;
- to safeguard NES assets;
- to ensure that proper standards of financial conduct are maintained;
- to enable the provision of appropriate management information;
- to ensure that NES seeks best value from its resources, by making proper arrangements to pursue continuous improvement, having regard to economy, efficiency, and effectiveness in NES's operations;
- to ensure that any delegation of responsibility is accompanied by clear lines of control and accountability, together with reporting arrangements; and
- to ensure transparency and accountability in all procurement and contracting activities.

COMPLIANCE

- 1.3 All Board Members, officials, staff, and agents of NES shall observe the Standing Financial Instructions. The Chief Executive, Directors and Members of the Executive Team shall be responsible for ensuring that

staff and others within the organisation are aware of, and adhere to, the Standing Financial Instructions.

- 1.4 Failure to comply with these Standing Financial Instructions may lead to disciplinary action being taken.
- 1.5 Where these Standing Financial Instructions place a duty upon a person, this may be delegated to another person, subject to the Scheme of Delegation contained within the Standing orders of NES.
- 1.6 All references in these instructions to a particular gender shall be read as equally applicable to any gender.
- 1.7 Nothing in these Standing Financial Instructions shall be held to override any legal requirement or Ministerial Direction placed upon NES, its members, or officers.

2. RESPONSIBILITIES OF THE CHIEF EXECUTIVE AS ACCOUNTABLE OFFICER

- 2.1 Under the terms of Section 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer (PAO) for the Scottish Government has designated the Chief Executive of NES as its Accountable Officer.
- 2.2 Accountable Officers must comply with the terms of the Guidance to Accountable Officers and any updates issued to them from time to time by the Scottish Government Health and Social Care Directorate.

2.3 GENERAL RESPONSIBILITIES

- 2.3.1 The Accountable Officer is personally answerable to the Scottish Parliament for the propriety and regularity of the public finances for NES ensuring that the resources of the body are used economically, efficiently, and effectively.
- 2.3.2 The Accountable Officer has a personal duty of signing the Annual Accounts of NES for which they have responsibility. Consequently, they may also have the further duty of being a witness before Scottish Parliament committees including the Public Audit Committee (PAC) and be expected to deal with questions arising from the Accounts, or, more commonly, from reports made to Parliament by the Auditor General for Scotland on examinations into the economy, efficiency, and effectiveness with which the body has used its resources in discharging

its functions. The Accountable Officer must also ensure that any arrangements for delegation promote good management, and that they are supported by the necessary staff with an appropriate balance of skills. This requires careful selection and development of staff and the sufficient provision of special skills and services.

2.4 SPECIFIC RESPONSIBILITIES

The Accountable Officer must:

- 2.4.1 Ensure that appropriate financial systems are in place and applied, and that procedures and controls are reviewed from time to time to ensure their continuing relevance and reliability, especially at times of major changes.
- 2.4.2 Sign the Accounts and the associated governance statement assigned to them, and in doing so accept personal responsibility for their proper presentation as prescribed in legislation and/or in the relevant Accounts Direction issued by Scottish Ministers.
- 2.4.3 Ensure that proper financial procedures are followed and that accounting records are maintained in the form prescribed for published accounts.
- 2.4.4 Ensure that the public funds for which they are responsible are properly managed and safeguarded, with independent and effective checks of cash balances in the hands of any official.
- 2.4.5 Ensure that the assets for which they are responsible, including land, buildings, fixtures, fittings, equipment, intangible, and other assets are properly managed and safeguarded and checked as appropriate.
- 2.4.6 Ensure that, in consideration of policy proposals relating to expenditure or income for which they have responsibilities as Accountable Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and where appropriate brought to the attention of the NES Board.
- 2.4.7 Ensure that any delegation of authority is accompanied by clear lines of control and accountability, together with reporting arrangements.
- 2.4.8 Ensure that procurement activity is conducted in accordance with the requirements in the Procurement section of the Scottish Public Finance Manual

- 2.4.9 Ensure that effective management systems appropriate for the achievement of the organisation's objectives, including financial monitoring and control; systems have been put in place.
- 2.4.10 Ensure that risks, whether to achievement of business objectives, regularity, propriety, or value for money, are identified, that their significance is assessed and that systems appropriate to the risks are in place in all areas to manage them.
- 2.4.11 Ensure that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.
- 2.4.12 Ensure that managers at all levels have a clear view of their objectives and the means to assess and measure outputs, outcomes, and performance in relation to those objectives.
- 2.4.13 Ensure that managers at all levels are assigned well-defined responsibilities for making the best use of resources (both those consumed by their own commands, and any made available to third parties) including a critical scrutiny of outputs, outcomes, and value for money.
- 2.4.14 Ensure that managers at all levels have the information (particularly about costs), training, and access to the expert advice which they need to exercise their responsibilities effectively.

2.5 REGULARITY AND PROPRIETY OF EXPENDITURE

- 2.5.1 The Accountable Officer has a particular responsibility for ensuring that NES achieves high standards of regularity and propriety in the consumption of resources. Regularity involves compliance with relevant legislation, relevant guidance issued by the Scottish Ministers - in particular the Scottish Public Finance Manual - and the framework document defining the key roles and responsibilities which underpin the relationship between NES and the Scottish Government. Propriety involves respecting the Parliament's intentions and conventions and adhering to values and behaviours appropriate to the public sector.
- 2.5.2 All actions must be able to stand the test of parliamentary scrutiny, public judgement on propriety and professional codes of conduct. Care must be taken to avoid actual, potential, or perceived conflicts of interest.

2.6 ADVICE TO THE NHS EDUCATION BOARD, AND OTHER DECISION-MAKING BODIES

- 2.6.1 The Accountable Officer has a duty to ensure that appropriate advice is tendered to the Board, the Executive team, and other decision-making bodies on all matters of financial propriety and regularity, and more broadly, as to all considerations of prudent and economical administration, efficiency, and effectiveness.
- 2.6.2 If the Accountable Officer considers that, despite their advice to the contrary, the Board or other decision making body is contemplating a course of action which they consider would infringe the requirements of regularity or propriety, and that, as a result, they would be required to take action that is inconsistent with the proper performance of their duties as Accountable Officer, they should, inform the Scottish Government Health and Social Care Directorate's Accountable Officer, so that the Department, if it considers it appropriate, can intervene, and inform Scottish Ministers. If this is not possible, the Accountable Officer should set out in writing their objection to the proposal and the reasons for the objection. If their advice is overruled, and the Accountable Officer does not feel that they would be able to defend the proposal to the Scottish Parliament's Public Audit Committee (PAC), as representing value for money, they should obtain written instructions from the Board and send a copy of their request for instruction and the instruction itself as soon as possible to the External auditor and the Auditor General for Scotland.
- 2.6.3 The Accountable Officer must also ensure that their responsibilities as Accountable Officer do not conflict with those as a Board member. They should vote against any action that they cannot endorse as Accountable Officer, and in the absence of a vote, ensure that their opposition as a Board member, as well as Accountable Officer is clearly recorded.

2.7 ABSENCE OF ACCOUNTABLE OFFICER

- 2.7.1 The Accountable Officer should ensure that they are generally available for consultation and that in any temporary period of unavailability due to illness or other cause, or during the normal period of annual leave, a senior officer will act on their behalf.
- 2.7.2 In the event that, the Accountable Officer would be unable to discharge their responsibilities for a period of four weeks or more,

NES will notify the Principal Accountable Officer of the Scottish Government, in order that an Accountable Officer can be appointed pending their return.

- 2.7.3 Where an Accountable Officer is unable, by reason of incapacity or absence, to sign the Accounts in time for them to be submitted to the Auditor General, the Board may submit unsigned copies, pending the return of the Accountable Officer.

3. RESPONSIBILITIES OF THE BOARD

The Board functions in accordance with the NHS Scotland Blueprint for Good Governance (Second Edition) (issued through [DL \(2022\) 38](#)) in setting the direction, clarifying priorities and defining expectations; holding the executive to account and seeking assurance that the organisation is being effectively managed; managing risks to the quality, delivery and sustainability of services; engaging with stakeholders and influencing the Board's and the organisation's culture.

- 3.1 The Board has key functions for which it is held accountable by Scottish Government Health and Social Care Directorate on behalf of the Scottish Ministers:

- to set strategic direction of the organisation within the overall policies and priorities of the Government and NHS Scotland, define its annual and longer-term objectives and agree plans to achieve them;
- to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary;
- to ensure that there is effective dialogue within the organisation and between the organisation and key stakeholders on its plans and performance and that these are responsive to the stakeholders needs;
- to ensure effective financial stewardship through value for money, financial control and financial planning and strategy;
- to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; and
- to appoint, appraise and remunerate senior executives.

- 3.2 In fulfilling these functions, the Board should:

- specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully

understand its responsibilities;

- be clear what decisions and information are appropriate to the Board and draw up standing orders, a schedule of decisions reserved to the Board, and standing financial instructions to reflect this;
- establish performance and quality targets that maintain the effective use of resources and provide value for money;
- ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior officers for the main programmes of action and for performances against programmes to be monitored and senior officers held to account;
- establish committees, including audit and risk and remuneration committees, on the basis of formally agreed terms of reference which set the membership of the committees, the limit to their powers, and the arrangements for reporting back to the Board; and
- act within the statutory, financial, and other constraints.

4. RESPONSIBILITIES OF SENIOR MANAGERS AND ALL OFFICERS

- 4.1 The Chief Executive shall have delegated authority from the NES Board to secure the efficient operation and management of the full range of NES activities in accordance with the current policies of NES and within the limits of the resources available.
- 4.2 Directors of NES have collective responsibility to exercise financial supervision, control, and monitoring by requiring the submission and approval of budgets within approved allocations, by defining and approving essential features of financial arrangements in respect of important procedures and financial systems, including the need to obtain best value, and by defining specific responsibilities placed on officers.
- 4.3 The NES Strategic Financial Principles must be adopted by all NES staff in the exercise of their duties. See Appendix 2a.
- 4.4 All staff individually and collectively are responsible for the security of NES's property, for avoiding loss, for economy and efficiency in the use of resources, for identifying and managing risk, and for complying with the requirement of Standing Orders, Standing Financial Instructions, and other financial procedures which the Executive Director of Finance may issue.

- 4.5 It shall be the duty of the Chief Executive to ensure that arrangements are made for existing staff and all new employees to be notified of their responsibilities within these instructions and receive appropriate awareness training.
- 4.6 The Chief Executive shall be responsible for the implementation of NES's financial policies and for ensuring whatever corrective action is necessary to further these policies after taking account of advice given by the Executive Director of Finance on all such matters.
- 4.7 Without prejudice to the functions of any other officers of NES, the duties of the Executive Director of Finance shall include the provision of financial information to NES and its officers; the design, implementation, and supervision of systems of financial control and the preparation and maintenance of such accounts, certificates, estimates, records, and reports as NES may require for the purpose of carrying out its statutory duties and responsibilities.
- 4.8 The Executive Director of Finance shall prepare, document, and maintain detailed financial procedures and systems incorporating the principles of separation of duties and internal control to supplement these instructions. The Executive Director of Finance shall require any officer, who carries out a financial function, to ensure that the form in which the records are kept and the manner in which the officer discharges their duties shall be to the satisfaction of the Executive Director of Finance.
- 4.9 All records should be stored securely and in accordance with the [NES Retention Policy](#).
- 4.10 Where a fundamental organisational change occurs, the Executive Director of Finance should initiate a review of the relevant Standing Financial Instructions to ensure that if any amendments are required these are implemented timeously. This review would then be subject to the approval of the Board.
- 4.11 Wherever the titles Chief Executive, Executive Director of Finance or other nominated officer is used in these instructions, it shall be deemed to include such officers who have been duly authorised to represent them.

5. RESOURCE LIMITS

- 5.1 NES, as a Special Health Board, is required by statutory provision made under Section 85 of the National Health Service (Scotland) Act

1978, as amended by the Health Services Act 1980, to perform its functions within the total of funds allocated by the Scottish Government Health and Social Care Directorate. The financial targets which NES must operate within are the:

- Revenue Resource Limit (RRL)
 - Capital Resource Limit (CRL)
 - Cash Requirement
- 5.2 The Executive Director of Finance shall ensure that all income and expenditure is identified correctly and accounted for in the relevant financial year.
- 5.3 The Executive Director of Finance shall, on behalf of the Chief Executive, request an appropriate level of Capital resource from the Scottish Government Health and Social Care Directorate. This may be in the format of a funding transfer from Revenue to Capital.
- 5.4 The Executive Director of Finance shall ensure that amounts drawn for NES against the agreed cash limit are required for approved expenditure only.
- 5.5 The Executive Director of Finance will ensure that the cash balances held by NES are not excessive but are sufficient to meet immediate liabilities. The Executive Director of Finance shall therefore ensure that due receipts are collected promptly and shall pay invoices in accordance with targets set by the Scottish Government Health and Social Care Directorate.
- 5.6 Payments shall not be made in advance of need and payments of due debts shall not be delayed artificially to a following financial year in order to manage cash balances at year-end.
- 5.7 In submitting the final requisition for a fiscal year, the Executive Director of Finance shall ensure that sufficient resources are available to meet financial commitments at the end of the year. The balances of accounts holding public funds will be maintained at the lowest practicable levels.
- 5.8 The Executive Director of Finance will review the RRL/CRL and Cash positions regularly to ensure that NES remain on target to meet its financial objectives.
- 5.9 The Executive Director of Finance shall provide reports to the Scottish Government Health and Social Care Directorate in the form requested and in accordance with the guidance issued by the Scottish

Government Health and Social Care Directorate.

6. PLANNING AND BUDGETING

- 6.1 The Chief Executive shall carry out their duties within the total of funds allocated by Scottish Ministers and shall not exceed the budgetary limit set for NES. All plans and financial approvals and control systems shall be designed to meet this obligation.
- 6.2 The Chief Executive, with the assistance of the Director of Planning and Performance shall compile and submit to NES Board and the Scottish Government Health and Social Care Directorate (SGHSCD) such Delivery Plans as required in accordance with the guidance issued by the Scottish Government Health and Social Care Directorate. The lifespan of the plans will be in accordance with SGHSCD requirements which prevail.
- 6.3 Officers shall provide the Executive Director of Finance with all financial, statistical, and other relevant information as necessary for the compilation of such estimates and forecasts that the Executive Director of Finance may need to fulfil the requirements of NES and the Scottish Government Health and Social Care Directorate.
- 6.4 The Executive Director of Finance shall, on behalf of the Chief Executive, prepare and submit budgets within the limits of available funds to NES Board for its approval.
- 6.5 The Executive Director of Finance shall provide frequent reports to the Chief Executive and senior managers, comparing actual expenditure and income with approved budgets. Identifying any areas of significant variance against the financial plan which requires action to be taken.
- 6.6 The Executive Director of Finance shall provide quarterly reports to the Chief Executive and NES Board, comparing actual expenditure and income with approved budgets. The Executive Director of Finance shall report to NES Board any significant in year variance from the financial plan and shall advise the Board on action to be taken.
- 6.7 The Executive Director of Finance shall also compile and submit to the Board such financial estimates and forecasts as may be required from time to time. As a consequence, the Executive Director of Finance shall have a right of access to all budget holders on all financial related matters.

- 6.8 The Executive Director of Finance shall ensure that a system of budgetary control is maintained and that all officers whom NES may empower to engage staff or otherwise incur expenditure, collect, or generate income, shall comply with the requirements of those systems. The systems of budgetary control shall incorporate the reporting of, and investigation into, expenditure variances from budget.
- 6.9 The Chief Executive will delegate responsibility for budgets to nominated officers (budget holders) to permit the performance of defined activities. Budget holders must manage financial resources in line with NES' Strategic Financial Principles demonstrating control of expenditure; Value for Money; and achievement of planned levels of service and regular reporting. All budget holders must ensure that the financial limits detailed within the scheme of delegation are adhered to. The Executive Director of Finance will be responsible for providing budgetary information and advice to the Chief Executive and budget holders to enable the Chief Executive and other officers to carry out their budgetary responsibilities.
- 6.10 In carrying out their duties:
- the Chief Executive shall not exceed the budgetary or virement limits set by NES Board;
 - officers designated as budget holders shall not exceed the budgetary or virement limits set for them by the Chief Executive; and
 - the Chief Executive may vary the budgetary limit of an officer within the Chief Executive's own budgetary limit.
- 6.11 Except where otherwise approved by the Chief Executive, taking account of advice of the Executive Director of Finance, budgets shall be used only for the purpose for which they were provided and any budgeted funds not required for their designated purpose shall revert to the immediate control of the Chief Executive, unless covered by delegated powers of virement, see Section 22.
- 6.12 Expenditure, for which no provision has been made in an approved budget and not covered by funding under the delegated powers of virement, shall only be incurred after authorisation by both the Executive Director of Finance and the Chief Executive to limits as specified in the Scheme of Delegation. Any programme of expenditure greater than £1m, will require board approval and any programme of expenditure over £500k will be reported to the Board.
- 6.13 The Executive Director of Finance shall keep the Chief Executive and the Board informed of the financial consequences of changes in policy, pay awards, and other events and trends affecting budgets and shall

advise on the financial and economic aspects of future plans and projects. For information relating to authorisation limits and budget virements, see Section 22.

7. ANNUAL ACCOUNTS AND REPORTS

- 7.1 NES is required under the terms of Section 86(3) of the National Health Services (Scotland) Act 1978 and the Public Finance and Accountability (Scotland) Act 2000 to prepare and transmit Annual Accounts to Scottish Ministers.
- 7.2 Scottish Ministers have issued an Accounts Direction in exercise of the powers conferred by Section 86(1) of the National Health Service (Scotland) Act 1978 which contains provisions covering the basis of preparation and the form of accounts. NES shall comply with all these provisions. Subject to the foregoing requirement, the Annual Accounts shall also contain any disclosure and accounting and requirements which Scottish Ministers may issue from time to time.
- 7.3 The Executive Director of Finance shall maintain proper accounting records which allow the timeous preparation of Annual Accounts, in accordance with the timetable set by the Scottish Government Health and Social Care Directorate, and which give a true and fair view of NES and its expenditure and income for the period in question.
- 7.4 Annual Accounts, Supplementary Notes and other financial returns required by the Scottish Government Health and Social Care Directorate shall be prepared by NES in accordance with the guidance and the timetables contained within the NHS Board Accounts Manual for the Annual Report and Accounts of NHS Boards as amended from time to time.
- 7.5 Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General for Scotland is responsible for the appointment of the External Auditors of NES.
- 7.6 The Executive Director of Finance shall agree with the External Auditor a timetable for the production, audit, adoption by the Board and submission of accounts to the Auditor General for Scotland and the Scottish Government Health and Social Care Directorate. This timetable shall be consistent with the requirements of the Scottish Government Health and Social Care Directorate and reported to the ARC for information.

- 7.7 The Chief Executive shall be responsible for preparing a Governance Statement as parts of their duties as an Accountable Officer, and in so doing shall seek appropriate assurances, including that of the Chief Internal Auditor, with regard the adequacy of internal control throughout the organisation, including the performance of the non-executive committees.
- 7.8 The Annual Accounts of NES shall be reviewed by the Audit and Risk Committee, which has the responsibility of recommending adoption of the accounts by the NES Board. Under the terms of the Public Finance and Accountability (Scotland) Act 2000, Annual Accounts may not be placed in the public domain, prior to them being formally laid before Parliament.
- 7.9 Following the formal approval of the motion to adopt the accounts by NES Board, the Annual Accounts and relevant certificates shall be duly signed on behalf of the Board and submitted to the External Auditor for completion of the relevant audit certificates.
- 7.10 Signed sets of NES's Annual Accounts shall then be submitted by the External Auditor to the Scottish Government Health and Social Care Directorate, and to the Auditor General in the required format.
- 7.11 The Chief Executive shall arrange for the publication of an Annual Report for NES, in such form as may be determined by the Scottish Government Health and Social Care Directorate (SGHSCD). The Annual Report, together with an audited financial statement, shall be published no later than nine months after the relevant accounting date, subject to confirmation that they have been formally laid before Parliament.

8. BANKING ARRANGEMENTS AND OPERATION

- 8.1 All arrangements with NES's bankers will be made in accordance with directions and advice from the Scottish Government Health and Social Care Directorate (SGHSCD).
- 8.2 NES is obliged to comply with instructions from Scottish Ministers and His Majesty's Treasury in relation to the operation of bank accounts. All bank accounts will only be opened on the instruction of the Executive Director of Finance.
- 8.3 The Scottish Government commercial banking arrangements provide for public bodies to hold a commercial bank account with the Royal Bank of Scotland (RBS) part of the NatWest Group.

- 8.4 HM Treasury manage arrangements for the Government Banking Service (GBS) so that all NHS Scotland bodies are obliged to use accounts provided by National Westminster Bank (NatWest Group plc), From the 31st December 2018 the following bank accounts have been in operation: -

Bank	Account Description	Services Provided
Royal Bank of Scotland	Commercial Account under the terms of the Scottish Government contract for commercial Bank Accounts	BACS sponsorship and receipts from BACS rejects and recalls; and Local Pay-Ins.
NatWest	Account provided under existing GBS contract	Payable Orders (cheques); BACS payments; Receipt of Income from Debtors; Portal; Pay by Link card receipts; and payments from/to Other Public Sector organisations.

Any new accounts or changes to existing arrangements for the accounts must be approved by the Executive Director of Finance.

- 8.5 Payable Orders are printed with the signature of the Assistant Paymaster General added at the time of processing.
- 8.6 All other payments are authorised electronically on the above accounts. For payments generated from the Finance System, only one authoriser is required to approve payments using secure on-line access. However, all payments, including manual payments which exceed £50,000 require on-line approval from two authorisers. The Executive Director of Finance will specify all officers approved to authorise payments and BACS files.
- 8.7 The signatory(ies) will satisfy themselves that payments are correctly substantiated and are in respect of sums properly payable by NES.
- 8.8 All Payable Orders (cheques) (which shall be crossed with “Not Negotiable – Account Payee Only”) shall be treated as controlled stationery in the charge of a duly designated officer controlling their

issue.

- 8.9 The Executive Director of Finance is responsible for ensuring the system of control of access to; and authorisation of payments from all bank accounts is robust and administered appropriately using the systems provided by the banks. This system of administration will cover creation and prompt deletion of users as necessary to ensure the security of access and efficient management of the accounts.
- 8.10 The Executive Director of Finance shall ensure that NES does not, without the approval of Scottish Government given as appropriate with the consent of Treasury, borrow or lend money nor give any guarantee, indemnity, nor letter of comfort.

FOREIGN CURRENCY

- 8.11 Business should normally be conducted in sterling. However, some supplies need to be purchased using on-line foreign currency transactions through the Government Banking Services. The Executive Director of Finance will approve the currencies which are open to NES for use through GBS.
- 8.12 Foreign currency transactions in excess of £2m require to receive advance authorisation through the Government Banking Service. Such transactions will be referred to the Executive Director of Finance for arrangement.

9. FINANCIAL ARRANGEMENTS

- 9.1 The Executive Director of Finance shall ensure that detailed written procedures relating to financial systems are designed, including specific reference to duties of officers under these systems and that these systems, incorporating internal control principles, duly approved by the Executive Director of Finance, are maintained, reviewed annually, and updated as necessary.
- 9.2 Any authorisation for expenditure outside of the approved plans, policies, or regulations and for which no budget has been provided under the powers of virement, must have the written approval from both the Chief Executive and the Executive Director of Finance before payment as per the Scheme of Delegation.

SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS:

- 9.3 All means of officially acknowledging or recording amounts received or receivable shall be in the form approved by the Executive Director of Finance. These stationery items shall be subject to the same precautions as are applied to cash, in accordance with the requirements of the Executive Director of Finance.
- 9.4 All officers, whose duty it is to collect or hold cash, shall be provided with a safe or with a lockable cash box which will normally be deposited in a safe or other secure location. The officer concerned shall hold only one key with one duplicate being held by another officer authorised by the Executive Director of Finance and suitable receipts obtained. The loss of any key shall be reported immediately to the Deputy Director of Finance. The Executive Director of Finance shall arrange for all new keys to be despatched directly to them from the manufacturers and shall be responsible for maintaining register of authorised holders of safe keys.
- 9.5 The safe key holder shall not accept unofficial funds for depositing in their safe unless deposits are in sealed envelopes or locked containers. It shall be made clear to the depositor that the NES Board is not held liable for any loss and written indemnity must be obtained from the organisation or individual absolving NES from responsibility for any loss. During the absence of the holder of a safe or cash box key, the officer who acts in their place shall be subject to the same controls as the normal holder of the key. There shall be written discharge for the safe/cash box contents on the transfer of responsibilities and the discharge document must be retained for audit inspection.
- 9.6 All cash, cheques, postal orders, and other forms of payment shall normally be received by more than one officer and shall be entered in an approved form of register which should be signed by both. All cheques and postal orders shall be crossed immediately "Not Negotiable". The remittances shall be passed to the Operational Assistant from whom a signature shall be obtained.
- 9.7 The opening of mail and the counting and recording of any takings shall be undertaken by two officers together.
- 9.8 Official monies shall not under any circumstances be used for the encashment of private cheques.
- 9.9 All cheques, postal orders, cash etc. shall be banked intact promptly in accordance with the approved procedures of the Executive Director of Finance. Disbursements shall not be made from cash received, except

under arrangements approved by the Executive Director of Finance.

- 9.10 Any cash collected from fund raising events will be counted by two staff members in the Directorate where the funds have been collected. If passing to Finance for onward payment to the charity, the directorate team must complete a form with the breakdown of cash, signed by the two staff members before passing the form and cash to Finance. Finance will bank the income and issue a cheque to the Charity. Cash will be banked by finance, no later than the next available working day. Any cash held overnight will be kept in the safe.
- 9.11 All unused payable orders shall be kept in the safe.
- 9.12 Any loss or shortfall of cash, cheques, or other negotiable instruments, however occasioned, shall be reported immediately in accordance with the agreed procedure for reporting losses.
- 9.13 Petty cash reconciliations shall be prepared prior to requesting cash reimbursement for expenses.

SECURITY OF ASSETS

- 9.14 Each employee has a responsibility to exercise a duty of care over the property of NES and it shall be the responsibility of senior staff in all disciplines to apply appropriate routine security practices in relation to NHS property. Persistent breach of agreed security practices shall be reported to the Chief Executive.
- 9.15 Wherever practicable, items of equipment shall be marked as NES property. Items to be controlled shall be recorded and updated in an appropriate register including all capital assets.
- 9.16 Nominated officer(s) designated by the Chief Executive shall maintain an up-to-date asset register of those items which are capital by definition. (See Section 18 Fixed Assets).
- 9.17 A separate register of items of a specialist nature, which do not meet the formal definition of capital assets, for example Laptops, PCs, mobile phones, shall be maintained by nominated officers. The Executive Director of Finance shall approve the form of all registers and the methods of updating.
- 9.18 Any damage to premises, vehicles and equipment, or any loss of equipment or supplies shall be reported by staff in accordance with the agreed procedure for reporting losses (Also see Losses section).

9.19 Registers shall also be maintained by responsible officers and where practicable receipts retained for:

- Equipment on loan, and
- Leased equipment.

Equipment on loan to other public bodies will be approved by the Executive Director of Finance and the Director of NES Technology Service

9.20 The Chief Executive will ensure that NES does not dispose of any assets, unless Scottish Government otherwise agrees, except at current market values and in accordance with the practices applicable to assets purchased out of public funds as laid down in Government Accounting. The Chief Executive shall ensure that assets having a net book value or realisable value, whichever is the higher, in excess of £50,000, are not disposed of without prior Scottish Government approval.

9.21 The NES Corporate Information Security Policy provides assurance that the Integrity of Operational systems and Information assets will be maintained. Access to systems is managed through strict user management protocols and firewalls. As a Cloud first organisation, NES information (intangible) assets reside within the technology environments provided by the contracted cloud providers. There are two levels of policy and procedure applied to this model, the first provided at vendor level: and the second specific to the NES deployment of applications. Both are developed and managed to the UK government standards of technology and information security, audited by the NES Information Security Forum through internal audit and Scottish Government administered Annual Network and Information (NIS) audits

9.22 The responsibilities of individuals within NES to protect the information assets owned and used by NES from threats whether internal or external, deliberate or accidental are set out within the [NES Information Security Acceptable Use Policy](#)

INCOME

9.23 The Executive Director of Finance shall be responsible for designing and ensuring maintenance of systems for the proper recording and collection of all monies due.

- 9.24 All officers shall inform the Executive Director of Finance of monies due to NES arising from transactions they initiate, including all contracts, leases, tenancy agreement and any other transactions in order that an official invoice is raised to the customers.
- 9.25 The Executive Director of Finance shall take appropriate recovery action on all outstanding debts including the establishment of procedures for the write-off of debts after all appropriate recoverable steps have been taken to secure payment (see Losses section 12).
- 9.26 In relation to Income Generation Schemes, the Executive Director of Finance shall ensure that there are systems in place to identify all costs and services attributed to each scheme before implementation and such schemes should only proceed on the basis of providing income in excess of the cost of the scheme. All fees and charges must be:
- approved in advance by the Executive Director of Finance, and
 - reviewed annually by the Budget Holder to ensure they are still appropriate and agreed by the Executive Director of Finance.
- 9.27 When deciding whether fees should be charged for courses, consideration must be given to both the source of the funding, and those participating in the courses. Where new courses are run that are not covered by NES baseline, nor by additional non-recurring funding from Scottish Government, fees should be set at a level which as a minimum covers the net costs to NES for providing the course, including an appropriate share of overheads. Approval should be sought as per sections 6.12 and 9.2.

PAYMENT OF ACCOUNTS

- 9.28 The Executive Director of Finance shall ensure that up to date lists of authorised signatories are maintained and reviewed regularly, at least annually.
- 9.29 The Executive Director of Finance shall be responsible for the payment of all accounts, invoices and contract claims in accordance with contractual terms and/or targets set by the Scottish Government Health and Social Care Directorate. Payment systems shall be designed to avoid payments of interest arising from non-compliance with the Late Payment of Commercial Debts (Interest) Act 1998.
- 9.30 All officers shall inform the Executive Director of Finance promptly of all agreements entered into related to leases or tenancy agreements in

order to ensure –NES complies with lease accounting standards.

- 9.31 All expenditure should be consistent with approved spend from the budget process.
- 9.32 Suppliers shall be instructed to send all invoices to the Finance Department for processing, quoting a valid purchase Order number where appropriate.
- 9.33 All other requests for payment not covered by a Purchase order, should, wherever possible, have relevant invoices or contract payment vouchers attached and shall be authorised by an approved officer from a list of authorised signatories.
- 9.34 The Executive Director of Finance shall be responsible for designing and maintaining a system for the verification, recording and payment of all amounts payable. The system shall provide for certification that:
- goods have been duly received, examined, are in accordance with specification and order, are satisfactory and that prices are correct;
 - work done or services rendered have been satisfactorily carried out in accordance with the order; that where applicable the materials used were of the requisite standard and that the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, that the rates of labour are in accordance with the appropriate rates, that the materials have been checked as regards quantity, quality, and price and that the charges for the use of the vehicles, plant and machinery have been examined;
 - where appropriate, the expenditure is in accordance with regulations and that all necessary Board or appropriate officer authorisations have been obtained;
 - the account/claim is arithmetically correct;
 - the account/claim is in order for payment;
 - VAT has been recovered as appropriate;
 - payments are processed timeously in order to secure discounts available; and
 - a timetable and system for submission of accounts for payment is maintained to ensure prompt payment to suppliers.
- 9.35 Budget Holders shall ensure, before a requisition for goods and service is placed, that the purchase has been properly considered and forms part of the department's allocations, agreed business plans, or other known and specific funds available to the department.

- 9.36 Procurement rules must be followed at all times as outlined in section 11
- 9.37 The Executive Director of Finance shall ensure that payment for goods and services is only made once the goods and services are received other than under the terms of a specific contractual agreement. (e.g., Venue Hire where a deposit may be required – see also section 9.42 below).
- 9.38 Where an officer certifying accounts or claims relies upon other officers to do preliminary checking, they shall, wherever possible, ensure that those who check delivery or execution of work act independently of those who have placed order and negotiated prices and terms. Budget Managers must therefore ensure that there is effective separation of duties between:
- the person placing the order,
 - the person certifying receipt of goods and services, and
 - the person authorising the invoice.

No single person should undertake all three functions. The Executive Director of Finance must approve the list of officers authorised to certify invoices, non-invoice payments and payroll schedules, including where required by the Executive Director of Finance, financial limits to their authority. The Director of Finance will maintain details, together with their specimen signatures.

- 9.39 In the case of contracts for building or engineering works which require payment to be made on account during progress of the works, the Executive Director of Finance shall make payment on receipt of certificate from the appropriate technical consultant or officer. Without prejudice to the responsibility of any consultant or works officer appointed to a particular building or engineering contract, a contractors account shall be subject to such financial examination by the Executive Director of Finance and such general examination by a works officer as may be considered necessary before the person responsible for the contract issues the final certificate.
- 9.40 The Executive Director of Finance may authorise petty cash as required. Individual payments must be restricted to the amounts authorised by the Director of Finance and appropriate vouchers obtained and retained in accordance with the [NES Retention Policy](#).
- 9.41 When commissioning contractors to carry out work on behalf of NES, the responsible officer must check the employee/employer status of the individual concerned to assess whether NES are compliant with the IR35 rules for each assignment. Claims of self-employed status on

behalf of the individual need to be verified for every project undertaken. The His Majesty's Revenue & Customs (HMRC) Employment Status Indicator tool should be completed by the officer commissioning the individual (<http://www.hmrc.gov.uk/calcs/esi.htm>). The result should be kept by the officer to produce in the event of an audit from HMRC. If the result confirms that there is no employee/ employer relationship, then the contractor should be asked to provide an invoice for their fees. However, if the result indicates that there is a relationship then the contractor should be provided with a copy of the Employment Status Indicator result as a Status Determination Statement and asked to complete a fee form and will be paid through the NES payroll.

- 9.42 Advance payment for supplies, equipment, or services out-with normal business practices shall not be normally permitted. Advance payment in all exceptional circumstances shall be subject to the express approval of the Executive Director of Finance.
- 9.43 The budget holder is responsible for ensuring that all items due under a payment in advance contract, are received and they must inform the Executive Director of Finance immediately problems are encountered.
- 9.44 NHS Scotland operates a "Payment on Behalf" process which eliminates the need for the transfer of cash between NHSScotland Boards for the payment of services. The process removes the need for Boards to raise Purchase Orders and invoices to one another, and instead recognises the payments as a non-cash transfer. The system is managed by NHS National Services Scotland (NSS) on behalf of Scottish Government and the transfers are processed monthly. Where payments to other Boards are managed through this process, the Executive Director of Finance is responsible for ensuring that there is an authorisation process in place which assures that services have been received and payment authorised prior to the transfer being made. The Deputy Director of Finance has delegated authority to approve the transfer request to NSS on behalf of the Executive Director of Finance.
- 9.45 The issue of NHS Credit/Purchasing cards will be managed by the Executive Director of Finance who will delegate authority to the Deputy Director of Finance to amend credit/purchasing card limits as appropriate . It is the responsibility of the Executive Directors to nominate a card holder or card user for their own area. Daily and single transaction limits will be set by the Deputy Director of Finance based on the expected use of the card. Increases to those limits must be submitted by the card holder and approved by the Deputy Director of Finance. All corporate purchase card transactions will be reviewed at least annually by Finance to ensure appropriate use.

PAYMENT OF STAFF

- 9.46 Staff may be engaged or re-graded only by authorised officers within the limit of the approved budget and establishment when agreed by the Chief Executive or other authorised officer unless following successful grading appeals. The Remuneration Committee shall approve any changes to the remuneration, allowances, and conditions of service of the Chief Executive and other Directors in accordance with the Code of Corporate Governance, subject to advice from the Director of Workforce.
- 9.47 Each employee shall be issued with a contract which shall comply with current employment legislation and be in a form approved by NES.
- 9.48 Electronic completion and signing of engagement forms and change forms containing information necessary for the payment of staff as they may require shall be co-ordinated and quality assured by appropriate HR Officers and approved forms processed on eESS for transmission to National Services Scotland (NSS) Payroll, , as close to the new member of staff commencing with NES as possible,.
- 9.49 A termination of employment ticket or any such other documents as may be required, for payment purposes, shall be completed, and where appropriate signed, and approved through the appropriate Line Manager, or other authorised NES - Deanery personnel for trainee employees and HR Officers and processed on eESS for transmission to NSS Payroll. Where an employee fails to report for duty, in circumstances which they have left without notice and this has been confirmed, NSS Payroll shall be informed immediately.
- 9.50 Completion and signing of notification of change forms and such other documents necessary for the payment of staff following changes in employment status or terms and conditions of service shall be co-ordinated between the appropriate HR Officers and approved forms processed on eESS as close to the effective date of change for processing by NSS Payroll.
- 9.51 All time-records, staff returns, and other pay records and notifications shall be in a form approved by the Executive Director of Finance and shall be certified and submitted in accordance with their instructions. Where this information is transmitted by electronic means, appropriate procedures covering such transmissions require to be agreed with him/her.

- 9.52 Subject to the limits laid down in the Scheme of Delegation, the Remuneration Committee shall review and approve submissions from the Director of Workforce, approved by the Chief Executive for any redundancy situation leading to contractual entitlement to a payment in excess of £95,000.
- 9.53 An annual report on voluntary severance agreements and any other voluntary resignations with a financial consideration that have been approved through the extant Scottish Government business case process and authorised by the NES CEO as Accountable Officer shall be presented to the Remuneration Committee in advance of the inclusion of the associated data in the Annual Accounts.
- 9.54 Subject to the limits laid down in the Scheme of Delegation, all early retirements, that meet the requirement for a two-year maximum pay-back period and result in additional costs being borne by the employer, will be submitted to the Remuneration Committee for consideration and recommendation to the NES Board.
- 9.55 Early retirements due to ill health are approved by SPPA and are usually out-with the remit of the Remuneration Committee, in any rare and exceptional case where additional costs may be borne by NES, this will be submitted to the Remuneration Committee for consideration and recommendation to the NES Board.
- 9.56 The Director of Workforce and the Executive Director of Finance shall be jointly responsible for ensuring that rates of pay and relevant conditions of service are in accordance with current agreements as advised by the Scottish Government Health and Social Care Directorate and agreed by the Board. The Chief Executive, or Board in appropriate circumstances, shall be responsible for the final determination of pay but subject to the statutory duty of the Executive Director of Finance who shall issue instructions regarding:
- verification of documentation of data;
 - the timetable for receipt and preparation of payroll data and payment of staff;
 - maintenance of subsidiary records for Superannuation, Income Tax, National Insurance, and other authorised deductions of pay;
 - security and confidentiality of payroll information in accordance with the principle of the General Data Protection Regulations Act, May 2018;
 - checks to be applied to completed payroll before and after payment;
 - methods of payment available to various categories of staff;
 - procedures for payment to staff;
 - procedures for unclaimed wages which should not be returned to salaries and wages staff;

- pay advances authorised and their recovery;
- maintenance of regular and independent reconciliation of adequate control accounts;
- separation of duties of preparing records and handling cash; and
- a system to ensure the recovery from leavers of any sums due by them to NES.

9.57 All employees shall be paid by bank credit transfer, unless otherwise agreed by the Executive Director of Finance.

9.58 After approval by the Remuneration Committee, the Chair will personally authorise for payment the Performance Related Pay Progression (PRPP) of the Chief Executive; and the Chief Executive will personally authorise the progression payment for other contracted NES staff within the Executive and Senior Management Cohort.

9.59 The Executive Director of Finance shall ensure salaries and wages are paid on the currently agreed dates but may vary these when necessary due to special circumstances (e.g. Christmas or other Bank Holidays). Payment to an individual shall not normally be made in advance of the normal pay date.

10. TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

10.1 The Executive Director of Finance shall ensure that all expense claims by employees of NES are reimbursed in line with the relevant NHS regulations, and in line with the NES Travel and Subsistence Policy.

10.2 The Executive Director of Finance shall issue additional guidance on the submission of expense claims, specifying the documentation to be used, the timescales to be adhered to and the required level of authorisation.

11. CONTRACTING AND PROCUREMENT

11.1 All procurement must be undertaken in line with the requirements of the Public Contracts (Scotland) Regulations 2015, the Procurement Reform (Scotland) Act 2014, the Procurement (Scotland) Regulations 2016 and the principles set out in the Scottish Government's Scottish Procurement Policy Handbook 2008, and the Scottish Government's published Procurement Journey, including any subsequent revisions. In addition, as a result of the

UK's exit from the European Union on 31 December 2020, The Public Procurement etc. (EU Exit) (Scotland) (Amendment) Regulations 2020 and The Public Procurement (Agreement on Government Procurement) (Amendment) Regulations 2021 also apply.

- 11.2 In all circumstances, officers of NES shall seek to obtain Best Value through the application of the NES Policy and Procedures. Adopting a MEAT (Most Economically Advantageous Tender) approach enables NES to take account of criteria that reflects qualitative, technical, and sustainable aspects of the tender submission as well as price when reaching an award decision.
- 11.3 NES shall comply as far as is practicable with the Scottish Capital Investment Manual (SCIM) and Scottish Procurement Policy Notes.
- 11.4 In accordance with CEL 05 (2012) where national, regional, or local contracts exist (including framework agreements) NES will use these contracts. Only in exceptional circumstances and with the authority of the Executive Director of Finance, can goods or services be ordered out-with such agreements.

THRESHOLDS FOR PURCHASING/ORDERING

- 11.5 The central Procurement team are responsible for all Procurement activities. The thresholds (excluding VAT) for the purchasing/ordering of goods and services are as follows: -

Thresholds (ex-VAT)	Purchasing Process
Order value ≤ £10,000	Achievement of best value should be demonstrated.
Order value > £10,000 and ≤ £25,000	Three competitive written quotations to be received from reputable suppliers.
Order value ≥ £25,000	Tendering process applies.

Value for Money (VfM), the use of Public Contracts Scotland (PCS), including PCS Quick Quote and any World Trade Organisation's (WTO) and Government Procurement Agreement (GPA) directives must be applied when the estimated contract value exceeds the procurement thresholds set out in the table below.

In case of any doubt, advice must be sought from the Procurement Department

Spend £k	≥115.6*	FaT*	FaT*	FaT*	FaT*	FaT*
	>50 <115.6*	PCS-T	PCS-T	PCS-T	PCS-T	PCS-T
	>25 ≤50	PCS	PCS	PCS	PCS	PCS
	>10 ≤25	PCS Quick Quote	PCS Quick Quote	PCS Quick Quote	PCS Quick Quote	PCS
	>0 ≤10	VFM	VFM	VFM	VFM	PCS Quick Quote
		Very Low	Low	Medium	High	Very High
		Risk/Complexity				

* UK Find a Tender threshold £115,633 implemented 1/1/22 ((FaT) replaced OJEU Tender process on 1/1/21)

Order value refers not only to individual orders but also to the total estimated value of recurring orders for like goods/services.

ACCEPTANCE AND AWARD BY CHIEF EXECUTIVE

- 11.6 The Chief Executive, acting with the Executive Director of Finance are authorised on behalf of the organisation to accept tenders and award contracts. This responsibility can be assigned to those who have delegated financial authority.
- 11.7 The limits for delegation for the acceptance of tenders shall be approved by NES Board and the Executive Team from time to time.
- 11.8 Formal tendering procedures may be waived with the recorded approval of the Executive Director of Finance where:
- For values below the UK Find a Tender (FaT) limits, the timescale

genuinely precludes competitive tendering. Failure to plan the work properly is not a justification for single tender; and

- Specialist expertise is required, and evidence is provided to demonstrate that this is available from only one source; and
- The task is essential to complete the project; and
- Arises as a consequence of a recently completed assignment; and
- Engagement of different consultants for the new task would be inappropriate; or
- There is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; or
- Clause 21 of the Public Contracts (Scotland) Regulations 2015 allows any public sector body to restrict the tendering process for goods or services to supported factories and businesses only. The directive only applies as a matter of law to contract opportunities which have a financial value greater than the OJEU threshold values.
- Where provided for in the Scottish Capital Investment Manual.

11.9 Competitive tendering can only be waived in specific, limited circumstance by the Executive Director of Finance, the Head of Procurement, or their deputies as per the maximum contract values in the Scheme of Delegation. The waiver request and the reasons supporting the request, should be provided by the relevant Director and the record retained by Procurement.

SINGLE TENDER (REGULATED)

11.10 Where only one tender is received, NES must ensure, as far as practicable, that the price to be paid is fair and reasonable. If this situation arises the reasons for accepting the single tender should be formally documented and submitted to the Head of Procurement.

OFFICIAL ORDERS

11.11 No goods, services or works other than works and services executed in accordance with a contract, or a NES Purchasing Card shall be ordered except on an official order, whether hardcopy or electronic, and contractors shall be notified that they should not accept orders unless on an official order form or processed via an approved secure electronic medium. Oral (Verbal) orders shall be issued only by an officer designated by the Chief Executive and only in accordance with the Business Continuity Plan. These shall be confirmed by an official order issued no later than the next working day, except for in exceptional circumstances, and clearly marked "Confirmation Order". National contracts must be used unless express

permission, within the Scheme of Delegation, has been obtained from the Head of Commissioning and Procurement, the Deputy Director of Finance, or the Executive Director of Finance.

- 11.12 Official orders shall be issued by the NES Purchase to Pay (P2P) Order system and shall incorporate an obligation on the contractor to comply with NES terms and conditions as regards delivery, carriage, documentation, variations etc.
- 11.13 Orders will be processed and transmitted by electronic methods in place of signed numbered paper-based orders providing always that appropriate procedures for such orders are agreed by the Executive Director of Finance.
- 11.14 Official order forms, supported by appropriate requisition requests, shall only be approved officers authorised by the Chief Executive. Lists of authorised officers shall be maintained and a copy of such list supplied to the Executive Director of Finance.
- 11.15 No order, contract, lease shall be issued for any items for which there is no budget provision or for which no funding has been provided under the delegated powers of virement unless authorised by the Executive Director of Finance on behalf of the Chief Executive. Members and officials must ensure that all contracts, leases, tenancy agreements and other commitments they enter into on behalf of NES for which a financial liability may result but without secured funding or budget provision are notified to the Executive Director of Finance in advance of commitment being made.

MANAGEMENT CONSULTANTS

- 11.16 In accordance with the [SG Consultancy Procedures](#) issued in 2017, when consultants are necessary, they need to be used sparingly, appropriately and effectively. Within NES, Management Consultants should only be used when documentary evidence of a benefit to NES has been prepared and the following demonstrated:
- the work cannot be carried out internally;
 - Management is determined to take action to bring about change and demonstrate commitment to act upon the outputs;
 - The Management consultants can bring relevant knowledge and have proven experience which will add value; and
 - The number of consultants must not exceed in-house capacity to manage them effectively

11.17 In choosing a Management Consultant, steps should be taken to

ensure that they are capable of carrying out the assignment; that Value for Money is obtained; and that due probity is demonstrated in awarding the contract. Appointment of Management Consultants must normally be by Competitive Tender.

11.18 Where successive assignments beyond the scope and terms of an appointment made by competitive tender arise, these should also be subject to tender arrangements. Where it is expected that there may be follow on assignments, it may be more appropriate for the tendering exercise to appoint Management Consultants under a call off arrangement.

CONTRACTS

11.19 NES may only enter into contracts within its statutory powers and shall comply with:

- Standing Orders;
- NES Standing Financial Instructions;
- UK and World Trade Organization Government Procurement Agreement (WTO GPA) Directives and other statutory provisions;
- any relevant directions including the Scottish Capital Investment Manual, Scottish Public Finance Manual, and guidance on the use of Management Consultants; and
- such NHS Standard Contract conditions as are applicable.

11.20 Where specific contract conditions are considered necessary by the lead officer, these will be drafted by the Head of Procurement and Commissioning and where appropriate, advice shall be sought from suitably qualified persons and/or the Central Legal Office part of National Services Scotland (NSS).

11.21 In all contracts made by NES, the Procurement team shall endeavour to obtain Value for Money. All tenders are awarded on the basis of MEAT (Most Economically Advantageous Tender) which incorporates both qualitative and financial measures into the tender process. All supporting evidence is documented and held in accordance with the [NES Retention Policy](#).

11.22 Any contractual aspects will be managed by the Procurement team in addition to a nominated Point of Contact who shall oversee and manage deliverables.

11.23 All contracts entered into shall contain standard clauses empowering NES to:

- Cancel the contract and recover all losses in full where a company or their

representative has offered, given, or agreed to give, any inducement to members or officials; and

- Recover all losses in full or enforce specific performance where goods or services are not delivered in line with contract terms.

11.24 The Executive Director of Finance shall ensure that arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within Scottish Construction Code (SCOTCONCODE) and the Scottish Capital Investment Manual (SCIM). The Technical audit of these contracts shall be the responsibility of the relevant Director.

IN HOUSE SERVICES

11.25 The Chief Executive, as Accountable Officer, shall be responsible for ensuring that Best Value can be demonstrated for all services provided under contract or in-house. The Board or appropriate committee may also determine from time to time that in-house services should be market tested by competitive tendering.

REGISTER OF INTEREST

11.26 Acceptance of Financial Assistance, Gifts and Hospitality and Declaration of Interest.

- the principles relating to the acceptance by Health Service staff of financial assistance, gifts and hospitality from commercial sources and declaration of interest are stated in the [NES Standards of Business Conduct Policy](#) which references NHS Circular MEL 1994(48) Annex 7 and NHS Circular MEL 1994(80). This policy has been widely circulated and should be read as part of the Standing Financial Instructions;
- the policy covering acceptance of financial assistance, gifts and hospitality and declaration of interest is updated by the Workforce Directorate on behalf of the Chief Executive;
- a register covering acceptance of financial assistance, gifts and hospitality is maintained by the Finance Directorate and the register of and declaration of interest is maintained by Board Services on behalf of the Chief Executive for board members and a separate register of interests for staff (excluding Executive Board Members) is maintained by Finance;
- no order shall be issued for any item or items for which an offer of gifts (other than low-cost items e.g. calendars, diaries, pens and like value items), or hospitality has been received from the person interested in supplying goods or services. Any employee of NES receiving such an offer shall notify their line manager as soon as is practicable; and

- visits at supplier's expense to inspect equipment, goods or services must not be undertaken without the prior approval of the Chief Executive.

12. LOSSES AND SPECIAL PAYMENTS

- 12.1 Any officer discovering or suspecting a loss of any kind shall forthwith inform their line manager, who shall immediately inform the Fraud Liaison Officer. Where a criminal offence is suspected, the Counter Fraud policy in operation at NES must be applied, in accordance with the partnership agreement between NES and Counter Fraud Services.
- 12.2 The Executive Director of Finance shall maintain a losses and compensation register in which details of all losses shall be recorded, as they are known. Write off action shall be recorded against each entry in the register. Losses are noted even if they are recovered or expected to be recovered.
- 12.3 Losses are classified according to details issued by the Scottish Government Health and Social Care Directorate.
- 12.4 An annual report on losses and special payments is presented to the Audit and Risk Committee, and details of individual losses exceeding £250k are published in the Annual Report and Accounts.
- 12.5 In accordance with the Scheme of Delegation, the Chief Executive, acting together with the Executive Director of Finance, may approve the writing off of losses within the limits delegated to the Board / Executive team by the Scottish Government Health and Social Care Directorate, as per NHS Circular CEL 10 (2010) (Appendix C): -

Item No	Category of Loss	Delegated Authority (per case) £
Theft / Arson / Wilful Damage		
1	Cash	10,000
2	Stores / procurement	20,000
3	Equipment	10,000
4	Contracts	10,000
5	Payroll	10,000
6	Buildings & Fixtures	20,000
7	Other	10,000
Fraud, Embezzlement & other irregularities (including attempted fraud)		
8	Cash	10,000
9	Stores / procurement	20,000
10	Equipment	10,000
11	Contracts	10,000
12	Payroll	10,000
13	Other	10,000
14	Nugatory & Fruitless Payments	10,000
Claims Abandoned		
15(a)	Private Accommodation	10,000
15(b)	Road Traffic Acts	20,000
15(c)	Other	10,000
Stores Losses		
16	Incidents of the Service –	
	- Fire	20,000
	- Flood	20,000
	- Accident	20,000
17	Deterioration in Store	20,000
18	Stocktaking Discrepancies	20,000
19	Other Causes	20,000

Item No	Category of Loss	Delegated Authority (per case) £
Losses of Furniture & Equipment and Bedding & Linen in circulation		
20	Incidents of the Service -	
	- Fire	10,000
	- Flood	10,000
	- Accident	10,000
21	Disclosed at physical check	10,000
22	Other Causes	10,000
Compensation Payments - legal obligation		
23	Clinical	250,000
24	Non-clinical	100,000
Ex-gratia payments		
25	Extra-contractual Payments	10,000
26	Compensation Payments - Ex-gratia - Clinical	250,000
27	Compensation Payments - Ex-gratia - Non Clinical	100,000
28	Compensation Payments - Ex-gratia - Financial Loss	25,000
29	Other Payments	2,500
Damage to Buildings and Fixtures		
30	Incidents of the Service	
	- Fire	20,000
	- Flood	20,000
	- Accident	20,000
	- Other Causes	20,000
31	Extra-Statutory & Extra-regulatory Payments	Nil
32	Gifts in cash or in kind	10,000
33	Other Losses	10,000

12.6 The exercise of powers of delegation in respect of losses and special

payments will be subject to the submission of annual reports to NES Audit & Risk Committee identifying which powers have been exercised and the amount involved.

- 12.7 The Audit and Risk Committee will formally consider and approve all Losses annually when recommending the adoption of the Statutory Annual Accounts.
- 12.8 No special payments exceeding the delegated limits laid down, and subsequent amendments thereto shall be made without prior approval of the Scottish Government Health & Social Care Directorate.
- 12.9 The Executive Director of Finance shall be authorised to take any necessary steps to safeguard NES's interests in bankruptcies and company liquidations.
- 12.10 All articles surplus to requirements or unserviceable shall be condemned or otherwise disposed of by an officer authorised for that purpose by the Executive Director of Finance.
- 12.11 The officer shall satisfy their self as to whether or not there is evidence of negligence in use and shall report any such evidence to the Executive Director of Finance and the Chief Executive who shall take the appropriate action.

13. RISK MANAGEMENT

The Chief Executive shall ensure that NES has a Risk Management Strategy that is approved and monitored by the Audit and Risk Committee.

The Risk Management Strategy shall include:

- a Statement on the NES approach to Risk Management,
- a summary of the NES Strategy for Risk Management,
- details of the Structures in place to implement the strategy,
- details of the processes in place supporting the risk management structures,
- definition of the Risk Appetite i.e. the level of risk the board is willing to accept, and
- definition of responsibilities with regard to risk management.

The Audit and Risk Committee shall have oversight of the Risk Management Strategy and of the implementation and monitoring of risk management structures and processes.

The Executive Director of Finance shall ensure that appropriate insurance and

indemnity arrangements are in place in support of the risk management strategy.

14. STANDING COMMITTEES

The Board has established standing committees to which it delegates responsibilities. The Terms of Reference of all Committees will be reviewed annually and are published on the [NES external website](#). The NES Board jointly governs with NHS Golden Jubilee, the work of the NHS Scotland Academy. This is undertaken via NHSS Academy Executive Programme Group and governed through NES Education and Quality Committee and NHS Golden Jubilee Strategic Portfolio Governance Committee.

15. SPECIFIC ROLES & RESPONSIBILITIES

ROLE OF THE EXECUTIVE DIRECTOR OF FINANCE

15.1 The Executive Director of Finance is responsible for:

- ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment of an effective internal audit function;
- ensuring that the effectiveness of Internal Audit is reviewed by the Audit and Risk Committee and meets the NHS mandatory audit standards; and
- liaising with Counter Fraud Services as appropriate to determine at what stage to involve the police in cases of fraud, misappropriation, and other irregularities.

15.2 The Executive Director of Finance, designated auditors, and representatives from Counter Fraud Services (CFS), are all entitled without necessarily giving prior notice to require and receive:

- access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- access at all reasonable times to any land, premises, or employee of the organisation;
- the production of any cash, stores, or other property of the organisation under an employee's control; and
- explanations concerning any matter under investigation.

ROLE OF INTERNAL AUDIT

- 15.3 The role, objectives and scope of Internal Audit are set out in the NHS Internal Audit Standards and the Public Sector Internal Audit Standards recognising the importance of an independent and objective internal audit service working to the [NHS Internal Audit Standards](#) (2011). The work of Internal Audit is carried out primarily for the benefit of the Accountable Officer and Board/Executive of the organisation. The Head of Internal Audit, in accordance with the [Public Sector Internal Audit Standards](#) (2013), has a responsibility to provide an annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk management and control processes. There is consequently a major synergy between the purpose of the Head of Internal Audit and the role of the Audit and Risk Committee.
- 15.4 The Internal Auditor shall have specific responsibility to review, appraise and report upon:
- (a) controls to ensure achievement of NES's objectives;
 - (b) the extent of compliance with established policies, procedures, plans, regulations, and laws etc;
 - (c) the extent to which NES's assets and interests are accounted for and safeguarded from loss of any kind arising from: fraud and other offences, theft, accident, waste, extravagance, inefficient administration, poor value for money or other causes;
 - (d) the suitability, reliability, and integrity of management information systems; and
 - (e) the adequacy of follow-up action to their reports.
- 15.5 The Internal Auditors shall be accountable to the Audit and Risk Committee of NES. The reporting and follow up systems for internal audit shall be agreed between the Accountable Officer, the Executive Director of Finance, the Audit and Risk Committee and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit manual. The reporting system shall be reviewed at least every 3 years.
- 15.6 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of NES or any suspected irregularity in the exercise of any function of a pecuniary nature; the Executive Director of Finance shall be notified immediately. (See also Section 13 – Losses and Special Payments).
- 15.7 NES will nominate a senior officer as Fraud Liaison Officer (FLO) to liaise with NHS Counter Fraud Services (CFS) on all fraud related matters. This is in compliance with the approach agreed in the partnership agreement with

CFS. The FLO will report and receive all allegations of fraud to and from CFS on NES's behalf and will distribute all fraud reports and communications, on behalf of CFS, to appropriate recipients within NES.

- 15.8 The Internal Auditors shall issue reports to the Executive Director of Finance, who shall refer audit reports to the appropriate officers designated by the Chief Executive. Failure to take any necessary remedial action within a reasonable period shall be reported to the Chief Executive.
- 15.9 Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation of the objectivity of the audit, or where sufficient action is not taken on matters of consequence, the Internal Auditor shall have direct access to the Audit and Risk Committee. In exceptional circumstances, where they deem necessary, the Internal Auditor shall have the right to report direct to the Chief Executive, NES Chair or the Chair of the Audit and Risk Committee.
- 15.10 At each meeting of the Audit and Risk Committee the opportunity should be given for the Chair of the Committee to meet with Non-Executive Members privately. At least twice a year the Chair of the Audit and Risk Committee and the Non-Executive Members should be provided with the opportunity to meet with the Chief Internal Auditor and External Auditors privately.

EXTERNAL AUDIT

- 15.11 The External Auditor is concerned with providing an independent assurance on financial stewardship including value for money, probity, material accuracy, compliance with guidelines and accepted accounting practice for NES accounts. Responsibility for securing the audit of NES rests with Audit Scotland. The appointed External Auditor's statutory duties are contained in the Public Finance and Accountability (Scotland) Act 2000.
- 15.12 The appointed auditor has a general duty to satisfy themselves that:
- the organisation's accounts have been properly prepared in accordance with directions given under the Public Finance and Accountability (Scotland) Act 2000;
 - proper accounting practices have been observed in the preparation of the accounts; and
 - the organisation has made proper arrangements for securing economy, efficiency, and effectiveness in the use of its resources.

16. INFORMATION TECHNOLOGY

- 16.1 The Director of NES Technology Service shall be responsible for the overall maintenance and security of networked systems within NES. The Executive Director of Finance shall be primarily responsible for the accuracy of data and the maintenance of appropriate security levels within the financial systems of NES.
- 16.2 The Director of NES Technology Service shall devise and implement any necessary policies and procedures to protect NES and individuals from inappropriate access, use or misuse of any financial or other information held in NES systems or devices for which they have responsibility and shall take account of the provisions of the Data Protection Act 2018, the UK General Data Protection Regulations (GDPR) and the UK Network and Information Systems (NIS) Regulations.
- 16.3 The Executive Director of Finance shall satisfy themselves that such digital and information system audit checks and reviews as they may consider necessary are being carried out.
- 16.4 The Executive Director of Finance shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another NHS Board or any other agency, assurances of adequacy will be obtained from them prior to implementation.
- 16.5 The Executive Director of Finance shall ensure that contracts for digital services for financial applications with another NHS Board or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing and storage. The contract should also ensure rights of access for audit purposes.
- 16.6 Where another NHS Board or any other agency provides a digital service for financial applications, the Executive Director of Finance shall periodically seek assurances that adequate controls are in operation.
- 16.7 Where digital systems have an impact on corporate financial systems the Executive Director of Finance shall ensure that:
 - (a) systems acquisition, development and maintenance are in line with corporate policies such as Scottish Government Digital Health and Care Strategy 2021.
 - (b) data produced for use with financial systems is adequate, accurate, complete, and timely, and that a management (audit) trail exists; and

- (c) Executive Director of Finance staff have access to such data.

17. FIXED ASSETS

17.1 The Chief Executive and Executive Director of Finance shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon the financial plans for the organisation.

17.2 Capital assets can be tangible i.e. they have a physical substance, and Intangible have no physical substance e.g. software purchases and internally generated digital developments

17.3 Items falling into the following categories are tangible assets:

- property, plant, and equipment assets which are capable of being used for a period which could exceed one year and have a cost equal to or greater than £5,000 (inclusive of VAT);
- where a new development would result in an exceptional charge to the Operating Cost Statement in the first year of use, Boards have the option to capitalise such expenditure as a single 'equipping' asset with a useful economic life of up to 10 years. Where it is intended to exercise this option, Boards should consult with the SGHSCD;
- assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time, each individual part costs £250 or more and costs over £20,000 in total.

17.4 Intangible assets can be bought or developed internally and must meet recognition criteria as set out in the NHS Capital Accounting Manual. They are generally analysed over the following headings:

- Information Technology - software developed in-house or by third parties;
- software licences – the right to use software developed by third parties;
- websites that deliver services;
- development expenditure;
- licences, trademarks, and artistic originals – original films, sound recordings, etc on which performances are recorded or embodied;
- patents – inventions that are afforded patent protection; and
- goodwill

17.5 The Executive Director of Finance shall ensure that every capital expenditure proposal meets the following criteria:

- potential benefits have been evaluated and compared with known costs,
 - the cost consequences of the developments have been evaluated and included in future budgets, and
 - complies with the guidance in the NHS in Scotland (NHSiS) Scottish Capital Investment Manual and subsequent disclosure complies with International Financial Reporting Standards (IFRS).
- 17.6 The Executive Director of Finance shall ensure that processes are in place to capture the impact on the NES Capital Resource Limit (CRL) from entering into property and equipment leases from the 1st April 2022.
- 17.7 In the case of large capital schemes, a system shall be established for progressing the scheme and authorising necessary payments up to completion. Provision should be made for regular reporting of actual expenditure against authorisation of capital expenditure.
- 17.8 Where capital assets are sold, scrapped, or impaired, their value must be reduced or moved from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate). Where land and property are disposed of, the requirements set out in the NHSiS Scottish Government Property Transactions handbook and the Scottish Public Finance Manual (SPFM), together with any subsequent amendments, shall be followed.
- 17.9 There is a requirement to achieve the best price reasonably achievable when disposing of assets belonging to NES. Competitive Tendering should normally be undertaken in line with requirements of the Board's tendering procedure.
- 17.10 Competitive Tendering or Quotation procedures shall not apply to the disposal of:
- any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined by the Chief Executive;
 - obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy and recorded within the losses of the organisation;
 - items to be disposed of with an estimated sale value of less than £5,000, this figure to be reviewed annually;
 - items arising from works of construction, demolition, or site clearance, which should be dealt with in accordance with the relevant contract; and
 - land or buildings concerning which Scottish Government guidance has

been issued but subject to compliance with such guidance.

17.11 When evaluating options for the treatment of surplus assets, consideration of the disposal of assets to community bodies will be included, where appropriate. This consideration should be consistent with the principles of Best Value, where wider public benefits may be achieved.

17.12 The overall control of fixed assets shall be the responsibility of the Chief Executive advised by the Executive Director of Finance.

- The Executive Director of Finance shall be notified of the disposal and proceeds from disposal of any fixed assets.

17.13 NES shall maintain an asset register recording NES's fixed assets. The minimum data set to be held within these registers shall be as specified in the Capital Asset Accounting Manual as issued by the Scottish Government Health and Social Care Directorate. The organisation shall also maintain a register of assets held under operating leases.

17.14 A fixed asset control procedure shall be approved by the Executive Director of Finance. This procedure shall make provision for:

- recording managerial responsibility for each asset;
- identification of additions including internally developed assets;
- identification of assets for impairment or disposal;
- identification of all repairs and maintenance expenses;
- security of assets;
- periodic verification of the existence, condition, remaining life, and title to assets recorded; and
- identification and reporting of all costs associated with the retention of an asset.

17.15 The items on the register shall be checked at least annually by the designated officer and all discrepancies shall be notified in writing to the Executive Director of Finance, who may also undertake such other independent checks as they consider necessary. On the closure of premises, a check shall be carried out and a designated officer shall certify a list of items held showing eventual disposal.

17.16 The Executive Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

17.17 All discrepancies revealed by verification of assets to fixed asset register shall be notified to the Executive Director of Finance.

17.18 The value of each asset shall be indexed to current values in accordance with methods specified in the Capital Accounting Manual.

17.19 The value of each asset shall be depreciated or amortised appropriately, using methods and rates as specified in the Capital Accounting Manual.

17.20 The Executive Director of Finance shall approve a procedure for the calculation and payment of capital charges as specified in the Capital Accounting Manual.

18. PERSONAL USE OF OFFICIAL ACCOMMODATION, EQUIPMENT OR VEHICLES

18.1 No employee of NES may make use of, or make available for use, official accommodation, equipment, supplies, services, or vehicles, for private purposes, without the prior permission of the Chief Executive, unless relating to the use of IT equipment which is covered by Section 19.2 below; and the use of Leased cars which are governed by the leased car agreement.

18.2 Employees should not make inappropriate or unauthorised use of IT systems, the NES [Information Security Acceptable use Policy](#) governing the use of IT systems should be referred to for further guidance.

19. FINANCIAL IRREGULARITIES

This section should be read in conjunction with the [NES Counter Fraud policy](#) and the NES [Standards of Business Conduct Policy](#).

19.1 In January 2008, the Scottish Government (SG) published its strategy "[Strategy to Combat NHS Fraud in Scotland](#)" (See SG circular CEL 3 (2008)). In June 2015, the Scottish Government also published its strategy "[Protecting Public Resources in Scotland – A Strategic Approach to Fighting Fraud and Error](#)" which complements and supports the 2008 NHS strategy document.

19.2 NES works in partnership with NHS Scotland Counter Fraud Services

(CFS) to combat financial crime within the NHS in Scotland. Health Boards nominate a senior officer as Fraud Liaison Officer (FLO) to liaise with CFS on all fraud related matters. The FLO will report and receive all allegations of fraud to and from CFS on the Health Board's behalf. The designated FLO within NES is the Deputy Director of Finance.

- 19.3 The Scottish Government's Strategy also requires Health Boards to appoint a senior executive or non-executive director as Counter Fraud Champion (CFC). Their role is to influence cultural change within organisations to achieve a position where fraud is considered unacceptable. The designated CFC within NES is the Executive Director of Finance. SG circular [CEL 11 \(2013\)](#) provides details of the roles and responsibilities of CFCs and FLOs.
- 19.4 Accountable Officers are responsible for having adequate arrangements in place to counter fraud within their Health Board. In line with central guidance, these arrangements should encompass robust systems of prevention, detection, and investigation controls, to reduce the risk of fraud and contribute to the promotion of a counter-fraud culture.
- 19.5 Within NES all staff are expected to undertake the NHS Scotland counter Fraud eLearning Module available within Turas. Line Managers are also required to complete the Counter Fraud for Line Managers Training. This training is subject to compliance monitoring.
- 19.6 All fraud against NHS Scotland must be reported to CFS, regardless of who the suspect or victim is, whether or not the matter has been prosecuted criminally, through civil action or by discipline, or whether the fraud was actual or attempted. However, the FLO, in consultation with CFS, may occasionally decide that a fraud is best dealt with by internal management action. In general, this will be on the grounds of low value.
- 19.7 There are numerous types of fraud, and some examples are given below, but this list is not exhaustive.

Deception	bribery	forgery
extortion	corruption	theft
conspiracy	embezzlement	misappropriation
false representation	concealment of material facts & collusion	

For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation, or causing loss to another party.

- 19.8 Any officers suspecting theft and/or fraud should immediately inform their line manager who shall in turn inform the Fraud Liaison Officer, who will immediately comply with the requirements of the partnership agreement with NHS Counter Fraud Services.
- 19.9 The Fraud Liaison Officer will also prepare a report for the first appropriate meeting of the Audit and Risk Committee setting out the full circumstances of the incident and any implications for management, including changes to internal control systems which may require to be made.
- 19.10 Careful consideration should be given to payment claims which arise from organisations or individuals who are under investigation or against whom proceedings are being taken for suspected fraud, etc. Legal advice should be sought where necessary.
- 19.11 The Chief Executive should report the matter to the Scottish Government Health and Social Care Directorate in cases where the nature, scale or the persons involved in the suspected offence could give rise to national or local controversy or publicity, or where the offence may be widespread.

20. WHISTLEBLOWING

- 20.1 NES adopts the National whistleblowing standards and encourages all staff in NES to raise any concerns where there is a risk of harm or wrongdoing (including where financial loss or misuse could ensue). Information on how to raise any concerns is available on the [NES Intranet](#).
- 20.2 Any issues raised will be investigated fully and impartially. Nobody will be unfairly treated for raising a concern, for having a whistleblowing allegation made about them or for cooperating with any investigation.

21. AUTHORISATION LIMITS

- 21.1 One of the objectives of the Standing Financial Instructions is to ensure

adequate controls exist for the committing and payment of funds on behalf of the Board.

SERVICE LEVEL AGREEMENTS (SLAs)

- 21.2 Provided the service or activity has been approved in the Operational Planning process or virement approval has been obtained, and once verified by the designated Finance Manager, one of the signatories on a Service Level Agreement must be in accordance with Delegated Authority Limits as per Section 24 of the Scheme of Delegation. The relevant Director should also sign the SLA.

CONTRACTS

- 21.3 Contracts and other agreements with non-NHS Bodies must have two signatories, one of which will be a Directorate officer and the other an authorised buyer, with specific delegated authority in accordance with Sections 22 and 23 of the Scheme of Delegation. The total contract value must also be verified by the designated Finance Manager to ensure this is in line with Operational Plans and budgets.

Contractual and other commitments with non-NHS Bodies, over £1,000,000 in total, should be reported to the Board.

PURCHASES (PURCHASE ORDERS AND INVOICES)

- 21.4 Purchase requisitions and invoices must be authorised by budget holders, or staff with delegated authority from budget holders, and verified by the designated Finance Managers are noted in Section 18 of the Scheme of Delegation:

- 21.5 Special arrangements exist for payments to other Boards in relation to payments made through the Payment on Behalf Process as outlined in Section 9.40. These include payments in respect of Training Grades and the Additional Costs of Teaching (ACT). These payments are covered by approved SLAs and individual monthly payments are processed subject to confirmation from nominated senior officers within the relevant Directorate who have delegated authority from their director. All submissions are reviewed and authorised by the Deputy Director of Finance before being processed.

VIREMENTS

21.6 It is the responsibility of the Chief Executive and the Executive Director of Finance to ensure all financial commitments entered into on behalf of the Board are in line with approved budgets and management plans.

21.7 A Virement is the transfer of budget from one income or expenditure line to another. To maintain financial control within NES we require authorisation of virements which are above agreed delegated levels and are not considered to be technical adjustments required to adhere to recognised accounting processes. The authority to vire between budgets and the virement limits is covered in Section 16 of the Scheme of delegation.

21.8 During the operational planning process, the Executive Team members consider, and the Board approves the allocation of budgets on the basis of the information provided to them at that time. A key part of the governance process in NES is a robust system of budget monitoring and review to ensure that:

- budgets are used for the purposes for which they are allocated,
- any planned change in the purpose for which funds are used supports the strategic direction of NES, and
- there is no duplication in the use of funds across the organisation.

It is these criteria which must be taken into account when any budget virement is being considered.

21.9 The following technical budget adjustments are not subject to the Scheme of Delegation for Virements but will be approved by the Head of Finance Business Partnering or their nominated deputy:

- actual receipt of allocations which were anticipated and included as part of the operational planning process and therefore use has been approved. This transaction merely confirms receipt of pre-agreed funds. and will be noted at the next Executive team meeting;
- the anticipated receipt of a confirmed allocation from Scottish Government which has been accepted by NES outwith the Operational planning process
- training grade adjustments - where the number of trainees is set by Scottish Government and the total funding allocation agreed. Budget adjustments which reallocate funds within the pre-agreed total and on the approval of the appropriate governance group (National Reshaping Workforce Group) are not subject to virement rules;

- Technical Adjustments including budget allocations made by finance to release pre-agreed provisions (example – a provision created for a potential pay award) or movement of budget between budget lines where the purpose for which the budget was allocated has not changed; and
- enactment of structural change within the organisation. Where organisational change has been approved by the Change Management Board and/or the Executive team which necessitates the reallocation of budget this will not also be subject to the Virement rules (example – consolidating budgets which are currently split across cost centres into one single budget).

21.10 Once the Board has approved the budget, plans and performance target for the year and taken account of all reserves and anticipated contingencies, the Directors and Budget Holders will be responsible for managing their affairs within the budget allocated to them and in line with NES' Strategic Financial Principles. This will include dealing with planned or unplanned expenditure on an individual basis and virement within the rules stated above. The virement rules stated above may be suspended with the agreement of the Chief Executive and Executive Team.

21.11 Any savings generated during the year must be quantified and disclosed to the Executive Director of Finance as soon as possible to support achievement of efficiency target savings or for ET agreement as per scheme of delegation for virement

21.12 The Chief Executive in consultation with the Executive Director of Finance should set authorisation limits for any other expenditure.

22. ENDOWMENT FUNDS

22.1 The Review of Governance of NHS Endowment Funds, November 2019, was developed to ensure that all Scottish Endowment funds are managed appropriately using a standard regulations and procedures and this review reported in October 2021.

22.2 Should the Board ever receive an endowment (NHS-linked charity), an endowment fund should be set up following regulations set out in 21.1 above. These were put in place to safeguard the use of NHS-linked charitable funds within the Scottish NHS.

23. GENERAL NURSING COUNCIL (GNC) FUND: REGISTERED CHARITY: SC015662

- 23.1 The GNC is a charitable trust and is registered with OSCR (SC015662) and constituted by deed which includes provision for the appointment and resignation of Trustees who manage the fund in the deliverance of its charitable purpose.
- 23.2 The GNC Fund was set up with the net proceeds from the sale of the former General Nursing Council for Scotland premises in Darnaway Street, Edinburgh by the National Board for Nursing, Midwifery and Health Visiting for Scotland, a predecessor body of NHS Education for Scotland, in 1983.
- 23.3 The management of The Fund is the responsibility of the Trustees. The Trustees rely on the GNC Fund project team and disbursement panel to distribute information concerning The Fund to potential beneficiaries and to make recommendations to the Trustees concerning awards. The day to day financial management of the charity is delegated to the Executive Director of Finance at NHS Education for Scotland.
- 23.4 The Trustees of the GNC may include NES Executive and Non-Executive Directors and Board Members whose appointment will be endorsed by the NES Board Chair. All Trustees act independently of the NES Board.
- 23.5 The Trustees shall ensure appropriate arrangements are in place to maintain such accounts and records as may be necessary to record and protect all transactions and funds of the GNC Fund, including an Investments Register consistent with the current statutory requirements (Law Reform (Miscellaneous Provision) (Scotland) Act 1990).
- 23.6 The Trustees shall ensure that annual accounts are prepared within 9 months of the year end and in accordance with the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended), and that proper arrangements are made for these to be audited by a separately appointed External Auditor and submitted to the Office of the Scottish Charity Regulator (OSCR).
- 23.7 All share and stock certificates and property deeds shall be deposited either with the trustee body's Bankers or Investment Advisers, or in a safe, or a compartment within a safe, to which only a designated responsible officer will have access.

24. JOINT WORKING ARRANGEMENTS

- 24.1 NES has entered a joint arrangement with the NHS Golden Jubilee for the provision of the NHS Scotland Academy (NHSSA). The NHSSA is held accountable through the existing parent Board scrutiny and reporting arrangements.
- 24.2 Financial allocations for the NHSSA work are made to and managed by the respective parent Boards. Expenses and liabilities, and the accounting treatment of these, are recorded and reporting within each parent Boards own records. [IAS 31]
- 24.3 Participation or investment in any legal entity (e.g. joint venture) is subject to prevailing legislation and SGHSC guidance and is subject to approval by the Minister. Before proceeding, legal and procedural advice is required, and any activity in this area must be advised to and approved by the Executive Director of Finance.
- 24.4 Joint working with pharmaceutical companies is permitted within certain parameters set out in the Scottish Government's guidance – A Common Understanding 2012 Working Together for Patients. The guide on joint-working between NHS Scotland and the pharmaceutical industry, should be applied to any such joint-working arrangement and will assist in developing local joint-working, governance, monitoring, and project arrangements. Such arrangements should also be reviewed in line with sponsorship and Intellectual property policies
- 24.5 Joint working is also permitted with voluntary organisations, in the form of funding arrangements, subject to certain conditions. NES can only directly fund a third sector organisation; whose role was in line with NES's statutory purpose, strategic direction and roles and responsibilities.

25. SPONSORSHIP

- 25.1 All sponsorship arrangements, entered into by NES, must comply with the NES Sponsorship policy and MEL(2000)13: "Fund Raising, Income Generation and sponsorship within the NHSiS" at all times and be in accordance with the NES Sponsorship Policy, as amended for arrangements within the NHS Scotland Academy (NHSSA).
- 25.2 Where sponsorship arrangements are entered into, they should be appropriate and discreet and not call into question NHS in Scotland (NHSiS) funding of core business.

25.3 If sponsorship arrangements are agreed, the requirements set out in the income sections 9.23 to 9.26 of the is document, should be followed.

26. INTELLECTUAL PROPERTY

26.1 The registration, other forms of protection, management, and exploitation of Intellectual Property Rights (e.g. a brand, patent, domain name, etc.) is subject to compliance with HDL(2004)09 A framework and Guidance on the Management of IP in NHSS, MEL (1998) 23 Policy Framework for the Management of IP within NHSS and current [NES Intellectual Property Policy](#) the IP Policy and Scheme of Delegation.

26.2 Where we wish to exploit our right or potential right commercially, it is NES policy to take appropriate advice from legal and IP experts in concluding any agreements or licences necessary to deal with the commercial exploitation of IP owned or being developed by NES. All proposals to commercially exploit our IPR must be fully costed, taking into account NES policies on income generation, and must have the approval of the Executive Director of Finance and the relevant Director.

26.3 Any request by a third party for permission to exploit NES IPR commercially must be given reasonable consideration in compliance with the Re-use of Public Sector Information regulations, and any refusal must be recorded together with the rationale for refusal. NES will, whenever appropriate, ensure that IP resulting from projects funded in whole or in part by NHS funds is exploited to the benefit of NES and ultimately NHSScotland.

26.4 As per the NES Standard Terms of Purchase, where development forms part of a contract for supply of goods or services, right of ownership of any invention, design or IP arising from such development shall be transferred to NES as soon as any such right arises.

26.5 If the sale of any intellectual property rights is being considered, the requirements set out in the income sections 9.23 to 9.26 of the is document, should be followed.

Strategic Financial Principles



NES Board Scheme of Delegation

RESERVATION OF POWERS AND SCHEME OF DELEGATION

1.1 Matters on which decisions on, and/or approval of, are retained by the Board:

- policy,
- strategy, business plans and budgets,
- Standing Orders,
- Standing Financial Instructions,
- the establishment, terms and reference and reporting arrangements for all Committees and Sub Committees (including Standing Committees),
- significant items of Capital Expenditure or disposal of assets,
- recommendations from all Committees and Sub-Committees (Where powers are Delegated),
- Annual Report and Annual Accounts,
- financial and performance reporting arrangements, and
- Constitution and Terms of Reference for statutory Committees.

1.2 Powers delegated by the Board to the Standing Committees and the executives are detailed in the table below:

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
1. Chair all Board meetings and associated responsibilities	Chair	Vice Chair
2. Risk Management and Board Assurance Framework	Chief Executive	Executive Director of Finance
3. Demonstrate Best Value for all services	Chief Executive	Executive Director of Finance
4. Disciplinary and Grievance arrangements	Chief Executive	Director of Workforce
5. Standards of business conduct for staff	Chief Executive	Executive Director of Finance
6. Standards of Board Member Conduct	Chair and Chief Executive	Deputy Chair; Deputy Chief Executives
7. Register of Interests (including gifts and hospitality) <ul style="list-style-type: none"> • Board Members • Staff 	Chief Executive Chief Executive	Board Secretary & Corporate Governance Lead Executive Director of Finance
8. Approve and sign all legal documents which will be necessary in legal proceedings related to staff	Chief Executive	Executive Director of Workforce

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
9. Complaints	Chief Executive	Director of Planning and Performance
10. Freedom of Information	Chief Executive	Director of NES Technology
11. Educational Quality Assurance Systems	Chief Executive	Executive Director of Nursing, Midwifery and Allied Health Professionals (NMAHP) and Executive Medical Director
12. Operation of all detailed financial matters including bank accounts and banking procedures.	Executive Director of Finance	Deputy Director of Finance
13. Implementing the Board's financial policies and co-ordinating corrective action and ensuring detailed financial procedures and systems are prepared and documented	Executive Director of Finance	Deputy Director of Finance
14. Delegation of budgets	Chief Executive & Executive Directors	Executive Director of Finance
15. Responsibility for the implementation and monitoring of budget virements	Executive Director of Finance	Deputy Director of Finance

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
16. Virement between Budgets (<i>Section 21.6 to 21.9 of SFIs</i>)		
a) Up to or equal to £25,000	Budget Holder	N/A
b) Up to or equal to £100,000	Head of Finance Business Partnering or Deputy Director of Finance	N/A
c) Up to or equal to £500,000	Executive Director of Finance	N/A
d) Up to or equal to £1,000,000	Chief Executive (and report to the Board)	N/A
17. Approval of expenditure for which no provision has been made in an approved budget, and which is not covered by funding under the delegated powers of virement, (<i>Section 6.12 & 9.2 of SFIs</i>)		
a) Up to or equal to £500,000	Executive Director of Finance	Deputy Director of Finance
b) up to or equal to £1,000,000	Chief Executive (and report to the Board)	Executive Director of Finance
18. Approval to spend funds within delegated limits: [<i>Section 21.4 of SFIs</i>]		

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
c) Up to the level of their designated authority, which shall be no greater than £10,000	Designated Directorate Administrator, Coordinator, Officer	N/A
d) Up to or equal to £25,000	Senior Managers and Associate Directors	N/A
e) Up to or equal to £50,000	Associate Directors; Deputy Directors and Associate Post Graduate Deans	N/A
f) Up to or equal to £250,000	Directors and Post Graduate Deans	N/A
g) Up to or equal to £500,000	Executive Director of Finance	N/A
h) Contractual and other commitments over £500,000	Chief Executive	Deputy Chief Executive; Executive Director of Finance
19. Recording and monitoring of payments under the losses and compensation regulations	Executive Director of Finance	Deputy Director of Finance
20. Approval of Losses within delegated limits set by Scottish Government [Section 12.5 of SFIs]:	Chief Executive	Executive Director of Finance

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
21. Procedures for the procurement, ordering and receipt of goods	Executive Director of Finance	Head of Procurement
22. Approval to sign contracts on behalf of the Board (Section 21.3 of SFIs): First signatory		
a) Up to or equal to £10,000 based on individual delegated authority level	Designated Directorate officers	N/A
b) Up to or equal to £25,000	Designated Senior Managers and Associate Directors	N/A
c) Up to or equal to £50,000	Associate & Deputy Directors; Associate Post Graduate Deans	N/A
d) Over £50,000	Directors and Post Graduate Deans	N/A
23. Approval to sign contracts on behalf of the Board (Section 21.3 of SFIs): Second Signatory		
a) Up to or equal to £150,000 based on individual delegated authority level	Procurement Officer	N/A
b) Up to or equal to £250,000	Procurement Manager	N/A
c) Up to or equal to £500,000	Head of Procurement	N/A

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
d) Up to or equal to £1,000,000	Executive Director of Finance	N/A
e) Unlimited	Chief Executive	N/A
24. Approval to sign Service Level Agreements on behalf of the Board: <i>(Section 21.2 of SFIs)</i>		
a) Up to or equal to £25,000	Senior Managers and Assistant Directors	N/A
b) Up to or equal to £50,000	Associate & Deputy Directors; Associate Post Graduate Deans	N/A
c) Up to or equal to £250,000	Directors and Post Graduate Deans	N/A
d) Up to or equal to £500,000	Executive Director of Finance	N/A
e) Over £500,000	Chief Executive	N/A
25. Payment of staff	Executive Director of Finance	Deputy Director of Finance
26. Procedures for the payment of travel, subsistence, study course and other expenses	Executive Director of Finance	Deputy Director of Finance

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
27. Procedures for the payment of accounts including Payments on Behalf (PoB) to other Boards	Executive Director of Finance	Deputy Director of Finance
28. Management of Non-Exchequer funds	Executive Director of Finance	Deputy Director of Finance
29. Management of Capital Schemes	Executive Director of Finance	Deputy Director of Finance
30. Liaison with Internal and External Audit services	Executive Director of Finance	Deputy Director of Finance
31. Issuing Tenders	Executive Director of Finance	Head of Procurement
32. Receiving and Opening of Tenders	Executive Director of Finance	Authorised personnel
33. Waiving of Competitive Tendering (in specific, limited circumstances) (<i>Section 11.8 – 11.9 of SFIs</i>)	Executive Director of Finance	Head of Procurement
a) Up to or equal to £50,000	Head of Procurement	Procurement Manager

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
b) greater than £50,000	Executive Director of Finance	Deputy Director of Finance
34. Devise and maintain systems of budgetary control	Executive Director of Finance	Deputy Director of Finance
35. Preparing the Annual Accounts and the Annual Report	Executive Director of Finance	Deputy Director of Finance
36. Signing the Annual Accounts and Annual Report	Chair and Chief Executive (CEO)/ Accountable Officer (AO)	Vice Chair. In the absence of the Accountable Officer the Accounts can be delayed until the AO is available to sign them
37. Banking Arrangements	Executive Director of Finance	Deputy Director of Finance
38. Risk Management Processes	Executive Director of Finance	Director of Planning and Performance

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
39. Management and control of technology systems and facilities including data protection	Director of NES Technology	Deputy Director Technology
40. Investigate any suspected cases of fraud and other irregularity	Executive Director of Finance	Counter Fraud Services
41. Review, appraise and report in accordance with NHS Internal Audit Manual and best practice	Chief Internal Auditor	N/A
42. Information Governance	Director of NES Technology	Deputy Director of Technology
43. Caldicott Guardianship	Post Graduate Dean of Dental Education	Deputy Director of Medicine
44. Human Resource (HR) Management	Director of Workforce	Associate Director of HR
45. Procedures for employment of staff	Director of Workforce	Associate Director of HR
46. Leave: annual, compassionate, special leave and leave without pay.	Director of Workforce	Associate Director of HR
47. Grievance and disciplinary procedures for staff	Director of Workforce	Associate Director of HR
48. Any redundancy situation leading to contractual entitlement to a payment in	Remuneration Committee	N/A

Delegated Issue and Scope of Delegation	Individual Responsible	Deputy
excess of £95,000 (<i>Section 9.53 & 9.55 of SFIs</i>)		
49. Health and Safety arrangements	Director of Workforce	Principal Lead- Properties & Facilities Management (P&FM)
50. Whistleblowing	Chief Executive	Director of Planning and Performance
51. Emergency Climate Change and Sustainability	Executive Director of Finance	Principal Lead- Properties & Facilities Management (P&FM)
52. Responsible for security of the Board's property, avoiding loss, exercising economy and efficiency in using resources and conforming Standing Orders, Financial Instructions and Procedures.	All members and employees of NES.	

NES
February 2023
DT/JB/JS

Appendix 4

NHS Education for Scotland

Audit and Risk Committee

Terms of Reference

1. Constitution and Context

1.1 The NHS Education for Scotland (NES) Board has established a Committee to be known as the Audit and Risk Committee; hereafter referred to as the Committee, which will operate within the terms of the Board's Standing Orders; Standing Financial Instructions and the Board Code of Conduct.

1.2 The Committee will fulfil its duties in line with the Scottish Public Finance Manual and the Scottish Government Audit and Assurance Committee Handbook (3 April 2018).

2. Role

2.1 The Committee independently supports the Accountable Officer and the Board by reviewing the comprehensiveness and reliability of assurances provided in relation to: the governance, the risk management, the control environment and the integrity of the Annual Report and Accounts, Finance, Procurement and Properties and Facilities.

2 Membership

2.1 The Members and Chair of the Committee are appointed by the Board who ensure members are sufficiently independent. The Chair of the Board is not a member but is invited to attend. The Board ensure that the Committee has a balance of skills including recent financial experience.

2.2 Full membership of the Committee shall include a minimum of four non-executive members of the Board including the Audit Committee Chair.

2.3 The Board may co-opt independent external members for up to one year if additional skills are needed to meet the assurance requirements.

2.4 The Committee may procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Accountable Officer.

4. Quorum

4.1 – 4.7 [Quorum Generic ToRs](#)

5. Attendees

5.1 – 5.2 Attendees Generic ToRs

5.3 The external auditor, internal auditor, Chief Executive and Director of Finance shall normally attend all meetings.

6. Private Member Meetings

6.1 Private Member Meetings Generic ToRs

6.2 The Committee may also meet in private with the internal auditors and external auditors at any time but should ensure that it does so at least annually.

6.3 There are mutual rights of access between the Committee Chair and the Accountable Officer, Chief Internal Auditor, and the External Auditors.

6.4 The Chief Internal Auditor will report functionally to the Committee Chair.

6.5 In the interests of developing relationships, the Committee Chair may elect to have private individual meetings with the Accountable Officer, Director of Finance, Chief Internal Auditor, and the senior representative of the External Auditor.

7. Frequency of Meetings

7.1 The Audit and Risk Committee will meet four times a year.

8. Authority

8.1 Authority Generic ToRs

8.2 The Committee has delegated authority from the Board on the following matters, so that it may carry out its responsibilities and duties:

- Oversight of the process to appoint the Chief Internal Auditor and making a recommendation to the Board. The appointment of the Chief Internal Auditor is a matter reserved to the Board.
- Approving the fee of the external auditor within the scale defined by the Auditor General.

9. Responsibilities and Duties

The Committee will generally discharge its responsibilities and duties through:

9.1 Assurance

(an evaluated opinion, based on evidence from review, on the organisation's governance, risk management and internal control framework).

- 9.1.1 Clear articulation of the level and type of assurance required across all areas within the remit of the Committee through review of the Assurance Framework and the recommendation of an optimum mix of assurance.
- 9.1.2 Reviewing and challenging the assurances that have been provided, as to whether their scope meets the needs of the Accountable Officer and the Board.
- 9.1.3 Ensuring effective mechanisms are in place to provide assurances that are reliable and adequately evidenced.
- 9.1.4 Drawing attention to potential weaknesses in systems of risk management, governance and internal control.
- 9.1.5 Commissioning further assurance work for areas that have not had sufficient review.
- 9.1.6 Reviewing annual reports from the other Committees of the Board to ensure they have obtained appropriate assurance to enable them to discharge their duties and responsibilities and give assurance to the Accountable Officer and Board.
- 9.1.7 The Audit and Risk Committee will also periodically review its own effectiveness and report the results of that review to the Board and Accountable Officer.

In practice the Committee will carry out the following activities:

9.2 Internal Control, Risk Management and Corporate Governance

- 9.2.1 Assess the scope and effectiveness of the risk management processes.
- 9.2.2 Review the system of internal control and evaluate the control environment and decision-making processes. This will include annual review of the Board's Standing Orders, Standing Financial Instructions, Scheme of Delegation and Risk Management Strategy.
- 9.2.3 On an annual basis, review the Board's attitude to and appetite for risk across the agreed risk areas of *Strategy/Policy; Financial; Operational/Service Delivery; Accountability/Governance and Reputational/Credibility*, to ensure these are appropriately defined and consider if these are aligned to the strategic and operational plans.
- 9.2.4 Receive and review reports from management on the effectiveness of internal controls – seek assurance that policies, procedures, and processes are appropriately designed and effectively implemented.
- 9.2.5 Seek assurance on the risk and control environment where services are outsourced to external providers, including shared service arrangements.
- 9.2.6 Review and recommend for approval by the Board, the corporate governance disclosures on audit and risk management in the annual accounts (Governance Statement).
- 9.2.7 Review internal arrangements by which staff may raise concerns about possible improprieties such as anti-fraud policies and arrangements for special investigations.
- 9.2.8 Review counter fraud activity and outcomes.

9.3 External Audit (including review of the Annual Accounts)

- 9.3.1 Review the External Audit strategy and plan.

- 9.3.2 Review the previous External Audit letter to those Charged with Governance and review management responsiveness to any recommendations.
- 9.3.3 Consider planned external audit activity and review the level of coordination and engagement between internal and external audit to ensure there is no unnecessary duplication of audit work.
- 9.3.4 Review the proposed accounting policies before management present them to the Board for its approval.
- 9.3.5 Review the draft Annual Accounts including areas of substantial estimates and judgements and the Governance Statement.
- 9.3.6 Review the clarity and completeness of disclosures in the draft Annual Accounts.
- 9.3.7 Consider any items raised in the external Audit letter to those charged with Governance in reaching a view on whether the committee should recommend that the Board approve the draft Annual Accounts.
- 9.3.8 Review management's letter of representation to the external auditors.
- 9.3.9 Provide the Board and Accountable Officer with an Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.
- 9.3.10 Approve the annual fee of the external auditor.
- 9.3.11 Review the performance of External Audit on an annual basis.
- 9.3.12 On appointment of a new External Auditor by the Auditor General for Scotland, ensure completion of all required assurance checklists.

9.4 Internal Audit

- 9.4.1 Approve the appointment and termination of Internal Audit and advise on the purchase of non-audit services from the suppliers of audit services.
- 9.4.2 Review and approve the Internal Audit strategy and annual Internal Audit in order to assess their access their accuracy in reflecting the risk exposure of the organisation.
- 9.4.3 Monitor and check that Internal Audit Strategy, annual Internal Audit and adequate resources are being made available to Internal Audit enable the Head of Internal Audit to provide an annual audit opinion.
- 9.4.4 Review the arrangements which the Internal Auditors have in place to implement the requirements of the Public Sector Internal Audit Standards (such as the internal audit charter).
- 9.4.5 Review the results of Internal Audit work, including reports on the effectiveness of systems for governance, risk management and internal control.
- 9.4.6 Review management responses to issues raised.
- 9.4.7 Review the annual Internal Audit opinion and annual report.
- 9.4.8 Review the performance of Internal Audit, including conformance with the applicable standards, expected performance measures, and the results of both Internal and external quality assessments.

9.5 Financial Management

- 9.5.1 Review the draft financial strategy which sets out the financial assumptions and approaches to strategic financial planning which will underpin the draft budget.

- 9.5.2 Review draft financial Plans (Budgets), considering if they support delivery of the Annual Operating Plan and the NES Strategic objectives, and make recommendations on these to the Board.
- 9.5.3 Provide detailed scrutiny of the estimates of income and expenditure associated with significant new developments requiring formal Business Case approval.
- 9.5.4 Consider the year-end financial report and in particular the financial performance analysed therein, and make recommendations to the Board
- 9.5.5 Consider and make recommendations to the Board on matters relating to the financial management of NES, including efficiency programmes and resource allocation and the financial arrangements governing relationships with other organisations.
- 9.5.6 Monitor compliance of finance activities with statutory duties, NHSScotland policy and NES priorities in relation to equality and diversity.
- 9.5.7 Consider the financial implications of matters relating to accommodation, maintenance of premises and provision of services. This will include reviewing the content of the Property and Asset Management Strategy (PAMS).

9.6 Procurement

- 9.6.1 Review quarterly reports on Procurement activity including compliance with the Procurement Reform (Scotland) Act 2014, the Scottish Government Procurement Journey and the utilisation of National Contracts.
- 9.6.2 Approve the 3-year Procurement Strategy and associated action plan.
- 9.6.3 Review the NES Procurement Annual Report and approve for publication
- 9.6.4 Review the Procurement Annual Equality Duty Report and approve for publication.

9.7 Climate Emergency and Sustainability

- 9.7.1 Review sustainability performance, plans and returns.
- 9.7.2 Review the progress against the NHS Scotland Global Climate Emergency and Sustainable Development Policy as per [DL \(2021\) 38](#)
- 9.7.3 Consider the climate emergency and sustainability implications of matters relating to accommodation, maintenance of premises and provision of services.

9.8 Schedule of Business

- 9.8.1 The Committee will develop a Schedule of Business to discharge its responsibilities and duties, which will determine the information that it requires at meetings and consequently the agenda for those meetings.

10. Reporting Arrangements

10.1 - 10.5 [Reporting Arrangements Generic ToRs](#)

11. Review

11.1 [Review Generic ToRs](#)

11.2 The Committee will undertake an annual assessment of their performance, highlighting any steps for further improvement to the way they conduct business.

12. Conduct of Business

12.1 As per the [Board Standing Orders](#)

Della Thomas
Board Secretary
January 2023

NHS Education for Scotland

Education and Quality Committee

Terms of Reference

1. Constitution/context

- 1.1 The NHS Education for Scotland (NES) Board has established a Committee to be known as the *Education and Quality Committee*, hereafter referred to as the Committee, which will operate within the terms of the Board's Standing Orders; Standing Financial Instructions and the Board Code of Conduct.
- 1.2 The Committee will fulfil its duties in line with relevant statutory and regulatory requirements.
- 1.3 Specifically, the Committee will take cognisance of the fact that most health professional education and training within the UK is governed by UK statutes and overseen by UK regulators, and that many of the curricula and outcomes are determined at a UK level, by Higher Education Institutions, Royal Colleges and Statutory regulators.

2. Role

- 2.1 The role of the Committee is to:
 - provide assurance to the NES Board that effective arrangements are in place to plan, commission, deliver and quality manage all of NES's education and training provision in line with the organisation's Strategic Plan
 - advise the NES Board, when appropriate on where, and how, its education systems and assurance framework may be strengthened and developed further and
 - provide assurance to the NES Board that effective arrangements are in place for the educational and quality governance of the NHS Scotland Academy accelerated education and training activities.

3. Membership

- 3.1 Full membership of the Committee shall include at least four non-executive Directors of the NHS Board.

4. Quorum

- 4.1 – 4.7 [Quorum](#) (generic ToRs)

5. Attendees

- 5.1 – 5.2 [Attendees](#) (generic ToRs)

6. Private Member Meetings

6.1 [Private Member Meetings](#) (generic ToRs)

7. Frequency of Meetings

7.1 The Committee shall normally meet four times per year. The Chair of the Committee, may within reason, convene additional meetings if they deem this necessary, in consultation with the relevant executive lead.

8. Authority

8.1 [Authority](#) (generic ToRs)

9. Responsibilities and Duties

9.1 Provide assurance to the NES Board that, where education and training is subject to statutory regulatory oversight, the requirements of the relevant regulator are being met.

9.2 Provide assurance to the NES Board regarding the effective management and improvement of the quality of NES's education and training activities and outcomes; including internally regulated activities, clinical assurance and leadership development activities.

9.3 Seek assurance that strategies, policies, structures, responses to consultations and processes for the governance of education and training have taken a forward looking and strategic view.

9.4 Seek assurance that arrangements are in place to identify and embed good and innovative practice across NES in ways that enhance the quality of the education and training provided.

9.5 Seek assurance of the effective performance, monitoring, management and value of education and training programmes and contracts, including the identification of impact (including outcomes) or intended impact, where possible, and the management of and identification of related risks.

9.6 Monitor compliance of education and training activities with statutory and regulatory requirements, of equity, equality legislation, human rights and Government policy and other relevant policies and NES priorities in relation to equity, equality and diversity, health inequalities, person-centred care and participation, and educational quality.

9.7 Seek assurance as to the effective management of educational research programmes.

9.8 Seek assurance that governance and quality controls are in place relating to the delivery of technology enhanced education and training.

- 9.9 Seek assurance relating to the key strategic engagement of partners and users across Health and Social Care, including approaches to integration that impact on service delivery.
- 9.10 Seek assurance of continuous improvement in relation to user feedback, including learner satisfaction, retention, attainment and progression.
- 9.11 Take steps to ensure there is an acceptable balance between the value of the information received by the Committee and the time and other costs it takes to acquire and process it.
- 9.12 Scrutinise, approve or note annual reports as appropriate, in relation to the UK Education statutory regulatory reports; the annual complaints and feedback report; and other reports as delegated by the NES Board.
- 9.13 Provide assurance to the NES Board in relation to the education and quality assurance for the work of the NHS Scotland Academy in line with the educational statutory function of the NES Board. The Education and Quality Committee's NHS Scotland Academy delegated remit is as per Appendix I.
- 9.14 The Committee will deal with any such matters as may be assigned to the Committee by the Board or other Standing Committee. In particular the Audit and Risk Committee may assign activity related to Internal Audit Reports.

10. Reporting arrangements

10.1 - 10.5 [Reporting Arrangements](#) (generic ToRs)

11. Review

11.1 [Review](#) (generic ToRs)

11.2 The Committee will undertake an annual assessment of their performance, highlighting any steps for further improvement to the way they conduct business.

12. Conduct of Business

12.1 As per the [Board Standing Orders](#)

Della Thomas
Board Secretary
January 2023

Appendix I

NHS Scotland Academy Delegated governance and scrutiny to the NES Education and Quality Committee

Review, scrutinise and approve education and quality developmental and performance reports on behalf of the NES and NHS Golden Jubilee (NHSGJ) parent Boards, to ensure that:

1. key strategic partners are effectively and appropriately engaged and involved including for example, universities, the regulators, and health and social care partners.
2. the education and training planned for or provided by, the NHS Scotland Academy, is subject to the appropriate statutory regulatory oversight, and the requirements of the relevant regulators are met.
3. the education and training planned for or provided by, the NHS Scotland Academy, is appropriately accredited.
4. the NHS Scotland Academy education and training activities and outcomes; activities are effectively managed; quality assured; subject to continuous improvement and impact is measured and achieved.
5. arrangements are in place to identify and embed good and innovative practice across NES and NHSGJ in ways that enhance the quality of the education and training provided.
6. continuous improvement in relation to user feedback, complaints, including learner satisfaction, retention, attainment and progression is embedded in the management and delivery of the NHS Scotland Academy education and training programmes.
7. governance processes and quality management controls are in place relating to the delivery of NHS Scotland Academy technology enhanced education and training.
8. educational and quality related risks are identified, mitigated and reported.
9. NHS Scotland Academy educational and quality governance is reported annually to the NES Audit and Risk Committee as part of the Education and Quality Committee Annual Report.

NHS Education for Scotland

Technology and Information Committee

Terms of Reference

1. Constitution/context

1.1 The NHS Education for Scotland (NES) Board has established a Committee to be known as the *Technology and Information Committee*; hereafter referred to as the Committee, which will operate within the terms of the Board's Standing Orders; Standing Financial Instructions and the Board Code of Conduct.

1.2 The Committee will provide governance and scrutiny within the context of "*Technology*" as defined as the application of technology to deliver business services through the public and private cloud.

1.3 The Committee will provide governance and scrutiny within the context of "*Information*" in relation to the technical aspect of information and cyber security and will provide governance and scrutiny within the context of the NES legal obligations.

2. Role

2.1 The role of this Committee is to provide oversight, scrutiny and assurance of area four of the NES Strategy 2019-24 (A National Digital Platform, Analysis, Intelligence and Modelling), and the areas of the Scottish Government's Digital Health and Care Strategy refreshed October 2021 on which NES leads.

3. Membership

3.1 Full membership of the Committee shall include the following:

- four non-executive directors of the NES Board;
- one co-opted member with non-voting rights.

4. Quorum

4.1 – 4.7 [Quorum](#)

5. Attendees

5.1 – 5.2 [Attendees](#)

5.3 The Executive Lead, (Director of NES Technology Service) will attend all meetings.

5.4 The NES Chief Executive may attend any meetings.

5.5 The Committee may require relevant officers to attend at meetings, where specific advice and/or guidance is required on relevant topics.

5.6 The Committee may co-opt additional advisors as required.

6. Private Member Meetings

6.1 [Private Member Meetings](#)

7. Frequency of Meetings

7.1 The Committee shall normally meet four times per year.

7.2 The Chair of the Committee, may within reason, convene additional meetings if they deem this necessary, in consultation with the relevant executive lead.

8. Authority

8.1 [Authority](#)

9. Responsibilities and Duties

The Committee shall act for the Board to:

9.1 provide assurance to the Board as to the effective strategic management and delivery of NES's technology work in relation to strategic key performance indicators, resource allocation, strategic risk identification and mitigation and service delivery;

9.2 provide scrutiny and oversight of the corporate governance processes for incorporating in-year commissions into the overall strategic work programme;

9.3 ensure that effective and coherent strategic engagement and communications is progressed with the relevant stakeholders particularly Scottish Government, NHS Boards, Integration Joint Boards, COSLA and suppliers;

9.4 ensure compliance with statutory and regulatory requirements including, clinical and technical assurance; cybersecurity, safety and user acceptability and as per policies and guidance from the Scottish Government and other organisations as appropriate;

9.5 horizon scan so that the Board is kept informed of emerging policies, research, data, technical, clinical or other innovative developments as might have a bearing on the organisation's approach to development and delivery of its strategies and work programme for digital;

9.6 establish such sub-committees it considers appropriate to ensure its work is suitably informed and supported;

9.7 collaborate effectively and interact constructively with the governance structures of other external organisations as appropriate, as well as the across the internal Committee structures of NES;

9.8 deal with any such matters as may be assigned to the Committee by the Board or other Standing Committee. In particular the Audit and Risk Committee may assign activity related to Internal Audit Reports

10. Reporting Arrangements

10.1 - 10.5 [Reporting Arrangements](#)

11. Review

11.1 [Review](#)

11.2 The Committee will undertake an annual assessment of their performance, highlighting any steps for further improvement to the way they conduct business.

12. Conduct of Business

12.1 As per the [Board Standing Orders](#)

Della Thomas, Board Secretary

NES

January 2023

NHS Education for Scotland

Remuneration Committee

Terms of Reference

1. Constitution/context

1.1 The NHS Education for Scotland (NES) Board has established a Committee to be known as the Remuneration Committee; hereafter referred to as the Committee, which will operate within the terms of the Board's Standing Orders; Standing Financial Instructions and the Board Code of Conduct.

1.2 The Committee will fulfil its duties in line with relevant statutory and regulatory requirements.

1.3 The Committee will be a Sub-Committee of the Staff Governance Committee.

2. Role

2.1 To provide assurance to the Board, through the Staff Governance Committee, that appropriate arrangements are in place to ensure that the Board meets the statutory requirements laid out in the Staff Governance Standard in respect of the remuneration of individual Executive Directors and Directors (and any other staff employed under Executive Managers' or Consultants' pay arrangements).

2.2 The Committee will also review submissions from the Chief Executive for any settlement agreements.

3. Membership

3.1 Membership of the Remuneration Committee will include, as a minimum, three non-executive Directors of the NHS Board, one of whom should, in normal circumstances, be the Employee Director.

3.2 Membership will include:

The Non-Executive Chair will in normal circumstances be the Board Vice Chair.

- i. Non-Executive Board Vice-Chair (and Chair of Education and Quality Committee)
- ii. Non-Executive Chair of the Staff Governance Committee

- iii. Non-Executive Board Chair (and Chair of Digital and Information Committee)
- iv. Non-Executive Chair of the Audit and Risk Committee
- v. Non-Executive Employee Director

4. Quorum

4.1 – 4.7 [Quorum \(generic ToRs\)](#)

5. Attendees

5.1 – 5.2 [Attendees](#) (generic ToRs)

- 5.3. The Chief Executive and Director of Workforce will be in attendance throughout to provide advice and support (apart from during their review). A senior member of the Workforce Directorate will deputise for the Director of Workforce in their absence, as appropriate, to ensure specialist HR advice is always available to the Remuneration Committee.
- 5.4. The Chief Executive and Director of Workforce will leave the meeting when their own remuneration and terms and conditions are to be discussed, and at other times, at the discretion of the Chair.

6. Private Member Meetings

6.1 [Private Member Meetings \(generic ToRs\)](#)

7. Frequency of Meetings

7.1 The Committee will meet at least three times per annum.

7.2 Remuneration issues may arise between meetings and will be brought to the attention of the Remuneration Committee Chair by the Chief Executive or the Director of Workforce. The Chair may call a special meeting of the Remuneration Committee to address the issue.

8. Authority

8.1 [Authority \(generic ToRs\)](#)

8.2 No director or senior manager shall be involved in any decisions as to their own remuneration outcome

9. Responsibilities and Duties

9.1 In relation to Executive Directors and Directors, to:

9.1.1 review and approve all Terms and Conditions of Employment, including job descriptions, terms and conditions of employment, basic pay, performance pay (if applicable) and all benefits associated with each post;

9.1.2 seek assurance that remuneration, benefits and employment related terms and conditions are in line with and fair, whether on an individual or collective basis, in terms of the national system and arrangements for determining those matters and to seek redress if this is determined to not be the case.

9.1.3 confirm that individual annual SMART performance objectives are in place aligned to the organisations corporate vision, goals, purpose and values.

9.1.4 review and approve individual annual SMART performance objectives, including overseeing the review of performance against these objectives at the mid-year point and agreeing any revisions to the objectives during the course of the year.

9.1.5 consider and approve proposals on the assessment of performance at the year-end (taking into account any factors which the Committee consider to be relevant and which may not have been known by the relevant parties at the time when objectives, including their weighting were agreed or at the mid-year point) and any changes to the remuneration or the Terms and Conditions of Employment arising from this assessment of performance during the review period. The Remuneration Committee will sign off the final versions, following discussion, which will then be sent to the National Performance Management Committee (NPMC). Following the initial assessment by the NPMC, the Remuneration Committee will sign off any documents which have been returned for amendment.

9.1.6 delegate responsibility to a sub-group of the Committee to act as a final appeals body for the Chief Executive and Executive Directors who have raised a grievance regarding their remuneration, benefits, performance grading or terms and conditions of employment.

9.1.7 seek assurance on application of the performance review and development process.

9.2 In relation to any other staff employed under Executive Managers' or Consultants' pay arrangements to: maintain an overview of remuneration arrangements for staff falling within these categories.

9.3 Comply with any Scottish Government Health Directorates directions and take

into consideration any relevant guidance on remuneration, benefits or terms and conditions of employment, including the guidance contained in the [Remuneration Committee Self-Assessment Pack](#) published by the Scottish Government and Audit Scotland in 2007.

- 9.4 Review NES policy as appropriate regarding the remuneration, benefits, terms and conditions in the light of any guidance issued by Scottish Government or NHS Scotland.
- 9.5 Provide assurance to the Board, through the Staff Governance Committee, that systems and procedures are in place to manage the issues set out in Scottish Government guidance so that overarching staff governance responsibilities can be discharged. The Staff Governance Committee will not be given the detail of confidential employment issues that are considered by the Remuneration Committee.
- 9.6 Review submissions from the Chief Executive for the terms of any Settlement Agreement. Such agreements may also require the approval of the Scottish Government, in accordance with procedures applicable across the public sector.
- 9.7 All proposals for redundancy leading to contractual entitlement for a payment in excess of £95,000 must have been approved by the accountable officer before being submitted to the Remuneration Committee for review and approval.
- 9.8 Receive for noting an anonymised annual report on voluntary severance agreements and any other voluntary resignations with a financial consideration that have been approved through the extant Scottish Government business case process and authorised by the NES CEO as Accountable Officer. The Committee shall receive this report in advance of the inclusion of the associated data in the Annual Accounts.
- 9.9 Subject to the limits laid down in the Scheme of Delegation, all early retirements, that meet the requirement for a two year maximum pay back period and result in additional costs being borne by the employer will be submitted to the Remuneration Committee for consideration and recommendation to the NES Board. Whilst ill health retirements are approved by SPPA and are usually out with the remit of the Remuneration Committee, in any rare and exceptional case where additional costs may be borne by NES, this will be submitted to the Remuneration Committee for consideration and recommendation to the NES Board.
- 9.10 The Remuneration Committee will act in accordance with the applicable pension scheme rules and regulations, and NHSS pay policy applicable to NES

employees.

10. Reporting arrangements

10.1 - 10.5 [Reporting Arrangements \(generic ToRs\)](#)

11. Review

11.1 [Review \(generic ToRs\)](#)

11.2 The Committee will undertake an annual assessment of their performance, highlighting any steps for further improvement to the way they conduct business.

12. Conduct of Business

12.1 As per the [Board Standing Orders](#)

12.2 All business of the Committee will be conducted in strict confidence.

Della Thomas, Board Secretary

NES

January 2023

NHS Education for Scotland

Staff Governance Committee

Terms of Reference

1. Constitution/context

1.1 The NHS Education for Scotland (NES) Board has established a Committee to be known as the *Staff Governance Committee*; hereafter referred to as the Committee, which will operate within the terms of the Board's Standing Orders; Standing Financial Instructions and the Board Code of Conduct.

1.2 The Committee will fulfil its duties in line with relevant statutory and regulatory requirements.

2. Role

2.1 The role of this Committee is to support and maintain a culture within the health system where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone working within the system and is built upon partnership and collaboration. It will ensure that robust arrangements to implement the Staff Governance Standard are in place and monitored.

2.2 The Committee may also have a role in seeking assurance in relation to staff health, well-being and welfare, as a result of work commissioned directly by Scottish Government, or any other aspect of NES business approved formally through the Annual Operating Plan.

3. Membership

3.1 Full membership of the Committee shall include the following:

- four non-executive Directors of the NHS Board, of which one must be the Employee Director with voting rights;
- two lay representatives, from the trade unions and professional organisations (acting in an ex officio capacity), nominated by the NHS Board Partnership Forum with non-voting rights.

4. Quorum

4.1 – 4.7 [Quorum](#)

5. [Attendees](#)

5.1 – 5.2 [Attendees](#)

5.3 The Director of Workforce will attend to provide Committee with advice, provision of information and guidance. With the prior approval of the Chair of the Committee, the Director of Workforce will be able to provide a deputy on an exceptional basis.

5.4 The NES Chief Executive may attend any meetings.

5.5 The Committee may require relevant officers/partnership representatives to attend at meetings, where specific advice and/or guidance is required on relevant topics.

5.6 The Committee may co-opt additional advisors as required.

6. Private Member Meetings

6.1 [Private Member Meetings](#)

7. Frequency of Meetings

7.1 The Committee shall normally meet four times per year.

7.2 The Chair of the Committee, may within reason, convene additional meetings if they deem this necessary, in consultation with the relevant executive lead.

8. Authority

8.1 [Authority](#)

8.2 The Committee may establish Sub-Committees to support its functions. This, as per the Staff Governance Standard, will include the Remuneration Committee.

9. Responsibilities and Duties

9.1 The Committee shall act for the Board to oversee the commissioning of structures and process which ensure that delivery against the Staff Governance Standard is being achieved. Specifically, the Committee will:

- 9.1.1 monitor and evaluate strategies and implementation plans relating to people management;
- 9.1.2 note once for Scotland staff governance related policies;
- 9.1.3 approve any local staff related policy amendment, and consider any funding or resource submission in line with NES expenditure processes to achieve the Staff Governance Standard;
- 9.1.4 take responsibility for the timely submission of all staff governance information required for national monitoring arrangements;

- 9.1.5 provide staff governance information for the statement of internal control;
- 9.1.6 provide assurance that systems and procedures are in place to manage the issues set out in MEL (1993) 114 (amended)
- 9.1.7 receive assurance that the Remuneration Committee discharges its duties;
- 9.1.8 consider any recommendations from the Partnership Forum and receive assurance that the Partnership Forum discharges its duties.

9.2 The Committee will also:

- 9.2.1 review and advise on the Board's whistleblowing policy, procedures and processes;
- 9.2.2 receive assurance that health and safety and wellbeing meets legislative requirements and the implementation of the Safer Staffing Regulations;
- 9.2.3 ensure appropriate governance in respect of risks associated with staff, determined by the Committee and by the Audit and Risk Committee. Review risk identification, assessment and mitigation, in line with the NES Board's risk appetite, and agree appropriate escalation;
- 9.2.4 monitor compliance of staff governance activities with statutory duties, NHSScotland policy and NES priorities in relation to equality and diversity and oversee the implementation of key aspects of Equality legislation in respect of staff e.g. Equal Pay, Equality and Diversity Training.

9.3 The Committee will pro-actively promote the health and wellbeing of staff particularly as a consequence of the COVID-19 pandemic.

9.4 The Committee will deal with any such matters as may be assigned to the Committee by the Board or other Standing Committee. In particular the Audit and Risk Committee may assign activity related to Internal Audit Reports.

10. Reporting Arrangements

10.1 - 10.5 [Reporting Arrangements](#)

11. Review

11.1 [Review](#)

11.2 The Committee will undertake an annual assessment of their performance, highlighting any steps for further improvement to the way they conduct business.

12. Conduct of Business

12.1 As per the [Board Standing Orders](#)

Della Thomas, Board Secretary

NES

January 2023

Board Paper

1. Title of Paper

Governance of the Education and Quality work of the NHS Scotland Academy

2. Author(s) of Paper

Kevin Kelman, Director of Learning Innovation and NHS Scotland Academy
Della Thomas, Board Secretary

3. Lead Director(s)

Karen Wilson, Executive Director of Nursing & Deputy Chief Executive –
Clinical

4. Situation/Purpose of paper

- 4.1 This paper informs the Board of the streamlining of the governance structure of the NHS Scotland Academy (NHSSA) by dissolving the NHSSA Joint Strategic Programme Board (JSPB). It seeks approval for the continued governance of the education and quality work of the NHSSA by the NES Education and Quality Committee (EQC) and for the EQC to provide assurance to the NES Board, as opposed to the NHSSA JSPB.

5. Background and Route to Meeting

- 5.1 The NHSSA has been established as a joint venture between the parent Boards of NES and NHS Golden Jubilee (NHSGJ). Initially during the developmental phase of the NHSSA, the NHSSA Joint Strategic Programme Board (JSPB) was established and jointly Chaired by the NES and NHSGJ Board Chairs. The membership was made up of the Chair of the NES EQC and the Chair of the NHSGJ Strategic Portfolio Governance Committee (SPGC). The first meeting of the NHSSA JSPB took place in July 2021.
- 5.2 An executive group jointly Chaired by the NES and NHSGJ CEOs was also established. The membership of this group comprises the Director of Learning Innovation and NHS Scotland Academy and other key senior staff from both NES and NHSGJ, encompassing the Centre for Sustainable Delivery.

- 5.3 The governance of the work of the NHSSA, in relation to education and quality, was delegated to the EQC by the NHSSA JSPB, as detailed in the NHSSA JSPB ToRs published on the NES website [here](#).
- 5.4 The other aspects for the governance of the work of the NHSSA were delegated to the NHSGJ Strategic Portfolio Governance Committee (SPGC).
- 5.5 The EQC ToRs have been amended accordingly and reference to the NHSSA JSPB has been removed. The EQC approved these changes at their meeting held on 8 December 2022 and approved the changes to the NHSSA governance structure.
- 5.6 The NHSGJ SPGC has also approved the changes. The NHSGJ Board provided overall approval, from an NHSGJ parent Board perspective, at their meeting held on 24 January 2023.

6. Assessment/Key Issues

(Include narrative relating to a-g checklist by exception)

- 6.1 The NES and NHSGJ Chairs and CEOs met on the 21 November 2022 to discuss the governance of the NHSSA. They concluded that now that the work of the NHSSA is much more developed, and the relationships between NES and NHSGJ well established, the original governance structure is disproportionate.
- 6.2 This meeting recognised that the operational delivery of the work of the NHSSA was well managed through the Joint NHSSA Executive Programme Group, and the Board governance of this work could be adequately governed through the existing two Board Standing Committees (NES EQC and NHSGJ SPGC) and therefore the NHSSA JSPB could be dissolved.
- 6.3 As the NHSSA JSPB has been formalised as part of the NES Board governance structure, the Chief Executive updated the NES Board of the change to this governance structure at the meeting held on 24 November 2022. She indicated that a short paper will be brought through NES Board for approval of the dissolution of the NHSSA JSPB. Further to the removal of this tier of governance, the EQC will provide assurance to NES Board in relation to the educational and quality governance of the work of the NHSSA.
- 6.4 Any other strategic aspects of NHSSA work beyond education and quality governance, will be reported through the NES Board, for example the joint annual operational plan as part of the NES operational plan and any strategic NES budgetary related considerations.

7. Recommendations

7.1 The Board is invited to:

- note the streamlining of the governance structure of the NHSSA by dissolving the NHSSA Joint Strategic Programme Board (JSPB).
 - note that the NHSGJ SPGC will continue with the other aspects of governance delegated as per the NHSSA JSPB ToRs and as approved by the NHGJ Board.
 - approve the continued governance of the education and quality work of the NHSSA by the EQC and for the EQC to provide assurance to the NES Board as opposed to the NHSSA JSPB.
 - approve the other NES related strategic aspects of NHSSA work beyond education and quality governance, will be reported through the NES Board as per paragraph 6.4.
-

Author to complete

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

DT
30/01/23
NES

NHS Education for Scotland

EDUCATION & QUALITY COMMITTEE

Approved minutes of the eighth meeting of the Educational & Quality Committee (EQC) (which is the forty-seventh meeting of the Educational and Research Governance Committee) held on Thursday 15 September 2022 via Microsoft Teams

Present: Douglas Hutchens, Chair, Non-Executive Director
Sandra Walker, Non-Executive Director
Annie Gunner Logan, Non-Executive Director
Gillian Mawdsley, Non-Executive Director and Whistleblowing Champion and Emergency climate change and sustainability Champion
Vicki Nairn, Non-Executive Director

In Attendance: Karen Wilson, Executive Director of Nursing, Deputy Chief Executive (Clinical) and EQC Executive Lead
Emma Watson, Director of Medicine
Kevin Kelman, Director of NHS Scotland Academy
Jeanette Stevenson, Associate Director, NHS Scotland Academy
Christina Bichan, Director of Planning
Rob Coward, Principal Educator/Executive Secretary
Adam Hill, Postgraduate Dean (For Item 7)
Alastair McLellan, Postgraduate Dean (For Items 7 and 9)
Janice Gibson, Associate Director, ODLL (For Item 7)
Chris Duffy, Senior Admin Officer/Committee Secretary

1. Welcome and introductions

- 1.1 The Committee Chair welcomed everyone to the meeting. Christina Bichan was welcomed to her first Education and Quality Committee in her new position as Director of Planning. The Committee Chair advised that item 9 will be taken immediately after item 7 to allow Alastair McLellan to attend another meeting once these items are complete.

2. Apologies for absence

- 2.1 Apologies were received from Karen Reid, Chief Executive, David Garbutt, Board Chair, Gordon Paterson, Director of Social Care and Della Thomas, Board Secretary and Principal Lead for Corporate Governance.

3. Notification of any other business

- 3.1 There were no notifications of any other business.

4. Declarations of interest

- 4.1 There were no declarations of interest in relation to the items of business on the agenda.

5. Minutes of the meeting held on 12th May 2022

- 5.1 The Committee highlighted one change required in relation to sentence 6.9. This sentence will be updated to read, "It is hoped that early engagement with clinical and senior management teams across all affected sites will lead to them moving from Enhanced Monitoring more rapidly."

Action: Chris Duffy

- 5.2 The Committee then approved the minutes.

6. Action Status Report and other matters arising

- 6.1 The action status report was presented, and it contained 11 completed actions with 4 actions in progress. The Committee were content with the complete actions and the timescales of the in-progress actions.

- 6.2 The Committee approved the action report.

7. Education & Quality Executive Lead Report

- 7.1 Karen Wilson asked the Committee to take the report as read and then opened up to Committee members for any questions, comments or feedback. Before questions were received, Emma Watson provided a verbal update in relation to Medical Credentialing. The Remote and Rural credential has stage 1 approval from the GMC. NES are now working with the GMC on operationalising that credential and working to deliver it. It is hoped that the Stroke Thrombectomy credential will also receive stage 1 approval before the end of this year. The Committee Chair requested that this verbal update is added into the Executive Lead Report.

Action: Chris Duffy

- 7.2 Committee members asked for further detail on the situation currently ongoing at the Lorn & Islands site and the decision to not place on Enhanced Monitoring. Alastair McLellan responded, a doctor in training raised the initial complaint and issues were magnified by the approach of a whistle-blower from NHS Highland raising it to NES complaints. There has been engagement with the GMC and a fact-finding visit was held on 17th May which was discussed in detail with the GMC on 27th May. The site did meet the threshold to be placed on Enhanced Monitoring, but the decision was made to withhold from Enhanced Monitoring due to very good early engagement. Plus, good traction and response to concerns. The GMC were content that progress was being made and were comfortable with the decision to not escalate to Enhanced Monitoring. This situation could be used as a good example of the slightly newer approach being used in Enhanced Monitoring that will be discussed under Item 9. The Committee thanked Alastair McLellan for this response and requested that a further update on the progress in this site be received at the next Committee meeting.

Action: Alastair McLellan

- 7.3 Committee members referred to item 5.5.5.1 in the report, NES Psychology SQA update – Customised Award in Enhanced Psychological Practice – Children & Young People and highlighted that it was really positive to see

such a high participation and retention rate. It was then asked if it is known why this has been particularly successful? Karen Wilson responded, noting that Mental Health and Anxiety is such a hot issue and has been through COVID. The Psychology programmes are a really popular area that provide excellent quality also.

7.4 The Committee confirmed that they were content with assurance the report provided across all the areas included. Adam Hill and Janice Gibson left the meeting.

8. NHS Scotland Academy Update

8.1 Kevin Kelman was invited to introduce this item, which outlines a proposed model of reporting to the Education and Quality Committee. Kevin Kelman handed over to Jeanette Stevenson to outline the proposed reporting model. The Committee have already seen the NHS Academy Dashboard which forms part of the Executive Lead report. This report will come to this committee regularly in that format will continue to be refined to meet the Committee's needs.

8.2 The report that is being proposed would be in addition to the dashboard and would be an Annual report that gives data across all programmes. The report would be produced at the end of the financial year and would come to the May Education and Quality meeting. Committee members were asked for their thoughts/comments on this proposal.

8.3 The Committee found the paper very helpful and stated that this Committee are looking for assurance in relation to Education and Quality, the framework itself should sit with the NHS Academy Joint Strategic Programme Board.

8.4 Committee members asked about digital challenges and if there has been any delay in digital developments. Kevin Kelman responded noting that work on a digital roadmap is underway and can be included in a future executive lead report. **Action: Kevin Kelman**

8.5 The Committee confirmed they were content with the reporting proposal and noted the update.

9. Update on new Enhanced Monitoring processes

9.1 Emma Watson handed over to Alastair McLellan to speak to this item. The Lorn & Islands situation raised under 7.2 is a real working example of how the new enhanced monitoring processes can work going forward.

9.2 There are several dimensions of the new processes which include, improved data handling, planned shared awareness of sites of concern/and those doing well, earlier awareness raising in order to facilitate boards to engage earlier in trying to fix the issues, targeted support and the escalating awareness of concerns to CEOs and Board Chairs to enable board governance systems to be aware early.

- 9.3 The Committee asked how they will receive updates on the introduction of these new processes and Emma Watson confirmed that updates will form part of the regular reports that come to Committee.
- 9.4 The Committee commented, the fresh focus on support and intervention will be of benefit to boards across Scotland and asked questions in relation to resources; - does NES have any extra resource and has there been any resource commitment from Scottish Government? Emma Watson replied, there has been no offer of resource from Scottish Government. The Medical Directorate is taking a root and branch review of what they are doing and where they are adding value. It may be the case that other work is paused/slowed down to enable extra resource to be allocated to this work. A risk-based approach will be taken when the resource needs are reviewed.
- 9.5 The Committee highlighted a section of Appendix 1 which references sharing learning from units with similar issues and asked if peer support has been considered? Alastair McLellan responded, stating that Adam Hill could provide a real successful example of this. Two similar situations recently in Perth Royal Infirmary and Ninewells Hospital, where peer mentoring was used to improve the situation in Perth Royal Infirmary. Through an engaged Director involved in SMART objective meetings and through shared examples of good practice. Ninewells are starting to model the improvements made in Perth Royal Infirmary and improvements are being made.
- 9.6 The Committee thanked Alastair McLellan and Emma Watson for the report noting that it is a really positive way forward for the wider service.
- 10. NES credit rating strategy**
- 10.1 Rob Coward introduced this report, NES is making a strategic commitment to becoming a credit-rating body, thereby enhancing the utility of our education programmes in several key respects. The business case for the recruitment of the Credit-Rating and Quality Assurance Lead and a business support officer has been approved and the recruitment process will commence imminently. The Credit-Rating and Quality Assurance Lead will play a pivotal role in preparing NES's application for credit-rating powers with the SCQF Partnership and implementing credit-rating arrangements.
- 10.2 NES requires a strategic plan to guide the development and implementation of credit-rating powers. This strategy is also required as part of the CRB application to the SCQF Partnership, demonstrating NES's commitment to this area of activity. NES's Executive Team has been asked to consider the three-phase credit-rating strategy, presented in this paper at its meeting on 13 September. The aim of the strategy is to lead NES to the award of CRB status, implementation and consolidation of credit-rating powers, and consideration of third-party credit-rating powers. The Committee were then invited to comment and ask questions.
- 10.3 Committee members noted that the cover paper states there is no budget for this work yet a team is being established and asked how this is being

funded in the short term and sustained in the long term? Rob Coward confirmed that resources are available to recruit to the 2 posts but the direct costs on top of that haven't been identified at the moment. Karen Wilson added, it is still not known what resource will be required until the team is up and running. Karen Wilson reassured the Committee that this approach and proposal has been signed off by the Executive Team.

10.4 Committee members asked that section 5.4 be reviewed. When looking at the criteria it almost suggests that NES will not offer something if there is an alternative offer already in place, but what of the existing provision is not very good. Karen Wilson thought this was an excellent point and the language in the criteria under 5.4 will be reviewed. **Action: Rob Coward**

10.5 The Committee noted the draft credit rating strategy.

11. Feedback, Comments, Concerns and Complaints Annual Report 2021/22

11.1 Rob Coward introduced this report, Feedback, comments, concerns and complaints are considered by the Scottish Government as an important performance indicator, and a mechanism for driving continuous improvement. This is reflected in the requirement for all NHS Boards to publish an annual Feedback, Comments, Concerns and Complaints (FCCC) report. NHS Boards are also required to provide an annual return to NHS National Services Scotland (NSS) confirming complaints figures which are included in the NHS Complaints Statistics publication.

11.2 The Committee is asked to comment on and approve the report before onward progress to the Board, and before it is published on the NES Website and submitted to the Scottish Public Services Ombudsman.

11.3 Emma Watson raised one point in the lessons learned that section relating to Equality and Diversity training that may need to be updated. Christina Bichan, Rob Coward and Emma Watson agreed to have a short call to discuss this point further outside the meeting. Any updates as a result of this will be added before the report is submitted to the September Board meeting.

Action: Emma Watson, Rob Coward, Christina Bichan

11.4 With the addition of the potential amendment raised by Emma Watson, the Committee approved the Annual Report.

12. NES Annual Research Report

12.1 Helen Allbutt introduced this report which is seeking assurance from the Committee that NES research complies with UK-wide health and social care principles of good research practice, is completed in a reasonable timescale and is generating outcomes and impacts that are making a difference to NES and health and social care in Scotland.

12.2 The Committee thanked Helen Allbutt for an excellent report noting that the addition of the areas of impact were very useful and made a huge difference to the report. Committee members approved the report.

13. Internal Audit – Medical Trainee Progression

13.1 Emma Watson introduced this report which is part of the regular audit reports that are commissioned. The report was interesting and helpful and highlighted minor areas of improvement. The actions that were amber in the report are almost complete with some minor work on the Equality and Diversity tool to be finished.

13.2 Committee members noted this report.

14. EQC Risk Report and identification of any new risks emerging from this meeting

14.1 Rob Coward introduced the risk report which is coming to the Committee for the last time. There is a recommendation from the Director of Finance that Committee's don't have their own risk registers and stick to the two-tier register of strategic corporate risks and directorate risks.

14.2 The Committee confirmed that there will still be an standing item on the agenda and the opportunity to discuss risks, but there will not be a register attached to this item.

14.3 The Committee approved the risk report and agreed to the approach to risk going forward.

15. Consultations Log and Parliamentary business update

15.1 The consultations log was noted.

16. Scottish Government and NES Educational policies

16.1 There were no policies to note.

17. Review of Effectiveness meeting

17.1 The Committee confirmed they are getting the required assurance from the papers and discussions at this Committee meeting and that the meeting had been effective.

18. Any other business

18.1 There was no other business to discuss.

19. Date and time of next meeting

19.1 The next meeting of the Education and Quality Committee will be held on Thursday 15 September 2022, 09:45 a.m.

CD, DH, KW
November 2022
V.02

AUDIT AND RISK COMMITTEE

NES/AR/23/02

Minutes of the Tenth NES Audit and Risk Committee held on Thursday 06 October 2022 via Microsoft Teams.

Present: Jean Ford, Non-Executive Director and Committee Chair
Anne Currie, Non-Executive Director, Equality, Diversity and Human Rights Champion
Linda Dunion, Non-Executive Director (until item 13)
Gillian Mawdsley, Non-Executive Director - Whistleblowing Champion and Climate Emergency and Sustainability Champion (from item 10)
Sandra Walker, Non-Executive Director

In attendance: Asqa Ali, Internal Audit, KPMG (until item 8c)
Jenn Allison, Committee Secretary
Jim Boyle, Executive Director of Finance
David Garbutt, Chair of NES
James Lucas, Internal Audit, KPMG (until item 8c)
Iain McMillan, Counter Fraud Services (item 14a)
Karen Reid, Chief Executive
Janice Sinclair, Head of Finance
Declan Walkden, Procurement Manager (item 10)
Christopher Wroath, Director NES Technology Service (item 8)

1. Welcome and introductions

- 1.1 The Chair welcomed everyone to the Audit and Risk Committee (ARC), particularly Gillian Mawdsley who was attending her first meeting as a new member of the Committee. Gillian Mawdsley will be replacing Linda Dunion as member on the ARC.
- 1.2 The Chair thanked Linda Dunion for her time as member of the ARC and on the NES Board and wished her well for the future.
- 1.3 The Committee noted that Christopher Wroath and Asqa Ali from KPMG will be in attendance for the NTS Internal Audit items (item 8), Declan Walkden will be in attendance for the Procurement items (item 10), on behalf of Kenny McLean and Ian McMillan from Counter Fraud Services will be in attendance for the Counter Fraud Services update (item 14).

2. Apologies for absence

- 2.1 Apologies were received from Audit Scotland, External Auditors, Della Thomas, Board Secretary and Corporate Governance Principal Lead and Kenny McLean, Procurement Manager.

2.2 James Lucas and Aqsa Ali from KPMG will leave the meeting after item 08c and Gillian Mawdsley will be joining the meeting later.

3. Declarations of interest

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

4. Any Other Business

4.1 There were no other business items identified.

5. Minutes of the Audit and Risk Committee 06 June 2022(NES/AR/22/47)

5.1 The minutes were approved as a correct record.

6. Actions of the Audit and Risk Committee (NES/AR/22/49)

6.1 The Committee noted that 11 of the 12 actions have been marked as complete and that the action in relation to a Policy Framework review was agreed to be closed as this has been moved onto operational workplans as a future development.

6.2 The Committee noted that an action regarding forwarding the updated Audit and Risk Committee Self-Assessment document had been incorrectly marked as complete as this had not been received. Jim Boyle apologised to the Committee and noted that this would be forwarded on for information.

Action: JB

7. Matters arising

7.1 There were no matters arising from the previous minutes.

8. Internal Audit Reports

a) Cloud Disaster Recovery (NES/AR/22/50)

8.1 The Chair welcomed Christopher Wroath, Director of NES Technology Service (NTS) and James Lucas and Aqsa Ali from Internal Auditors KPMG to the meeting. The Chair invited to Aqsa Ali to introduce the report.

8.2 Aqsa Ali introduced the report which reviewed the processes and controls in place to recover Cloud services in the event of an incident, as agreed as part of the 2022-23 Internal Audit plan. Aqsa Ali explained that incidents may include cyber-attack but also include power outages and other technical aspects that may result in a disruption to services.

- 8.3 The Committee noted that one high risk (red) recommendation regarding documenting roles and responsibilities, three medium risk (amber) recommendations regarding cloud recovery plans, testing and recovery backup retention period and one low risk (green) recommendation regarding seeking further assurance from third part suppliers on security controls were made.
- 8.4 Discussion took place regarding the high risk recommendation to define Cloud Disaster Recovery roles and responsibilities. Christopher Wroath advised the Committee that, although not fully documented, roles, responsibilities and actions required of NES to liaise with third party suppliers to ensure that cloud recovery plans are mobilised, are clear, understood and acted upon by the NES Operations team. He informed the Committee that since May 2021 there were four cloud recovery incidents, all of which were correctly documented via the documented incident management process. Christopher Wroath explained that while he accepted the recommendation that roles and responsibilities should be documented and outlined, he does not agree with the high risk rating.
- 8.5 Discussion took place regarding the medium risk recommendation to schedule a cloud recovery test and the Committee asked if the due date of 31 January 2023 should be brought forward. Christopher Wroath gave assurance that the implementation of the documented cloud recovery incident management process for the four incidents recorded since May 2021, has in effect, tested the process and demonstrates that it is effective.
- 8.6 In addition, the test planned for January 2023 is wider than just cloud recovery and Christopher Wroath advised that being an overarching NES Disaster Recovery Plan it is not feasible to bring forward. This test will be carried out by members of the Executive Team. and is about recovering services when they fail and re-iterated that cyber-attack is only one aspect of this. He assured the Committee that processes to ensure recovery of technology in NES are robust, well documented, well understood and well implemented by the Operations team.
- 8.7 James Lucas informed the Committee that he would ensure an extra step is added to the audit report process to double check the risk profile with management to ensure that the risk profile is understood and agreed.
- Action: JL**
- 8.8 The Committee noted the report and recommendations and requested that the Report now be submitted to the Digital and Information Committee for discussion and to ensure appropriate assurance is received over completion of actions.
- Action: CW**

a) IT Business and Support Model

(NES/AR/22/51)

- 8.9 The Chair invited James Lucas to introduce the report.
- 8.10 James Lucas introduced the report which reviewed the efficiency and effectiveness of the new ways of working within the Business Support function of NES Technology Service (NTS), following the merger of two former Directorates NES Digital and NES Digital Service in April 2022.
- 8.11 The Committee noted that four medium risk (amber) recommendations regarding agreeing a target operating model, reviewing roles and responsibilities of managerial business support, documenting the services of the business support function and developing a single source of Human Resource (HR) data and two low risk (green) recommendations regarding standard business support templates and engagement within the Directorate were made.
- 8.12 Discussion took place regarding the medium risk recommendation regarding development of a single source of HR data and whether there was a strategic way forward across the Organisation. Christopher Wroath explained that the Corporate Improvement Programme will support NTS to implement any improvements in relation to single source data where possible.
- 8.13 Discussion took place regarding the medium risk recommendation to review the NTS managerial business support. Christopher Wroath explained that changes are currently being considered following the Audit and as part of the merger process.
- 8.14 Discussion took place regarding the low risk recommendation to create a target operating model for the NTS business support function and it was suggested it may be worth considering this as a future improvement for the whole of NES. Karen Reid informed the Committee that the newly established programme management office will be looking more broadly at making improvements to the Corporate Infrastructure in NES.
- 8.15 The Committee noted the report and the assurances provided.

b) Progress Report

(NES/AR/22/52)

- 8.16 The Chair invited James Lucas to introduce the report.
- 8.17 James Lucas presented the report which updated the Committee on progress against the outstanding management actions.

8.18 The Committee noted that 2 of the 14 outstanding management actions have been closed and 12 have requested new due dates. There are an additional 17 actions which are not yet due meaning 29 actions in total are outstanding.

8.19 The Committee noted that it was helpful to see the percentage of completion, however raised concern that all but one of the 16 actions due to date from 21/22 Audits have been rescheduled suggesting that management may be being too ambitious with dates or not scheduling activity appropriately to meet due dates. James Lucas informed the Committee that due dates are discussed thoroughly with management before being agreed. He agreed to take a closer look at this with his team and NES management to identify how this can be improved and suggested that it may be helpful to align due dates closer to Committee dates. Karen Reid also advised that progress against actions is discussed at EET meetings. **Action: JL**

8.20 The Committee noted that one of the outstanding actions, which is 80% complete with a revised due date for November 2022, is from an internal audit that took place in financial year 2019/20. The Committee asked for an update regarding progress of this action to be provided to the Committee by correspondence in November. **Action: JL**

8.21 James Lucas informed the Committee that progress against the 2022/23 Internal Audit plan is on track, with 2 of the 7 internal audits complete and one currently in progress.

8.22 The Audit and Risk Committee noted the report and progress of the internal audit plan and progress in implementing outstanding recommendations.

8.23 Christopher Wroath, James Lucas and Aqsa Ali left the meeting.

c) Procurement of Internal Audit Contract (NES/AR/22/53)

8.24 The Chair invited Jim Boyle to introduce the report to update the Committee regarding progress of the joint Internal Audit Procurement with National Services Scotland (NSS).

8.25 Jim Boyle informed the Committee that the current joint Internal Audit Contract with KPMG is due to expire in March 2023. NSS are leading on the joint Procurement of Internal Audit Services for five National Boards (including NSS) and each Board will be asked to approve the results of the exercise in December 2022.

8.26 The Committee noted the tender and that they will be asked to approve the outcome of the joint procurement exercise in December 2022 via correspondence.

9. External Audit Recommendation Follow up (NES/AR/21/54)

9.1 The Chair invited Janice Sinclair to present the paper to update the Committee on progress of External Audit Recommendations.

9.2 Janice Sinclair summarised that the external audit report from the financial year 2021/22 included 2 new recommendations for improvement. The recommendation to submit a financial plan to Scottish Government (SG) was complete in July 2022 and the recommendation regarding updating dilapidations provision is expected to be closed at the end of December 2022.

9.3 The report also confirmed that one of the recommendations from the 2020/21 External audit in relation to developing Strategic Key Performance Indicators remained open and that the recommendation regarding performance targets was now closed.

9.4 The Committee noted the update and their satisfaction with progress.

10. Procurement

a) 2021/22 Annual Procurement Report (NES/AR/22/55)

10.1 The Chair welcomed Declan Walkden to the meeting to update the Committee on results of the 2021/22 Annual Report.

10.2 Gillian Mawdsley was also welcomed to the meeting at this item.

10.3 Declan Walkden informed the Committee that of the 110 contracts agreed by Procurement in 2021/22, 42 of these were regulated contracts, which were to the value of 50k or above.

10.4 A query was raised regarding the ongoing management of 3rd party supplier contract adherence and Declan Walkden informed the Committee that NSS have recently strengthened their terms and conditions in initial contract documentation. He advised that it is the Directorates responsibility to ensure that 3rd party suppliers are meeting the requirements of the contracts on an ongoing basis.

10.5 The Committee were content with the information in this report and approved the report for publication.

b) Annual Procurement Equality Duty Report

(NES/AR/22/56)

10.6 The Chair invited Declan Walkden to update the Committee on results of the Annual Equality Duty Report.

10.7 Declan Walkden informed the Committee that the sustainability questionnaire for tenders has recently been updated and this includes information regarding whistleblowing. The non-executive Whistleblowing Champion asked if a copy of the questionnaire could be shared with her, for information. **Action: DW**

10.8 The Committee were content with the information in the report and with the processes and activities in place to deliver the Procurement Duty and Equalities priorities.

c) 2022/23 Half-Year Procurement Update

(NES/AR/22/57)

10.9 The Chair invited Declan Walkden to update the Committee on Procurement activity in the first half of financial year 2021/22.

10.10 Declan Walkden informed the Committee that 38 contracts have been agreed so far this financial year, 18 of which have been regulated contracts. The Committee noted that a current 6.5% saving of 750k has been made so far this year and noted that there is an ongoing risk of inflationary pressures impacting procurement contracts.

10.11 Discussion took place regarding prioritising Scottish and UK companies as preferred suppliers where possible, and Declan Walkden advised the Committee that the procurement process enables Scottish and UK suppliers in the market to have visibility of any up and coming projects.

10.12 The Committee were content with the information in this report.

10.13 Declan Walkden left the meeting and the Committee agreed to have a 10 minute break at 11:45.

11. Review of ARC ToRs

(NES/AR/22/58)

11.1 The Chair invited Jim Boyle to introduce the updated draft ToRs for approval.

11.2 Jim Boyle highlighted that there has been one amendment to the ToRs in relation to Climate Change and Sustainability.

11.3 Discussion took place regarding specific responsibilities of the Audit and Risk Committee in terms of Risk. Given that the Board have overarching responsibility of risk, a query was raised if the Risk Management Policy and Framework would be required to be reviewed and approved by the ARC before

submission to the Board or not. It was agreed that this would be worthy of more discussion at a future Board meeting. **Action: JB**

11.4 The Committee were content to approve the proposed changes to the ToRs as submitted noting that further amendments may be required following the forthcoming discussion at the Board.

12. Ethical Sponsorship Policy (NES/AR/22/59)

- 12.1 The Chair invited Jim Boyle to introduce the NHS Scotland Academy (NHSSA) Ethical Sponsorship Policy.
- 12.2 Jim Boyle explained that given the currently constrained financial environment within the NHS in Scotland, the NHSSA considers it beneficial to have the flexibility to consider and accept sponsorship opportunities, where it is appropriate.
- 12.3 The Committee noted that Ethical Sponsorship Policy would provide the NHSSA with a framework within which to operate in relation to potential sponsorship from commercial partners, in order to provide financial or non-financial support for events, where the partner might receive benefit/publicity from association with events.
- 12.4 Discussion took place regarding the importance of any potential sponsorship agreements being carefully considered to avoid potential reputational damage and the importance of decisions being made collaboratively between NHS Golden Jubilee (NHSGJ) and NES. The Committee also felt it would be important that this area is monitored by internal audit.
- 12.5 Discussion took place as to whether such a policy approach, either in its current draft form for NHSSA or in an amended form, should be developed for future consideration by the Board for application to NES business. The Committee agreed that it would be more appropriate to approach this discussion after a period of time following learning from the NHSSA Policy implementation.
- 12.6 The Committee approved the policy and noted that it was being submitted to the NHSGJ Audit and Risk Committee for consideration in November.

13. Corporate and COVID19 Risk Register (NES/AR/22/60)

- 13.1 The Chair invited Jim Boyle to introduce NES Corporate and COVID19 Risk Registers as at 26 September 2022.
- 13.2 Jim Boyle highlighted a new Finance Risk (R21) to reflect the current uncertainty around funding from SG has been added to the register.
- 13.3 The Committee requested that assurance is provided to the Committee that information security policies and procedures in relation to the Turas Platform are

robust and up to date. Jim Boyle will liaise with Christopher Wroath and provide the Committee with this information. **Action: JB/CW**

13.4 The Committee noted that the Corporate Risk Register is yet to be substantially revised in line with the recommendations of the Azets review of NES Risk Management. The COVID19 risk register will be combined with the Corporate risk register, with a view to bring a revised single register to the November meeting of the Board. The Committee also noted that proposals from the Azets findings were discussed at the June Board Development Session and would be progressed further through a future Board Development Session.

Action: JB

13.5 The Committee noted the updated risk register and the assurance provided.

14. Counter Fraud

a) Presentation from Counter Fraud Services

14.1 The Chair welcomed Iain McMillian to the meeting and invited him to give a presentation to the Committee regarding Counter Fraud Services (CFS).

14.2 The Committee noted the changes to processes being implemented by CFS in relation to a three-year Strategy, Annual Delivery Plan and Fraud Annual Action Plans, which have been updated to align with the UK Government Counter Fraud Standards.

14.3 Iain McMillian also informed the Committee that updated training, including Counter Fraud Standard hub website is available to staff and recapped the Committees role in relation to Counter Fraud.

14.4 The Committee noted the information provided and thanked Iain McMillian for his presentation and Iain left the meeting.

b) Counter Fraud Update

(NES/AR/22/61)

14.5 The Chair invited Janice Sinclair to present the paper to update the Committee regarding Counter Fraud activity in NES.

14.6 Janice Sinclair informed the Committee that the updated Counter Fraud Services Standards became effective from April 2022 and explained that Boards will implement a measured, proportionate approach to meeting the 12 different components of the standard as quickly as possible, working collaboratively with CFS who will provide additional resources on a national basis. Progress regarding this will be included in future updates.

14.7 The Committee noted that there have been no declarations of gifts and hospitality since the April ARC meeting and noted the information provided regarding one active case. They also noted progress of the National Fraud Initiative's data matching exercise.

14.8 The Committee noted the information contained in the report and that a communication reminding staff about the gifts and hospitality register requirements will be issued to staff in the near future.

c) Draft Updated NES Counter Fraud Policy (NES/AR/22/62)

14.9 The Chair invited Janice Sinclair to present the updated NES Counter Fraud Policy.

14.10 Janice Sinclair informed the Committee that the NES Counter Fraud Policy was last updated 2 years ago and is due to be submitted to the Partnership Forum for information before final submission to the Board for approval in November.

14.11 The Committee noted that the roles and responsibilities and reporting requirements set out in the Policy and asked for clarification regarding the specific roles and responsibilities for Doctors and Dentists in Training to be added to 10.5.

14.12 The Committee approved the policy for submission to the Partnership Forum and Board, subject to the requested amendment. **Action: JS**

15. Climate Emergency & Sustainability

a) Annual Sustainability Performance, Plans and Returns

15.1 The Chair invited Jim Boyle to provide a verbal update regarding annual sustainability, performance, plans and returns.

15.2 Jim Boyle informed the Committee that SG published a new policy in August 2022 which will require some awareness raising across NES. A comprehensive report will be brought to the Board in due course to provide an update for the scale of work that is ongoing in this area.

15.3 Karen Reid added that reporting requirements are the same for all Boards, however, National Boards have advised SG that some categories are not relevant to them.

15.4 The Committee noted that an update regarding Sustainability Performance, Plans and Returns will be submitted to the Board for discussion in due course.

b) Annual Report on the NHS Scotland Global Climate Emergency and Sustainable Development Policy (NES/AR/22/63)

15.5 The Chair invited Jim Boyle to present the report on the NHS Scotland 2021/22 Annual Report on the NHS Scotland Global Climate Emergency and Sustainable Development Policy.

15.6 Jim Boyle explained that this report is submitted by all public bodies that are required to report annually in accordance with the Climate Change (Duties of Public Bodies: Reporting Requirements) (Scotland) Amendment Order, which took effect for reporting periods commencing on or after 01 April 2021.

15.7 The Committee noted that due to timings of data gathering the report will be subject to finalisation in the coming weeks, prior to being submitted to the Sustainable Scotland Network by 30 November 2022.

15.8 The Emergency Climate Change and Sustainability non-executive Champion informed the Committee that Terms of Reference of the NES Sustainability Development Programme Board are still to be fully aligned. She informed Jim Boyle that she would provide him with some detailed comments relative to the annual report after the meeting. **Action: GM**

15.9 The Committee noted the National Sustainability Assessment Tool outcome produced by NSS and noted the draft response to the Annual Report on the NHS Scotland Global Climate Emergency and Sustainable Development Policy.

16. Review of Meeting Effectiveness

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

16.2 The meeting had overrun substantially, and it was agreed that timings will be critically reviewed for future meetings. The Schedule of Business will also be reviewed to identify if any business that is currently scheduled for submission to the ARC could be dealt with elsewhere or in a different way. **Action: JB/JF/DT**

17. Audit Scotland Reports

17.1 The Committee noted the following Audit Scotland Reports:

- Scotland's response to COVID19
- Fraud and Irregularity 2021/22
- SG Consolidated Fund Annual Audit Plan 2021/22
- SG Annual Audit Plan 2021/22
- Scottish Fiscal Commission Annual Audit Plan 2021/22

18. Date and time of next meeting

18.1 The next meeting of the Audit and Risk Committee will be held on Thursday 19 January 2023.

Approved Minute

NHS Education for Scotland

NES/SGC/22/XX

Minutes of the Seventy-eighth Meeting of the Staff Governance Committee held on Thursday 3rd November 2022 via Microsoft Teams

Present: Anne Currie, Committee Chair, Non-Executive Director, Equality, Diversity, and Human Rights Champion
Jean Ford, Non-Executive Director
Gillian Mawdsley, Non-Executive Director, Whistleblowing Champion and Climate Emergency and Sustainability Champion
James McCann, Ex-Officio member, Staff Side (Unison) joined the meeting at 10.29 during item 7)

In attendance: Tracey Ashworth-Davies, Director of Workforce/Executive Director
Ameet Bellad, Senior Specialist Lead, Workforce (For item 15)
Christina Bichan, Director of Performance and Planning (Observer and for item 11)
Stuart Caulfield, Specialist Lead, Education and Management Development (For item 10)
Nancy El-Faragy, Manager, Planning and Corporate Resources (For item 11)
Ann Gallacher, Senior Admin Officer / Committee Secretary (Minute-Taker)
David Garbutt, Board Chair
Janice Gibson, Associate Director, Organisational Development, Leadership and Learning (ODLL) (For item 14)
Katy Hetherington, Principal Lead, Equality, Diversity and Human Rights (For item 13)
CarolAnne Keogh, Head of HR, Workforce Directorate (Observer)
Patricia Matheson, Associate Director HR/Workforce (Observer)
Karen Reid, Chief Executive
Della Thomas, Board Secretary and Principal Lead (Corporate Governance)

1. Chair's welcome and introduction

- 1.1 Anne Currie welcomed everyone to her first meeting as the new Staff Governance Committee Meeting Chair and expressed how pleased she was to take on this role.
- 1.2 Patricia Matheson, Associate Director HR, Workforce, CarolAnne Keogh, Head of Human Resources (HR), Workforce and Christina Bichan, Director of Performance and Planning were welcomed to the meeting as part of their induction.

1.3 The Committee Chair highlighted that all papers would be taken as read.

2. Apologies for absence

2.1 Apologies were received from Lynnette Grieve, Non-Executive Director/Employee Director.

3. Notification of any other business

3.1 There were no notifications of any other business.

4. Declaration of interests

4.1 As per the new Model Code of Conduct, the Committee Chair asked Committee members if there were any declarations of interest in relation to the business of today's meeting and if so, to clarify which item.

4.2 There were no declarations of interest.

5. Draft Minutes of the Staff Governance Committee meeting held on 11th August 2022 (NES/SGC/22/43)

5.1 The Committee Chair asked members if there were any comments or amendments in relation to the draft minutes of the last meeting. The non-Executive Director, Climate Emergency and Sustainability Champion raised a query on sustainability in relation to Item 7, paragraph 12 of the minutes and suggested that this should be reflected as an action in the minute. This was agreed, the amendment to the minute will be made, and the action would be discussed under Item 6, Action Status Report.

5.2 With this one small amendment, the Committee confirmed the minutes were an accurate record of the meeting and approved the minutes.

6. Action Status Report and other matters arising (NES/SGC/22/44)

6.1 The Committee discussed the action relating to Essential Learning. Tracey Ashworth-Davies reported that Organisational Development, Leadership and Learning (ODLL) had suggested not to change the completion target figure mid-year. Instead, they wish to propose a different target going forward. The Committee agreed to leave this action open and asked Janice Gibson and Stuart Caulfield to bring proposed targets and a further update on Essential Learning to the next Staff Governance Committee meeting.

6.2 The Committee discussed the action relating to item 7, paragraph 12 of the previous minutes and noted that the proposals for Board and Committee governance of Sustainability was already an action in the Board action log. Further to the Board discussing this at the next meeting of the Board, an update will be brought back to SGC through the SGC action log.

Action: Tracey Ashworth-Davies/Della Thomas

6.3 The Committee approved the action status report.

6.4 There were no matters arising.

Lead Executive Report

7. Director of Workforce Report (NES/SGC/22/45)

7.1 The Committee Chair invited Tracey Ashworth-Davies to introduce the Director of Workforce Report.

7.2 Tracey Ashworth-Davies introduced her report and highlighted a few key topics to the Committee, including the East Lothian Recruitment Service, the Lead Employer work, and the review of the Trainee Services process.

7.3 She reported that the New Ways of Working (WoW) Group are reviewing hybrid working. A Workforce Development Fund of c.£200k has been made available to invest in staff education, training and development in FY22-23. Spending has been directed by directorate heads in alignment with the NES Workforce Plan.

7.4 Tracey Ashworth-Davies highlighted the potential risk that non-recurring funding has on the organisation as approximately 20% of NES staff are employed utilising temporary funds. She reported that Jim Boyle is in discussion with Scottish Government (SG) to consider this risk and encourage a greater proportion of permanent funding aligned to relevant wording.

7.5 The Committee Chair thanked Tracey Ashworth-Davies for the report and opened up the meeting for questions.

7.6 In relation to item 9 of the report, the update relating to the proposed pipeline projects, and a funding bid (under review) for Promise Foundation funds to improve progression routes for young people with experience of the care system, the Board Chair notified the Committee of a declaration of connection. The Board Chair reminded the Committee that he is a member of The Promise, Scotland Board. This did not amount to a declaration of interest, as the funding bid was not being reviewed or decided by this Committee, and therefore he remained in the meeting for that item.

7.7 The Non-Executive Director, Whistleblowing Champion and Climate Emergency and Sustainability Champion welcomed the range of topics and seminars that are planned. She suggested a session on sustainability would be helpful and include for example the misuse of medicines and air pollution.

7.8 Karen Reid reported that sustainability sessions were being explored in the context of our education and training role across the Health and Social Care workforce, in addition to our own staff. She highlighted that expertise in this area will be required to be identified before this can be progressed.

- 7.9 The Committee welcomed the work that is taking place on widening access and asked if more prominence on care experience could be included in the Lead Director report. Tracey Ashworth-Davies responded that Janice Gibson will link with Equality and Diversity colleagues to include this in the report going forward.
Action: Janice Gibson
- 7.10 The Committee raised a question in relation to the Lead Employer status and asked why we are seeking guidance from the Human Resources Director (HRD), in NHS Fife. Tracey Ashworth-Davies responded that each NHS Board HRD leads on a programme of work and clarified that the Fife HRD is the lead for Lead Employer. She advised that funding to resource the current project related work related to SOPs was unlikely to be available post end March 2023 given the financial climate.
- 7.11 The Committee asked what would happen to the work needed to support the operation of Lead Employer if the Lead Employer funding comes to an end in March 2023. Patricia Matheson responded that she was taking forward a review of outstanding work in consultation with Boards, and their lead representative, to prioritise, for example, the most important SOPs. The Lead Employer business as usual work will need to be absorbed by the HR team and Patricia would be ensuring a smooth transition to team whilst raising any attendant risks.
- 7.12 The Committee welcomed the breakdown of the 21% figure on staff burnout and asked if staff have discussions about their career and personal development plans during their annual review meetings. Tracey Ashworth-Davies confirmed that Line Managers are responsible for those discussions in supporting staff to progress their development plans.
- 7.13 The Committee noted the 60% completion appraisal figure and strongly encouraged improvement. Tracey Ashworth-Davies assured the Committee that increasing the number of completed appraisals is a key focus for the Executive Team who have access to the data and hold responsibility for completion by their directorates.
- 7.14 The Chair thanked Tracey Ashworth-Davies and her team for the comprehensive report and confirmed that it provided assurance for the Committee.
- 7.15 The Committee Chair noted that James McCann had joined the meeting during this item and welcomed him to the meeting.

Governance Items

8. Staff Governance Monitoring Return (NES/SGC/22/46)

- 8.1 The Committee Chair invited Tracey Ashworth-Davies to introduce the Staff Governance Monitoring Return.
- 8.2 Tracey Ashworth-Davies reported that we are currently waiting on quorate Partnership Forum approval for the report.

- 8.3 The Committee Chair thanked Tracey Ashworth-Davies for the update and opened up the meeting for questions.
- 8.4 The Non-Executive Director, Whistleblowing Champion and Climate Emergency and Sustainability Champion suggested that more detail could be added to the Whistleblowing section of the report to reflect the good work that has taken place.
- 8.5 The Committee highlighted a small number of areas of the report where data appeared to be missing and identified some typographical errors. Tracey Ashworth-Davies apologised to members and commented that it appeared the version of the report circulated to members may not be the most recent version. She suggested that the correct version be issued to members post meeting for approval by correspondence.
- 8.6 The Chair asked the Ex-Officio member if he had any comments to raise and he replied he had nothing to add.
- 8.7 The Staff Governance Committee agreed for the updated version of the report, with the corrections made, to be circulated to the PF and Staff Governance Committee members for approval by correspondence.

Action: Tracey Ashworth-Davies/Pamela Renwick/Ann Gallacher

9. SGC Ex-Officio members review (Verbal Update)

- 9.1 The Committee Chair noted that this item was a verbal update from Lynnette Grieve and asked James McCann if he had an update he could provide in her absence. James McCann responded that Della Thomas could provide this update, as this was a governance item and she had been working with Lynnette Grieve.
- 9.2 The Chair reminded members that David Cunningham, a previous ex-officio member, had retired and thanked him for all the work he had done on the Committee.
- 9.3 Della Thomas updated members that, as per the Staff Governance Standard, the Ex-Officio membership of the Staff Governance Committee (SGC) was nominated by the Partnership Forum (PF) and this should be reviewed every two years. This two-year period is now up and, therefore, the Non-Executive Director/ Employee Director is in the process of taking two nominations to the next PF meeting on 17 November 2022 for approval. Further to PF approval, the SGC will be invited to approve this membership.
- 9.4 Della Thomas asked Committee members if they would be willing to approve the new Ex-Officio members by correspondence following the November PF meeting. She commented that this would allow the new members to be in place and take up their roles by the next SGC meeting in February 2023.

9.5 The Chair thanked Della Thomas for the update and asked members if they agreed for this item to be issued for approval by correspondence and the Committee were in agreement.

Action: Della Thomas

9.6 The Chair thanked Lynnette Grieve for the work she had done on this process to date.

10. Review of Staff Governance Committee ToRs and Remuneration Committee ToRs (NES/SGC/22/47)

10.1 The Committee Chair invited Della Thomas and Tracey Ashworth-Davies to introduce this item.

10.2 Della Thomas informed members that each Standing Committee reviews their Terms of Reference (ToRs) annually. These are submitted as part of the Corporate Governance Package to the Audit and Risk Committee and then to the Board for final approval, as part of the Corporate Governance Package.

10.3 She reported that the Remuneration Committee ToRs had been reviewed and approved by that Committee by correspondence. She highlighted that the SGC ToRs included a small amendment to strengthen the role of the SGC in relation to the PF, so that PF minutes will be brought through SGC for noting in the future.

10.4 Della Thomas sought approval from the Committee for a further addition to the SGC ToRs. This amendment was at the suggestion of the Audit and Risk Committee (ARC) Chair and would enable the Board and ARC to delegate actions, for example, related to internal audits and to ensure the required follow through by the SGC, Digital and Information Committee and Education and Quality Committee.

10.5 The Chair opened the meeting up for questions.

10.6 The Committee agreed that the further amendment proposed for inclusion for all the Standing Committees would be helpful to include in the SGC ToRs. The Chair asked that the final form of words for this additional paragraph would be issued to SGC members for approval by correspondence after the meeting.

Action: Della Thomas

10.7 The SGC approved the Remuneration Committee ToRs and agreed to provide final approval for the SGC ToRs by correspondence.

10.8 The Chair thanked Della Thomas and Tracey Ashworth-Davies for their work on the Remuneration Committee and SGC ToRs.

Performance Items

11. Quarter 2 Whistleblowing Report

(NES/SGC/22/48)

- 11.1 The Committee Chair welcomed Christina Bichan to the meeting and asked her to introduce the report.
- 11.2 Christina Bichan reported that there were no new whistleblowing concerns for the quarter two period from 01 July to 30 September 2022. Graham Paxton, Head of Programme has taken up the role as a further Confidential Contact in addition to Karen Wilson, Executive Director of Nursing.
- 11.3 Nancy El-Farargy joined the meeting at 11:06am for this item.
- 11.4 The Chair welcomed Nancy El-Farargy to the meeting and opened the meeting up to members for questions.
- 11.5 The Committee asked what steps could be taken in relation to the mandatory training figure to embed training, as the completion rate whilst increasing is still short of the internal target. Christina Bichan responded that the Whistleblowing Working Group will be focusing on further improvement.
- 11.6 Tracey Ashworth-Davies added that it would be useful to review who is defined as a Line Manager and should complete the training. This would allow these members of staff to be communicated with, so they know they must complete the training.
- 11.7 The Committee suggested that mandatory training might be included as an objective and linked to staff appraisals. Tracey Ashworth-Davies and Janice Gibson will consider this further.
- Action: Tracey Ashworth-Davies/Janice Gibson**
- 11.8 The Committee asked if the length of time the training takes to complete could be reduced. Tracey Ashworth-Davies explained that the training utilised Once for Scotland training modules but that the number of modules could be reviewed to check there were none currently included which are not required by Line Managers.
- Action: Janice Gibson**
- 11.9 Karen Reid reported that all Directors have essential learning for their staff as an objective. Compliance figures are reviewed regularly at Executive meetings, with strong direction being given by Tracey Ashworth-Davies and she would continue to raise awareness.
- 11.10 Tracey Ashworth-Davies said that statutory and mandatory training is intended to be covered under the Once for Scotland policy work. She advised the Committee that whilst NES would be inputting, they could not determine the final outcome and that would constrain the decisions on design and inclusion of modules in essential training overall.
- 11.11 The Committee suggested that Line Managers could raise awareness at their

individual meetings with their staff, mid-year reviews and end of year review meetings.

- 11.12 The Committee Chair thanked Christina Bichan and Nancy El-Farargy for the report and the Staff Governance Committee approved the report.

12. Non-Executive Whistleblowing Champion Remarks
(Verbal Update)

- 12.1 The Committee Chair invited the Non-Executive Director, Whistleblowing Champion and Climate Emergency and Sustainability Champion to add any remarks.

- 12.2 The Non-Executive Director, Whistleblowing Champion and Climate Emergency and Sustainability Champion thanked Christina Bichan and Nancy El-Farargy for all the work they had progressed.

- 12.3 She particularly commended the good work on 'Speak-up Week', training and the programme of events. She advised the SGC that she has asked that the timescales are improved in future reports and has already discussed this with Christina Bichan.

- 12.4 The Committee Chair thanked the Non-Executive Director, Whistleblowing Champion and Climate Emergency and Sustainability Champion for her comments.

- 12.5 Katy Hetherington, Principal Lead, Equality, Diversity and Human Rights joined the meeting at 11:25am for her forthcoming item.

- 12.6 Nancy El-Farargy left the meeting at 11:26am.

13. Equality and Diversity Mid-year Performance Report
(NES/SGC/22/49)

- 13.1 The Chair welcomed Katy Hetherington to the meeting and asked her to introduce her report.

- 13.2 Katy Hetherington introduced the report which provides the Committee with a mid-year report on NES's progress with delivering its statutory equality duties. She highlighted key points including mainstreaming equality, gender pay gap and the work underway to establish an infrastructure to support our work on equality, diversity, inclusion, and human rights.

- 13.3 The Chair opened the meeting to members for questions.

- 13.4 The Committee welcomed the report and noting that external advertising appeared to have had limited success in changing the profile of recruits asked if anything could be done to improve this. Katy Hetherington reported that this was

a challenge for NES, just as it was for other organisations, however she was working with Human Resource (HR) colleagues to review the recruitment plan and the equality aspect of the recruitment process.

- 13.5 The Committee welcomed the equality impact assessment being linked to operational planning.
- 13.6 The Committee enquired who was involved in the “Equality and Governance Group” mentioned in the report. Katy Hetherington responded that the group comprised lead equality representatives from each directorate and met quarterly, jointly chaired by Tracey Ashworth-Davies and Karen Wilson.
- 13.7 The Committee noted that the Equality Governance Group are working on standards, improvements and activity in relation to our Public Sector equality outcomes. It was confirmed that it was an operational group as opposed to a group connected to Board and Committee governance.
- 13.8 The Staff Governance Committee approved the mid-year update to inform the Board’s mid-year report at its meeting in November 2022; noted the legislative requirements to publish a report on progress with the Scottish Specific Duties of the Public Sector Equality Duty by April 2023, noted plans to review our Equality Outcomes and to align with our new Strategic Framework and noted recent reports UK-wide highlighting poorer experiences of staff from Black and Minority Ethnic Communities working in health and social care.
- 13.9 The Chair thanked Katy Hetherington for the report.
- 13.10 Stuart Caulfield, Specialist Lead, Education and Management Development joined the meeting at 11:31am for the following agenda item.
- 13.11 Katy Hetherington left the meeting at 11:33am.

14. Leadership and Management Review
(NES/SGC/22/50)

- 14.1 The Committee Chair welcomed Janice Gibson and Stuart Caulfield to the meeting and asked them to introduce the report.
- 14.2 Janice Gibson highlighted three key aspects of the report in relation to the development of the Workforce Development Fund, the publication of the Workforce Plan and NES essential learning status update.
- 14.3 Stuart Caulfield said that essential learning improvement work is progressing in relation to all programmes included being accessible via Turas Learn given this was not the case with all. The content of Health and Safety modules was being reviewed to improve staff engagement and length. Improvements also include the development of automated reminders to direct staff who have not completed their mandatory training. The Committee welcomed the progress and the improvements.

- 14.4 The Committee also noted Leading to Change and, within it, the national approach to talent management and succession planning. The Committee asked what NES access was to the national work and asked what steps were being taken to develop our own succession planning in NES.
- 14.5 Tracey Ashworth-Davies confirmed that it was intended that NES would develop a process for succession planning aligned to the national guidance and dependent on its timescale with respect to some elements.
- 14.6 The Committee noted that there was a lot of good work progressing and asked how staff in NES know about what is available to them and asked if there was a pathway for staff to be upskilled. Janice Gibson responded that people approach her directly and she then sign posts them to the most appropriate member of her team. They are mapping out what is available across the organisation and plan to have everything in the one place to make it easier for staff to know what opportunities are available to them.
- 14.7 The Committee noted the work on Peer Thinking Sets and asked if this was something that could be opened up to all health and social care staff. Janice Gibson confirmed that she was working on that process.
- 14.8 The Staff Governance Committee approved the report and also approved the proposal that the formal reporting on leadership and management learning and development will take place on an annual basis. The Committee agreed that this annual report will be broadened to include a review of learning and development compared to commitments within the NES Workforce Plan; an update of the NES essential learning position and deployment of the NES Workforce Development Fund.
- 14.9 The reporting period this report will cover and when the report will come to the Staff Governance Committee will be confirmed.
Action: Tracey Ashworth-Davies/Janice Gibson//Della Thomas
- 14.10 The Committee Chair thanked Janice Gibson and Stuart Caulfield for the report.

15. People & Organisational Development Dashboard (NES/SGC/22/51)

- 15.1 The Committee Chair welcomed Ameet Bellad to the meeting and asked him to introduce the report.
- 15.2 Ameet Bellad gave an overview of the report and highlighted the key points including the recruitment figures, the increased number of vacancies and the sickness absence figures.
- 15.3 The Committee Chair thanked Ameet Bellad for his introductory remarks and opened up the meeting for questions.

- 15.4 The Committee noted that whilst NES has a relatively very low level of sickness absence, the 50-60 age range has the highest level, and asked if there was likely to be scope to do more to reduce that figure, especially if a factor was menopausal symptoms. Karen Reid reported that staff sickness was due to a combination of factors. She added she had shared the Scottish Government menopause survey with staff.
- 15.5 The Committee Chair asked if the Committee were content with the assurance provided within the report and the Committee confirmed that this was satisfactory.
- 15.6 The Committee Chair thanked Ameet Ballad for the report.

16. Identification of any new risks raised at this meeting
(Verbal Update)

- 16.1 The Committee Chair asked if there were any new risks that should be included on the risk register as a consequence of the business considered at this meeting.
- 16.2 Tracey Ashworth-Davies raised the potential risk that non-recurring funding would have on the capacity and capability of the organisation in relation to its objectives if we did not get funding for roles which were engaged in business as usual work next year. The Board Chair added that as we are aware of this and monitoring the situation and suggested that we do not need to add it to the corporate risk register at this time. The Staff Governance Committee noted the points and agreed not to record it on the corporate risk register.
- 16.3 Ameet Bellad left the meeting at 12:09pm

Items for noting

17. Employment Tribunals
(NES/SGC/22/52)

- 17.1 Tracey Ashworth-Davies reported that Case 2 had been concluded. The learning points from both the cases will be carefully considered.
- 17.2 The Committee noted that the learning points will be shared once they are known.
- 17.3 There were no further points raised. The Committee noted the updates.

18. Policy/Scottish Government Director Letters as appropriate to Staff Governance Committee
(NES/SGC/22/53)

- 18.1 The Committee noted the Director Letters (DL) update.

19. Remuneration Committee Business via correspondence

(NES/SGC/22/54)

19.1 The Committee noted the Remuneration Committee business conducted through correspondence.

20. Change Management Programme Board minutes
(NES/SGC/22/55)

20.1 The Committee noted the Change Management Programme Board minutes.

21. Managing Health, Safety and Wellbeing Committee minutes
(NES/SGC/22/56)

21.1 The Committee noted the Managing Health, Safety and Wellbeing Committee minutes.

22. Any other business

22.1 The Committee Chair asked if there was any other point the Committee wished to raise. There were no other points.

22.2 The Committee Chair raised the effectiveness of the meeting and asked if members felt they got the right assurance, quality of papers, standard of papers and preparation that they expected for the meeting.

22.3 The Committee confirmed that the standard of papers was good and mentioned the excellent Leadership and Management cover paper.

22.4 The Committee Chair thanked Linda Dunion for the excellent handover. She also thanked Tracey Ashworth-Davies, Della Thomas and Ann Gallacher for all of their help making a smooth transition into the role of Chair. She thanked everyone for taking part in the meeting.

22.5 The meeting closed at 12:17pm.

23. Date and time of next meeting

23.1 The next meeting of the Staff Governance Committee will be held on Thursday 02nd February 2023, 10:15am.

NES
November 2022
AG/DT/TAD/AC
v.03

NHS Education for Scotland
Item 10b
16 February 2023

NES/23/14

Board Paper

1. Title of Paper

Redress of Historical Child Abuse in Care Settings: Annual Report

2. Author(s) of Paper

Della Thomas, Board Secretary

3. Lead Director(s)

Karen Reid, Chief Executive

4. Situation/Purpose of paper

4.1 This paper invites the Board to note the NES Redress of Historical Child Abuse in Care Settings: Annual Report included as Appendix 1.

5. Background and Route to Meeting

5.1 All NHS Boards were asked to use the same report template. The information provided will be used to inform the collective NHS Boards' report.

5.2 The NES Annual Report was prepared and approved by the Chief Executive and submitted to Scottish Government by the return deadline of 24 January 2023.

5.3 The Report covers the period 7/12/2021 to 7/12/2022.

6. Assessment/Key Issues

(Include narrative relating to a-g checklist by exception)

6.1 As NES is a national Board responsible for NHS and social care staff education and training and as such does not have any direct responsibility for the delivery of care, the questions (with the exception of Question 1) are nil return.

7. Recommendations

7.1 The Board is asked to note the NES Redress of Historical Child Abuse in Care Settings: Annual Report.

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: Della Thomas
Date: 2 February 2023
NES

Redress of Historical Child Abuse in Care Settings: Annual report (7/12/2021 to 7/12/2022)

NHS Education for Scotland

1. Support to individuals

- Information about any support which the NHS Board has provided for individuals who were abused as children, ensuring information is not identifiable. Some examples of relevant activities include:
 - funding for emotional, psychological or practical support
 - advice and assistance on accessing historical records
 - advice and assistance on tracing and reuniting families
 - activities relating to the acknowledgement of abuse and providing a meaningful apology to survivors

NHS Education for Scotland (NES) have published an acknowledgement of the wrongfulness of historical child abuse, and the harm this caused to survivors. We have offered our full and sincere apologies to anyone who suffered harm and abuse while in the care of NHS Scotland and this is positioned on our [corporate website](#).

As NES is a national Board responsible for NHS and social care staff education and training and as such does not have any direct responsibility for the delivery of care, the remainder of the questions relating to section 1 is a nil return.

2. Collective support

- Please include any other relevant examples of support provided to survivors. For example, some organisations may have held memorial events for survivors of abuse or shared with them details of new policies to prevent the harms of the past from ever happening again.
- If an organisation has not taken any action to provide wider support to survivors, this must also be reported, and reasons why this is the case

NES is a national Board responsible for NHS and social care staff education and training and as such does not have any direct responsibility for the delivery of care. Therefore question 2 is a nil return.

3. Wider Activities

- Recognising the importance of providing this ongoing support and acknowledgement to survivors in a meaningful way please include details of wider activities beyond those outlined above. It will be for individual organisations to determine what additional material they wish to include within a redress report but this might include, for example, details on what safeguards they have put in place to protect children currently under their care.

NES is a national Board responsible for NHS and social care staff education and training and as such does not have any direct responsibility for the delivery of care. Therefore question 3 is a nil return.

Della Thomas
Board Secretary and Corporate Governance Principal Lead
January 2023

Board Paper

1. Title of Paper

Extending the role of the NHS Scotland Academy Director

2. Author(s) of Paper

Karen Wilson, Deputy Chief Executive (Clinical) and Executive Director of Nursing

3. Situation/Purpose of paper

- 3.1 This paper outlines a proposal to extend and expand the role of the NHS Scotland Academy Director and for the post holder to be employed by NES.
- 3.2 The Board is asked to note and homologate this extension, noting that it was approved at the Education & Quality Committee (EQC) on 8 December 2022.

4. Background

- 4.1 The NHS Scotland Academy is a joint venture between NHS Golden Jubilee (NHSGJ) and NES parent Boards, as such some NHS Scotland Academy employees are employed by the NES Board and others by the NHSGJ.
- 4.2 The NHS Scotland Academy Director is currently an employee of NHSGJ.
- 4.3 The opportunity to broaden the educational scope of this role has presented itself and therefore as the NES Board is constituted for the delivery of education and training, the role would align more fully with NES. We are proposing the new title will be Director of NHS Scotland Academy, Learning and Innovation.
- 4.4 Discussions have taken place between the Board Chief Executives in the first instance, followed by agreement between the 2 Board Chairs. The individual affected is keen to work more closely with NES on many areas of mutual interest such as the Youth Academy and innovations in learning and teaching methodologies.

5. Assessment/Key Issues

- 5.1 For the new areas of responsibility (learning & innovation), this post will sit under the Deputy Chief Executive (Clinical) and Director of Nursing although not as part of NMAHP. This is similar to the arrangement at the moment for Psychology. While continuing the role as Director of the NHS Scotland Academy as the main emphasis and continuing to be accountable to both Boards, the role would broaden out to include developing and implementing the organisation's education and learning strategy, teaching approaches and prospectus for Scotland's health and care workforce. It will also play a key role in influencing Scottish Government national education policy. Further, working with NES Workforce colleagues, it will lead and drive forward the development of new career and qualification pathways and routes starting with supporting young people at school, through those transitioning to new career opportunities across the working lifespan and securing an economically active and productive workforce. This means a reach to all the 180,000+ NHSS workforce, 200,000 (approx.) social care workforce and the whole population of Scotland. This will be done by the delivery of workforce development, education and training through NES and the NHSSA congruent with the Scottish Government's (SG) Health and Social Care Workforce Strategy, Programme for Government, economic, innovation and digital policies and strategies. It is anticipated over time there will be the development of a NES Learning and Innovation Directorate working collaboratively across the health and sector, SG and Local Government, schools, higher and further education, professional bodies and public sector agencies such as Skills Development Scotland. The role will also take the lead in supporting NES to be a full partner in the development of digital technologies which support health and care, focussing on how we assist staff to develop, implement and deliver technical innovations which support care.
- 5.2 This change will not affect any staff at the NHS Scotland Academy as the Director will continue to carry out all functions, with good support within the senior team as the partnership has matured and settled into its role. There will be the opportunity to bring together some NES functions under the title of learning innovation for example the Credit Rating & Quality Assurance function which is being established and other areas which have a learning innovation focus. It should also allow for more co-ordinated working across the Widening Access programmes of work which includes apprenticeship and youth employment developments such as the Huddles led by NHSS Academy to support the National Treatment Centres.
- 5.3 This paper was taken through EQC because it will enhance NES' education strategy and learning innovation and to enable the organisation to extend the remit of the NHSS Academy Director, transferring employer arrangements to NES.
- 5.4 HR has been engaged to advise on the employment matters associated with the transfer and are progressing these with the Deputy Chief Executive (DCE). In addition, the DCE and Director require to identify, impact assess and progress wider aspects of change in accordance with standard process

over the first year or so depending on the NES strategic direction and ambition.

- 5.5 This post is currently budgeted for in the establishment of the NHSSA and is currently funded within the operational plan of NHSSA and NES. Any future changes to the funding of the NHSSA, and the staff that are within the Academy's operations, will require to be considered by both parent Boards, in discussion with the Scottish Government. Should there be a situation that this post is no longer fully funded through the NHSSA, NES would be required to build any residual funding into future operational plans.

6. Recommendations

- 6.1 The Board is invited to note the decision to extend and expand the role of the NHS Scotland Academy Director and for the post holder to be employed by NES and homologate this decision made by the Education & Quality Committee at their meeting 8 December 2022.

Author to complete

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 risks and mitigation measures been identified?

- Yes, this has been done for the present position and we will review further as the role develops.
 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. There has been very wide stakeholder engagement around the role of the Director of the NHSS Academy but we are preparing further communications for this extended role.

No

K. Wilson
NES
08/02/2023