

**AGENDA FOR THE ONE HUNDRED AND FIFTY-SECOND BOARD MEETING**

**Date:** Thursday 31st October 2019  
**Time:** 10.15 a.m.  
**Venue:** Carrington Suite, Scottish Health Service Centre, Crewe Road South,  
Edinburgh EH4 2LF

1. **Chair's introductory remarks**
2. **Apologies for absence**
3. **Declarations of interest**
4. **Minutes of the One Hundred and Fifty-First Board Meeting** NES/19/107  
To approve the minutes of the meeting held on 26th September 2019. (Enclosed)
5. **Matters arising from the minutes**
6. **Actions from previous Board Meetings** NES/19/109  
For review. (Enclosed)
7. **Chair and Chief Executive Updates**
  - a. Chair's Report Oral report
  - b. Chief Executive's Report NES/19/110  
(Enclosed)
8. **Update on Cabinet Secretary's Priorities: Access** NES/19/111  
(*K. Wilson and L. Allison*) (Enclosed)
9. **Governance and Performance Items**
  - a. Finance Report (A. McColl) NES/19/112  
To receive and endorse. (Enclosed)
  - b. Educational & Research Governance Committee: 9<sup>th</sup> October NES/19/113  
(*D. Hutchens*) (Enclosed)  
To receive a report and the minutes.

- c. Audit Committee: 3rd October (D. Steele)  
To receive a report and the minutes. NES/19/114  
(Enclosed)
- d. Digital Standing Committee – Draft Terms of Reference  
and Membership (D. Garbutt)  
For consideration and approval. NES/19/115  
(Enclosed)

## 10. Strategic Items

- a. Blueprint for Good Governance: Action Plan (C. Lamb)  
To receive a progress report. NES/19/116  
(Enclosed)
- b. Operational Planning 2020/21 to 2022/23 (A. McColl & D. Cameron)  
For consideration. NES/19/117  
(Enclosed)
- c. Board Development Session: 28<sup>th</sup> November 2018 (C. Lamb)  
Draft programme for consideration. NES/19/118  
(Enclosed)

## 11. Risk Register

NES/19/119  
(Enclosed)

## 12. Items for Noting

- a. Training and Development Opportunities for Board Members  
For information. NES/19/120  
(Enclosed)
- b. NHS in Scotland: Audit Scotland Report, 24<sup>th</sup> October 2019  
For noting. (Enclosed)

## 13. Any Other Business

## 14. Date and Time of Next Meeting

Thursday 30th January 2020 at 10.15 a.m.

## CLOSED SESSION

- 15. **Minutes of Closed Session meeting held on 26<sup>th</sup> September 2019** NES/19/107(a)  
For consideration and approval. (Enclosed)

NHS Education for Scotland  
Floor 3, Westport 102  
West Port  
EDINBURGH EH3 9ND

Tel: 0131 656 3424 (direct dial – David Ferguson)  
e-mail: david.ferguson@nes.scot.nhs.uk

October 2019  
DJF/cl

**NHS Education for Scotland****MINUTES OF THE ONE HUNDRED AND FIFTY-FIRST BOARD MEETING HELD ON THURSDAY 26th SEPTEMBER 2019 AT WESTPORT 102, EDINBURGH**

**Present:** Mr David Garbutt, Chair  
Ms Anne Currie, Non-executive member (agenda items 7a to 15 only)  
Mrs Linda Dunion, Non-executive member  
Mrs Jean Ford, Non-executive member  
Ms Liz Ford, Employee Director  
Mr Douglas Hutchens, Non-executive member  
Ms Audrey McColl, Director of Finance  
Ms Caroline Lamb, Chief Executive  
Ms Vicki Nairn, Non-executive member  
Professor Rowan Parks, Deputy Medical Director  
Dr Doreen Steele, Non-executive member  
Ms Sandra Walker, Non-executive member  
Mrs Karen Wilson, Director of NMAHP

**In attendance:** Mr David Ferguson, Board Services Manager (Board Secretary)  
Mr Donald Cameron, Director of Planning and Corporate Resources  
Mr Geoff Huggins, Director, NDS  
Dr David Felix, Postgraduate Dental Dean (agenda items 1 to 10e only)  
Ms Dorothy Wright, Director of Workforce  
Mr Christopher Wroath, Digital Director  
Ms Judy Thomson, Director of Training for Psychology Services (particularly for agenda items 8a and 10b)  
Mr Colin Brown, Head of Governance, Digital (particularly for agenda Item 9f)  
Ms Suzanne Graham, Senior Manager, Planning & Corporate Resources (particularly for agenda item 10b)  
Ms Alison Shiell, Manager, Chair and Chief Executive Office

**1. CHAIR'S INTRODUCTORY REMARKS**

The Chair welcomed everyone to the meeting and advised that the following officers would be joining the meeting for particular agenda items:

- Judy Thomson, for agenda item 8a: Cabinet Secretary's Priorities – Mental Health;
- Judy Thomson and Suzanne Graham, for agenda item 10b: Corporate Parenting; and
- Colin Brown, for agenda item 9f: Establishment of a new Board standing committee

As Judy Thomson would be involved in two separate items, it was agreed that agenda item 10b would be taken immediately after item 8a.

## **2. APOLOGIES FOR ABSENCE**

Apologies were received from Professor Stewart Irvine, Medical Director, with Professor Rowan Parks, Deputy Medical Director, deputising.

It was noted that Anne Currie was experiencing travel difficulties and would be a little late in arriving at the meeting.

## **3. DECLARATIONS OF INTEREST**

Vicki Nairn declared that she is employed as Vice Principal, Corporate Operations at The Robert Gordon University in Aberdeen, which is a provider of services to NES. It was noted that this declaration is included in the Register of Board Members' Interests and it was agreed that it should be regarded as a standing declaration.

## **4. MINUTES OF THE ONE HUNDRED AND FIFTIETH BOARD MEETING (NES/19/86)**

Subject to two corrections (on pages 3 and 8, respectively) and the insertion of an additional sentence on page 3, the minutes of the Board meeting held on 25<sup>th</sup> July 2019 were approved. **Action: DJF**

## **5. MATTERS ARISING FROM THE MINUTES**

None.

## **6. ACTIONS FROM PREVIOUS BOARD MEETINGS (NES/19/88)**

The Board noted that most of these actions had been completed or were in hand.

It was agreed to delete the action from the previous meeting relating to discussion of the ageing NHS Scotland workforce at a future Board development session, as this issue is being addressed by individual Directorates, as necessary. **Action: DJF**

## **7. CHAIR AND CHIEF EXECUTIVE REPORTS**

### **a. Chair's Report**

The Chair provided a verbal report on recent meetings and activities, including the following:

- Discussions on the respective roles of the Chairs Group and the Chief Executives Group and the scope for these groups to work together more closely moving forward.
- A handover meeting with the retiring Chair of the Chairs Group.
- Discussion on data analysis, including the level of understanding among Board non-executives.
- A Ministerial short-life working group on culture and the outcome of the Sturrock Report.
- Meetings regarding the mental health of doctors.
- A meeting with NDS colleagues to discuss information governance, including concerns at apparent delays in having information governance submissions considered and approved at national level.
- A meeting to discuss guidance on the Project Lift evaluation approach.
- A meeting regarding performance management for NHS Boards.
- Discussions on the creation of a new Good Practice Hub in Scotland.
- Attendance at a Health Care Support Workers regional event in Aberdeen.
- Attendance at the Scottish Clinical Leadership Improvement Programme (SCLIP) Cohort 13 in Dundee.
- Prepared a report on the Values Based Recruitment Model.
- A meeting with a representative of the Access Collaborative to discuss the innovation approach to health care.
- A discussion on the NHS Boards' response to the Cabinet Secretary's priority area of Mental Health.
- A planning meeting relating to the appointment of new non-executives for the NHS Lanarkshire Board.
- A review meeting in relation to the Blueprint for Good Governance.
- A meeting to discuss the Golden Jubilee Hospital's involvement in a Clinical Innovation Centre.
- Assessed candidate results for a new senior executive support for the Chairs Group and Chief Executives Group.
- Involvement in the testing of design concepts for a new system of 360 degree appraisal for NHS Board Chairs.
- Discussions relating to COSLA involvement in the work of NDS.
- Attendance at a Talent Management Board meeting in Glasgow.

b. Chief Executive's Report

**(NES/19/89)**

The Chief Executive introduced a report on recent meetings and activities, highlighting the following items in particular:

- Dorothy Wright's announcement of her intention to retire from the post of Director of Workforce at the end of March 2020.
- The issue of a letter to relevant staff and stakeholders regarding the transfer of responsibility for Workforce Statistics from NSS to NES.
- A timetable for the refreshment of NES's Communications Strategy, resulting in the submission of an updated communications strategy to the Board meeting in January 2020. Board members will be kept informed of progress and there will be non-executive representation on a short-life working group. Linda Dunion, Douglas Hutchens and Sandra Walker expressed an interest in serving on this group.

- The launch of the SDCEP Dental Companion App.
- Professional Development Award in Supporting the Healthcare Team in the Workplace (SCQF Level 8). This two-day programme is delivered by the NES Dental Directorate's Dental Care Professional workstream. It was noted that there may be scope to widen access to this qualification, recognising that it may be of interest to Health Care Support Workers, in particular.
- The Workforce Transition Data Sharing Agreement has been signed between NSS and NES.
- NES Digital Operations have completed a tender process for Audio Visual implementation and support services in all NES offices.
- The second meeting of the NES e-learning group in August.
- An announcement that the General Medical Council will regulate physician associates and anaesthesia associates across the UK. It was noted that other groups might come under this umbrella in future.
- The launch of a new NES Realistic Medicine website.
- The launch of a new Implementation and Spread e-learning module on the QI Zone on Turas Learn.
- Initiatives to increase the numbers of nurse endoscopists, with a view to reducing waiting times.
- The successful recruitment of 24 General Practices as GPN training practices for newly qualified nurses.
- The inclusion of the NES Psychology Trauma workstream in the Scottish Government Programme for Government 2019-20.
- The Training in Psychological Skills – Early Intervention for Children (TIPS-EIC) workstream was highlighted.

Some discussion took place on other items included in the report, as follows:

- The Executive Team's annual programme of visits to the NES regional offices provides opportunities for the Executive Team to receive presentations on local initiatives and engage the local staff in positive and informal discussions on topics of interest or concern.
- The work of NDS in relation to a National Genomics Data Store was highlighted. There may be scope to extend this work into the area of prevention in future, although there would clearly be ethical considerations.
- Attention was drawn to NDS's engagement with a range of stakeholders, notably Police Scotland and The Alliance, to consider collaborative opportunities and the promotion of the National Digital Platform.
- The Board welcomed the allocation of funding to progress the work of the new Children and Young People Mental Health and Wellbeing Programme Board and one member requested access to the minutes of this Board. **Action: JT**

Caroline Lamb concluded her report by advising the Board that funding has now been confirmed for the first three intakes to the new programme of education for paramedics. An announcement in relation to the outcome of the tendering process for provision of these education programmes is expected in the fairly near future.

## **8. UPDATE ON CABINET SECRETARY PRIORITIES**

**(NES/19/90)**

This was the first in a regular series of updates on NES's contributions to progressing the Cabinet Secretary's published priorities.

### **a. Mental Health**

Judy Thomson was welcomed to the meeting for this item. She introduced a paper providing a brief on NES's contribution to Workforce Development for Mental Health. The following points were highlighted:

- NES has made a significant contribution to the Mental Health agenda in Scotland over a number of years. This work encompasses the training of Mental Health disciplines, the upskilling of the wider workforce in relation to Mental Health and the development of a range of multidisciplinary and cross-sectoral programmes.
- The full portfolio of work is overseen by a NES cross-directorate group
- The inclusion of Mental Health as a Cabinet Secretary priority is welcomed.

The following points arose in discussion:

- It was recognised that cross-sectoral training requires careful planning, future-proofing and adequate investment. The work led by NES is valued by Scottish Government and funding has been secured to sustain it. The current reliance on non-recurrent funding streams does however present workforce planning challenges.
- The positive retention rates in relation to trained psychologists was noted and this may be due to the stability offered by the trainees being recruited and employed in NHS Boards.
- The increase in CAMHS training numbers was commended.
- The lack of engagement from some local authorities in relation to the Psychology of Parenting Project (PoPP) was highlighted. It may be that this is not prioritised in some local authorities, as it is not a statutory requirement.
- Some concern was expressed at the low levels of recruitment to psychiatry posts. In a competitive market, psychiatry remains one of the less popular medical specialties. Work is ongoing with the Royal College of Psychiatrists in relation to promotion and marketing of the psychiatry specialty.
- The Cabinet Secretary is aware of the variations across territorial NHS Boards in relation to expenditure on Mental Health and would wish to see a more consistent pattern for the future.

Following discussion, Judy Thomson was thanked for her useful paper.

## **9. GOVERNANCE AND PERFORMANCE ITEMS**

### **a. Finance & Performance Management Committee: 22<sup>nd</sup> August **(NES/19/91)****

The Board received and noted the unconfirmed minutes and a summary, which were introduced by David Garbutt.

One member requested a link to the Sustainability Action Plan mentioned in the minutes.

**Action: DC**

b. Finance Report

**(NES/19/92)**

Audrey McColl introduced a paper presenting the financial results for the first five months of the financial year to 31st August 2019 and indicating the current forecast outturn as at 31<sup>st</sup> March 2020. Particular attention was drawn to the sections of the paper on Summary Financial Position, Savings – Vacancy Clawback, Transformation Fund Projects, Risks to Forecast Position and Year-end Financial Position (information on the historical position, as requested by the Board).

The following points were highlighted:

- The year-to-date position reflects an underspend of £2.1 million.
- A year-end underspend of £1 million is currently forecasted.
- Some further movements in the Training Grade numbers are possible.
- There remains a gap in relation to the NMAHP Directorate's bundle of funding from the Chief Nursing Officer's Department and this is still being discussed with Scottish Government.

The following points arose in discussion:

- The additional context provide by the historical analysis of year-end financial positions was welcomed.
- Members were pleased to note that NDS is successfully recruiting to a range of specialised posts, despite operating in a very competitive market. The NDS approach to recruitment may provide some useful learning for other NHS Boards.
- It has now been possible to recruit to two senior posts in Finance and discussion on how to manage the current gaps in relation to junior level staff took place at a Finance Directorate away-day on 25<sup>th</sup> September.
- Recent discussions with Scottish Government have produced a positive reaction to NES's proposal to have the Training Grades element of its budget managed separately in future.

The Board noted the information contained in the Finance Report.

c. Organisational Performance Report

**(NES/19/93)**

Donald Cameron introduced a paper providing a summary of NES's performance for the first quarter of 2019/20. The following points were highlighted:

- The paper also includes a summary of the 2018/19 Targets which were rated as amber at the end of last year. Red targets are normally carried forward into the next year.
- The paper has been tabulated to make it easier to read.
- Full performance data is available in the Corporate Insights area of Turas Data Intelligence, which presents corporate data in one place. Access to this data requires a Turas user password.

Discussion of the paper produced the following main points:

- It was noted that the Workforce Directorate target in relation to widening opportunities for young people would soon be back on track, following management of some recent staff changes.
- It was advised that the development and delivery of dental educational resources through Turas Learn is part of the NES Digital backlog. The resources concerned have been developed and will be quality assured before they are moved to Turas Learn.
- The Board was assured that work is continuing to improve completion rates in relation to appraisal discussions, recording of learning Activities and essential learning. The frequency of reporting has been increased and the next set of figures will be reviewed by the Executive Team in October, prior to submission to the Staff Governance Committee.
- One member questioned why NES is continuing to use Facebook, given its declining popularity, and this will be raised with John MacEachen. **Action: DC**
- The importance of education in relation to the Duty of Candour legislation was emphasised and it was noted that discussions are ongoing with Scottish Government to secure the required resources for this.

Following discussion, the Board noted and approved the current performance of NES.

d. Staff Governance Committee: 8<sup>th</sup> August 2019 **(NES/19/94)**

The Board received and noted the unconfirmed minutes and a summary, which were introduced by Linda Dunion.

e. Board and committee meeting dates 2020/21 **(NES/19/95)**

The Board approved a proposed calendar of Board and committee meeting dates for the period April 2020 to March 2021. **Action: DJF**

Proposals in relation to a Board away-day at the Golden Jubilee, in association with one of the approved Board meeting or development session dates, will be presented to Board members soon. **Action: DG and CL**

At the request of one of the members, the venues for the Board and committees meetings will be circulated, once booked. **Action: DJF**

f. Establishment of a new Board Standing Committee **(NES/19/96)**

Colin Brown was welcomed to the meeting for this item.

David Garbutt introduced a paper seeking the Board's endorsement for the establishment of a Digital Committee as the sixth standing committee of the NES Board, in line with section 9.4 of the Standing Orders. The following points were highlighted:

- The intention is to strengthen the governance aspects of NES's digital activities.
- The valuable contribution made by the existing Digital Sub-Committee was acknowledged.

- The paper includes the original terms of reference for the Digital Sub-Committee and doesn't take account of the fact that Douglas Hutchens and Vicki Nairn are now members of the sub-committee.
- In establishing a new Digital Committee, there would be a need to review the existing remit, terms of reference and membership of the Digital Sub-Committee.
- The Digital Committee would be chaired by the Board Chair.
- The (external) chair of the Digital Sub-Committee would be invited to join the new committee as a member.
- The establishment of the Digital Committee and the transition arrangements will be discussed at the Digital Sub-Committee meeting on 30<sup>th</sup> September.
- Scottish Government will be kept informed of developments.

In discussion, the importance of one of the two clinical executive directors of the Board being in attendance at meetings of the new committee was underlined.

The Board approved the following recommendations in the paper:

- a) The establishment of a Digital Committee was endorsed;
- b) The Board Chair should chair the Digital Committee;
- c) A more detailed paper will be brought to a future Board meeting, setting out the proposed remit, terms of reference, membership and work programme.

**Action: CB**

## 10. STRATEGIC ITEMS

### a. Programme for Government

**(NES/19/97)**

Donald Cameron introduced a paper providing the Board with a brief overview of "Protecting Scotland's Future: The Government's Programme for Scotland 2019-2020", highlighting the main actions relevant to NES and including references and links to the main national policies and strategies which impact on NES's work. The following points were highlighted:

- Many of the actions highlighted have featured in the Programme for Government (PfG) over the last three years. This year, there is an increasing emphasis on digital innovation and workforce issues such as recruitment and retention.
- Attention was drawn to the announcement of additional Foundation places for medical graduates and proposals for a new medical school in Scotland.

Discussion of the paper generated the following main points:

- The Cabinet Secretary has requested a briefing in relation to the new medical school. The intention is to improve the pipeline of medical graduates, encourage more applications from Scottish domiciles and widen access to medical training.
- NES's digital commitments are recorded separately.
- The resourcing of the commitments in the PfG is unclear overall.

Following discussion, the Board commended the paper as very useful. On an associated point, it was agreed that it would be helpful to include this paper, and other key reference documents, in designated folders within both SharePoint and Admin Control.

**Action: DC and DJF to consider**

b. Corporate Parenting

**(NES/19/98)**

Judy Thomson and Suzanne Graham were welcomed to the meeting for this item.

A paper had been circulated to provide an update on Corporate Parenting and related NES activity. The following points were highlighted:

- As a public body, NES has a responsibility in relation to corporate parenting.
- Corporate parents have responsibilities for the wellbeing of care-experienced young people.
- NES reports to Scottish Government on how its corporate parenting responsibilities are discharged.
- The paper includes the updated NES Corporate Parenting Action Plan.
- Work within NES is taken forward on a cross-directorate basis.

Suzanne Graham advised that discussions have been taking place at meetings of the Person-Centred Care, Participation, Equality and Diversity Leads Network (PEDLN) on how to develop NES's corporate parenting activities further.

The Board discussed the paper and the following main points arose:

- It was recognised that there is a need to improve the quality of the data and to factor impact and evaluation into these activities.
- It was suggested that some care-experienced young people might be suitable candidates for Modern Apprenticeship schemes.
- It was suggested that some care-experienced young people have the potential to make a significant contribution as non-executives on NHS Boards, although it was recognised that the current application processes might act as a disincentive. Consideration might usefully be given to co-opting a care-experienced young person onto a Board standing committee and/or appointing a care-experienced young person to a trainee position on the Board.

**Action: DG and CL to discuss**

Following discussion, the Board noted the information in the update paper.

c. Annual Review 2019 Self-Assessment Document

**(NES/19/99)**

Donald Cameron introduced a paper providing a brief on the arrangements for the 2019 NES Annual Review and submitting the Self-Assessment Document and 'At a Glance' briefing note for consideration. The following points were highlighted:

- This is a standard Scottish Government format document to support the Annual Review process.
- There have been no indications that NES will have a formal Annual Review during 2019.

- The documentation informs the preparation of the NES Annual Report in any event.

The paper was approved.

**Action: DC**

d. Dental Recruitment

**(NES/19/100)**

Dr David Felix introduced a paper providing a brief overview of recruitment to postgraduate dental training posts and pre-registration training posts for dental nurses. It was highlighted that overall vacancy fill rates remain buoyant and have improved in 2019, compared to 2018.

Discussion of the paper resulted in the following points:

- It was clarified that modern apprentices in dental nursing are recruited and employed by individual dental practices.
- It was noted that low pay levels are one of the reasons for poor retention rates among dental nurses.

The Board noted the data and commentary in the paper.

e. NDS Updates

i. Status Update

**(NES/19/101(a))**

Geoff Huggins introduced a paper providing an update on NDS progress against agreed deliverables. It was noted that the deliverables and activities relate to three over-arching categories:

- a. Core Platform Requirements
- b. Enabling Systems and Processes
- c. Products and Services

It was emphasised that there is a need to increase understanding among NHS Boards of the nature and purpose of NDS's activities.

Discussion of the paper produced the following main points:

- It was advised that the colour coding in the update slides represent informal status ratings, rather than formal RAG ratings. Areas of work are mapped across to the NDS risk register, as necessary/appropriate.
- It was suggested that the update slides might usefully contain more context relating to the purposes of the activities. It may be possible to import this context from the Roadmap.
- It was noted that associated costings still had to be developed in some cases.
- It was agreed to hold a Board development session on Cloud Technology and that it may be useful to consider offering similar sessions to other NHS Boards too. **Action: GH and CW to consider nature and timing of session**

The update paper was noted.

ii Procurement Update **(NES/19/101(b))**

Geoff Huggins introduced a paper providing a status update on the major public cloud procurement being undertaken, with support from NHS NSS, to host the National Digital Platform. A further paper on the outcome of the procurement process will come to the Board for approval in due course.

The update paper was noted.

**11. RISK REGISTER** **(NES/19/102)**

The Board noted a paper presenting the NES Risk Register as at September 2019.

It was confirmed that risks relating to NDS will be added in due course.

It was noted that the NES Business Continuity Plan is due to be considered by the Audit Committee on 3<sup>rd</sup> October.

**12. ITEMS FOR NOTING**

a. Sharing Intelligence for Health & Care Group: Annual Report **(NES/19/103)**

The Board received and noted the Sharing Intelligence for Health & Care Group's Annual Report 2018-2019, which was produced by the seven constituent organisations.

b. Partnership Forum: 2<sup>nd</sup> September **(NES/19/104)**

The Board received and noted the unconfirmed minutes of this meeting and a summary, which were introduced by the Caroline Lamb.

b. Training and development opportunities for Board members **(NES/19/105)**

The Board noted a paper providing details of any upcoming training and development events for Board members, together with details of opportunities for members to gain a deeper understanding of NES's business.

**13. ANY OTHER BUSINESS**

There was no other business.

**14. DATE AND TIME OF NEXT MEETING**

The next Board meeting will take place on Thursday 28th November 2019 at 10.15 a.m.

**CLOSED SESSION**

**15. BUSINESS CASE FOR EXTENSION OF THE BAYES CENTRE LEASE  
(NES/19/106)**

Geoff Huggins, Dorothy Wright and Christopher Wroath withdrew from the meeting for this item, which was considered in Closed Session. The item was chaired by Doreen Steele, as David Garbutt was required to leave to attend another meeting.

The discussion of this item is recorded in separate, confidential minutes.

NES  
September 2019  
DJF

**Actions arising from Board meetings: Rolling list**

Minute	Title	Action	Responsibility	Date required	Status and date of completion
<b>Actions agreed at Board meeting on 26<sup>th</sup> September 2019</b>					
4	Minutes of July 2019 Board meeting	Make three agreed changes and then add approved minutes to Corporate Hub.	David Ferguson	N/A	Actioned on 30 <sup>th</sup> September.
6	Actions from previous Board meetings	Update rolling action list, as discussed.	David Ferguson	N/A	Updated on 29 <sup>th</sup> September.
7b	Chief Executive's Report	Arrange to provide access to Children & Young People Mental Health & Wellbeing Programme Board minutes for one Board member (Anne Currie).	Judy Thomson	N/A	Completed.
9a	Finance & Performance Management Committee minutes: 22 <sup>nd</sup> August 2019	Provide one member (Linda Dunion) with a link to the Sustainability Action Plan.	Donald Cameron	N/A	Completed.
9c	Organisational Performance Report	Raise with John MacEachen the question of NES's continued use of Facebook, given its declining popularity.	Donald Cameron	N/A	Completed.
9e	Board and Committee meeting dates for 2020/21	(i) Actions, as necessary, following approval of the calendar of meetings.	David Ferguson	N/A	Actions taken on 30 <sup>th</sup> September.
		(ii) Proposals for a Board away-day during 2020/21 to be presented to Board members in due course.	David Garbutt and Caroline Lamb	N/A	In hand.
		(iii) Provide information on Board and committee meeting venues, once booked.	David Ferguson	N/A	In hand.

Minute	Title	Action	Responsibility	Date required	Status and date of completion
9f	Establishment of a new Board standing committee	Produce a more detailed paper on the establishment of a Digital Committee for a future Board meeting.	Colin Brown	N/A	Paper on agenda for October 2019 Board meeting.
10a	Programme for Government	Give consideration to creating and populating designated folders in the Corporate Hub and Admin Control for key reference documents	Donald Cameron and David Ferguson	N/A	Completed.
10b	Corporate Parenting	Give consideration to co-opting a care-experienced young person onto a Board committee(s) and/or appointing one to a training position on the Board.	David Garbutt and Caroline Lamb	N/A	
10c	Annual Review Self-Assessment Document (SAD)	Actions, as necessary, following approval of the draft SAD.	Donald Cameron	N/A	Completed.
10e i	NDS Status Update	Consider the nature and timing of a Board development session on Cloud Technology.	Geoff Higgins and Christopher Wroath	N/A	
<b>Actions agreed at Board meeting on 25<sup>th</sup> July 2019</b>					
5	Actions from previous Board meetings	Note that a NES Communications Plan will come to the September Board meeting.	David Ferguson	N/A	Paper now scheduled for the January 2020 Board meeting.
<b>Actions agreed at Board meeting on 29<sup>th</sup> May 2019</b>					
8f	Blueprint for Good Governance Action Plan	Bring an update on progress to the September 2109 Board meeting.	Caroline Lamb	Mid-November	Paper on agenda for November 2019 Board meeting.
<b>Actions agreed at Board meeting on 31<sup>st</sup> January 2019</b>					
9b	Medical Revalidation	Discuss with the RDBS Chair how best to present the recommendations from the annual quality assurance reports in future.	Stewart Irvine	N/A	To be pursued and resolved with the RDBS.

**NES  
Item 7b  
October 2019**

**NES/19/110  
(Enclosure)**



## **CHIEF EXECUTIVE'S REPORT**

Caroline Lamb, Chief Executive

**October 2019**

## 1 INTRODUCTION

In a change to the published schedule of Board meetings, we decided to swap the October/November Board development session and Board meetings around. This was to facilitate the contributions of externals to the Development Session on Digital planned for November.

In line with our agreement on regular reporting on the Cabinet Secretary's priorities, our agenda includes an update on NES work to support improved access.

The Board will also consider an update on progress towards our Blueprint for Good Governance Action Plan and a briefing on our approach to Operational Planning for 2020/21 to 2022/23.

The agenda also covers our normal cycle of governance items, including the Finance Report and minutes from two NES Standing Committees. Members will also receive an update paper on the draft Terms of Reference and membership for the Digital Standing Committee, following on from the Board's endorsement of the committee at the September meeting.

## 2 ANNOUNCEMENTS

### **Liz Ford, Employee Director & Non-Executive Board Member**

Liz has announced her intention to stand down from her role as Employee Director and Non-Executive Member of Board the end of March 2020, when her current term ends. We are very grateful to Liz for her contribution and staff-side expertise that she has brought to the Board.

Staff-Side will organise an election to determine who will succeed Liz and this will take place in the next four to eight weeks. A formal announcement will be made once the election has taken place.

### **David Ferguson, Board Services Manager**

This is David's final formal Board meeting before he retires from NES at the end of the year.

Following University and a spell working in an Edinburgh record shop, David began his career as an Executive Officer in the Civil Service. In the early 1980s, he joined the newly-established statutory body, National Board for Nursing, Midwifery and Health Visiting for Scotland (NBS), as Committee Clerk. When the NBS and the other two predecessor bodies of NES were disbanded in 2002, David joined the newly-created NHS Education for Scotland as Board Secretary (later re-named Board Services Manager). We are very grateful to David for his contribution to NES and will mark his departure more formally at the Board development session on 28 November.

### **The Fletcher of Saltoun Award**

The Saltire Society has awarded Jan Clarkson, Associate Postgraduate Dental Dean with the Fletcher of Saltoun Award for 2019 for her contribution to Science.

The awards ceremony took place at the Aberdeen Maritime Museum on Saturday 21 September.

This prestigious award is given in recognition of an outstanding contribution to Scotland's life and culture. It reflects the Saltire Society's commitment to the promotion, celebration and support of Scottish cultural life. In order to achieve an inclusive vision and support the range of the Society's work, the Society's Council presents awards in the areas of Arts and Humanities, Science, and Public Life. It is in the Science category that we wish to make this award.

The awards involve nominations from its membership and the final decision is made by its Council.

In this instance Jan was nominated by a number of its members and the Council was unanimous in their support for the award noting Jan's exceptional contribution in not only Scotland but internationally.

#### **Shirley Rogers, Scottish Government**

Shirley Rogers has indicated her intention to step down from her role as NHS Scotland Chief People Office and Director for Health Workforce, Leadership and Reform with effect from 31 March 2020.

#### **Chief Dental Officer Appointment**

Tom Ferris has accepted the substantive post of Chief Dental Officer (CDO) with immediate effect. Tom has been acting as Interim CDO since late 2018. We look forward to continuing our work with Tom on projects arising from the Oral Health Improvement Plan.

### **3 STRATEGIC UPDATES**

#### **Joint NHSS Chairs & Chief Executive Development Session – 9 October**

The Chair and I attended a joint meeting of all Chairs and Chief Executives to consider papers and presentations on NHSS corporate governance, Scottish Government's Digital Health & Care Strategy and the importance of Boards developing and sharing innovative solutions to systems issues.

#### **UK Withdrawal from the EU/Brexit**

We are receiving regular communications from Scottish Government, and we continue to prepare for the UK's planned withdrawal from the EU on 31 October. In response to a letter from Shirley Rogers (Director of EU Exit and Transition) on 11 October, I have provided a statement of assurance that NES has taken all reasonable steps to ensure that we are prepared, as far as is practical, to mitigate the impact of a no-deal EU Exit.

#### **Transfer of responsibility for Workforce Statistics from NSS to NES**

We have now completed the recruitment of a team of workforce statistical analysts to support the additional responsibilities that we are taking on in respect of

publication of workforce statistics. We have also agreed the recurrent funding that will transfer from NSS to NES with effect from 1<sup>st</sup> April 2020 to support this work.

#### **4. Communications**

##### **2019 Corporate Communications – Quarterly Report (Q2)**

The report is attached at Appendix A. This quarter saw the Cabinet Secretary launch our Trauma Training Plan, which received broadcast as well as print and online coverage. We also issued news releases on medical training numbers, General Practice Nurse recruitment and a Dental app to support clinical best practice. Working with partners, we have been pushing material through social media to promote Pharmacy 'Experiential Learning' placements, highlighting their value for both students and hosts, as part of a broader drive, which also includes traditional media, to promote Pharmacy in Scotland.

Our social media channels continued to expand in line with previous trends. Highlights/high performing posts include those on the following subjects: Sepsis awareness in September, promotion of November's NES Bereavement conference, Recruitment activity for the whistle blowing champion Board member and NHS career #nowrongpath posts.

Overall, staff uptake of internal communications channels was consistent with the previous quarter. As part of simplifying and improving our internal communications channels, we refreshed and relaunched the NES intranet in early October. Early feedback has been positive: we will analyse the changes once they have bedded in.

#### **5. Digital**

##### **Turas FNP goes live**

On 9 October, NES delivered a significant milestone with Turas FNP being the first clinical system developed and going live on the Turas platform.

The Family Nurse Partnership (FNP) is a programme for first time, younger mothers, available in most locations in Scotland. Its aim is to improve health, social and economic outcomes for clients and to give their babies the best start in life. Running in Scotland since 2010, over 7,000 families have participated to date.

NES have had a key role in supporting the programme in Scotland, providing bespoke education and professional development to FNP staff and analytical support to monitor the quality of programme delivery and client outcomes. In the summer of 2017, NES Digital were commissioned by the Scottish Government to develop a new, national data system to support the needs of the FNP programme. Turas FNP replaces an existing, legacy system hosted at a territorial board. This legacy system was not designed with the specific needs of FNP in mind and ran on increasingly obsolete technology, resulting in an adverse user experience.

Turas FNP will offer major benefits to the FNP service:

- For the first time in Scotland, Family Nurses will have live and direct access to data captured about their own clients.
- Turas uses cloud technology which is far more reliable and secure than a traditional hosting model. The system has been designed to adapt to mobile devices and will eventually be accessible from any web-enabled device, meaning that Family Nurses will be able to view and update data from remote locations and community settings.
- Data reports will be made available using Microsoft's class-leading PowerBI software - providing aggregated data appropriate to the user's job role and location.

## 6. Medicine

### Health and Sport Committee

Dr Amjad Khan represented NES at the Health and Sport Committee on 1 October, in relation to its Inquiry into Primary Care. The [official report](#) of the session has now been published. NES's written submission to the committee is also available [here](#).

## 7. NES Digital Service (NDS)

The Cloud Procurement process for the National Digital Platform is progressing – an invite to tender stage has now closed.

## 8. NMAHP

### PRACTICE EDUCATION

#### The National Framework for Practice Supervisors, Practice Assessors and Academic Assessors in Scotland

Developed in partnership with service partners, higher education institution colleagues and Scottish social services council The National Framework for Practice Supervisors, Practice Assessors and Academic Assessors in Scotland has been developed to provide guidance for the implementation of the these new roles in line with the new Standards for student supervision and assessment for pre- and post-registration nursing and midwifery students published by the Nursing and Midwifery Council in 2018 and can be accessed at <https://www.nes.scot.nhs.uk/education-and-training/by-discipline/nursing-and-midwifery/practice-education/scottish-future-nurse-and-midwife-programme-board/national-framework-for-sssa.aspx>

#### AHP CAREERS FELLOWSHIP

The first cohort of the re-modelled AHP Careers Fellowship Scheme have completed the learning programme and are nearing the end of their work-based projects. All 24 Fellows have remained engaged across the year (no drop outs) and undertaken a broad range of projects. A few examples include: the development of education to support best nutritional practice on a neonatal unit; redesign of community AHP single point of referral; implementing MDT early mobilisation to improve outcomes for critically ill children; interactive performance story telling as a

vocational path for people with additional needs; and meeting the education needs of non-medical staff when referring for imaging. We are planning a celebration and learning event in spring 2020 to share the final outputs and present impact.

Fellows have told us about how the scheme has influenced them personally; many have blogged and tweeted for the first time raising their visibility and building influence. One person has successfully secured a promotion as a result of the Fellowship, one person has now started a Prof Doc, two people are presenting their Fellowship work at international conferences and the healthcare support worker Fellows have said they feel like they have a career now rather than a job. Cohort 2 have been selected and we are looking forward to them all starting next year.

The Fellows' blogs can be accessed through the AHP Scot Blog site:  
<https://ahpscot.wordpress.com/>

## **9. Psychology**

### **Psychology of Parenting Project**

NES issued a press release on 9 October regarding the Psychology of Parenting Project (PoPP).

More than 5,000 families have taken part in a Scottish Government-funded scheme to support and empower parents in how to support the 1 in 10 young children who have significant behavioural problems, helping children develop more cooperative and desirable behaviour as well as greater emotional and social competence.

The Psychology of Parenting Project (PoPP) is aimed at improving the availability of high-quality evidence-based parenting approaches for families with 3-6 year olds. Under the Programme, parents meet up for group work over a number of weeks, guided by two trained practitioners. These groups focus on building strong parent-child relationships, empowering families and helping parents learn to parent in ways that supports their child's development and builds resilience.

Data shows that since the scheme began in 2013, 81% of children demonstrated an improvement by the time that their parents had completed the group. For children with the most significant 'clinical range' of problems, 62% successfully moved out of this high-risk category.

Since January 2013, 772 practitioners have been trained to deliver these interventions and overall 883 PoPP groups have been delivered (or are currently being delivered) to 5,623 families. The Programme includes the 'Incredible Years Preschool Basic' and 'Level 4 Group Triple P' interventions. More details are [available here](#). Outcome data (in the form of pre and post group Strength and Difficulties Questionnaires) was collected on 2,950 children

## **National Joint Investigative Interviewing Course**

Earlier this month we were delighted to be working alongside our partners in social work and Police Scotland to deliver the new National Joint Investigative Interviewing Course to the first cohort, putting [trauma informed](#) principles at the centre of the child's experience.

Following additional Scottish government investment, we recruited to an expanded intake of 35 trainees to our Psychological Therapy in Primary Care programme to include 10 places with Perinatal Mental Health funding.

We welcomed people from across Scotland to hear about the great work our trainees in Health Psychology are doing, as well as learning about our MAP behaviour change training.

## **10. Workforce**

### **iMatter**

NES has achieved a 94% iMatter Action Plan completion rate this year, up from 81% in 2018. This is a significant achievement and we are grateful to line managers and staff for engaging so positively with the tool to help improve staff experience.

## **CALENDAR**

### **17 September - Digital Health & Care Strategic Portfolio Board**

The agenda for this meeting included a discussion on delivering the ambitions of the Digital Health & Care Strategy and a presentation on enabling infrastructure and the importance of information governance, assurance and cyber security. Members also received programme and project status updates.

### **18 September**

#### **Scotland's Dementia Awards**

I was delighted to present three awards at this ceremony, which NES sponsors in partnership with Alzheimer Scotland and the Scottish Social Services Council (SSSC). Two of the awards I presented, Best Hospital Care Initiative and Best Educational Initiative, were sponsored by NES. More information on the ceremony and winners can be found on the Alzheimer Scotland website [here](#).

### **23 September**

#### **NES/SSSC Partnership Group**

Non-Executive and Executive colleagues from NES and SSSC met to discuss our ongoing Partnership Working arrangement. Items for discussion included the approval of the Annual Partnership Report, a report on the integrated activity of the Partnership Group and a paper on the skills required for an integrated workforce.

## **24 September**

### **NES Executive Team**

Substantive items on the agenda included the Executive Team iMatter action plan, a progress update on the Blueprint for Good Governance Action Plan and two NMAHP papers; one on role developments to support increased access to healthcare and another outlining details of a forthcoming joint commission between NES and Healthcare Improvement Scotland in relation to Openness and Learning.

### **Unscheduled Care Advisory Group**

This group has been set up to agree objectives for the national approach to Unscheduled Care and define and agree the strategic direction of business. At this meeting members received a national performance update, an update on the '6 essential actions to improve Unscheduled Care' and a presentation on current programme risks.

### **Programme for Government – New Medical School**

I attended a meeting at Scottish Government to discuss possible options relating to the Programme for Government proposal for a new Medical School.

## **25 September**

### **Colin Sinclair, Chief Executive, NSS**

I met with Colin Sinclair for a catch-up on the national eRostering solution and related NHSS Business Systems work.

## **26 September**

### **Management Steering Group**

I attended this meeting where members received Agenda for Change and Medical Workforce updates. As part of the Medical Workforce update, I presented an update on Postgraduate Training Grades (PGMT) which informed members of a range of issues in relation to the continued growth of PGMT grades and also raised awareness of developments elsewhere in the UK in relation the working lives of doctors in training.

The meeting also discussed and approved the further development of Turas Appraisal, to support A4C Pay Reform, in relation to pay progression and mandatory training.

## **30 September**

### **NDS Digital Sub-Committee & Development Session**

Substantive items on this agenda included an update on NDS staffing, finance and risk and two papers that were also submitted to the September Board meeting – the NDS deliverables progress report and the paper setting out the establishment of the new Digital standing committee. Members also received a presentations on the Scottish Approach to Service Design and NES Digital.

**John Burns, Chief Executive, Ayrshire & Arran and Lynsey Cleland, Director of Community Engagement & Chief Officer of the Scottish Health Council**

John Burns and I met with Lynsey Cleland to discuss how the Scottish Health Council can support healthcare providers to improve their engagement process when considering changes to service design and delivery. We focused particularly on developments resulting from the implementation of the Scottish Trauma Network.

**1 October**

**NES/Health and Care Professions Council (HCPC)**

Colleagues from NES, the HCPC and Scottish Ambulance Service met to discuss partnership working, with particularly reference to paramedic education and fitness to practice.

**National Elective Centre Programme - Gateway Review**

I was interviewed by representatives from Scottish Government as part of a Gateway Review process. The review aims to provide assurance that the Programme is well managed and any significant risks are identified and managed.

**Craig Marriot, Director of Finance, NHS Lothian**

I had a phone call with Craig Marriot to discuss the Payroll Services Programme Board.

**2 October**

**NES/Scottish Government catch-up**

I attended this regular catch-up with Penni Rocks and Alastair Hodgson from the eHealth Directorate.

**Shirley Rogers, Scottish Government**

I met with Shirley Rogers to discuss the Programme for Government's new medical school proposal and the harmonisation of employment arrangements.

**4 October**

**Neil Russell, Head of Payroll Services, Greater Glasgow & Clyde**

I had a phone call with Neil Russell to discuss the Payroll Services Programme Board.

**Implementation Leads – Business Meeting**

I chaired this meeting where members received an update from Scottish Government on a refresh of the Health & Social Care Delivery Plan and discussed items relating to Digital Innovation and Radiology Transformation. Members also received updates on Microsoft Office 365, CIVAS+ and the Turas Appraisal development.

**Angiolina Foster, Chief Executive NHS24**

I met with Angiolina to catch up on various matters concerning our role as Implementation Leads and as joint Chairs of the National Planning Board.

## **7 October**

### **NES Change Management Programme Board**

I chaired this meeting at which members received updates on Optometry organisational change and the transfer of the Workforce Statistics function from ISD/NSS. Members also received a progress update on current organisational improvement priorities.

### **Donna Bell, Director of Mental Health, Scottish Government**

I met with Donna Bell to discuss how NES can contribute to the Cabinet Secretary's Mental Health priorities.

### **Lorraine Hunter, Head of Payroll Services, NHS Grampian**

I had a phone call with Lorraine Hunter to discuss the Payroll Services Programme Board.

## **8 October**

### **Scottish Executive Nurse Directors (SEND)**

I attended this meeting via VC to give an overview and progress update on the national eRostering project.

### **NES Executive Team**

Substantive items on this agenda included papers on the Dental Directorate's work with SQA, the introduction of a new digital tool into NES to engage and involve staff to enable more real time feedback and Caldicott considerations relating to the Family Nurse Partnership.

### **NHSS Chief Executives – Private Meeting**

The main items for consideration at this meeting included updates on community engagement and EU Exit preparations, a paper on Rising Unscheduled Care Attendances and a demonstration of a new digital dashboard which will be used by Chief Executives to support improved engagement with Scottish Government colleagues regarding Board performance.

### **NHSS Chief Executives – Development Session**

The Chief Executives received updates on the following three work programmes: the National Performance Framework, Public Engagement and Culture Strategy and Design. We also discussed learning from other systems and met with Elinor Mitchell (Director of Community Health and Social Care, Scottish Government).

## **9 October**

### **NHSS Chief Executives – Development Session**

The Chief Executives continued their discussions from the previous day and agreed updated an terms of reference and Governance Framework. We also proposed draft NHSS National Performance Framework contributions and enablers and draft public engagement arrangements.

### **Joint NHSS Chairs & Chief Executive Development Session**

Myself and the Chair attended a joint meeting of all Chairs and Chief Executives to consider papers and presentations on NHSS corporate governance, Scottish Government's Digital Health & Care Strategy and the importance of Boards developing and sharing innovative solutions to systems issues.

### **10 October**

#### **NHS Lanarkshire – follow-up meeting**

Myself and two colleagues from Medicine met with Calum Campbell (Chief Executive) and a number of other senior NHS Lanarkshire colleagues as a follow-up to a meeting held in January 2019 regarding the recruitment and retention of General Practitioners in NHS Lanarkshire.

### **14 October**

#### **Digital Maturity Self-Assessment**

Christopher Wroath and I met with colleagues from Scottish Government to discuss NES's response to a Digital Maturity self-assessment (DMA). The Digital Health and Care Strategy identified the need to undertake DMA to establish a baseline level of maturity across health and social care in Scotland. Territorial boards, special health boards and Local Authorities have all completed the survey and the results will be used to produce national reports.

### **15 October**

#### **Jim McGoldrick, Shadow Chair, Public Health Scotland**

I met with Jim McGoldrick to discuss the new public health organisation.

### **16 October**

#### **Wendy Regan, Deloitte**

I met with Wendy Regan to discuss Deloitte's involvement in supporting the national NHSS eRostering solution.

#### **Kate Jones, Leadership Consultant**

I met with Kate Jones who is working on an initiative to support the wellbeing of women in medicine.

### **17 October – Annual Report of the National Planning Board**

I met with Angiolina Foster and Linda Pollock (Scottish Government) to discuss the National Planning Board annual report.

### **21 October**

#### **Internal Audit - NES Digital Service (Early Stage) review**

I met with Paul McGinty and Ross Penrose from KPMG to discuss the NDS early stage review.

**NES/Scottish Government catch-up**

Colin Brown and I attended this regular catch-up with Penni Rocks and Alastair Hodgson from the eHealth Directorate.

**22 October****NES Executive Team**

Substantive items on this agenda included the programme for the November Board development session and papers on Personal Development Planning and Essential Learning completion, a national NMAHP student placement system and the development of additional NMAHP roles in NHSS.

**Ian Reid, Director of Human Resources, Greater Glasgow and Clyde**

The Chair and I met with Ian Reid to discuss a review of senior level job descriptions in NES.

### Summary

This quarter saw the Cabinet Secretary launch our Trauma Training Plan, which received broadcast as well as print and online coverage. We also issued news releases on medical training numbers, General Practice nurse recruitment and a Dental app to support clinical best practice. Working with partners, we have been pushing material through social media to promote Pharmacy 'Experiential Learning' placements, highlighting their value for both students and hosts, as part of a broader drive, using traditional media as well, to promote Pharmacy in Scotland.

Our social media channels continued to expand in line with previous trends. Highlights/high performing posts include those on the following subjects: Sepsis awareness in September, promotion of November's NES Bereavement conference, Recruitment activity for the whistle blowing champion Board member and NHS career #nowrongpath posts.

Staff uptake of internal communications channels uptake was consistent with the previous quarter.

### Section One: Social Media

Twitter	Notes	Q2 2019	Q2 2018	Commentary
Followers (Corporate)	People who want to receive our material.	25.9k	21.3k	Highlights/high performing tweets include those on the following subjects: Psychology Trauma training Plan launch, Mark Johnston #nowrongpath, @NHSScotCreers #scotfuturenurse video, QI Zone new module launch and LGBT+ bereavement guidance.
Tweets issued	Our output	313	316	
Impressions	Number of times tweets show up, either in a feed or as a result of a search	892K	857k	
Likes	Expressing approval of item. A simple indicator of engagement.	2.9k	2.9k	
Mentions	Discussing NES or resources. An indicator of engagement	1499	1171	
Retweets	Times that item was actively passed on. An indicator of engagement	1.5k	1900	

Facebook	Notes	Q2 2019	Q2 2018	Commentary
Followers (Corporate)	People who want to receive our material.	11854	9905	Highlights/high performing posts include those on the following subjects:

Posts	Our output.	194	74	Sepsis awareness in September, promotion of November's NES Bereavement conference, Recruitment activity for the whistle blowing champion Board member and NHS careers #nowrongpath post.
Reach	Number of people who saw the content over the period.	197K	252k	
Likes	Expressing approval of item. A simple indicator of engagement.	11361	1884	
Shares	Times that item was actively passed on. An indicator of engagement.	720	534	

## Section Two: Traditional Media

	Q2 2019	Q2 2018	Commentary
News releases issued	8	11	We published latest medical training recruitment data which showed highest level for 5 years at this stage. We launched the Trauma Training Plan in July together with SG and NHS HS which attracted a lot of attention as well as a new app for dental professionals. We reported on the success of recruitment to the General Practice Nurse trainee initiative, highlighted the benefits of the Pharmacy Experiential Learning scheme and announced the latest cohort of Pharmacy Clinical Leadership Fellows. We also announced the shortlist and winners of Scotland's Dementia Awards (#SDAs19)  Reactive topics: speciality recruitment, GPN recruitment, number of dermatologists in training, Deanery report into QEUH, Centre of Excellence proposal for Skye, Lochalsh and South West Ross, dental practice closure in Inverness and whether any occupational therapists among winning dementia projects in #SDAs19.
Reactive Enquiries	8	9	
NES mentions (print and online)	83	75	

## Section Three : NES in-house publications and resources

Quality Annual Report 2019 (Medical):	Interactive PDF
Medical Appraisal & Revalidation Annual Report:	Website
SAS Development Programme annual report:	Interactive PDF
Mental Health Improvement & Suicide Prevention Framework:	Interactive PDF
NDS Office footprint branding:	Office display materials
Dental DVT & HTVT Booklets:	Interactive PDF (x2)
NES Optometry Annual Conference 2019 Programme:	Print + PDF
Aseptic Pocket Guides:	Print
GP Coaching Pilot Evaluation Report:	Interactive PDF
FNP Pregnancy Guidelines:	Print + PDF
Business and Admin Pathways:	Website
Pharmacy News x 2 editions –	Summer & Autumn 2019: Print + PDF
Work Matters – HCSW Training Resource:	Interactive PDF

## Section Four : Tracking selected internal comms channels

Channel	Subscribers	Long term average opening rate	Opening rate(s) this quarter	Notes
Chief Exec's Bulletin	900	40%	41%	1 issue
Line Manager's briefing	250	35%	35%	2 issues, averaged
HR Brexit newsletter	900	30%	24%	1 issue

### For further information, contact:

[Maryjo.obrien@nes.scot.nhs.uk](mailto:Maryjo.obrien@nes.scot.nhs.uk)

[John.maceachen@nes.scot.nhs.uk](mailto:John.maceachen@nes.scot.nhs.uk)

## NHS Education for Scotland

### Board Paper Summary

#### 1. Title of Paper

Update on Cabinet Secretary Priorities: Access

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

Laura Allison, Head of Quality Improvement  
Louise Cardno, Business Architect  
Karen Wilson, Director of NMAHP

#### 3. Purpose of Paper

Update NHS Education for Scotland (NES) board members in relation to work currently being progressed in NES as a result of the Cabinet Secretary's priority to improve access.

#### 4. Key Issues

Critical to the success of the Access QI programme is local services prioritising pathways where they have the most significant waits, and the local diagnostic of where, on any given pathway, interventions will have the most impact. The greatest challenge lies in the short timescale set out to achieve success, with funding currently available for twelve months only.

In terms of workforce development to improve access, along with the challenge of understanding the potential for biggest impact on waiting times, a key issue is developing reliable service and educational needs analysis to support education and training initiatives. National education programmes can then be developed to meet agreed needs.

#### 5. Educational Implications

Commissioning and/or developing educational solutions on a once for Scotland basis, based on sound intelligence of need.

#### 6. Financial Implications

All partners need to come together to identify on-going need for educational developments, to inform funding requirements, while avoiding duplication or expensive one-off solutions. NES can then establish the cost of required educational developments.

#### 7. Which of the 5 Key Key Areas of Focus in the NES Strategy for 2019-24 does this align to?

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

## **8. Impact on the Quality Ambitions**

This work is aligned to all the quality ambitions:

Caring, Compassionate, Communication, Collaboration, Clean environment, Continuity of Care and Clinical excellence

## **9. Key Risks and Proposals to Mitigate the Risks**

### Risks

- Lack of joined-up, reliable service need data to inform developments.
- Limited, good quality workforce data.

### Mitigation

- Working with key partners and all Boards to gather service need data using a methodology already tried and tested in NMAHP.
- As part of the workforce national statistics function, the NES Data Group will work closely with NHS Boards to identify data quality issues and provide recommendations for improvement at source

## **10. Equality and Diversity**

NES has a duty to consider equality and diversity issues and take relevant and proportionate action to eliminate discrimination and harassment, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not in the delivery of our functions.

Please summarise any key equality and diversity findings related to the duty or equality and diversity risks relevant to the work described in the paper. If you have identified any risks of negative impact, indicate what actions you propose to mitigate that impact.

**An EQUIA will be completed for this work as it progresses.**

## **13. Recommendation(s) for Decision**

The Board is asked to note, comment and provide advice on NES activity supporting Access.

NES  
October 2019  
LA/LC/KW

# NHS Education for Scotland

## Update on Cabinet Secretary Priorities: Access

### 1. Purpose of Paper

1.1 The purpose of this paper is to:

- Update the NHS Education for Scotland (NES) board members in relation to work currently being progressed in Scotland as a result of the Cabinet Secretary's priority to improve access
- Provide an outline of the Access QI Programme and contributing NES activity
- Share information on wider NES activity contributing to improving Access

### 2. Background

2.1 In October 2018, Scottish Government published its Waiting Times Improvement Plan (WTIP). The plan focuses on three areas to reduce the length of time people are waiting for key areas of healthcare: increase capacity across the system, increase clinical effectiveness and efficiency, and design and implement new models of care.

2.2 In November 2018, the Cabinet Secretary asked for a new programme of Quality Improvement (QI) work to support the delivery of the WTIP called "Access QI". Access QI is focused on supporting NHS Boards to deploy QI expertise to meet the challenge of delivering sustainable improvements in waiting times whilst maintaining or improving quality of care. It is one of a number of component parts to delivering the WTIP and will achieve this by:

- Ensuring leaders are creating the conditions for improvement science to be successfully applied to enable sustainable delivery of the waiting times targets
- Supporting the accelerated implementation locally of redesigned pathways of care
- Increasing QI capacity and capability (for both microsystem and pathway improvement)

### 3. Access QI Programme

3.1 In response to the Cabinet Secretary's request for Access QI, the design process for the programme commenced in December 2018, jointly led by Scottish Government (SG), Healthcare Improvement Scotland (HIS) and NES.

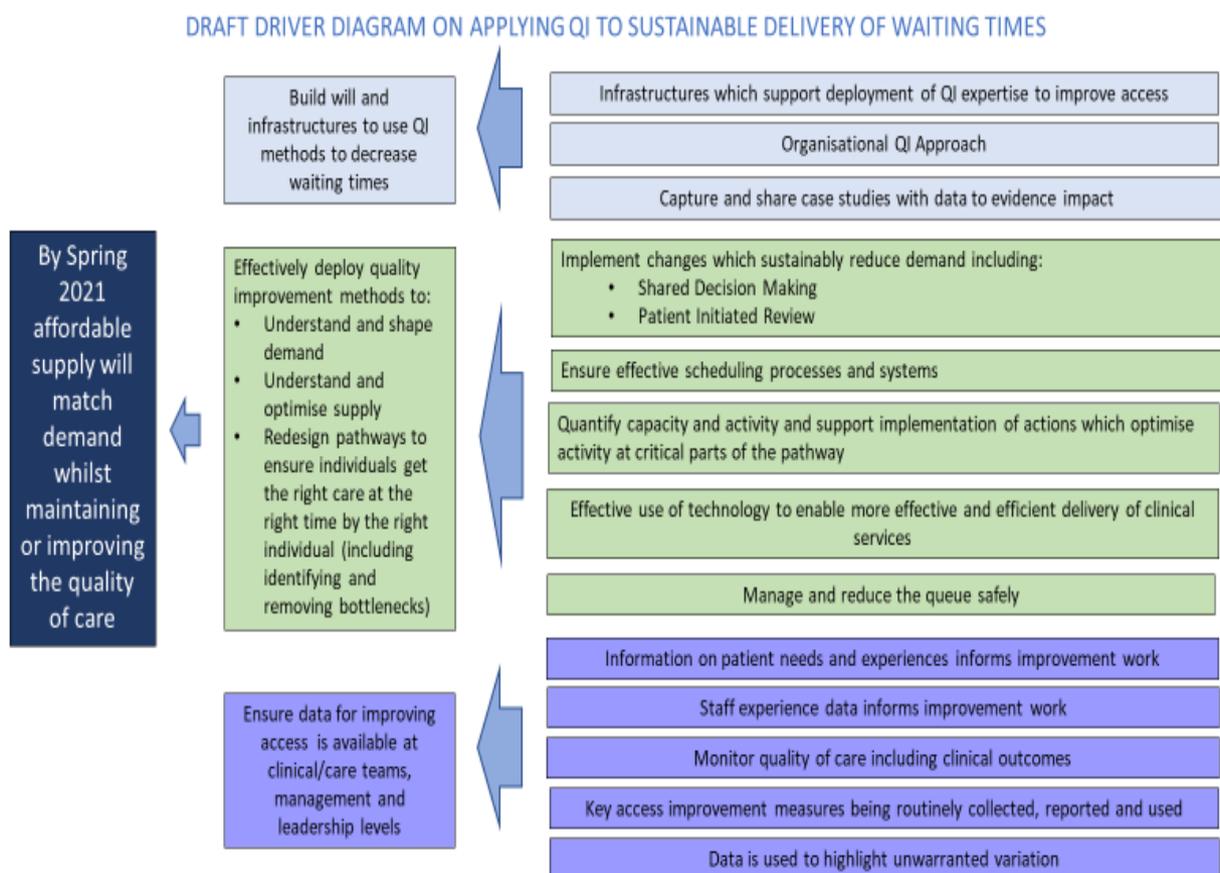
3.2 Extensive stakeholder engagement took place from January to April 2019 to establish the design of the programme including:

- A Stakeholder Advisory Group which included representation from every territorial NHS Board.
- Fortnightly design group which included expert advice from The Institute of Healthcare Improvement (IHI), representation from territorial boards and representation from the Scottish Access Collaborative.

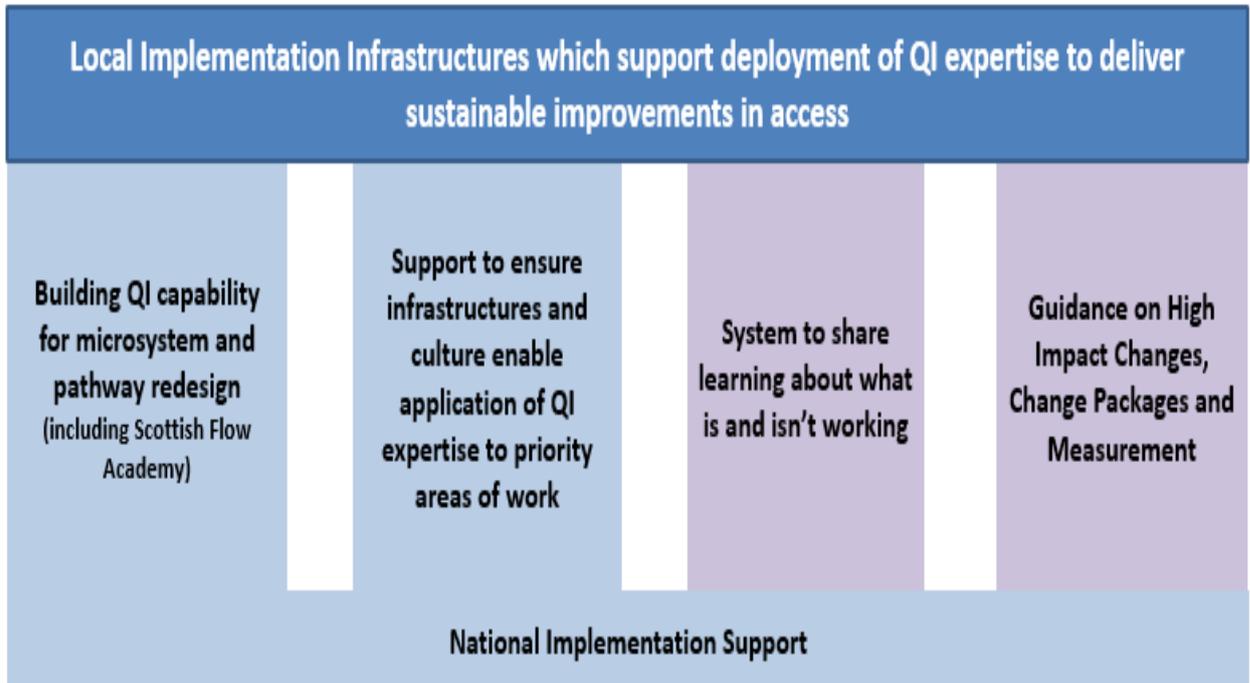
- A short life working group with national and territorial board membership to help design the work around creating the conditions for successful implementation of QI to access targets.
- Close working with a range of existing national programmes that are supporting access improvement work including 2 workshops and numerous individual discussions.
- Involvement of the realistic medicine and primary care leads at Scottish Government.
- Presentations and discussions at Scottish Medical Directors, NHS Chief Executives, Scottish Executive Nurse Directors and NHS Chairs.
- A survey of all existing Quality and Safety Fellows (response rate of 33%).
- A survey of all NHS Boards with regards to the extent to which QI expertise already involved locally in the delivery of existing national programmes of work related to Access QI.
- Information on work provided to IJB Chief Officer network.

3.3 The driver diagram below summarises the priority actions to enable successful deployment of QI to sustainably decrease waiting times. It identifies the actions that need to be taken to create the conditions for successful deployment of QI as well as those actions where deployment of QI is likely to have maximum impact on waiting times. It recognises that critical to success is:

- Local services prioritising the pathways where they have the most significant waits.
- The local diagnostic of where, on any given pathway, interventions will have the maximum impact



- 3.4 The following diagram summarises the key pillars of support Access QI will provide to NHS Boards deploying QI expertise against the challenge of delivering sustainable improvements in waiting times:



- 3.5 The detailed design of the programme was agreed with all partners and signed off by the SG Operational Performance Board, in April 2019. Funding for the programme was confirmed on 29th July 2019 by SG. The funding comprised 12-month allocations to both HIS and NES. NES funding is supporting 2 posts: a senior educator to deliver training, as well as an administrative support officer post. Further funding was available for a second senior educator post within NES however due to the short-term nature of it, we were unable to appoint. Part of the approved funding also includes financial support for three NHS Boards to act as accelerator sites. The concept of the accelerator sites is for more intensive external support to demonstrate impact and provided accelerated learning that can be spread across Scotland. The accelerator Boards are NHS Lothian, NHS Tayside and NHS Grampian.

#### 4. **NES activity contributing to the Access QI Programme**

- 4.1 Since January 2019, NES and HIS have worked in partnership to ensure the design and establishment of Access QI is implemented in line with the challenging timescales set out by the Cabinet Secretary. As the work was not funded until July 2019, an agreement was reached to release approximately 60% of the time of the Head of Quality Improvement from NES to support the Director of Improvement at HIS in the design and set up of this programme of work. This arrangement ran from January 2019 to now and has been a successful arrangement that has enabled this work to move at the pace required. However, given the workload attached to both the substantive NES role and the HIS Access QI lead role, this was never a viable longer-term option. Recruitment for the national implementation support team has now been completed with all

postholders starting by November 2019. A recognised benefit of the arrangement from January 2019 until now has been the strengthened partnership of joint working between HIS and NES which has reached beyond Access QI.

- 4.2 The focus for NES activity as part of Access QI moving forward will be on the first key pillar of the programme; building QI capacity for microsystem and pathway redesign, including the delivery of a Scottish Flow Coaching Academy.
- 4.3 NES already delivers a suite of internationally recognised QI programmes to build QI capacity and capability. These include:
- The Scottish Quality Safety Fellowship (290 Fellows have completed the programme with 180 coming from Scotland)
  - Scottish Improvement Leaders programme (715 trained, 561 from Scotland)
  - Scottish Coaching and Leading for Improvement programme (339 trained)
  - Scottish Improvement Foundation Skills (261 trained)
- Most of these capacity building programmes develop individuals with skills to improve processes within teams. However, to improve access, a focus is required on pathway redesign which includes providing QI practitioners with the knowledge of how to design services which balance capacity with demand at every step on a pathway, ensuring continuous flow.
- 4.4 The Flow Coach Academy programme trains individuals to apply team coaching skills and improvement science at care pathway level in order to improve patient flow and experience through a healthcare system. The Health Foundation are currently supporting the roll out of this approach across the UK and providing part funding to do so. To date Academies have been set up in Northern Ireland, Bath, Birmingham, Devon, Northumbria, Sheffield and within Imperial College Healthcare Trust. The Flow Coach approach is currently being tested through NES in Scotland, with 24 participants from 7 Territorial Boards and one National Board. The programme lasts for one year; it is already apparent from feedback that the pace of delivery could be enhanced. This will be assessed over the coming months, whilst we work to identify opportunities to build relevant access improvement training content into existing national QI training programmes, rather than establishing a brand-new programme.
- 4.5 A training needs analysis has been undertaken with accelerator sites to identify any additional content needed to ensure both local and national QI capacity building programmes support the development of key access improvement skills. Each of the accelerator sites already have excellent infrastructures for developing QI practitioners, however they rely on NES national programmes for developing in-depth lead level skills in individuals, primarily through the Scottish Quality Safety Fellowship and Scottish Improvement Leader programme. Themes emerging from the training needs analysis for NES to address at pace include:
- Developing training on demand/capacity/activity/queue (DCAQ), including relevant aspects of Theory of Constraints, which is then targeted at existing QI practitioners through national masterclasses and/or regionally/locally delivered sessions.
  - Developing training for data analysts to enhance improvement science knowledge and how to focus measurement on process improvement; current measurement data sets focus on performance figures.

- Strengthening existing programme management content across all programmes.
- Identifying interventions to support improvement team formation, ensuring readiness for teams to undertake improvement initiatives.

## **5. Workforce Planning, Development & Education to Support Access**

- 5.1 The Waiting Times Improvement Plan has already identified that availability of workforce is one of the key constraints in improving access. Over the next four years, NHS Scotland is embarked on an ambitious programme to address waiting times through the delivery of specialist Elective Centres spread across 6 Health Boards (Highland, Grampian, Tayside, Forth Valley, Greater Glasgow & Clyde and Lothian). At the same time NHS Scotland is moving to 4 Major Trauma Centres. These new centres will need significant numbers of Medical, Nursing & AHP personnel (estimated at more than 900) to support perioperative care from pre-admission through to recovery. The questions for workforce planning teams relate to whether there are enough trainees coming through the pipeline to support the Elective and Major Trauma Centres in the short and long-term; and what additional training and education, or international recruitment activity should be commissioned now to ensure that we are able to safely staff all these developments.

## **6. NES Data Group & National Data Platform**

- 6.1 In April 2019, NES launched the first iteration of a national data platform for Health and Social Care as part of its commitment to deliver the [Health and Social Care Workforce Plan – Part One](#). The platform, accessed via Turas Data Intelligence, consolidates a number of core workforce datasets into one location so that the workforce planning community can gain greater insight into labour market supply, demand and outcomes, and better target training and recruitment strategies to deliver services that reduce patient waiting times.
- 6.2 This work coincides with the transition of responsibility for national workforce statistics functions from ISD to NES from October 2019, which includes migration of historic workforce data from the ISD Workforce Data Mart into the NES data platform. The newly formed NES Data Group now supports national workforce statistical analysis, reporting and publication. New data is being sought (e.g. HESA and UKMed data on performance of medical trainees) to enhance the data platform and provide greater understanding of the workforce. This includes the actual numbers of staff across disciplines in the system and the number/types of healthcare professionals in the training/supply pipeline, as well as trends in the ebb and flow of the workforce in, across and out of NHS Scotland.
- 6.3 A framework for modelling this activity has been produced which aims to provide greater confidence in predicting the impact of changes in policy, training capacity and prioritisation of supply into available workforce in the short, medium and long term. The model is being tested on a number of workforce data projects including:
- Elective Centres & Major Trauma Units

- Workforce Profiles (NMAHP, Medical, General Medical Practice, Pharmacy etc.)
- 6.4 The Elective Centres project has a particular focus on waiting time reduction, and in terms of demand for workforce, these developments need to be set alongside the Major Trauma Centres, which will draw on similar skills and expertise. The data platform is helping to identify whether there is sufficient capacity within the system to fill roles within these new Centres/Units as they open over the next 2-5 years. Long term, it will also track workforce mobility to assess the impact of recruitment to the Centres/Units on existing NHS services/vacancy rates etc. as well as the capacity to fill any resulting gaps with trainees already in the pipeline.
- 6.5 NES has also recently received additional funding to work with NHS Boards to improve the quality of workforce data which is currently available. The quality, and usefulness of current data is impacted by issues such as a plethora of different descriptions for the same roles, and incorrect classifications.

## 7. **Workforce Education and Development**

- 7.1 As part of a programme of work in NMAHP, we have identified key roles which will add capacity to the workforce. There is currently a lack of a strategic approach to these roles. We have categorised them across four main workforce groups, which include:
- Registered roles with existing educational infrastructure and funding models  
For example: Operating Department Practitioners (ODP), Nurse Endoscopists, Reporting Radiographers and Sonographers. There is potential for at-scale growth in these areas, pending confirmation of workforce / service requirement.
  - Non- Registered roles (Health Care Support Workers) with existing regional educational activity and varied funding models. There are inconsistent approaches across Scotland with different Boards developing their own standards and development programmes. For example: Assistant Scrub Practitioners, who are Healthcare Support Workers with additional training. There is potential to move towards a more consistent approach across Scotland.
  - Emergent Roles for consideration with current accessible Scottish programme of inclusive education but with no current national resource allocation. For example: Physician Associate, Surgical First Assistant
  - Emergent Roles for consideration with no current accessible Scottish programme of inclusive education or resource allocation. For example, Anaesthesia Associate.

We are in the process of developing an action plan will be presented at the next National Waiting Times Operational Programme Board, which the Chief Executive attends.

- 7.2 NES has developed an Education Commissioning Model which was used in the recent tendering of the OPD role and underpinned the Paramedic tender. The approach ensures governance, quality control and improvement in a financially challenging context with the essential first step of data collation from a range of sources, to enable better understanding of workforce supply. The first cohort of ODP students commenced a new programme Oct 2019 and the Paramedic programmes will commence in September 2020.
- 7.3 NMAHP have been developing a Perioperative Career and Development Framework\_which we expect to publish in early 2020. The framework will provide opportunity for consistency across Scotland to support perioperative recruitment, career planning, recruitment and role development. This will assist Boards to reduce the plethora of roles and titles within the perioperative workforce and will also improve workforce data quality as a by-product.
- 7.4 NES NMAHP led work with SMAAD editorial group to produce a refreshed Anaesthetic Assistant Competency Framework, which should reach final approval from the Royal College of Anaesthetists & Association of Anaesthetists of GB & Ireland for launch at forthcoming National Perioperative NMaHP event (11<sup>th</sup> November 2019). These competencies are applied to support Board-led vocational development of many staff groups beyond Anaesthetic Assistants and are much anticipated by service partners.

## **8. Recommendations**

The Board is asked to note, comment and provide advice on NES activity supporting Access.

Laura Allison  
Head of Quality Improvement

Louise Cardno  
Business Architect

Karen Wilson  
Director of NMAHP

October 2019

## NHS Education for Scotland

### Board Paper Summary

1. **Title of Paper**

Finance Report as at 30<sup>th</sup> September 2019.

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

Audrey McColl, Director of Finance  
Lizzie Turner, Head of Finance Business Partnering.

3. **Purpose of Paper**

The purpose of this paper is to present the financial results for the first six months of the year to 30<sup>th</sup> September 2019 and to indicate the current forecast outturn as at 31<sup>st</sup> March 2020.

4. **Key Items**

The total NES budget for 2019/20 is currently £515m. The year to date position, as at 30<sup>th</sup> September 2019, reflects an underspend of £4.1m of which £1.4m relates to training grades, £1.5m is timing variances where actual expenditure is not taking place in line with the budget profile and £0.6m is a underspend in staff costs which will be reallocated before the year end to other business priorities.

We are currently forecasting a year-end outturn of £512.2m against a budget of £514.9m giving a projected underspend of £2.7m. Of this projected underspend £2.1m relates to Medical Training grades which, if it continues, will reduce the £4.9m required from Scottish Government in 2019/20 to address the recurrent Medical Training Grade gap leaving an underspend of £0.6m across the rest of NES.

Board members will be aware that to balance the 2019/20 budget, the Scottish Government agreed to fund the remaining gap within training grades (at that point estimated to be £4.881m). A meeting with the Scottish Government was held on 23<sup>rd</sup> September where it was highlighted that we expected the gap to be significantly lower than £4.9m, however it was noted that there was still likely to be change due to cost drivers within Training Grades which cannot be influenced by NES such as actual trends in fill rates for posts and the level of funding available from Less than Full time posts.

Therefore, no adjustment has been made to the anticipated allocation at this time, but we will continue to monitor and update Scottish Government on the anticipated level of funding required. A single adjustment will be made at year-end.

**5. Equality and Diversity**

The forecast outturn position is currently reflecting a balanced financial position. The recommendations within the report will not create any equality and diversity risks.

**6. Recommendations**

The Board is invited to note the information contained in this report.

**NES  
October 2019  
AMc / LT**

## **Finance Report to 30<sup>th</sup> September 2019**

### **1 Overview**

#### **1.1 Total Revenue Funding**

##### **1.1.1 Baseline (recurring)**

NES' original baseline budget for 2019/20, as reviewed by the Board on 28<sup>th</sup> March 2019, was £439.2m. Following confirmation of the pay awards for Doctors and Dentists in Training this figure has reduced to £438m. As at Month 6 we anticipate a recurring baseline of £459.8m due to additional funding for increases in Employer pension contribution (£16.37m), NDS funding (£5m) and £0.6m in other allocations.

##### **1.1.2 Non-Recurring**

In addition to the baseline funding above, we expect to receive a total of £55m from Earmarked and non-recurring allocations (including Training Grade expansion posts), giving a total budget of £515m as shown in Table 1 below. This represents a decrease of £2m since the position reported to the Board last month and reflects the following reductions;

- Less costs than anticipated for paid expansion posts (£0.4m). This arises because a filled expansion post is not paid for if the Board already has a vacant established training grade post which they would have received payment for. The policy is to only pay for Expansion posts when all core established posts in the same programme are filled.
- Confirmation that GP100 is a type of expansion post and therefore the policy of not paying for vacant posts as described above should be applied, thus reducing the funding requirement by £1m.
- the return of the Dental Overseas levy to the Scottish Government £0.8m. This is to reflect the income collected from the Universities being transferred to Scottish Government through a reduction in our allocation.

These have been offset by a range of smaller allocation increases of £200k.

**Table 1 – Revenue Funding:**

Area	Recurring		Earmarked		Non Recurring		Total	
	Received	Outstanding	Received	Outstanding	Received	Outstanding	Received	Outstanding
2018/19 Baseline	423,353						423,353	0
2018/19 Pay award	8,558						8,558	0
National Boards Savings	(4,000)	1,500					(4,000)	1,500
2019/120 Pay Award	8,384						8,384	0
Board Development posts (HIS)	70						70	0
Excellence in care	165						165	0
<b>Original budget</b>	<b>436,530</b>	<b>1,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>436,530</b>	<b>1,500</b>
Additional Training Grade Funding						4,881	0	4,881
Superannuation	16,370						16,370	0
NDS		5,012					0	5,012
Transformation					1,887	162	1,887	162
Aberdeen Dental School			3,140				3,140	0
Dental Outreach/VT/START			350		241		591	0
Speciality Training Expansion posts						5,537	0	5,537
MEP funding gap						5,120	0	5,120
Improving Surgical Training Funding						431	0	431
Mental Health Programme					7,000		7,000	0
Psychology Trauma Funding					480	0	480	0
Psychology CAMHS						4,889	0	4,889
Pharmacy PRPS				5,362	588	252	588	5,614
Pharmacy ACT & AEIPC					2,715	454	2,715	454
Other Pharmacy			350	421	382	164	732	585
GPN Funding - Primary Care					931	399	931	399
GP Bursary - Primary Care					1,394	597	1,394	597
Other Primary Care Fund					1,241	229	1,241	229
Project LIFT		347					0	347
Digital Pharmpress			372	0			372	0
Outcome Framework-CNOD Bundle					2,000	770	2,000	770
Dental Overseas Levy (return of income)					(806)		(806)	0
Other allocations	0	38	224	334	1,953	692	2,176	1,064
<b>Total Revenue Allocation</b>	<b>452,900</b>	<b>6,897</b>	<b>4,435</b>	<b>6,117</b>	<b>20,006</b>	<b>24,577</b>	<b>477,341</b>	<b>37,591</b>
<b>Total</b>		<b>459,797</b>		<b>10,552</b>		<b>44,583</b>		<b>514,932</b>

## 1.2 Outstanding Revenue Allocations

### 1.2.1 Baseline

NES received £7.9m in recurring allocations during September, primarily in relation to the 2019/20 pay award, which was lower than previously anticipated to reflect the 2.5% pay award given to Doctors & Dentists compared to the 3% budgeted. The baseline allocations still outstanding include the additional £1.5m for the National Boards savings which was removed by the Scottish Government when arbitrarily allocating the outstanding element of the £15m National boards saving target. The funding for NDS of £5.0m is also outstanding, however, we are currently finalising the value required in 2019/20.

Board members will be aware that to balance the 2019/20 budget, the Scottish Government agreed to fund the remaining gap which exists within training grades (at that point estimated to be £4.881m). A meeting with the Scottish Government was held on 23<sup>rd</sup> September where it was highlighted that we expected the gap to be significantly lower than £4.9m, however it was noted that there was still likely to be change due to cost drivers within Training Grades which cannot be influenced by NES. As such no adjustment has been made to the anticipated allocation at this time, but we will continue to monitor and update Scottish Government on the anticipated level of funding required. A single adjustment will be made at year-end.

### **1.2.2 Non-Recurring/Earmarked**

NES also received non-recurring/earmarked allocations of £12.3m in the September Allocation Letter from Scottish Government, reducing the amount of outstanding non-recurring/earmarked allocations to £30.7m and we continue to work with Scottish Government colleagues to complete the remaining allocations as soon as possible. Some allocations, such as the Medical Education Package funding gap, will be received later in the year once costs can be estimated with more certainty. We have also agreed with Scottish Government that Primary Care funding (PCF) and Transformation funding will be received on a 70/30 funding split – 70% in August and the remaining 30% in December based on projections at that time.

### **1.3 Summary Financial Position**

The summary financial position by Directorate is shown in Table 2 below. This includes baseline, earmarked and non-recurring funding. We are currently forecasting a year-end outturn of £512.2m against a budget of £514.9m giving a projected underspend of £2.7m. Of this projected underspend £2.1m relates to Medical Training grades which, if it continues, will reduce the £4.9m required from Scottish Government in 2019/20 to address the recurrent Medical Training Grade gap leaving an underspend of £0.6m across the rest of NES.

The year to date position shows an underspend of £4.2m. Of this £1.4m relates to Medical Training Grades, £1.5m is due to the timing of spend and phasing of budgets and savings from unfilled posts early in the financial year which are expected to be offset by increased spend on other directorate priorities by the year-end.

The forecast revenue position still includes expenditure which will be reclassified as Capital and transferred to the balance sheet. The overall forecast position will not be impacted as the associated funding will also be removed. An exercise is currently underway to identify the expenditure which will be capitalised and details will be reported over the coming months.

Where full year variances within Table 2 are considered material or of particular relevance they are discussed in section 2 below. Material year to date variances are also detailed unless they primarily relate to the phasing of budgets.

**Table 2 – summary Financial Position**

MONTHLY REPORTING FOR SEPTEMBER 19				Period 06				
Directorate	Year to Date			Full Year				Movement in variance from last month
	Current Budget	Outturn	Variance	Current Budget	Outturn	Variance	Variance last month	
<i>Quality Management</i>	40,464	40,430	33	82,327	82,314	13	13	0
<i>Strategic Planning and Directorate Support</i>	3,211	3,109	102	6,131	6,193	(62)	(85)	22
<i>Training Programme Management Exc Training Grades</i>	8,922	8,637	285	17,991	17,991	0	(49)	49
<i>Training Programme Management - Training Grades</i>	132,508	131,059	1,449	267,114	264,997	2,117	679	1,438
<i>Professional Development</i>	2,834	2,445	389	7,632	7,350	283	295	(13)
<i>Pharmacy</i>	4,659	4,544	115	12,636	12,494	142	109	33
<b>Medical Total</b>	<b>192,596</b>	<b>190,224</b>	<b>2,372</b>	<b>393,831</b>	<b>391,339</b>	<b>2,493</b>	<b>963</b>	<b>1,530</b>
Dental	21,921	21,983	(61)	45,107	45,087	19	1	19
NMAHP	5,250	5,325	(74)	14,026	14,086	(60)	(46)	(14)
Psychology	12,100	11,904	196	24,707	24,687	20	3	17
Healthcare Sciences	1,408	1,421	(13)	2,767	2,769	(2)	13	(15)
Optometry	559	560	(2)	1,094	1,074	20	21	(1)
NDS	1,053	817	235	3,959	3,959	0	0	0
Digital	5,872	5,472	400	12,119	12,055	64	(5)	69
Workforce	2,632	2,349	283	5,524	5,500	25	1	24
Finance	1,189	984	204	2,435	2,296	139	93	46
Properties	2,016	1,975	41	4,058	4,087	(29)	(29)	0
Facilities Management	357	332	25	712	707	5	0	5
Planning (inc OPIP)	647	632	15	1,283	1,277	6	6	0
Net Provisions	698	148	551	3,310	3,324	(14)	(0)	(14)
<b>NES Total (revenue)</b>	<b>248,298</b>	<b>244,126</b>	<b>4,171</b>	<b>514,932</b>	<b>512,246</b>	<b>2,686</b>	<b>1,020</b>	<b>1,666</b>

*All figures are in £000's*

## 2.0 Variance Analysis of material movements

### 2.1 Medical

#### 2.1.1 Year to Date

The £2.4m Year to date underspend is primarily within Training Programme Management (TPM) and Professional Development (PD). Within TPM £1.4m relates to volume changes in Training Grades with a further £285k across the rest of the TPM budget – the majority of which relates to timing of payments. The year to date underspend of £389k in Professional Development (PD) is mainly due to under recruitment of fellows £125k (4WTE) and a range of timing issues totaling £248k.

The £1.4m in Training Grades which is the part year effect of the volume variances is detailed in the full year forecast below.

#### 2.1.2 Full Year Forecast

The Medical full year forecast underspend is £2.5m which primarily relates to training grades (£2.1m) and Professional Development (£0.4m). The underspend relating to Training Grades will, once confirmed, reduce the additional funding allocation required from Scottish Government.

### Training Grades

- A £0.7m underspend in Hospital Trainees due to:

Core and ST (£1.049m underspend):

- 18.3 WTE fewer paid posts than budgeted creating an underspend of £922k. This arises because a filled expansion post is not paid for if the Board already has a vacant established training grade post which they would have received payment for. The policy is to only pay Expansion posts when all core established posts in the same programme are filled, we do not pay for unfilled expansion posts.
  - more (12.2 WTE) Less Than Full Time gaps in Core/ST than budgeted creating an underspend of £710k.
  - Price variances create a further underspend of £240k due to a change to the payment rate for out of programme (OOP) vacancies to make them consistent with the rate paid for other vacant baseline funded posts.
  - Partially offset by 11WTE more Certificate of Completion of Training (CCT) trainees opting to take up the six month period of grace while applying for their preferred Consultant post, costing an additional £534k.
- 4 WTE higher double running than projected costing £229k and slighter higher than budgeted remedial costs of £62k due to trainees returning earlier to programme where the post has been replaced by another trainee.

FY1 and FY2 (£346k overspend):

- 8.8 WTE fewer Less Than Full time FY gaps than anticipated cause an overspend of £295k
- 7.2 WTE more remedials than anticipated causing an overspend of £278k
- Partly offset by £112k underspend from 3 wte lower number of trainees in FY2 and £115k in price variances arising from the fact that established vacant posts are paid at the bottom of the 2018/19 pay scale.

GPs in Hospitals (£36k overspend):

- 0.9 WTE higher double running costs than projected costing an overspend of £36k due to trainees returning earlier from Maternity/sick leave than anticipated.
- £1.45m underspend in GP Trainee placements
  - 34 WTE unfilled places across ST1 and ST3 (£1.84m) offset by higher than anticipated Maternity and sick pay costs of £194k (2.3wte) and remedials £218k (1.4WTE).

### **Training Grade Movement**

The Training Grade forecast has moved by £1.4m since last month. In the last report to the Board it was highlighted that there had been an increase in the rate paid for GPST3s in practice. The rate paid to these trainees can be higher up the scale than other specialty trainees as they can transfer at any point in their career from another programme and retain their existing salary. When investigating the increase in the rate paid it was identified that the reports used to calculate an average payment rate for forecast purposes had incorrect WTE data. This meant that an incorrect, higher, rate was used in August to forecast the expected costs from Sept to March. Additional reconciliations between payroll data and Turas data are being implemented.

All of the available August rotation information is now reflected in the forecast figures however, we know from previous years there may still be fluctuations as there is ongoing movement in trainee placements. For example, an overspend created by trainees taking up the opportunity to stay in their placement for the available additional 6 months post CCT may be reduced if they decide to leave early. Further movement is also likely as a result of the February 2020 GP intake.

### **Professional Development (PD)**

The full year forecast underspend of £283k in Professional Development arises primarily from under-recruitment of Rural Fellows due to start in August 2019. Of the 12 posts available, only 4 have been filled (£259k underspend). This is a similar position to previous years.

### **Pharmacy**

The Pharmacy forecast underspend is currently £142k, however this has potential to reduce as the directorate aims to identify new training sites for some of the 5 trainees who were unable to complete their training in July. Discussions with Scottish Government are underway to identify potential new priorities for the £50k projected underspend in Achieving Excellence in Pharmaceutical Care (AEiPC) resulting from the reduced scope of the Prescribing programme in this financial year.

## **2.2 NMAHP**

The Chief Nursing Officer Directorate at Scottish Government recently notified NMAHP that of the £3.4m of funding requested to deliver education and training for Nurses, Midwives and Allied Health Professionals only £2.7m will be allocated. The funding to enable NMAHP to deliver education and training is agreed between Scottish Government and NMAHP and forms part of the Outcomes Framework. The funding covers a wide range of work which is referred to as the Chief Nursing Officer Directorate bundle and is usually allocated twice per year. Discussions on how the £0.7m gap can be addressed have been held with the Scottish Government and both the expected outcomes and directorate plans reviewed. A gap of £0.2m remains and a detailed review of each programme's spend plan is being undertaken to identify efficiencies which will address this pressure.

A year end overspend is currently anticipated due to additional staffing in place to support a long term absence. The Directorate will continue to identify opportunities to address this from within existing resources.

### **2.3 Psychology**

The year to date variance is £196k arising from long term sick and the resignation of 5 Trainees. This will be reduced as the directorate expects to draw down less funding to support the January intake of Psychological Therapy in Personal Care trainees. Informal feedback from the boards indicates the reasons for the resignations are in the main personal and the directorate is confident that the increased resignation rate is not related to the training scheme, however, they continue to monitor the situation.

### **2.4 NDS**

The year to date underspend of £235k is primarily due to delays in recruitment and the phasing of non-pay budgets.

The year-end forecast is currently breakeven as there are significant variables relating to staffing, outcomes, income and cloud space, which cannot be confirmed at this point in time due to the uncertainty in the external environment. We continue to work with the directorate to estimate potential underspend although it should be noted that any underspend identified within the directorate is likely to be offset by a reduced amount of funding being received from Scottish Government.

### **2.5 Digital**

The year to date position for Digital is a £400k underspend. The main drivers of this are £269k in pay as the directorate is undergoing reorganisation and is experiencing delays in recruiting to full establishment; and £131k in non- pay timing issues.

When budgeting for new posts we use the midpoint of the scale, however new appointments within Digital are now expected to be paid above midpoint. Therefore, the year to date pay underspends will be offset by £149k as posts are filled leaving a £120k underspend by year end. This is expected to be offset to a full year underspend of £64k mainly due to additional Azure costs of £50k.

### **2.6 Workforce**

The year to date position for Workforce is a £283k underspend. The main drivers of this are reduced pay costs totalling £180k due to pay savings arising from the ongoing reorganisation within the directorate. Throughout the remaining months of the year the savings from this will be redirected to new projects which support staff across the organisation and the wider NHS and include; improved dashboard reporting (including on essential learning), further development of the Equalities & Diversity zone in Turas and the development of an app to support coaching and mentoring. Projects focussing on Staff wellbeing have been prioritised, partly in response to the Sturrock report leaving an anticipated underspend at 31<sup>st</sup> March 2020 of £24k.

### **2.7 Finance**

The year to date variance is an underspend of £204k mainly due to 9 posts being vacant for the first part of the year following a review of the structure within the Directorate. A schedule of recruitment is now underway with 4 posts recently advertised. The year-end forecast is a 139k underspend as some of the savings are expected to be absorbed by the agency fees required to fill the vacant posts on both a short and a long-term basis.

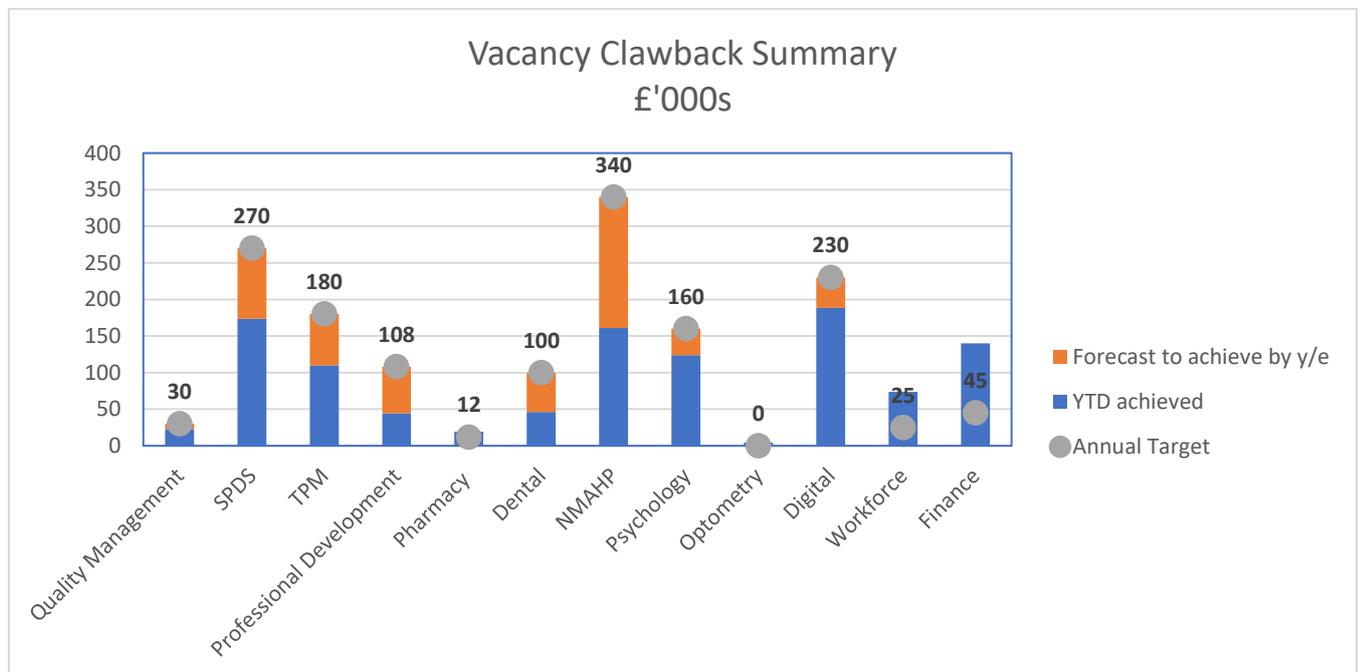
## 2.8 Provisions

The full year budget for net provisions is £3.3m. This includes charges for depreciation (£1.2m), savings identified by directorates, budget adjustments and savings to be identified through procurement (£0.4m), Scottish Government funding being held corporately (£0.8m) the Apprenticeship Levy (£0.3m) and corporate budget identified as part of the budget setting process to cover work being undertaken at risk in Digital and NDS (£0.9m) less top-slicing of external income to cover overheads (£0.2m).

A year to date variance of £579k is mainly due to the write-back of accruals from 18/19 where estimated expenditure was charged to a previous year but it has since been confirmed it is no longer required (£245k), a decrease to the year-end fixed term contract liability has released £271k and the phasing of Scottish Government budget £111k. It is expected all provisions will be used by year end.

## 3.0 Savings - Vacancy Clawback

A recruitment lag saving of £1.5m was included in the budget paper which, this year, has been allocated to directorates to allow greater control and ownership. To date £1.1m has been realised, and we continue to forecast that the target will be met in full as shown in the graph below. This will continue to be monitored and adjustments to the allocations may be required throughout the year as staffing levels are confirmed.



#### 4.0 Transformation Fund Projects

NES has received a total of £2.5m in relation to Transformation priorities. £2.049m was received directly from the Transformation fund and additional £0.436m came from other areas within Scottish Government. NES has allocated a further £185k from within our own resources on a non-recurring basis, bringing the total available to £2.7m. Please see the table below for the details.

Source	£000's
Transformation Fund	2,049
NES non-recurrent allocation	185
Elective centre funding	128
SG Workforce Directorate	157
Psychology funding for CAMHS posts (£50k NES baseline/ Balance SG)	151
<b>Total Funding</b>	<b>2,670</b>

This funding has been split across several projects detailed below along with spend to date and a year-end forecast. Monthly reports are submitted to Scottish Government which cover the progress related to the £2.048m. All these figures are contained within table 2 of this report.

Project	Current Budget	Year to Date spend	Year end Forecast
Workforce Priorities	2,120	772	2,120
Business Systems	550	221	550
<b>Total</b>	<b>2,670</b>	<b>993</b>	<b>2,670</b>

The Workforce Priorities group consists of several projects including the ongoing support required for Lead Employer; the further development of the Turas Platform for People, Appraisal and Learn; the development of the Workforce Platform; the CAJE replacement; the Employee Engagement Portal and the hosting of the National Workforce Policies. Business Systems is currently the e-Rostering project where this funding will enable an interface to be developed between SSTS and existing systems used for rostering. This interface will reduce the double keying of information until a long-term solution is agreed. The funding also supports the procurement of a new e-Rostering system to the point where a preferred supplier has been identified. No further work will be carried out until a funding stream has been identified.

Within Workforce Priorities the expenditure for CAJE totalling £250k has not yet been recognised. This work will be completed by December and recognised in M7 expenditure. All development staff are now in place and we expect to fully spend the budget in year.

As the in-year funding and outcomes have been finalised we now start to focus on robustly identifying the benefits of the projects and reporting them externally.

## 5.0 Risks to forecast position

The risks to the financial position remain largely unchanged from those previously reported.

### 5.1 Medical Training Grades Baseline Funding Gap

The initial review meeting has taken place with Scottish Government where it was acknowledged that the funding required to fill the historic gap in Medical Training Grades will move throughout the year as the cost drivers are out with NES' control. In order to manage this in-year movement it was agreed that whilst we will update Scottish Government on a regular basis as to the expected amount of funding required, a single drawdown figure will be agreed at year-end.

### 5.2 NMAHP Outcomes Framework

If the required efficiencies cannot be identified, the year end forecast position could reflect a further £0.2m overspend however it is likely that a corporate allocation via provisions would be made to minimise the impact on overall service delivery within the directorate.

### 5.3 Allocations not yet received

As detailed in paragraph 1.1 a material level of funding remains outstanding and we are working with Scottish government to ensure outstanding allocations are received as soon as possible.

### 5.4 NDS

Following a meeting with Scottish Government full details of the £5m budget requirement for 2019/20 have been provided to them. This is broken down into 3 sections shown below.

Area	£000s
NDS Direct Costs	£3,959
Corporate Support Costs	£380
Impact on Digital	£650
<b>Total</b>	<b>£4,989</b>

It is likely some of the digital support costs (£650k) will be funded non-recurrently by NES in the current year with the expectation that the full recurring budget will be made available from 2020/21.

The total costs increase to over £8m in future years for the functionality currently agreed. This is very much the 'standing still' scenario and any additional requirements would need to be scoped and funded separately; this includes the Programme for Government work currently being discussed which will have significant costs attached. We will be working closely with Scottish Government to ensure that future growth in NDS is tailored to match available funding from SG.

## **5.5 General**

There are still many unknown factors influencing forecasts in directorates and the figures are based on many assumptions including those relating to areas such as course take up rates, availability of goods, staff costs, maternity and long-term sickness rates. Whilst all figures provided are best estimates at this time, we also expect movement, especially in the risk areas detailed above.

## **6.0 Recommendation for Decision**

The Board is asked to note the information contained in this report.

**NES**

**October 2019**

**AMc/ LT**

## NHS Education for Scotland

### Board Paper Summary: Educational & Research Governance Committee (E&RGC) Minutes

#### 1. Title of Paper

Minutes of the Educational & Research Governance Committee (E&RGC) meeting held on 9 October 2019: copy attached.

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

Rob Coward, Principal Educator

#### 3. Purpose of Paper

To receive the unconfirmed minutes of the E&RGC meeting held 9 October 2019.

#### 4. Items for Noting

##### **Minute 7. Educational Governance Lead Officer's Report**

The Committee noted that all directorates had contributed to the Educational & Research Governance Lead Officer's report. This provided a helpful summary of current developments and issues.

Updates were considered on two postgraduate medical training programmes subject to Enhanced Monitoring, which remained of concern. These are Medicine at the Queen Elizabeth University Hospital, Glasgow and General Adult Psychiatry, NHS Tayside.

##### **Minute 12. Review of Educational & Research Governance related risks**

As stipulated in the NES Risk Management Strategy, the Committee considered a report on Primary 1 rated risks relating to Educational & Research Governance. It was noted that, while there are several risks relating to education and research, none were rated at the Primary 1 level denoting the highest impact and/or likelihood of occurring. While work is planned to review and enhance NES's risk management processes and practices, it was agreed that a check of committee oversight of key risks would be requested.

##### **Minute 14. Research report**

The E&RGC reviewed the annual Research Report providing a summary of Research Governance arrangements, research outputs and the outcomes of a research impact assessment. The Committee noted the assurance provided by the extensive list of publications, conference proceedings and other NES research outputs. This signalled that NES's work was entering the public domain through a rigorous peer review process. Staff involved in producing published research were commended.

## **5. Recommendations**

The Board is asked to note the unconfirmed E&RGC minutes and invited to ask questions.

NES  
October 2019  
RC/

## **NHS Education for Scotland**

### **EDUCATIONAL & RESEARCH GOVERNANCE COMMITTEE**

**Draft minutes of the thirty-sixth meeting of the Educational & Research Governance Committee held on Wednesday 9 October 2019 at Westport 102, Edinburgh**

**Present:** Mr Douglas Hutchens (Chair)  
Dr Doreen Steele  
Ms Sandra Walker

**In attendance:** Professor Stewart Irvine, Director of Medicine/Executive Lead  
Ms Karen Wilson, Director, Nursing, Midwifery & AHPs  
Mr Rob Coward, Principal Educator/Executive Secretary  
Dr Helen Allbutt, Research Governance Lead

#### **1. Welcome and introductions**

Douglas Hutchens welcomed everyone to the meeting.

#### **2. Apologies for absence**

Apologies for absence were received from Vicki Nairn, Board member, David Garbutt, NES Chair and Caroline Lamb, Chief Executive Officer.

#### **3. Notification of any other business**

It was agreed that an update on a NES visit to NHS Tayside with the GMC to discuss issues relating to the quality of postgraduate medical training in General Adult Psychiatry would be discussed under the Educational Governance Lead's report (minute 7 refers).

#### **4. Declaration of interests**

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

#### **5. Minutes of the Educational & Research Governance Committee (NES(E&RGC)19/23)**

The Committee reviewed the unconfirmed minutes of the E&RGC meeting held on 23 May 2019 and confirmed them as an accurate record subject an amendment of minute 6. Doreen Steele was thanked for reviewing the draft minutes in the Chair's absence.

**Action: RC**

#### **6. Action status report (NES(E&RGC)19/24)**

The Committee reviewed the report on the status of actions agreed at previous meetings. It was noted that significant progress had been achieved in completing

actions and it was agreed that most of those indicating 'Completed' should be removed from the report. **Action: RC**

In relation to an action on NMAHP students' access to a NES blood transfusion module (minute 3, 23 May 2019) it was noted that this had been completed earlier than indicated in the report.

Members noted that a progress update on digital learning resources had been provided as part of the Lead Officer's report, but this did not directly address the agreed action. It was agreed that the action was not completed and would be retained in the action status report. **Action: RC**

E&RGC members noted that the planned schedule indicating how each NES education programme is to be scrutinised was due to be presented in December 2019. Rob Coward advised that this was contingent on directorates' completion of risk profiling, which was not required until 2020. The Committee agreed that a fuller update on the production of this schedule would be provided. **Action: RC**

## **7. Educational & Research Governance Lead Officer's report (NES(E&RGC)19/25)**

The Committee received the Educational & Research Governance Lead Officer's report noting the good response from directorates in providing contributions. Members thanked teams and directorates for contributing in such a positive way, as this assisted in providing a wider assurance.

Introducing the report Stewart Irvine highlighted the developing arrangements for the quality assurance of digital learning resources and the establishment of Pharmacy Additional Costs of Training (ACT) processes for undergraduate programmes. The establishment of Pharmacy ACT would give NES substantial leverage on quality, although the arrangements were at a relatively early stage.

Members noted the NMAHP commissioned research project on the experience of males in undergraduate programmes. The study indicated that male undergraduate nurses had higher rates of attrition and was followed-up by a further piece of work examining the reasons for this difference. Karen Wilson advised that the Scottish Collaboration for the Enhancement of Pre-Registration Nursing (SCEPRN) was leading on action to attract more males into the profession and retain them during undergraduate education. These actions included work to establish a system of 'buddies' for male nurses on placement. It was clear, however that social perceptions of nursing being a female profession needed to be addressed in early childhood, as well as in some workplaces.

In discussion of the implementation of quality assurance arrangements for digital learning resources it was noted that NES was hosting materials from other Health Boards and other organisations on Turas Learn. Although there were some basic quality assurance checks on these resources (including a specified review period) it was noted that these arrangements are still evolving.

Stewart Irvine provided updates on two postgraduate medicine training programmes currently subject to Enhanced Monitoring. Quality monitoring visits to the Medicine programme at the Queen Elizabeth Hospital, Glasgow had identified issues relating to patient safety in the Immediate Assessment Unit. Although the educational issues had been addressed there remained residual concerns.

The Committee noted an update from Stewart Irvine on a NES visit to NHS Tayside with the GMC in October 2019 to discuss persistent challenges in the quality of the General Adult Psychiatry training programme.

### **8. Educational & Research Governance Executive Group minutes (NES(E&RGC)19/26)**

Stewart Irvine presented the minutes of the Educational & Research Governance Executive Group meeting held on 14 August 2019. He highlighted a discussion on the Blueprint for Good Governance with particular reference to the contribution on Educational Governance being produced by NES.

The E&RGC noted the ERGEG minutes, including the discussion of the three Educational Governance monitoring reports.

### **9. Summary Educational Governance monitoring report – Scottish Medical Education Research Consortium (SMERC) (NES(E&RGC)19/27)**

Rob Coward introduced the summary Educational Governance monitoring report on the NES funded Scottish Medical Education Research Consortium (SMERC). He explained that the SMERC had produced significant outcomes since its establishment in 2011. The contribution made by SMERC in encouraging careers in academic medicine and supporting education research represented excellent value for the relatively modest investment. Stewart Irvine confirmed that a key SMERC achievement had been the collaboration of Scotland's medical schools who were now co-operating and pooling resources in this niche area.

The Committee welcomed the report and confirmed that it provided significant assurance as to the effective governance and quality of the programme.

### **10. Summary Educational Governance monitoring report – Clinical Psychology training programme (NES(E&RGC)19/28)**

The Committee received the summary Educational Governance monitoring report on NES's Clinical Psychology training programme. Introducing the report Rob Coward observed that this was a well-established programme, which had been the subject of several Educational Governance reports. The Psychology Doctoral programme continued to produce a supply of highly skilled professionals to Health Boards and the report documented the robust quality management arrangements in place. The Committee noted the high academic and clinical level achieved by psychology trainees, which was not always appreciated by the service.

The E&RGC confirmed significant assurance as to the quality and performance of the Clinical Psychology programme.

## **11. Summary Educational Governance monitoring report – Masters programmes in Applied Psychology (NES(E&RGC)19/29)**

The Committee reviewed the summary quality monitoring report on NES's Masters programmes in Applied Psychology. Rob Coward introduced the report explaining that the Masters programmes were initiated by NES in 2013 and were now a valued source of Psychology professionals providing a range of therapies. Since its inception, the profile and uptake of these programmes has grown significantly and all graduates wishing to work in Scotland have been successful in obtaining posts.

The Committee confirmed its assurance as to the management and performance of the Applied Psychology programmes.

The Psychology team was commended for the excellence of their reports and the outcomes from their programmes.

## **12. Review of Educational & Research Governance related risks (NES(E&RGC)19/30)**

As stipulated in the NES Risk Management Strategy, the Committee considered a report on Primary 1 rated risks relating to Educational & Research Governance. Presenting the report, Rob Coward advised that, while there are several risks on local risk registers relating to education and research, none of these are rated at the highest level in terms of their impact and/or likelihood of occurring. This raised questions about how risks are identified and scored. The Director of Finance is currently addressing this issue with NES's internal auditors who are due to conduct a Risk Maturity Assessment with a view to improving processes and practice.

The Committee expressed surprise, and some concern, at the absence of Educational and Research Primary 1 risks and noted that other Board Committees had considered risks with apparent relevance to the E&RGC remit. This indicated the need to check on NES's most significant risks to ensure they are being managed and reported to the appropriate committee. It was suggested that the Audit Committee be asked to consider this point.

**Action: RC/DS/Audrey McColl**

## **13. Educational Governance reporting schedule 2019-2020 (NES(E&RGC)19/31)**

Rob Coward presented the Educational Governance reporting schedule for 2019-2020 and confirmed that all scheduled reports would be processed within the reporting period.

In response to a question about the review of statutory and mandatory training for NES staff it was confirmed that each Health Board has its own policy on requirements. The Staff Governance Committee would take a view on the relevance and quality of statutory and mandatory training available through Turas Learn. It was agreed that the Director of Workforce would be asked to provide an update on this subject as part of the Lead Officer's report.

**Action: RC/DW**

#### **14. Research report (NES(E&RGC)19/32)**

Helen Allbutt presented the annual report on NES research governance and activities. She explained the report was presented in three main parts including a list of current research activities (the Research Register), summaries of research governance arrangements in each directorate and a review of research impact (based on a research impact exercise with illustrative case studies).

Members noted the research work being undertaken in Medicine on 'never events', which had yielded some surprising results. Karen Wilson advised that NMAHP colleagues were contributing to a national definition of never events (NEs) to assist with standardisation and monitoring. Stewart Irvine added that NES was leading work on never events in primary care, and their significant impact on the wider health care system.

The Committee noted the assurance provided by the extensive list of publications, conference proceedings and other NES research outputs. This signalled that NES's work was entering the public domain through a rigorous peer review process. Staff involved in producing published research were commended and it was agreed that this should be included in the E&RGC annual report.

Helen Allbutt was thanked for her report and the work sitting behind the report.

#### **15. Consolidated progress report on Directorate Review recommendations (NES(E&RGC)19/33)**

E&RGC members received and considered the consolidated progress report on responses to recommendations made by review panels at the conclusion of Educational Governance Directorate Reviews. The reviews covered in the report included NMAHP, Medicine, Psychology and Dental.

The Committee noted that several recommendations had been taken as far possible and should therefore be closed. This included the recommendations relating to the 2015 NMAHP review. It was agreed that completion dates for all review recommendations should be provided to enable effective tracking by the Committee.

**Action: RC**

#### **16. Educational Governance case study (NES(E&RGC)19/34)**

Rob Coward presented a case study on the use of NES funding to develop, pilot and recruit to a new Health Care Support Worker (HCSW) Associate Practice Educator role. He explained the Associate Practice Educators are designed to improve access to relevant education opportunities for HCSWs, who are disadvantaged in this respect. There was significant interest in the pilot and NES is supporting several further HCSW Associate Practice Educators in other Health Boards.

The Committee was encouraged to read about this development, particularly given its importance to the continued success of Health and Social Care and suggested that more HCSW Associate Practice Educators are needed in each Board. It was noted that the NES Chair is currently advocating on behalf of HCSWs and had welcomed the development described in the case study.

### **17. Identification of risks**

The Committee identified the following risk arising from the business of the meeting where further assurance is required:

- Review of Educational Governance and Research related risks – There is a need to ensure appropriate Committee oversight of all Primary 1 rated risks on directorate risk registers.

### **18. Items for inclusion in the E&RGC annual report**

The following items were identified for inclusion in the E&RGC annual report 2019-2020:

- Educational Governance monitoring reports
- Educational & Research Governance related risks
- NES Research report, including the numerous peer reviewed research outputs

### **19. Scheduled E&RGC workplan items not covered on the meeting agenda**

There were no scheduled E&RGC annual workplan items not included in the meeting agenda.

### **20. Date and time of next meeting**

The next meeting of the E&RGC will be held on Thursday 12 December 2019 at 10.15 a.m.

RC/DH/DSI

October 2019

## NHS Education for Scotland

### Board Paper Summary: Audit Committee Minutes

1. **Title of Paper**

Draft minutes of Audit Committee meeting held on 3 October 2019: copy attached.

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

Jenn Allison, Senior Officer (Planning & Corporate Governance)

3. **Purpose of Paper**

To receive the minutes of the Audit Committee meeting held on 3 October 2019.

4. **Items for Noting**

a) **Item 8 – Internal Audit Reports**

The committee received the following internal audit reports:

i. **Corporate Performance Reporting**

This report reviewed the approach to Corporate Performance Reporting. The report found that NES's has a comprehensive, robust and effective performance management framework and reporting processes.

The committee noted the report and the assurance provided.

ii. **Medical Training Grades – Administration Model**

This report reviewed the new Administration Model for Medical Training Grades. The report found that overall that the new Administration Model has been well managed and communicated, although this could have been more consistent.

The committee noted the report and the assurance provided.

iii. **Status Update and Follow up Summary**

This report highlighted that Internal Audit are on track with the 2019/20 planned audits.

The committee noted the report and were satisfied that NES continues to make good progress in implementing outstanding actions.

- b) Item 9 – Assessment of Effectiveness of External Audit  
The committee agreed that the Assessment of Effectiveness of External Audit was a fair and reasonable assessment and agreed scoring for questions that focus specifically on the Audit Committee.
- c) Item 10 – Counter Fraud update  
The committee noted activities underway aimed at supporting the Strategy to Combat Financial Crime in NHS Scotland.
- d) Item 11 – Risk Management  
The committee noted the minor amendments to the Risk Management Strategy and noted the planned work with the internal auditor to undertake a maturity assessment of NES's risk management processes. The committee received a demonstration of the risk management system, MiTracker, which informed them of the processes in place to manage risk in NES.
- e) Item 12 – Annual Review of Audit Committee Remit  
The committee approved the remit following minor changes. The remit has been submitted to the Board as an appendix to the minutes.
- f) Item 13 – BCP  
The committee noted and were satisfied with the NES BCP and results from the desk top exercise.

## **5. Recommendations**

Board members are asked to note the Audit Committee minutes and approve the updated Audit Committee Remit.

NES  
October 2019  
JA

**AUDIT COMMITTEE**

**Minutes of the Seventy-first meeting of the Audit Committee held on Thursday  
03 October 2019 at Westport 102, Edinburgh, Room 8.**

**Present:** Doreen Steele (Chair)  
Sandra Walker  
Linda Dunion  
Anne Currie

**In attendance:** Caroline Lamb, Chief Executive  
Audrey McColl, Director of Finance  
Janice Sinclair, Head of Finance (via phone)  
James Lucas, KPMG  
Paul McGinty, KPMG  
Claire Connor, KPMG  
Monica Halcro, Senior Manager, Finance  
Rob Coward, Principle Educator (from item 11)  
Jenn Allison, Committee Administrator

**1. Welcome and introductions**

The Chair welcomed everyone to the meeting.

**2. Apologies for absence**

Apologies were received from NES Board Chair David Garbutt, and Grant Thornton External Auditors Joanne Brown and Angelo Gustinelli.

**3. Declarations of interest**

There were no declarations of interest.

**4. Any other business**

There was no other business requiring consideration by the committee.

**5. Minutes of the Audit Committee, 13 June 2019 (NES/AUD/19/33)**

The minutes of the Audit Committee 13 June 2019 were approved as a correct record.

**Action: JA**

**6. Action list of the Audit Committee, 13 June 2019 (NES/AUD/19/34)**

Members noted that the actions from the previous meeting were completed or were in progress.

## **7. Matters arising**

There were no matters arising.

## **8. Internal Audit Reports**

### **a) Corporate Performance Reporting**

Paul McGinty introduced the report which reviewed the approach to Corporate Performance Reporting.

- The report found NES's has a comprehensive, robust and effective performance management framework and reporting processes.
- The report identified 1 moderate risk and 2 low risk improvement recommendations regarding: implementing sample testing of supporting documentation to quarterly updates (moderate risk); implement a review and 'sign off' process by target owners to check target updates at a local level (low risk); and identify another member of the planning and corporate governance team in the process for completing quality checks on the target updates (low risk).
- A member raised a query about the consistency of approaches across Directorates and Paul McGinty assured members that there is a consistent structural approach to performance management via the framework and MiTracker system. A member added that the planning and performance framework is crucial as the information drives strategic decisions.

The Audit Committee noted the report and the assurance provided.

### **b) Medical Training Grades – Administration Model**

Paul McGinty introduced the report which reviewed the new Administration Model for Medical Training Grades.

- The report found that overall that the new Administration Model has been well managed and communicated, although this could have been more consistent.
- The report identified 2 moderate and 2 low risk recommendations regarding: formal assessment and documentation of the resource required to effectively deliver future projects (moderate risk); ensure consistent approach to communication is applied to future projects (moderate risk); clarify roles and responsibilities to band 3 staff (low risk); update the project plan with post implementation phase (low risk).

- A member raised concern in relation to the management response to the action regarding assessment of required project resource, which stated that there is no project management available to NES. They queried if this is a wider risk to the Organisation. Audrey McColl explained that there is project management capability across the organisation in different roles. Many colleagues regularly manage projects as part of their day to day responsibilities and although capacity can be limited, support for corporate project management is available from both the Quality Improvement and Organisational Performance Improvement Programme.
- A member queried if there may be a risk to the support of trainees in the transition to the new administrative process. Audrey McColl explained that no changes have been made to how the Training Programme Director supports individual trainees, only to the administration process, which has been designed to ensure greater resilience across the system. It was noted that changes have been made to the specific administrators who support individual Training Programme Directors.

The Audit Committee noted the report and the assurance provided.

c) Status Update and Follow up Summary

Paul McGinty introduced the report which provided the Audit Committee with an update on progress against the plan and assurance that during Q2 2019/20, internal audit recommendations have been implemented satisfactorily or are in progress.

- The report highlighted that Internal Audit are on track with the number of completed, in progress and planned Audits according to the 2019/20 internal audit plan. The committee also noted their appreciation of the layout of the report.
- 7 actions have been confirmed as closed during the second quarter of 2019/20 resulting in 9 open outstanding actions, 4 of which are not yet due and 5 are partially complete.
- Discussion took place regarding the outstanding action from the Talent Management Framework report that was submitted to the Audit Committee on 14 June 2018. It was agreed that an update on progress would be submitted to the Audit Committee in January 2020. **Action: AMcC**
- Discussion took place regarding 1 overdue action in relation to essential learning rates for GDPR. As completion rates for all essential learning are monitored by the Staff Governance Committee on a quarterly basis it was agreed that this action can now be removed from the follow-up report for the Audit Committee. **Action: JL**

- The 7 new actions from the above reports will be added to the follow up summary report submitted to the Audit Committee in January 2020.

The committee noted the report and were satisfied that NES continues to make good progress in implementing outstanding audit recommendations.

## **9. External Reports**

- a) Assessment of Effectiveness of External Audit (NES/AUD/19/36)

Audrey McColl presented the draft External Audit Effectiveness assessment for review and comment.

- Grant Thornton were appointed as External Auditors for the period 2016/17 to 2020/21. This is the first time that this assessment has been carried out in order to allow for a second full Annual Accounts process to be taken into consideration.
- Members agreed that it was a fair and reasonable assessment and agreed scoring for questions C8 and E7 which focus specifically on the Audit Committee. Members also agreed to consider their response to A7 in relation to the effectiveness of the private meetings which take place. It was noted that external auditors have an open professional relationship with both NES management and non-executive members.

The committee noted and were satisfied with the Assessment of Effectiveness of External Audit.

## **10. Counter Fraud Update** (NES/AUD/19/37)

Janice Sinclair presented the paper to update the committee regarding activities underway in NES since 01 April 2019 which are aimed at supporting the Strategy to Combat Financial Crime in NHS Scotland. The following was noted/discussed:

- Due to the timing of the October Audit Committee meeting, it has not been possible to provide a full update on the Q2 activities. The committee noted the quarterly CFS report for the period ending June 2019.
- The committee noted that the Counter Fraud e-learning module has been temporarily removed from Turas to make updates and should be available by Friday 11<sup>th</sup> October.
- The review of the Gifts & Hospitality Registers has revealed no new declarations received from staff or board members.

- The NFI review process for 2018/19 is nearing completion. Out of a total of 803 matches identified by the data matching process, 793 have been reviewed and closed and there are 10 under review

The committee noted the report and progress of actions.

## **11. Risk Management**

### a) Risk Management Strategy (NES/AC/19/38)

Doreen Steele welcomed Rob Coward to the meeting. Rob introduced the paper which presented the Risk Management Strategy incorporating updates to risk appetite classifications requested by the Board.

Rob informed the committee that NES will be working with Internal Audit to undertake a Maturity Assessment of NES's risk management processes and practice. This work will help to benchmark NES's risk management approach and the outcomes will help to develop the risk management strategy and assurance framework further.

The committee noted the minor amendments to the Risk Management Strategy and noted planned work with the internal auditor.

### b) Corporate Risk Register (NES/AC/19/39)

The committee noted the Risk Register and related directorate level controls.

### c) Corporate Risk Management System

Rob Coward gave a demonstration of the risk management system, MiTracker, which informed the committee of the processes in place to manage risk in NES.

The demonstration highlighted how risks, the related controls and actions and the assurance that controls are working are managed within the system by Directorate Risk Champions. The system is updated quarterly to reflect changes to any of these key elements. In addition, Corporate risks are reported at every Board meeting.

The committee thanked Rob for the demonstration and members noted that the system helps to ensure good governance in relation risk management.

## **12. Annual Review of Audit Committee Remit (NES/AC/19/40)**

Audrey McColl introduced the paper to allow the committee to carry out the annual review of the remit of the Audit Committee. Some minor grammatical and formatting changes have been made.

- It was agreed that an item will be added for the annual review of external audit effectiveness. **Action: AMcC**

- James Lucas informed the committee that KPMG have information available on their website regarding best practice in relation to Audit Committee terms of reference and will forward the link to members for information. **Action: JL**

The committee approved the revised remit to be submitted to the Board.

**Action: AMC**

### 13. Approved BCP

(NES/AC/19/41)

Audrey McColl introduced the paper to update the committee on the progress of the development of the NES Business Continuity Plan (BCP) and the desk top exercise which took place in June 2019.

- The exercise took place as part of the work towards completing the audit recommendation submitted to the NES Audit Committee on 14 April 2018. Audit Committee members requested to review the BCP at the meeting held on 11 April 2019.
- During the exercise the Executive Team discussed a cascade approach to communications to ensure all staff would be kept informed of events incidents and arrangements where appropriate.
- Four small actions, which were agreed during the desk top exercise have now been taken forward by the relevant parties. Caroline Lamb noted that future desk top exercises will take place in regional offices and added that the BCP will be reviewed and updated regularly.
- Members requested that further information is added regarding communication to Board members and their role in the BCP. **Action: CW**

The committee noted and were satisfied with the NES BCP and results from the desk top exercise.

### 14. Items for information

The following papers were noted by the committee:

- a) NHS Workforce Planning Part 2
- b) Fraud and Irregularity update 18/19
- c) Enabling Digital Government
- d) Quality of public audit in Scotland annual report 18-19
- e) Finance of Scottish Universities

Discussion took place regarding the Enabling Digital Government paper and members raised concerns that further clarity may be required regarding the plans to achieve the Digital Strategy.

Discussion took place regarding the Workforce Planning paper and members noted that the Workforce Planning platform being built by NES Digital for NHSS will help towards future Workforce Planning.

**15. Date and time of next meeting**

The next meeting of the Audit Committee will be held on Thursday 16<sup>th</sup> January at 10:15 in Westport Room 5.

NES

Oct 2019

JA/amcc/ds

## Audit Committee Remit (Oct 2019)

- a) Internal Control, Risk Management and Corporate Governance
  - i. to assess the scope and effectiveness of the risk management processes;
  - ii. to review the system of internal control and to evaluate the control environment and decision-making processes;
  - iii. to receive reports from management on the effectiveness of internal controls;
  - iv. to review and recommend for approval by the Board, the corporate governance disclosures on audit and risk management in the annual accounts;
  - v. to review internal arrangements by which staff may raise concerns about possible improprieties such as anti-fraud policies, whistle-blowing processes and arrangements for special investigations; and
  - vi. to review the effectiveness of the Audit committee
  
- b) Internal Audit
  - i. to approve the appointment and termination of Internal Audit and advise on the purchase of non-audit services from the suppliers of audit services. Ensure that appropriate resources are devoted to Internal Audit;
  - ii. to review and approve Internal Audit's remit, including liaison with external audit;
  - iii. to review and approve the Internal Audit annual work plan;
  - iv. to enable confidential access for Internal Audit to the Chair of the committee
  - v. to receive regular Internal Audit reports and to review management responsiveness to recommendations and findings;
  - vi. to review the annual Internal Audit report on work carried out compared to plan; and
  - vii. to review the performance of Internal Audit
  
- c) External Audit
  - i. to review the External Audit strategy and plan;
  - ii. to enable confidential access for External Audit to the Chair of the committee
  - iii. to review the External Audit management letters, review management responsiveness to recommendations and findings;
  - iv. **annually assess the effectiveness of external audit**; and
  - v. to ensure co-ordination between Internal and External Auditors.
  
- d) Standing Orders (SOs) and Standing Financial Instructions (SFIs)
  - i. to review changes to the SOs and SFIs;
  - ii. to examine the circumstances associated with each occasion when SOs are waived; and
  - iii. to review the Scheme of Delegation.
  
- e) Annual Accounts

- i. to review the Financial Statements including significant financial reporting issues and judgements;
  - ii. to review the clarity and completeness of disclosures in the financial statements;
  - iii. to approve changes in accounting policies;
  - iv. to report its views on the Financial Statements to the Board.
  - v. to review management's letter of representation to the external auditors;
  - vi. to 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.
- f) Assurance (an evaluated opinion, based on evidence from review, on the organisation's governance, risk management and internal control framework).
- i. review the assurance framework;
  - ii. recommend an optimum mix of assurance;
  - iii. assess the extent to which assurance is comprehensive and reliable;
  - iv. review the Annual reports of the other governance committees;
  - v. commission additional assurance work if significant risk is identified.

## NHS Education for Scotland

### Board Paper Summary

#### 1. Title of Paper

Proposed Remit and Membership of the Digital Committee

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

David Garbutt

#### 3. Purpose of Paper

To seek the Board's views on and approval for the remit and membership of the Digital Committee.

#### 4. Key Issues

The Board agreed to the establishment of the Digital Committee at the September Board Meeting (NES/19/96) and agreed to consider remit and membership in accordance with the Standing Orders.

#### 5. Educational Implications

Many of NES's educational activities have or will have either a digital underpinning or will be delivered directly through digital means in line with the NES Strategy 2019-24. Accordingly, robust governance for digital at Board level is necessary.

#### 6. Financial Implications

No significant direct costs anticipated beyond support to, and servicing of the committee. However, given the prominence of digital in the NES strategy and work programme, an enhanced level of scrutiny and assurance should provide an additional level of confidence to the Board in ensuring best value from resource deployment for digital across the organisation.

#### 7. Which of the 5 Key Key Areas of Focus in the NES Strategy for 2019-24 does this align to?

Principally, the extent of the organisation's ambitions and responsibilities for digital are described in section 4 of the NES Strategy for 2019-24, 'A National Digital Platform, Analysis, Intelligence and Modelling'.

#### 8. Impact on the Quality Ambitions

Generally, in line with the overall NES corporate contribution to the delivery of the Quality Ambitions.

**9. Key Risks and Proposals to Mitigate the Risks**

No anticipated risks in the establishment and workings of the Digital Committee in addition to that for other Board standing committees. The establishment of the Digital Committee is intended to ensure additional scrutiny of the risk profile of digital in order to provide assurance to the Board.

**10. Equality and Diversity**

NES has a duty to consider equality and diversity issues and take relevant and proportionate action to eliminate discrimination and harassment, advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not in the delivery of our functions. The actions to ensure equality and diversity in the establishment of, appointments to and work programme of the Digital Committee will be in common to that of other NES standing committees.

**11. Health Inequalities**

Generally, in line with the overall NES corporate contribution noting the potential, more widely for digital to be deployed to address wider societal inequalities, not least the health and wellbeing of the population.

**12. Communications Plan**

A Communications Plan has been produced and a copy sent to the Head of Communications for information and retention:

Yes

No

**13. Recommendation(s) for Decision**

The NES Board is asked to:

- (a) discuss and agree the remit as set out in Annex A of the paper
- (b) agree the appointment of those named in Annex A as members
- (c) agree in principle to the other areas of external expertise identified and for names, and potential terms of appointment, to come to the Board for agreement by correspondence in due course
- (d) note the Board officers in attendance
- (e) agree to receive the Digital Committee’s workplan

**NES  
October 2019  
DG**

**31 October 2019**  
**Board Paper**

**1. Purpose**

To seek the Board's approval of the remit and membership of the new Digital Committee of the NES Board.

**2. Background**

The NES Board approved the establishment of the Digital Committee as the sixth standing committee of the Board at its September meeting (NES/19/96). This included the appointment of the Board Chair as the Chair of the Digital Committee as required by paragraph 9.8 of the Standing Orders (Version 6, February 2018).

The Board agreed to consider remit and membership of the Digital Committee at a future meeting (see paragraphs 9.5 and 9.10 of the Standing Orders which concern the Board's agreement of membership and remit of committees).

**3. Remit and Membership**

Annex A sets out the proposed remit and membership of the Digital Committee. The remit is intended to ensure that the NES Board can provide oversight, scrutiny and assurance of the work of NES as it relates to digital in accordance with the NES Strategy 2019-24 (section 4 refers). The membership is intended to ensure that, as well as the necessary membership from the NES Board, there is sufficient external expertise to support the Digital Committee in its work. At this stage, the Board is being asked to (a) agree named appointees as listed (b) agree in principle to the areas of expertise where individuals have not yet identified and to confirm such names by correspondence in due course (c) note Board officers who will be in attendance.

**4. Workplan**

When the Digital Committee meets formally it will establish a workplan which will be brought back to the Board. It is expected that there will be a transition period between the current Digital Sub Committee arrangement and the new Digital Committee to allow time for any new members to take up appointment. In addition, the Committee will be asked to consider a development programme and how this might align with the wider Board development programme for digital.

## 5. Recommendations

The NES Board is asked to:

- (a) discuss and agree the remit as set out in Annex A
- (b) agree the appointment of those named in Annex A as members
- (c) agree in principle to the other areas of external expertise identified and for names, and potential periods of appointment, to come to the Board for agreement by correspondence in due course
- (d) note the Board officers in attendance
- (e) agree to receive the Digital Committee's workplan

## **Annex A**

### **Digital Committee**

#### Remit

The Digital Committee is a standing committee of the Board, with the primary purpose of providing oversight, scrutiny and assurance of are 4 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 (April 2018) on which NES leads. Specifically, the Digital Committee will:

- (a) provide assurance to the Board as to the effective management and delivery of NES's digital work across the organisation, to include but not limited to, detailed consideration of quarterly reports covering key aspects of performance, risk and delivery
- (b) review, agree and monitor work programmes across all aspects of digital, including but not limited to work commissioned within NES or where NES is commissioned by external agencies (including Scottish Government) and the related implementation and delivery methodologies and programme management arrangements
- (c) provide detailed scrutiny and oversight of the development, implementation and updating of work programmes including substantive proposals for new areas of work
- (d) require assurance of compliance with statutory and regulatory requirements and have regard to guidance and standards from other organisations (such as Scottish Government and other relevant bodies) including, but not limited to, clinical and technical assurance and safety and user acceptability
- (e) ensure that all necessary actions are in place to secure assurance with regard to information governance including compliance with statutory and regulatory requirements and such policies and guidance from the Scottish Government and other organisations as might be relevant across all aspects of digital
- (f) horizon scan so that the Board is kept informed of such 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
- (g) provide scrutiny of any proposed and existing service level agreements (SLAs) or memoranda of understanding (MoUs) for digital between NES and any other organisation(s) and their ongoing monitoring and review

- (h) establish such sub-committees it considers appropriate to ensure its work is suitably informed and supported
- (i) promote and monitor the effectiveness and impact of communication and engagement arrangements internally and externally concerning all aspects of digital
- (j) collaborate effectively with other Board standing committees in NES and also interact constructively with the governance structures of other organisations as appropriate
- (k) alert the Board to any matters requiring governance action and oversee such action on behalf of the Board
- (l) deal with any such matters as may be assigned to the Committee by the Board and make recommendations as might be necessary

The remit of the Digital Committee will be reviewed annually.

### Membership

The Board Standing Orders (Version 6, February 2018) require that the Board appoints members of committees and subcommittees (paragraph 9.5); that all of the standing committees shall consist of or have a majority of non-executive Board members (paragraph 9.2); and that the Board shall appoint the Chair of its committees (paragraph 9.8). Section 3.4 of the Standing Orders refers to 'co-opted members' noting that the NES Board may co-opt for any of its committees and sub-committees, representatives of organisations having a special interest in a particular matter, or persons not being members of the Board who may serve the purpose of the Board (paragraph 3.4.1); further, co-opted members shall not have voting rights and shall serve for a specified period of time, not exceeding 3 years in the first instance (paragraph 3.4.2). Officers of the Board also attend.

The membership of the Digital Committee, by the nature of the work needs to have expertise and representation which spans sectoral, clinical, technology, research and data, standards, regulations and statutory requirements, and cybersecurity together with the perspectives of delivery partners and users. The membership proposed below seeks to balance these requirements.

### NES Board: Voting Members of the Digital Committee (FOR AGREEMENT)

David Garbutt, Chair and Chair of the Digital Committee  
Vicky Nairn, Non Executive Director  
Douglas Hutchens, Non Executive Director

Co-opted: Non-Voting (FOR AGREEMENT)

Angus McCann, Non Executive Director NHS Lothian  
(brings direct experience of a territorial NHS Board, IJBs and (formerly) held senior positions in IBM)

Professor Andrew Morris, Director Health Data Research UK and Professor of Medicine and Vice Principal Data Science, University of Expertise (brings direct and wide ranging academic expertise across medicine and healthcare, digital, informatics and data science)

Co-opted: External Expertise: Non-Voting (FOR AGREEMENT IN PRINCIPLE)

COSLA – local government expertise (nomination awaited)

Digital Director (or equivalent), NHS Board – service provision expertise (to be identified)

Chief Technology Officer from the public or private sectors – expertise across digital transformation, digital skills and workforce (to be identified)

Information Governance and Cybersecurity (to be identified)

Clinical – external NHS clinical expertise (to be identified)

(Membership voting and non-voting c10)

NES: In Attendance (FOR NOTING)

Chief Executive

Director of Workforce

Director of Finance

Caldicott Guardian

NES Clinical Director

Director, NDS

Director, NES Digital

Head of Governance (Digital)

Secretariat

## NHS Education for Scotland

### Board Paper Summary

1. **Title of Paper**

Blueprint for Good Governance Action Plan – progress report

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

Caroline Lamb, Chief Executive

3. **Purpose of Paper**

To provide the Board with a progress update on the Blueprint for Good Governance Action Plan that was agreed at the Board away day on 24/25 April and submitted to the Cabinet Secretary on 30 April.

4. **Key Issues**

Scottish Government's Blueprint for Good Governance emphasises the importance of good corporate governance and describes how its adoption will help NHS Boards improve their corporate governance system. This means delivery of a consistent, effective and transparent governance approach across NHS Scotland.

NES's action plan is a focussed and concise response to the Self-Assessment report, which was very positive overall. Action owners have provided progress updates for each action and this is attached to the cover paper.

5. **Recommendation(s) for Decision**

The Board are invited to note the progress report and provide comments and questions.

Blueprint Function	Key points emerging from the Board Self Assessment results	Identified opportunities for improvement	Agreed actions	Action Owner	Progress Update
Setting Direction	The results in this section are positive. This reflects: Comprehensive process of Board, staff and stakeholder engagement during 2018/9 resulting in the approval by the Board of a new Strategic Plan in March 2019	Ensuring that all appropriate sections of the workforce are engaged with the Strategic Plan and through objective setting processes are clear about their contribution. Clear communication to stakeholders articulating the contribution of NES to delivering on national priorities.	Accelerate the activity already planned to review NES's Communication Strategy inclusive of internal and external stakeholders.	John MacEachen	Briefings on the new Strategy have been included in staff meetings with the Executive Team in all NES's geographical areas. Continued focus on ensuring all NES staff have objectives in place. Session on Communications Strategy held with Board members at August awayday. Draft stakeholder survey drafted. Timeline for Communications refresh drafted and incorporated into CE's update to Board, September.
	Clear processes for articulating annual operating plans and targets whilst maintaining a focus on achieving the long term strategic outcomes.	Ensuring clarity and managing expectations around the extent to which our ambition can be realised without additional resources.	Ensure that the impact of on-going discussions in relation to the funding of Training Grades and the Transformation Fund are clearly understood by the Board and Scottish Government  Implement new Governance standards emerging from the work being carried out on the Governance Blueprint, as soon as they are available, and ensure they are communicated to, and understood by Board members	Audrey McColl  David Ferguson	Stewart Irvine gave a presentation on Medical Training Grades at the Board development session on 26 June 2018. The funding of Training Grades and the Transformation Fund are regularly reported to the Finance & Performance Management Committee and the Board. Expenditure against transformation funding is also reported on a monthly basis to the Regional Implementation leads. The Board Finance Report has also been expanded to include increased detail relating to Training Grades and the Transformation Fund. NES's mid-year review with Scottish Government regarding our financial position took place on 23 September 2019 where a detailed update was provided on the expected amount of funding required in 2019/20 to meet the forecast funding gap for training grades. The required amount of funding will be received as a single transaction at year-end.  Nothing received from Scottish Government as yet. NHS Board Secretaries are being kept informed of developments by the Chair of the NHS Board Secretaries Group.
Holding to Account	The results in this section are, overall, positive and reflect the work that has been done to ensure the provision of strong sources of assurance to the Board. At the same time, it is recognised that there may be inconsistency and 'hot and cold currents' of continuous improvement across different parts of the organisation.	The Board has developed a first draft of an Assurance Framework which provides details of the sources and levels of assurance available to the Board in relation to the domains identified in the Blueprint for Good Governance. This work has identified some areas where there are gaps.	Produce and test a further iteration of the Assurance Framework, following completion of the plan to address the small number of gaps which have been identified.  Consider opportunities to share the Assurance Framework with other NHS Boards.	Rob Coward	Further work has been undertaken to produce a revised version of the Assurance Framework to address comments and suggestions made by the NES Board at its meeting on 27 June 2019. Specific changes include new introductory text explaining the origins and purpose of the Assurance Framework, new text on whistleblowing and additional information on risk management reflecting the distributed nature of this responsibility. In addition, work is underway to address the 4 information gaps identified. Eg Within Quality Management, the Education and Research Governance Executive group is reviewing the criteria used for risk based selection of educational activity to be considered by the committee with the aim of increasing the volume of activity which is subject to detailed scrutiny. Within Change Management the Assurance Framework has been amended to reflect the assurance activity which had been omitted where the Staff Governance Committee receives the minutes of the Change Management Programme Board and the fact that organisational change programmes are subject to internal audit review.  NES Assurance Framework shared with Scottish Ambulance Service (October 2019).
		The requirement to have additional assurance about the detailed performance measures to ensure that they are correctly categorised on the RAG rating.	Implement a process of audit of performance data, ensuring that all priority targets are verified, and made available through a performance dashboard.  Incorporate into the Board Development Programme, measures to ensure that Non Executive Directors are confident in accessing and using assurance information.	Karen Howe  David Ferguson	With effect from June 2019 a process of quality control was put in place for NES performance targets. This involves reviewing all priority performance targets and all red and amber targets for accuracy. In addition, each quarter, 10% of all green targets are randomly selected to ensure the update accurately reflects the content of the target and the RAG rating. From October 2019, we have also added in that we will independently check for evidence that the content of the update is accurate (5% of priority targets checked).  The final/refreshed/updated Assurance Framework could form the basis of a Board Development Session, perhaps in February 2020.
Assessing Risk	Overall the results against this section are strong and the Board is confident that strong strategies and processes are in place. Some of the results, and comments reflect the need to ensure that our processes are well communicated, understood and embedded as part of how we work.	There is an opportunity to review and benchmark the identification of risks against other similar organisations	Engage with organisations such as HEE, HEIW and SFC to compare processes and identified risks.	Rob Coward/ Lorraine Turner	Risk management strategy, processes and practices will be reviewed by NES's internal auditors using their Global Maturity Assessment Tool. This includes benchmarking against risk management practices and outcomes in similar organisations.
		Ensure that risk assessment and risk management are consistently embedded across the organisation and used as a management tool to support sustainable service delivery.	Provide further development opportunities to staff to improve consistency of risk management processes across the organisation, and more fully incorporate risk assessment/management into 'the way we do things here', at all levels.		As part of the Risk Maturity Assessment process related workshops are planned for NES Risk Champions, senior managers and Board members to assist with the standardisation of judgements in risk identification and prioritisation.
		Ensure that our risk management strategy and key responsibilities are effectively communicated across the organisation.	Use the further development of the Assurance Framework to confirm shared understanding of key responsibilities, promoting this through the Board Governance Handbook and induction.	Rob Coward/ David Ferguson	The updated Assurance Framework will form the basis of a further Board Development Session, perhaps in February 2020. The Assurance Framework will be included in the Induction process for new Board members.
Engaging Stakeholders	Overall, strong results in relation to communicating, reporting and publishing priorities. Recognition that NES could make a stronger contribution to providing advice on the development of SG policies. This requires engagement earlier in the process.	In light of the publication of the new Strategic Plan, the Board should revisit the assessment of priority stakeholders.	Develop a new Stakeholder map and accelerate progress with the planned activity to review our Communications Strategy, inclusive of internal and external stakeholders.	John MacEachen	To seek comment on Stakeholder map as part of development of new Communications Strategy. Session held with Board members at August awayday. Timeline for Communications refresh drafted and incorporated into CE's update to Board, September 2019.
		As part of this process the Board should also consider how best to engage with policy direction at a SG level.	Engage with sponsor team at SG to review current processes	Caroline Lamb	Regular meetings with sponsor team in place.
Influencing Culture	The results overall were positive, but there are some pointers to the potential for building on the NES leadership behaviours in relation to governance activities.	It is important that NES continues to pay attention to <b>how</b> we transact our business, as much as <b>what</b> we do, to optimise the transparency and accountability of the Board.	Hold a Board development session to implement 'Our Way' principles for the Board, specifically reflecting NES Leadership Behaviours and NHS Scotland Values  Ensure that there is clarity as to the high-level purpose of Board papers and that they highlight to the Board challenging issues and key discussion points for scrutiny, review and decision by the Board.	David Ferguson	This session might usefully take place in February 2020, failing which April 2020.  The Board Paper Summary template is designed to meet this aim. Restructuring of Corporate Governance Team underway to provide improved support to Committees including cover papers.

## NHS Education for Scotland

### Board Paper Summary

1. **Title of Paper**

Operational Planning 2020/21 - 2022/23

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

Donald Cameron, Director of Planning and Corporate Resources  
Audrey McColl, Director of Finance

3. **Purpose of Paper**

To provide the Board with an update on the process for Operational Planning for the three-year period from 2020/21 to 2022/23 and to outline the process which will be undertaken over the next 5 months.

4. **Key Items**

The operational planning process for the period beginning 2020/21 builds on the approach used in the last 2 years and is set within the context of the Strategic Framework for 2019-24 approved by the Board earlier this year.

It is expected that the Scottish Budget will be presented to Parliament by the Cabinet Secretary for Finance, Economy and Fair Work in December 2019.

The Scottish Government is currently carrying out a Spending review to agree their funding priorities over the next three years. Although the review is ongoing, we know that no additional revenue funding is being made available for Health from the UK government and that the Scottish Governments budget is under considerable pressure. The impact for individual Boards of the spending review will not be known until the publication of the Scottish Budget.

This means that as in previous years we have begun our operational planning process without any formal Scottish Government planning guidelines in place, nor any confirmation of the funding available to NES. Assumptions have therefore been made based on discussions with Scottish Government, Directors of Finance and our experiences in previous years.

The Cabinet Secretary for Health and Sport last year confirmed a new planning and performance cycle for all NHS Boards. This requires Boards to deliver a break-even position over a three-year period, with flexibility to underspend or overspend up to one per cent of their annual budget on pre-agreed projects.

This is not intended as a general carry forward allowance but rather is aimed at enabling a longer-term focus in financial planning cycles.

In addition, the Annual Operational Plans (AOP) process this year has been developed to have an increased focus on outcomes which will be reflected over this longer planning period. The AOP process will also begin earlier this year with a first draft to be submitted in December, three months earlier than in previous years. Boards are also required to provide more detail around required savings to deliver breakeven and identify the steps the board is taking to reduce the reliance on non-recurring savings over the planning period.

Given the timing of the announcement of the Budget, and the requirement to submit draft AOPs earlier this planning round, budget planning within NES will once again be an iterative process and may require the implementation of measures to reduce directorate proposals.

#### **5. Educational Implications**

Impact on educational outcomes will be considered throughout the process.

#### **6. Financial Implications**

There are no direct financial implications as a result of this paper but a robust operational planning process (including developing a draft budget) is essential to ensure that we do not breach any of our delegated financial limits.

#### **7. Which of the 5 key Outcome(s) does this align to?**

A robust operational planning process contributes to the achievement of all our strategic objectives.

#### **8. Impact on the Quality Ambitions**

The education and training that NES provides/commissions is designed to impact on all the quality ambitions.

#### **9. Key Risks and Proposals to Mitigate the Risks**

There is a risk that the planning assumptions we use at this stage are not sufficient to identify the amount of savings we are ultimately required to make. It is recognised, both internally and at Scottish Government that, given the current level of uncertainty, operational planning for 2020/21 will be an iterative process.

#### **10. Equality and Diversity**

At a later stage in the process the equality and diversity impact of any agreed efficiency savings will have to be assessed.

#### **11. Communications Plan**

A Communications Plan has been produced and a copy sent to the Head of Communications for information and retention:

Yes

No

Operational Planning guidance has been produced and a detailed timetable made available on the intranet for all planners. If significant efficiencies are required which impact service delivery, then a formal external communications plan will be developed.

**12. Recommendation(s) for Decision**

The Board is asked to note the approach to operational planning for 2020/21 and beyond

NES  
October 2019  
DC & AMcC

## **1.0 Background**

The NES strategic framework 2019-2024, published earlier this year, will guide our operational planning over the next four years and we will align our annual programmes of work, desired strategic outcomes and performance targets to the strategic themes and their operational headings.

The Cabinet Secretary for Health and Sport last year confirmed a new planning and performance cycle for all NHS Boards. This requires Boards to deliver a break-even position over a three-year period, with flexibility to underspend or overspend up to one per cent of their annual budget on pre-agreed projects. This is not intended as a general carry forward allowance but rather is aimed at enabling a longer-term focus in financial planning cycles.

In addition, the Annual Operational Plans (AOP) process this year has been developed to have an increased focus on outcomes which will be reflected over this longer planning period. The AOP process will also begin earlier this year with a first draft to be submitted to SG in December. Within the draft AOP we will make a clear statement that activity will only be able to be carried out where adequate funding is provided.

Boards are also required to provide more detail around required savings to deliver breakeven and identify the steps the board is taking to reduce the reliance on non-recurring savings over the planning period.

It is expected that a draft Scottish Budget will not be published until December 2019. The timing of the announcement allows the Scottish Government to fully consider the implications for Scotland arising from the Autumn Budget (currently expected 6<sup>th</sup> November 19), the impact of Scottish Government decisions on tax raising powers, their internal spending review as well as the implications from the emerging Brexit arrangements. However, the consequence of this timing, is that the NES budget setting process begins before the board's baseline recurring funding is known, meaning that assumptions being made about the level of funding available may need to be revised during the planning process.

In 2019/20 we began discussions with Scottish Government to separate the NES budget into two elements: Training Grades and Non-Training Grades. This is to reflect the specific nature of Training Grade cost drivers and the impact on the overall NES recurring budget. Last year, we set a budget which had a residual funding gap of £6m relating to the historical underfunding of Medical Training Grades; £1.1m of which was offset by non-recurring savings made across the rest of NES. Scottish Government agreed to fund this on a non-recurring basis in 2019/20 and to look to identify recurring funding for future years. We will continue the approach of splitting out the training grade element of the NES budget in this planning cycle.

Although NES contributed £2.5m on a recurring basis in 2018/19 to the National Boards savings target of £15m, the national target had not been achieved in full on a recurring basis. As a consequence, the Scottish Government arbitrarily removed a further £1.5m from NES in 2019/20. We continue to dispute that approach and anticipate the return of the £1.5m within the year as the National Boards agree a final approach with SG to enable the target to be met.

## **2.0 Operational Planning Process**

The collaborative and integrated operational planning process aims to;

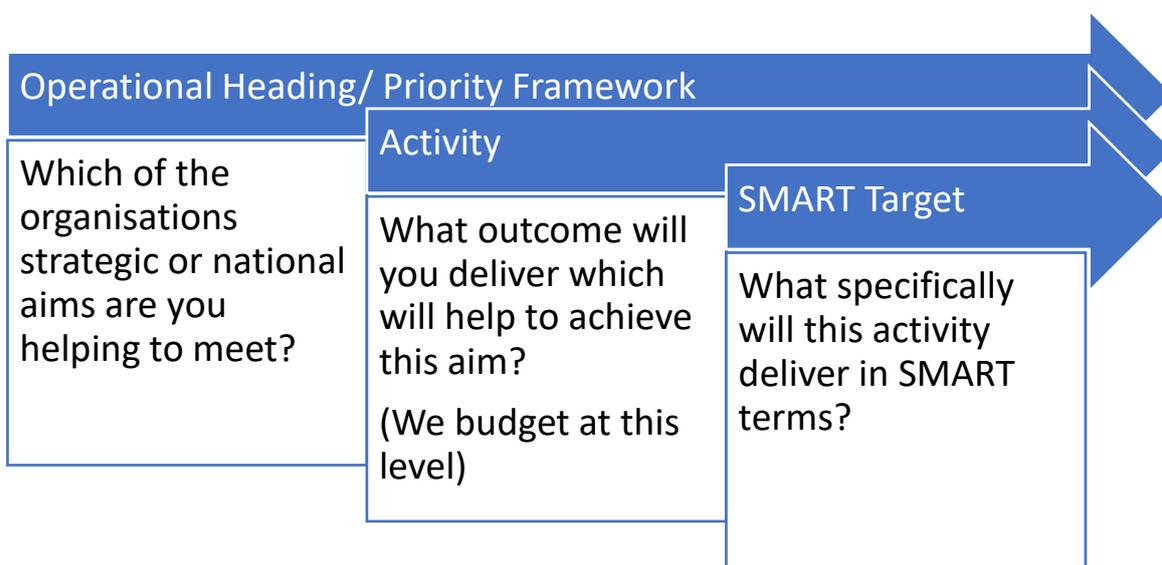
- Ensure all planned activity has a clear link to our Strategic Framework 2019-24 through the priorities framework and operational headings. The Priorities Framework has been created by the Senior

Operational Leadership Group and the Executive Team, analysing the existing policy environment ([here](#))

- Identify any potential for delivering activity on a 'Once for NES' basis, reducing the potential for duplication
- Identify any potential for delivering activity on a 'Once for Scotland' basis.
- Highlight any interdependencies – eg where Directorates will require digital support to deliver their planned outcomes.
- Reduce the degree by which recurrent expenditure is currently supported by non- recurrent funding
- Incorporate any savings expected from the existing Improvement programmes:
  - Consolidation of Training Programme Management,
  - Dental Outreach,
  - Continuing Professional Development and
  - SMARTER ways of Working (incorporating Properties and Unified communications)
- identify further opportunities for efficiency savings, either by identifying ways of doing things differently or opportunities for cross-collaboration or modifying or stopping activities.

The operational planning process for the three years 2020/21 to 2022/23, builds on the approach used previously, using the MiTracker system which integrates operational and financial planning with ongoing performance management.

Directorates are asked to identify the activities which need to be undertaken in order to deliver the outcomes required from the Strategic Plan and other National Priorities. The funding required to deliver each activity is then built up from the identification of the relevant cost drivers for this activity. Targets are then added to each activity so its performance can be measured.



The performance against targets which are considered to be a priority to the organisation are then reviewed quarterly by the Finance and Performance Management Committee and the Board. (For information the planning guidance issued to planners across the organisation is available on the intranet [here](#).)

The process will provide detailed information on budgets, our programmes of work, impact in terms of outcome, performance targets and risks. Although the initial focus is on 2020/21, directorates are encouraged to plan for a 3-year planning period which means that more detailed budgets are also being developed for 2021/22 and 2022/23.

When planning activities, their outcomes and targets, directorates are being asked to identify, and record in the system, which specific priority in the framework the activity aligns to. Where current activity does not relate directly to any specific framework priority this will also be recorded. The priorities framework is a tool which will allow visualisation of how it is proposed to align our resources against the individual items and highlight where there may be gaps or overlaps. This reporting capability allows us to evidence both internally and externally how our budget is allocated across our strategic aims and national priorities and if necessary, prioritise resources accordingly.

The process runs from September until the following March and follows the high level timescales detailed below.

September	<ul style="list-style-type: none"> <li>• Finance and Planning directorates issue timelines and guidance</li> </ul>
October	<ul style="list-style-type: none"> <li>• Directorates Draft activities &amp; targets</li> <li>• Develop associated financial plans</li> </ul>
November	<ul style="list-style-type: none"> <li>• Peer review of financial and operational plans</li> <li>• Produce indicative budgets</li> </ul>
December	<ul style="list-style-type: none"> <li>• Consolidate information &amp; submit draft AOP</li> <li>• Compare draft financial plan to funding</li> </ul>
January	<ul style="list-style-type: none"> <li>• Progress update to Board</li> <li>• AOP assessment &amp; feedback from SG</li> </ul>
February	<ul style="list-style-type: none"> <li>• Detailed draft budget to F&amp;PMC for review</li> <li>• Submission of final AOP to SG</li> </ul>
March	<ul style="list-style-type: none"> <li>• Draft budget submitted to Board for approval</li> <li>• SG Submission ( Date to be confirmed)</li> </ul>

We are currently in line with the planned timetable. The system will close to planners on 1st Nov 2019 to allow a draft consolidation to be carried out and provide reports for individual directorate budget review meetings which have all been scheduled.

### 3.0 Planning Assumptions

Like last year, the later publication of the Scottish Budget means that we have begun our operational planning process without any formal Scottish Government planning guidelines in place. Therefore, our assumptions have been made based on discussions with Scottish Government, Directors of Finance and our experiences in previous years.

The following assumptions are currently being used;

- Non- Agenda for Change staff - Pay Inflation is based on 2.5% for each of the 3 years - funded by SG

- Agenda for Change staff - pay inflation as per the 2020/21 pay scale already agreed – funded by SG
- Incremental pay increases as staff progress through the pay scales will not be funded, therefore the cost will have to be absorbed by directorates
- No real terms uplift is being assumed; therefore, directorates will also need to absorb non-pay inflationary increases.
- The £1.5m in relation to the National Boards £15m savings target removed from NES in 2019/20 will be returned, and no further contribution will be required.
- No further general efficiency target from Scottish Government given the assumption of no baseline uplift.
- Any funding gap relating to the historical underfunding of Medical Training Grades will be met by SG
- £1.5m Recruitment lag will be applied across Directorates as in 2019/20
- All funding requirements are captured including those which may require SG funding.

Directorates have been asked to plan on the basis that their recurrent budget for 2020/21 must not exceed the recurrent 2019/20 budget plus funding for the inflationary elements of the pay awards as detailed above.

In addition, to prepare for financial pressures arising from increased costs or reduced funding, Directorates have been asked to plan for the impact of a 10% reduction to their non pay budgets. This scenario planning may enable the creation of some flexibility to meet any efficiency targets which may be required by Scottish Government following the funding announcement in December. Any cost pressures within their budget area which do not relate to the inflationary element of pay will also have to be absorbed.

#### **4.0 Next Steps**

Directorate activities, planned outcomes and targets will be reviewed during November and December with budget review meetings held at the same time as all plans are reviewed by the SOLG to challenge the plans and identify any further opportunities for collaborative working within NES.

Once the Scottish Budget is published, we will know the level of funding available to us. If required, we will implement a process to identify measures which will need to be enacted to balance the budget. In prior years we identified the following draft criteria which could be used to either allocate funding to unconfirmed bids or rank non-committed activities to the level of funding available. These will be discussed by the Senior Operational Leadership Group (SOLG) as part of the on-going Operational Planning process and include:

- a) Spend to save are activities where investment will result in financial savings in current and/or future years. Any such activities should be supported by a business case discussed and agreed with the relevant Finance Manager.
- b) Self-funded/profitable activities that generate enough income to cover the costs of delivery, including a 20% contribution to central overheads (and where such income would not be received unless the activity was undertaken). This means that, although there is no commitment to deliver, delivery will positively impact on the funding of other activities.
- c) Direct link to the current Priorities Framework
- d) Service Provision impact (desirable) these are activities within other Boards, supported by NES, that are of demonstrable benefit in improving service delivery but are not essential.
- e) Improved education provision or patient safety; such activities demonstrate clear benefits for NES' strategic goals and meet Directorate targets.

- f) Efficiency improvement such activities will improve the breadth or range of service provision or deliver cost savings. These activities do not meet the criteria for spend to save but will allow NES to deliver an improved service and greater value for money.
- g) New statutory/regulatory requirements - for which a 2019/20 budget was not required.

## **5.0 Recommendation**

The Board is asked to;

- note and comment on the approach to operational planning for 2020/21 and beyond

**AMcColl**  
**DCameron**  
**October 2019**

## NHS Education for Scotland

### Board Paper Summary

1. **Title of Paper**

Board Development Session on 28<sup>th</sup> November 2019: The Digital Landscape

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

David Ferguson, Board Services Manager

3. **Purpose of Paper**

To provide the Board with early sight of a draft programme for the next Board Development Session on 28<sup>th</sup> November 2019.

4. **Key Issues**

The development session on 28<sup>th</sup> November might usefully provide an opportunity to focus on a variety of perspectives on the digital health and care landscape.

5. **Recommendation(s) for Decision**

None. The draft programme is primarily for the Board's information, although comments will be welcome.

## SECOND DRAFT

### NHS EDUCATION FOR SCOTLAND

#### BOARD DEVELOPMENT SESSION

Thursday 28<sup>th</sup> November 2019

Edinburgh Training & Conference Venue, St Mary's Street, Edinburgh

#### PROGRAMME

### The Digital Landscape

10.00 a.m.	<i>Arrival and coffee/tea</i>	
10.15 a.m.	A view from the Local Government Digital Office	<b><i>Martyn Wallace</i></b>
11.00 a.m.	Moving from Skyscanner to Health and Care	<b><i>Alistair Hann</i></b>
11.45 a.m.	A NHS Board perspective	<b><i>To be confirmed</i></b>
12.30 p.m.	<i>Finish and sandwich lunch</i>	

## NHS Education for Scotland

### Board Paper Summary

1. **Title of Paper**

NES Risk Register – for submission to October 2019 Board meeting.

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

Caroline Lamb, Chief Executive

3. **Purpose of Paper**

The purpose of this paper is to present the NES Risk Register as at October 2019.

4. **Key Issues**

The last update to the Risk Register was in September 2019 and there is little movement since then.

However, in line with previous discussions, a new risk has been added (new risk 17) in the Strategic section, which refers to the risk of NES not delivering the National Digital Platform as set out in the Digital Health and Care Strategy.

5. **Recommendation(s) for Decision**

The Board is invited to note the information contained in this report.

CL  
October 2019

NES Corporate Risk Register - September 2019

Risk No.	Description	Risk Owner (Lead Director)	I x L	Current Period			Mitigating measures	Appetite	Last Period	
				Inherent Risk	I x L	Residual Risk			I x L	Residual Risk
<b>Strategic Policy Risks</b>										
R1	Pressures on the system result in education and training being considered as less important	NES Executive Team (Caroline Lamb)	4 x 4	Primary 1	4 x 4	Primary 1	1. NES Board to advocate and promote the importance of education and training 2. Revised NES Strategic Plan clearly articulates the importance of education and training to a sustainable workforce. This has been well received		4 x 4	Primary 1
R2	Scottish Government budgetary decision results in an uplift for NES that is less than cost pressures which in turn could mean NES Board are unable to balance expenditure	NES Executive Team (Audrey McColl)	5 x 5	Primary 1	4 x 3	Primary 2	1. NES Board approves annual budget which includes measures required to reach a balanced position. Monthly management accounts show actual performance against budget projections ahead of year-end 2. Monthly management accounts are reviewed by Directors and the Director of Finance allowing mitigating action to be taken to manage any overspend/underspend 3. Close working underway with SG to address the underlying deficit resulting from the expansion of TGs and uplifts that have been less than cost pressures in this area. SG have agreed to underwrite the in-year deficit position.	Open	4 x 3	Primary 2
R3	Policy development, UK-wide and within Scotland, may have negative impact on NES's capacity to support attraction, recruitment and retention of the workforce	NES Executive Team (Caroline Lamb)	4 x 4	Primary 1	3 x 3	Contingency	1. NES Directors maintain strong engagement with relevant leads at Scottish Government 2. NES to maintain an evidence bank to support ability to influence policy decisions 3. Chief Executive and NES Directors to maintain links with other UK organisations		3 x 3	Contingency
R4	Challenges that Boards and other organisations have in meeting demand for staffing result in a negative perception of NES's involvement in the attraction, recruitment and retention of the workforce	NES Executive Team (Caroline Lamb)	4 x 4	Primary 1	3 x 4	Primary 2	1. Maintain clarity in relation to NES's role and influence - recent example is presenting a paper on PGMET to Chief Executives. A further paper is to go to the Management Steering Group at the end of this month. 2. Work with Boards to ensure optimal deployment of staff		3 x 4	Primary 2
R5	Changes in the landscape of health and social care and pressures in the system result in a risk that NES is unable to manage constructive relationships with key partners	NES Executive Team (Caroline Lamb)	4 x 4	Primary 1	3 x 4	Primary 2	1. Chief Executive and/or NES Directors maintain open and collaborative relationships/arrangements with counterparts in partner organisations 2. Ensure Chair is well briefed to manage relationships with other Board/organisational Chairs - Chair's regular Newsletter now being issued to other Chairs.		3 x 4	Primary 2
R16	The UK exits from the European Union without a deal and this results in disruption to NHS services	NES Executive Team (Caroline Lamb)	4 X 5	Primary 1	3 x 5	Primary 1	1. The main impact of a 'no deal' Brexit is likely to be felt by Territorial NHS Boards rather than directly by NES. We would seek to mitigate the impact on those Boards by the same means as for a major incident/flu etc 2. Regular updates from SG at CEs and HRD meetings		3 x 5	Primary 1
R17	The National Digital Platform is not delivered in line with the Digital Health and Care Strategy.	NES Executive Team (Caroline Lamb)	4 X 4	Primary 2	4 X 3	Primary 2	1. Working with SG to agree an 'Interim Commission' to give clarity on expectations re deliverables and timelines 2. Continued engagement with key stakeholders, despite challenges 3. Moving governance arrangements from a sub-Committee to a Standing Committee		N/A	N/A
<b>Operational/Service Delivery Risks</b>										

NES Corporate Risk Register - September 2019

Risk No.	Description	Risk Owner (Lead Director)	Current Period			Mitigating measures	Appetite	Last Period	
			I x L	Inherent Risk	I x L			Residual Risk	I x L
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	NES Executive Team (Caroline Lamb)	5 x 5	Primary 1	3 x 4	Primary 2		3 x 4	Primary 2
R7	Turnover in key roles leads to loss of expertise/corporate knowledge resulting in negative impact on performance	NES Executive Team (Caroline Lamb)	4 x 4	Primary 1	3 x 3	Contingency	Open	3 x 3	Contingency
R8	Organisational or other changes lead to dissatisfaction and disengagement of staff	NES Executive Team (Caroline Lamb)	4 x 4	Primary 1	3 x 3	Contingency		3 x 3	Contingency
R9	Major adverse incident impacting on business continuity	NES Executive Team (Christopher Wroath)	4 x 4	Primary 1	2 x 4	Housekeeping		2 x 4	Housekeeping

NES Corporate Risk Register - September 2019

Risk No.	Description	Risk Owner (Lead Director)	Current Period			Mitigating measures	Appetite	Last Period		
			I x L	Inherent Risk	I x L			Residual Risk	I x L	Residual Risk
<b>Finance Risks</b>										
R10	The complexity of the NES budget results in year-end underspend giving the impression that NES is overfunded	NES Executive Team (Audrey McColl)	4 x 5	Primary 1	3 x 3	Contingency	1. Early engagement with Finance & Performance Management Committee and NES Board to give indication of likely financial position 2. Directorates given indicative budgets to plan own activities and expenditure 3. Ongoing programme of identifying efficiency savings 4. Final budget approved by NES Board by end of March each year	Averse	3 x 3	Contingency
R11	NES is unable to identify in year savings required to balance budget and therefore has year-end overspend	NES Executive Team (Audrey McColl)	4 x 5	Primary 1	3 x 3	Contingency	1. Early engagement with Finance & Performance Management Committee and NES Board to give indication of likely financial position 2. Directorates given indicative budgets to plan own activities and expenditure 3. Ongoing programme of identifying efficiency savings 4. Final budget approved by NES Board by end of March each year	Averse	3 x 3	Contingency
<b>Reputational/Credibility Risks</b>										
R12	NES is not able to demonstrate the impact from the interventions that it has developed and delivered	NES Executive Team (Caroline Lamb)	4 x 5	Primary 1	3 x 4	Primary 2	1. Planning systems require all activities to include anticipated desired outcome 2. Desired outcome measured 3. Readiness to 'fail fast' rather than pursue initiatives that aren't working	Cautious	3 x 4	Primary 2
R13	NES does not deliver leading to a loss of reputation and confidence from stakeholders	NES Executive Team (Caroline Lamb)	4 x 5	Primary 1	3 x 2	Contingency	1. Ensure targets set are SMART and also have resources allocated to them to support delivery 2. Ensure Chief Executive, NES Directors, Board and standing committees have access to regular management reporting	Cautious	3 x 2	Contingency
<b>Accountability/Governance Risks</b>										
R14	Failures in Board processes lead to corporate governance non-compliance and loss of credibility with Scottish Government e.g. failure to comply with statutory and/or other requirements, failures in financial/audit/staff governance/educational quality procedures	NES Executive Team (Donald Cameron)	5 x 5	Primary 1	2 x 2	Housekeeping	1. Standing committees responsible for each governance domain 2. Each committee provides annual report to Audit Committee 3. Comprehensive programme of internal audit 4. An Assurance framework has been developed in line with the 'Blue Print for Governance' and the Assurance and Audit Committee Handbook. This was discussed at the Board away day in April, and in the June Board meeting. Work is underway in relation to the small number of gaps identified.	Averse	2 x 2	Housekeeping
R15	NES has a breach of Information Governance requirements resulting in loss of data and/or negative publicity	NES Executive Team (Christopher Wroath)	4 x 5	Primary 1	4 x 2	Contingency	1. Statutory and relevant data security processes in place, with specific reference to the new General Data Protection Regulations. 2. Specific additional policies, procedures and practices being put in place to ensure robust security applies to the National Digital Platform.	Averse	3 x 2	Contingency

**NHS Education for Scotland**

**Board Paper Summary**

**1. Title of Paper**

Training and Development Opportunities for Board Members

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

Joy Harvey, Executive Officer

**3. Purpose of Paper**

To provide details of any upcoming training and development events for Board members, together with details of opportunities for Board members to gain a deeper understanding of NES business.

The attached paper provides the normal detail of structured training events available for Board members. It also responds to feedback from Non-Executive Board Members that opportunities to engage further with the core educational functions of NES would be beneficial. This is intended to allow members to gain a fuller understanding of day to day business and allow interaction with colleagues and trainees. Teams within NES have provided dates of forthcoming events e.g. training courses and training days for trainees.

Board members should note that in relation to the opportunities for Board members to gain a fuller understanding of our work, the nature of some of these is that they will not be able to accommodate more than one Non-Executive member at a time. We will therefore need to ensure that we co-ordinate requests to participate in these events.

Please contact Joy Harvey ([CEO.nes@nes.scot.nhs.uk](mailto:CEO.nes@nes.scot.nhs.uk)) or David Ferguson ([David.Ferguson@nes.scot.nhs.uk](mailto:David.Ferguson@nes.scot.nhs.uk)) for further details on these opportunities.

**4. Recommendation(s) for Decision**

This paper is for information.

## Appendix 1 - Training and Development Opportunities for Board Members

### Structured Training

On Board Scotland Training			
Date	Location	Cost	
<b>2019</b>			
13 December	Stirling Court Hotel, Stirling	£395.00 plus VAT per place.	
<b>2020</b>			
19 March	Grand Central Hotel, Glasgow		
19 June	Stirling Court Hotel, Stirling		
8 September	Radisson Blu Hotel, Edinburgh		
4 December	Stirling Court Hotel, Stirling		
10 December	The Effective Audit and Risk Committee	Stirling	

### National Conference Days

Date	Conference/Event	Location
<b>2019</b>		
5 November	West Region HCSW Event	Grand Central
11 November	Bereavement Education Event	Royal College of Surgeons
20 November	Future Nurse & Midwife Programme Board National Events	Grand Central

### Development Opportunities with a focus on understanding more about NES's work.

Medicine*		
Date	Event	Location
<b>2019</b>		
Held throughout the year	Quality Management Visit	Nationally – various across Scotland
Held throughout the year	GP Specialty Quality Management Group	Various
<b>2020</b>		
30th April and 1st May 2020	The Scottish Medical and Education Conference	Edinburgh International Conference Centre

<b>NMAHP</b>		
<b>Date</b>	<b>Event</b>	
<b>2019</b>		
7 November	Digital Health and Care Leadership Programme Consolidation Day (Cohort 12)	Westport 102, Edinburgh
19 November	Practice Education Leads Forum	2 Central Quay, Glasgow and Westport 102, Edinburgh
27 November	Refreshing your Family Nursing Practitioner (FNP) Practice	TBC
3 & 4 December	AHP PEL implementation event	Golden Jubilee Conference Hotel
<b>2020</b>		
18 February 2020	Non-Invasive Pre-Natal Testing (NIPT) Resource launch event	Edinburgh
3 March 2020	HCSW East Region Event	Edinburgh
11 March 2020	Dementia Champions Cohort 10 Graduation	
29 April 2020	AHP Careers Fellowship Cohort 2 Induction Day	Rooms 1 & 2, Westport

<b>Optometry</b>		
<b>Date</b>	<b>Event</b>	<b>Location &amp; Link</b>
<b>2019</b>		
Weekly	Optometry Teach and Treat Clinics	Aberdeen, Edinburgh and Glasgow
27 October	NES Optometry Annual Conference 2019 (Currently Full – holding waiting list)	Hampden Park Stadium <a href="#">Link</a>

<b>Quality Improvement</b>		
<b>Date</b>	<b>Event</b>	<b>Location</b>
<b>2019</b>		
26-28 November	Scottish Coaching and Leading for Improvement Cohort 13 – Workshop 2	Jury's Inn, Inverness
3-5 December	Scottish Coaching and Leading for Improvement Cohort 14 – Workshop 1	Dundee, venue TBC

Procurement		
Date	Event	Location & Link
<b>2019</b>		
29 October	Procurex	SEC, Glasgow <a href="#">Link</a>
<b>2020</b>		
28 April 2020	P4H (Procure for Health)	EICC, Edinburgh <a href="#">Link</a>

Finance		
Date	Event	Location & Link
<b>2019</b>		
19 November	Counter Fraud Conference	Stirling Management Centre

NES Digital Service		
Date	Event	Location & Link
<b>2019</b>		
20-21 November	Digital Health & Care Conference	Strathclyde Technology & Innovation Centre, Glasgow <a href="#">Link</a>
26 November	Socitm Scotland 2019	Dynamic Earth, Edinburgh <a href="#">Link</a>

Dental		
Date	Event	Location & Link
<b>2020</b>		
28 February 2020	CPD conference (Update in Dentistry)	Dundee, Apex Hotel

Quality Improvement Programme Events to December 2019		
Date	Event	Location
<b>Scottish Improvement Leaders (ScIL) Programme</b>		
14 November 2019	ScIL Graduation/Networking Event This event celebrates the achievements of 120 new graduates from across Scotland who have completed the programme.	BT Murrayfield
19 – 21 November 2019	ScIL Cohort 22 Workshop This is the second three-day workshop of 3 workshops for the cohort and has a heavy focus on data.	Golden Jubilee
14 – 16 January 2020	ScIL Cohort 23 Workshop This is the second three-day workshop of 3 workshops for the cohort and has a heavy	Golden Jubilee

	focus on data. No preference on which of the 3 days to attend.	
21 – 23 January 2020	ScIL Cohort 21 Workshop This is the third and final three-day workshop of 3 workshops for the cohort and is focused on the presentation of data and information.	Golden Jubilee
28 – 30 January 2020	ScIL Cohort 20 Workshop This is the third and final three-day workshop of 3 workshops for the cohort and is focused on the presentation of data and information.	DoubleTree Aberdeen City
10 – 12 March 2020	ScIL Cohort 22 Workshop This is the third and final three-day workshop of 3 workshops for the cohort and is focused on the presentation of data and information.	Golden Jubilee
<b>Scottish Quality and Safety Fellowship (SQSF)</b>		
10 March 2020	Fellowship Networking Event This one-day event will showcase all the learning gained from Cohort 11 Fellowship participants completing their international study trips, focusing on how the learning can be applied to the Scottish system	Radisson Blu Edinburgh
<b>Masterclass</b>		
11 March 2020	QI Masterclass 2020 This annual masterclass is open to all QI Alumni and members of the Q Initiative, with 250 places available. The theme this year is twofold: <ul style="list-style-type: none"> <li>• developing relational skills to co-produce improvement through authentic relationships</li> <li>• develop storytelling skills such as public narrative to unleash people's intrinsic motivation to change</li> </ul>	EICC

# NHS in Scotland 2019



AUDITOR GENERAL 

Prepared by Audit Scotland  
October 2019



# Auditor General for Scotland

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## Audit team

The core audit team consisted of: Leigh Johnston, Fiona Watson, Eva Thomas-Tudo, John Kirkwood and Agata Maslowska with support from other colleagues and under the direction of Claire Sweeney.

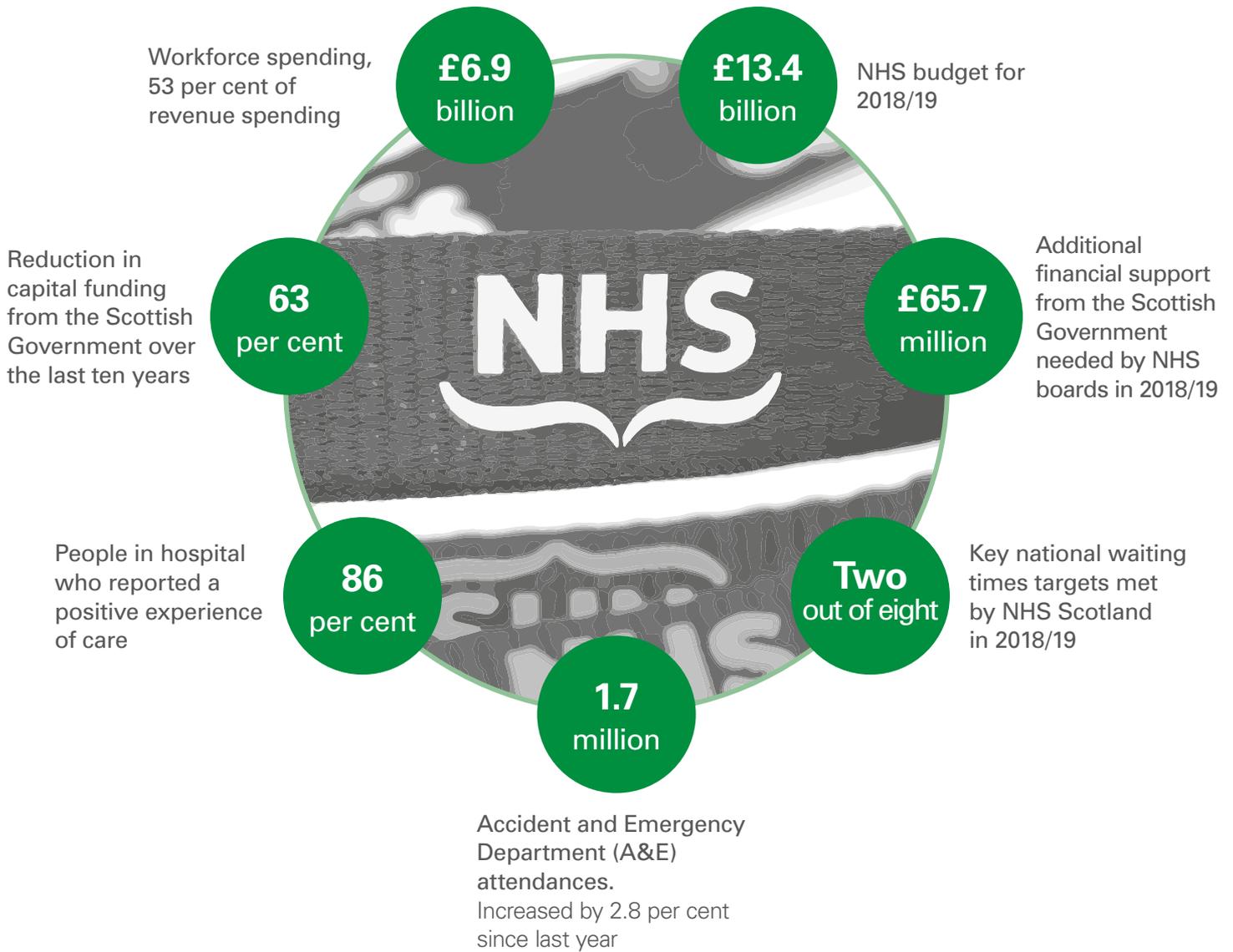
## Links

-  PDF download
-  Web link

## Exhibit data

When viewing this report online, you can access background data by clicking on the graph icon. The data file will open in a new window.

# Key facts



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# Summary



## Key messages

- 1** Health remains the single biggest area of government spending, at £13.4 billion in 2018/19. This was 42 per cent of the 2018/19 Scottish Government budget and is growing. The healthcare system faces increasing pressure from rising demand and costs, and it has difficulty meeting key waiting times standards. Without reform, the Scottish Government predicts that there could be a £1.8 billion shortfall in the projected funding for health and social care of £18.8 billion by 2023/24. So far, the pace of change to address this, particularly through the integration of health and social care, has been too slow.
  - 2** The Scottish Government has started to put in place foundations to support boards make the changes required. These include the publication of the *Health and Social Care: Medium-Term Financial Framework*, the *Waiting Times Improvement Plan* and the introduction of a national leadership development project. The new requirement for NHS boards to develop three-year financial and performance plans enables them to more effectively plan how services will be delivered in the longer term. It is, however, too soon to assess the impact of these initiatives.
  - 3** Despite the existing pressures, patient safety and experience of hospital care continue to improve. Drugs costs have stabilised, and we have seen examples of new and innovative ways of delivering healthcare that involve a range of partners. These aim to increase the care provided in the community and expand multidisciplinary working, to improve access to care and treatment.
  - 4** Achieving financial sustainability remains a major challenge for NHS boards. There have been increases in predicted deficits and additional financial support provided by the Scottish Government, and a continued reliance on one-off savings. Capital funding from the Scottish Government has decreased by 63 per cent over the last decade and the level of backlog maintenance remains high, at £914 million. High-profile, newly-built hospitals have come under significant scrutiny because of health and safety concerns.
  - 5** The ambitions within the Scottish Government's 2020 Vision will not be achieved by 2020. The Scottish Government should work with NHS staff, partners and the public to develop its new strategy for health and social care. It should set out priorities that support large-scale, system-wide reform to increase the pace of change. Collaborative leadership is needed to focus on better partnership working, staff engagement and promoting positive workplace behaviours. Staff are at the heart of the NHS and it is vital that more is done to support them so that they can care for people in a safe, fulfilling and respectful environment.
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## Recommendations

### The Scottish Government in partnership with NHS boards and integration authorities should:

- develop a new national health and social care strategy to run from 2020 that supports large-scale, system-wide reform, with clear priorities that identify the improvement activities most likely to achieve the reform needed
- develop and publish the national, integrated health and social care workforce plan and guidance, to inform future workforce planning
- improve the quality and availability of data and information, particularly in primary and community care. This will allow better performance monitoring, inform service redesign and improve care coordination by enhancing how patient information is shared across health and social care services
- incorporate the principles of the Community Empowerment Act within communication and engagement strategies.

### The Scottish Government should:

- finalise and publish as a matter of urgency, the national capital investment strategy to ensure that capital funding is strategically prioritised
- report publicly on progress against the health and social care delivery plan. This should provide an update, and include measures of performance, on how services are being delivered differently to allow more people to be cared for closer to home
- develop a single annual staff survey that relates to behaviours, culture and staff experience, to identify areas for improvement and address behaviour that is contrary to NHS Scotland values.

### The Scottish Government in partnership with NHS boards should:

- make sure that NHS boards' three-year plans are approved in time for the start of each financial year. The plans should be routinely managed and monitored and should include details of how boards intend to reduce their reliance on non-recurring savings
  - ensure that the *NHS Scotland A Blueprint for Good Governance* is implemented in full and that areas for improvement are addressed, particularly around strengthening risk-management arrangements
  - continue to monitor the effectiveness of the Scottish Government's NHS leadership development project and its impact on recruitment, retention and the support of senior healthcare leaders
  - ensure that all NHS boards:
    - provide evidence that they actively promote positive workplace behaviours and encourage the reporting of bullying and harassment
    - have action plans in place to improve culture, address any issues identified and use the findings of the Sturrock review to inform their plans for cultural improvement.
-

# Introduction



**1.** The NHS provides vital health services to the people of Scotland. People are living longer, many with chronic health conditions. There are greater expectations for the NHS to provide high-quality, timely and technologically advanced care. Pressures on the NHS in Scotland continue to be substantial and demand for services is at an all-time high. Between 2017/18 and 2018/19 the NHS in Scotland saw:

- an increase of 2.2 per cent in people waiting for outpatient appointments
- an increase of 2.8 per cent in Accident and Emergency Department (A&E) attendances
- an increase of 6.1 per cent in people waiting for inpatient appointments.

**2.** Wide-scale reform is necessary to address the increasing pressures on the NHS and reduce demand for acute services. The Scottish Government has had a long-term commitment to delivering care closer to home. To achieve this, the successful integration of health and social care is vital. Effective collaboration with community partners will support better planning, design and coordination of patient-focused care and services.

**3.** In 2018/19, the NHS in Scotland received £13.4 billion from the Scottish Government. This funding is needed to support the increasing cost of healthcare delivery and to meet national policy directives such as integration and reducing waiting times. *The Health and Social Care: Medium-Term Financial Framework (MTFF)*, published in October 2018, sets out the reforms required to ensure the financial sustainability of the NHS in Scotland. Without reform the Scottish Government predicts that there will be an increase in spending across health and social care in Scotland to around £20.6 billion by 2023/24.

**4.** Despite the significant challenges, the NHS in Scotland has a committed workforce that continues to provide high-quality, safe care. There have been significant improvements in key patient safety indicators, such as mortality rates in hospital, and patients' experiences of healthcare has also improved.

**5.** This report provides an overview of the NHS in Scotland and the realities of delivering healthcare in Scotland. It draws on a wide range of intelligence, interviews and data, to help understand the context, challenges and performance. It sets out the financial performance of the NHS in 2018/19, and the financial outlook for 2019/20 and beyond. This includes the new approach to longer-term financial planning and the new MTFF, and progress towards achieving the objectives of the Health and Social Care Delivery Plan (HSCDP). We report on the workforce, leadership and culture, governance and performance against national targets.

# Part 1

## How the NHS in Scotland is performing



### Key messages

- 1 The NHS budget for 2018/19 was £13.4 billion, an increase of one per cent in real terms since 2017/18. Four NHS boards required a total of £65.7 million in additional financial support from the Scottish Government to break even. The NHS achieved £390.4 million in savings, less than one per cent below its target, but remains reliant on one-off savings. Fifty per cent of all savings were non-recurring.
- 2 The Scottish Government has started to put in place foundations to support financial sustainability. The introduction of new three-year financial and performance plans and break-even arrangements is an important step towards more effective longer-term planning.
- 3 The NHS in Scotland is facing growing pressures from population changes and increasing costs of delivering healthcare. NHS boards and the Scottish Government have implemented a range of initiatives to manage these pressures. Some progress has been made. For example, spending on drugs has stabilised.
- 4 The NHS capital budget decreased by 63 per cent over the last decade. The level of backlog maintenance remains high, at £914 million, with nine per cent being classified as high risk. High-profile new builds have come under significant scrutiny because of health and safety concerns.
- 5 Patient safety is continuing to improve, with a significant reduction in hospital mortality rates. People's experience of hospital care is also improving. However, boards continue to struggle to meet key waiting times standards, with only two of eight national standards being met. But in seven of the eight standards, the number of people that were seen and treated on time increased. The Scottish Government has introduced several initiatives to improve access to care, such as the *Waiting Times Improvement Plan* (WTIP).

### The NHS is starting to address some of its financial pressures, but major risks remain

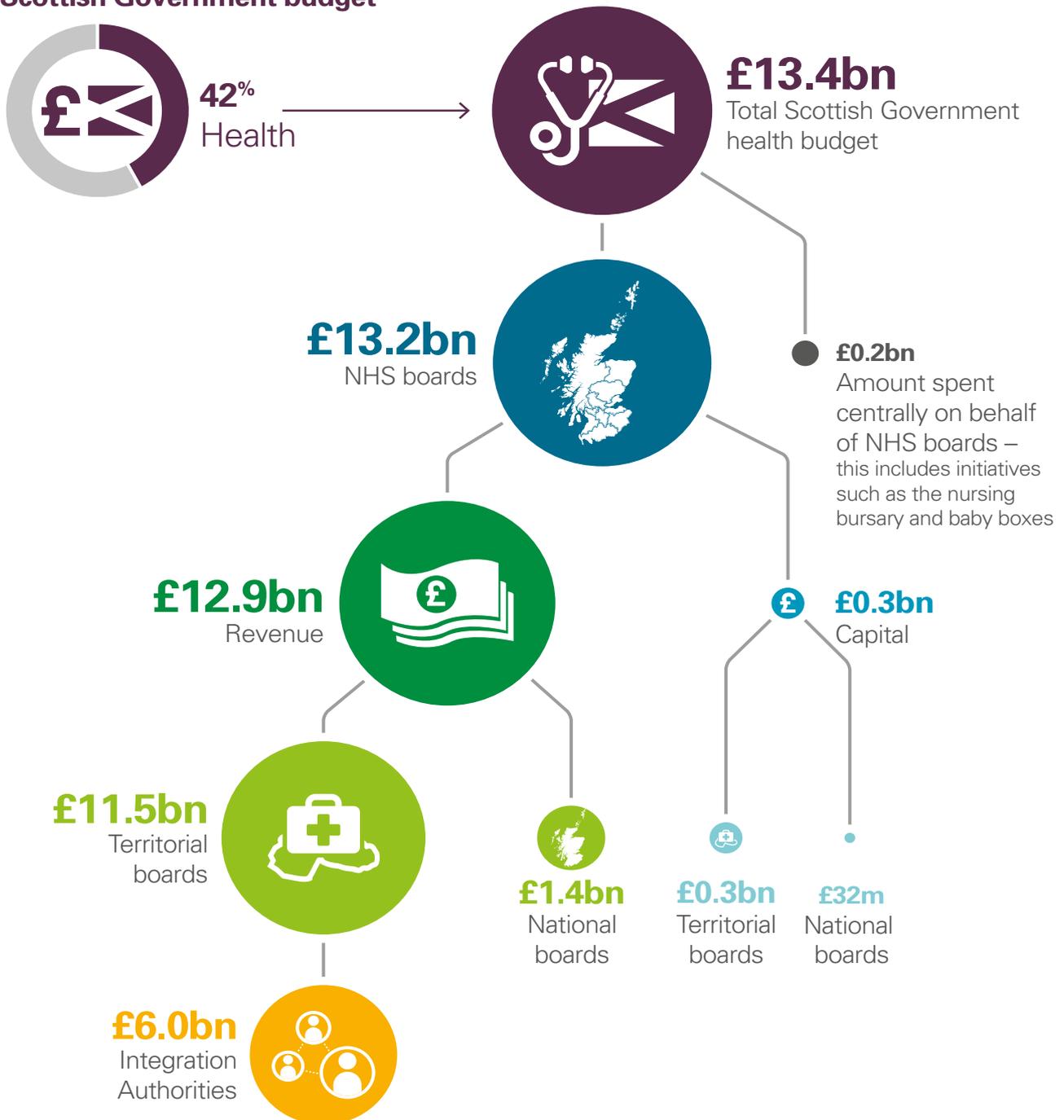
6. In [NHS in Scotland 2018](#) , we reported that the NHS was not in a financially sustainable position. This meant that it was unlikely to be able to continue delivering services effectively or change how services are delivered with the available resources. NHS boards continue to struggle with financial pressures, which makes it harder to reform the health and social care system.

7. The Scottish Government health budget in 2018/19 was £13.4 billion. This was one per cent higher than the previous year, taking inflation into account. Of this, the amount allocated to NHS boards was £13.2 billion. The total revenue budget, for day-to-day spending, allocated to NHS boards was £12.9 billion. This has increased by 0.6 per cent in real terms since 2017/18 ([Exhibit 1](#)).

## Exhibit 1

### A breakdown of NHS funding in 2018/19

#### Scottish Government budget



Source: Audit Scotland using NHS Consolidated Accounts

**8.** Health accounted for 42 per cent of the Scottish Government's budget in 2018/19. NHS boards delegate a significant proportion of their budgets to Integration Authorities (IAs) to fund health services such as primary and community care. In 2018/19, territorial boards delegated £6 billion to IAs, 52 per cent of their budget.

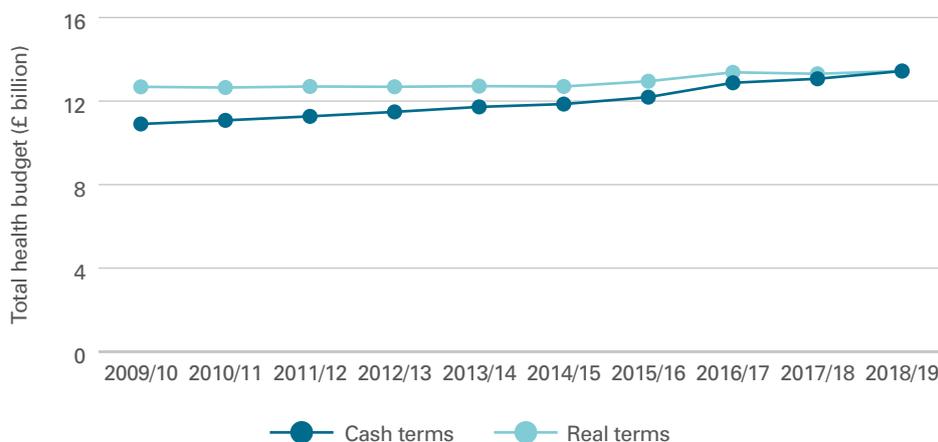
**9.** Over the last ten years, the health budget has increased by six per cent in real terms. Most of this increase has been in the last five years, with an increase of 5.8 per cent ([Exhibit 2](#)). Funding per head of population has increased at a slower rate. In 2018/19, health funding in Scotland was £2,471 per person. This compares to £2,424 in 2009/10, a two per cent increase in real terms.<sup>1</sup>

**10.** The Scottish Government's draft budget for 2019/20 states that health funding will increase to £14.2 billion, an increase of 5.4 per cent in cash terms. Revenue funding is planned to increase by 5.6 per cent and capital funding is set to decrease by 1.5 per cent in cash terms.<sup>2</sup>

## Exhibit 2

### Health funding trend since 2009/10

Health funding has increased in both real terms and cash terms since 2009/10.



Source: Scottish Government budgets

### Without ongoing reform, there could be a rise in spending across health and social care services to around £20.6 billion by 2023/24

**11.** Last year, we reported that the publication of the MTFP aimed to better address the financial challenges of integrating the delivery of health and social care services. The framework acknowledges that there will be increases in demand for services, workforce pay and the cost of delivering healthcare services. It predicts that without reform there will be a £1.8 billion shortfall in the projected funding of £18.8 billion by 2023/24.<sup>3</sup>

**12.** In 2016, the Scottish Government published its five-year **HSCDP** . It set some ambitious targets intended to drive the integration of health and social care across the NHS in Scotland to help achieve the 2020 Vision.<sup>4</sup> Last year, we recommended that the Scottish Government should publish a report on progress



#### Exhibit 13



A timeline of major Scottish Government health and social care policies and publications ([page 31](#))

against the HSCDP. This has not yet been published and we recommend the Scottish Government do so as soon as possible. Further work is required to achieve the reform needed across health and social care. This work will not be completed in time to achieve the 2020 Vision.

**13.** NHS boards delegate funding to IAs for certain health services. This funding has increased each year since 2016/17, when IAs were established. In 2018/19, NHS territorial boards delegated 52 per cent of their budgets to IAs. This represents a 4.1 per cent increase in real terms from 2016/17.<sup>5</sup> IAs aim to shift spending and services from hospitals to community and social care. There is little evidence to date that this is happening.

### **At the beginning of 2018/19 the number of boards predicting a year-end deficit increased**

**14.** Last year, we reported that the number of boards predicting year-end deficits had increased. These boards needed to make additional savings to offset any predicted overspend against their budget. There is a risk that boards will be unable to break even and will require additional financial support from the Scottish Government:

- In 2015/16, all territorial NHS boards predicted that they would break even or record a surplus by the end of the year.
- By 2016/17, three territorial boards predicted a year-end deficit, which increased to seven in 2017/18 and nine in 2018/19.
- The number of boards that required additional financial support from the Scottish Government, to break even at year end, were: one (2016/17), three (2017/18) and four (2018/19).
- The size of the predicted deficit also increased for 2018/19, from £99 million to £150 million, but decreased to £116 million for 2019/20. For 2021/22, however, the deficit is predicted to be significantly larger, at £207 million. Most of this deficit relates to NHS Lothian, which predicts a deficit of almost £90 million, and NHS Greater Glasgow and Clyde, which predicts a deficit of £61.5 million.<sup>6</sup>

### **The NHS in Scotland met its financial targets in 2018/19, but required £65.7 million in additional financial support from the Scottish Government to achieve this**

**15.** In 2018/19, all NHS boards broke even, staying within the limits of their revenue and capital budgets, and delivered a surplus of £4.6 million.<sup>7</sup> However, this was only possible because four boards received additional financial support from the Scottish Government, totalling £65.7 million.<sup>8</sup> This was an increase from £50.7 million in 2017/18, but was £8.8 million lower than initially forecast. The four boards that required additional support were:

- NHS Ayrshire and Arran – £20 million
- NHS Borders – £10.1 million
- NHS Highland – £18 million
- NHS Tayside – £17.6 million.

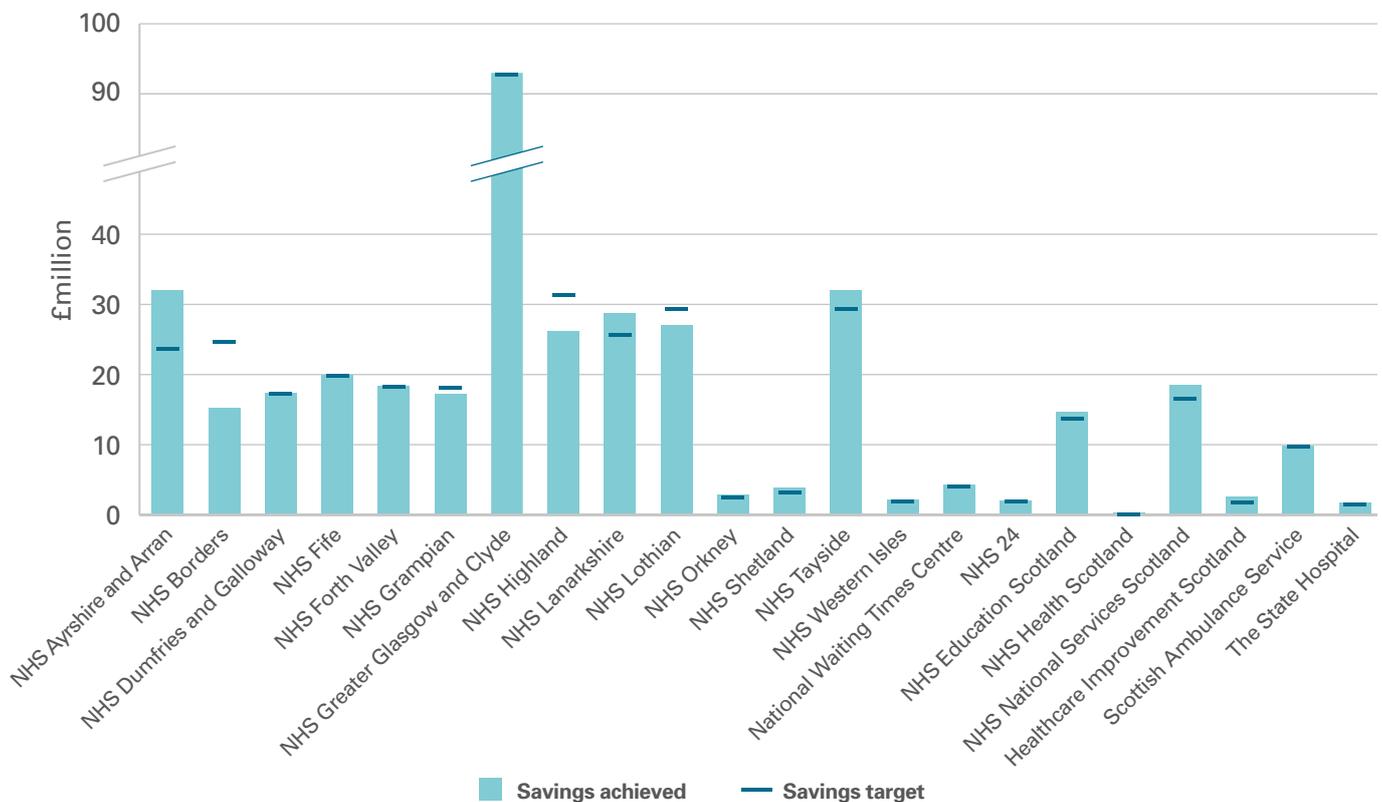
**16.** The Scottish Government announced that territorial boards would not have to repay any outstanding loans owed at the end of 2018/19. This totalled almost £150 million.<sup>9</sup> It is unclear what the Scottish Government's approach will be if boards require additional financial support in future years.

### The NHS almost achieved its savings target for 2018/19, but remains reliant on one-off savings

**17.** In 2018/19, the NHS achieved £390.4 million in savings. This was 0.3 per cent below its savings target of £391.1 million. This was a significant improvement compared with the previous year, when it achieved savings seven per cent below its target of £480.8 million. [Exhibit 3](#) shows the savings achieved against targets for all NHS boards.

## Exhibit 3

### Savings achieved against targets in 2018/19



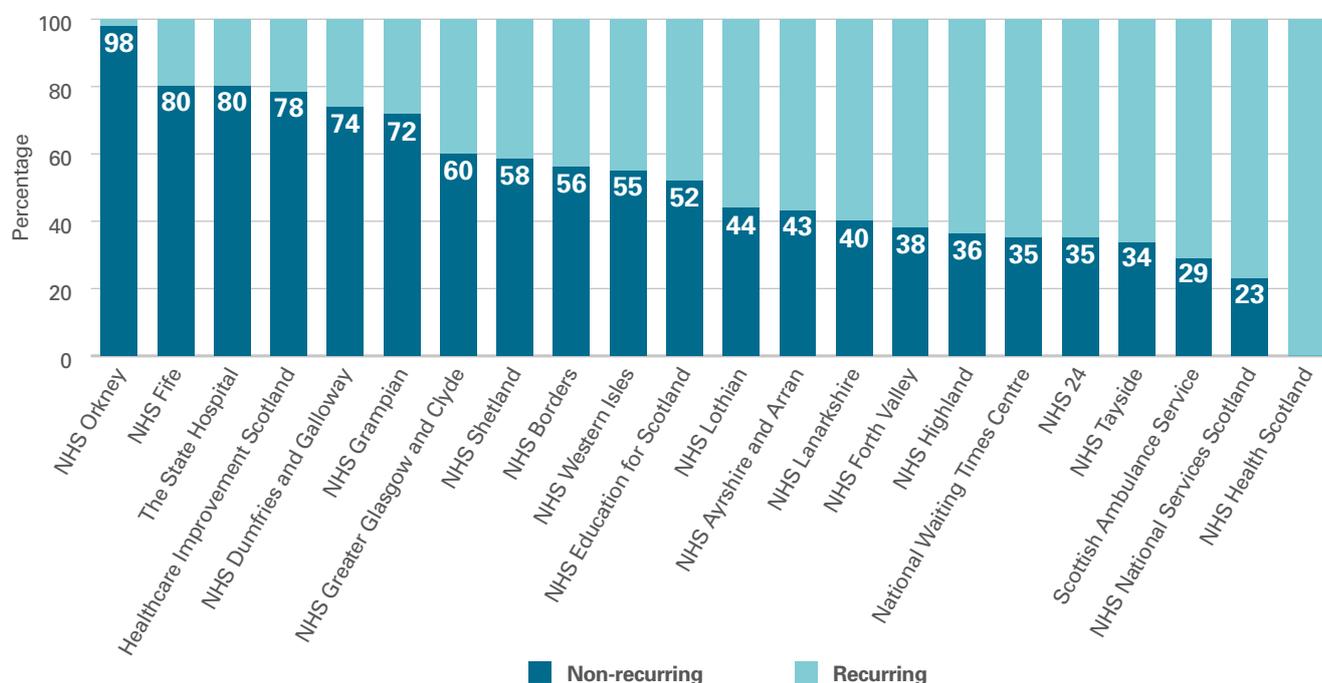
Source: NHS boards' annual audit reports and financial performance reports, 2019

**18.** In 2018/19, 50 per cent of all savings were non-recurring, up from 35 per cent in 2016/17. Non-recurring savings are not sustainable. They can improve a board's in-year financial position, but they do not reduce the cost of running the organisation and cannot necessarily be repeated in subsequent years. An example of a non-recurring saving is delaying recruitment for a vacant position. Recurring savings can be made in one year and can continue to save money in future years, for example by changing the way a service is delivered, to become more efficient. Boards varied significantly in their reliance on non-recurring savings, with territorial boards being more reliant than national boards ([Exhibit 4, page 13](#)).

## Exhibit 4

### The percentage of savings achieved that were non-recurring in 2018/19

Boards varied significantly in their reliance on non-recurring savings.



Source: Audit Scotland using annual audit reports and month-13 financial performance reports

### The level of planned savings that are high risk has increased

**19.** In their annual plans for 2018/19, NHS boards categorised their planned savings as high, medium or low risk, depending on the likelihood that the savings would be realised. In 2018/19, the NHS in Scotland classified their planned savings as follows:

- 32.0 per cent as high risk
- 28.5 per cent as medium risk
- 39.5 per cent as low risk.

**20.** The proportion of high-risk savings was significantly higher in 2018/19 than in previous years (13.1 per cent in 2017/18). There was wide variation among boards. For example, NHS Greater Glasgow and Clyde classified all its planned savings as high risk, which had a significant impact on the total proportion of savings classified as high risk.

**21.** However, NHS boards vary in how they assess savings. For example, only some boards include unidentified savings as high risk. To improve transparency and consistency, NHS boards should ensure that any unidentified savings are classified as high risk.

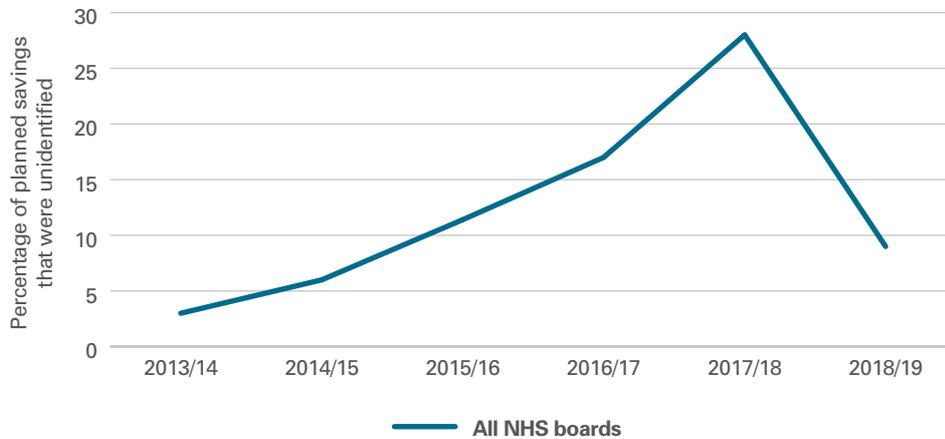
### Boards were able to better identify where future savings will come from

**22.** There was a significant improvement in the proportion of unidentified savings in boards' plans for 2018/19. Last year, boards were unable to identify where 28 per cent of planned savings would come from. This year, nine per cent of required savings were not yet identified in boards' plans, a reduction of 19 percentage points ([Exhibit 5, page 14](#)).

## Exhibit 5

### Trends in unidentified planned savings, 2013/14 to 2018/19

The level of unidentified savings in all boards' plans decreased significantly in 2018/19.



Source: Audit Scotland using NHS boards' local delivery plans/annual operational plans 2013/14 to 2018/19

### The Scottish Government has started to put in place the foundations to support financial sustainability

**23.** In October 2018, the Scottish Government published its MTFF. This was an important step towards supporting improvements to achieve financial sustainability of the NHS in Scotland. It outlines the scale of the financial challenges ahead and acknowledges that reform is necessary if the NHS is to be sustainable.

**24.** The MTFF sets out the activities required to support the reform needed. It also sets out the intention to invest more in primary, community and social care. The aim is for approximately 50 per cent of savings released from the hospital sector to be redirected to these areas through:

- increases in efficiency savings
- reductions in attendances at A&E, and the numbers of inpatients and outpatients
- regional working and public health prevention strategies.

**25.** Alongside the publication of the MTFF, the Scottish Government announced that boards will no longer be required to break even at the end of each financial year. Instead, they will be required to break even over a three-year period. This should provide greater flexibility in planning and investing over the medium to longer term.

**26.** NHS boards were required to produce three-year financial plans for the first time for 2019/20. This is an important step towards the NHS developing more effective longer-term planning. The Scottish Government developed guidance with boards to support the development of these plans, but this was not released until late February 2019. This gave them limited time to develop plans before the start of the financial year in April, and some were not approved until August 2019.

**27.** The Scottish Government held briefing sessions for boards during September 2019 and intends to release guidance in December 2019, to support them in developing next year's plans. In the first year of this new approach to financial planning, most boards included some information for the next three years, but the level of detail provided varied. Some boards, including NHS Borders and NHS Lanarkshire, did not include full details for all three years.

**28.** We expect the level of detail in boards' financial plans to improve next year, following the release of further guidance by the Scottish Government. The Scottish Government and NHS boards should work together to make sure that plans are in place and approved in time for the start of each financial year.

### Five boards are receiving external support because they are struggling to meet financial and performance targets

**29.** The Scottish Government has a five-stage escalation process to provide boards with additional support when they are unable to meet financial or performance targets. Most boards are at stage one, which means that they are deemed to be performing steadily and are reporting normally. Stage five means that the Scottish Government deems that a board's organisational structure is unable to deliver effective care. [Case study 1](#) and [Case study 2 \(page 16\)](#) describe the external support being provided to help two boards achieve financial balance. At October 2019, no boards were at stage five, but **five boards were at stage three or four** .



#### Escalation at October 2019:

##### Stage three:

- NHS Ayrshire and Arran
- NHS Lothian

##### Stage four:

- NHS Borders
- NHS Highland
- NHS Tayside

## Case study 1

### NHS Borders receives external support to help it achieve financial balance



In November 2018, NHS Borders moved to escalation stage four in the Scottish Government's performance escalation framework. Boards at stage four face a significant risk to service delivery, quality, financial performance or safety, and senior-level external support is required.

In 2018/19, the board was unable to achieve financial balance and needed £10.1 million in additional financial support from the Scottish Government to break even. This was mainly to alleviate cost pressures at the Borders General Hospital and offset efficiency savings that were not achieved.

The Scottish Government Health and Social Care Directorate Board Recovery Team has been providing support since December 2018. NHS Borders created a new Financial Turnaround Programme to replace its previous transformation programme. The programme aims to achieve a more sustainable improvement in the board's finances. The Financial Turnaround Programme is in its early stage, and its success will depend on the pace of change and the resources made available.

The board has also developed a new project management office (PMO) structure. In the short term, the PMO director will be supported by a turnaround team with experience of successfully delivering similar financial recovery programmes elsewhere.

## Case study 2



### NHS Ayrshire and Arran is further developing its improvement plan

In October 2018, the Auditor General published a report to draw Parliament's attention to the scale of the challenge that NHS Ayrshire and Arran was facing in meeting its financial targets. The report concluded that some of the cost pressures were not wholly within the control of the board, such as pay increases and the apprenticeship levy. However, the board's operating costs remained too high.

In 2017/18, PwC reviewed NHS Ayrshire and Arran's Transformational Change Improvement Plan (TCIP). It found that the TCIP was not substantial enough to achieve long-term financial sustainability and that greater transformational change would be required. During 2018/19, the PMO strengthened the governance and oversight of the TCIP. The board's internal auditors concluded that this provided only a partial level of assurance for the board and made several recommendations. These focused on improving governance for the implementation of the plan and a better understanding of dependencies between specific projects. Progress is reported regularly to the Corporate Management Team and the Performance Governance Committee.

In 2018/19, the board needed to make savings of £23.8 million. To support this, 143 improvement initiatives were identified. These initiatives achieved recurring savings of £18.4 million. This was £3.7 million more than in 2017/18. The board achieved £32 million of savings in total. Work will continue to implement the recommendations of the internal audit review, to improve the success of the TCIP in achieving recurring savings.

Source: Deloitte, 2019

### Capital funding from the Scottish Government has decreased by 63 per cent over the last decade, and there are signs of strain

**30.** The NHS capital budget, that is, money for new buildings and equipment, can fluctuate as new projects are approved or completed. There has been a trend of reducing funding over the last decade. In 2018/19, capital funding from the Scottish Government was £334 million, a reduction of 63 per cent in real terms since 2009/10 ([Exhibit 6, page 17](#)).

**31.** Demand for capital funding outweighs what is available for the next two years. This will limit boards' ability to invest in their infrastructure. The Scottish Government is prioritising several infrastructure investments over the next two years. These include:

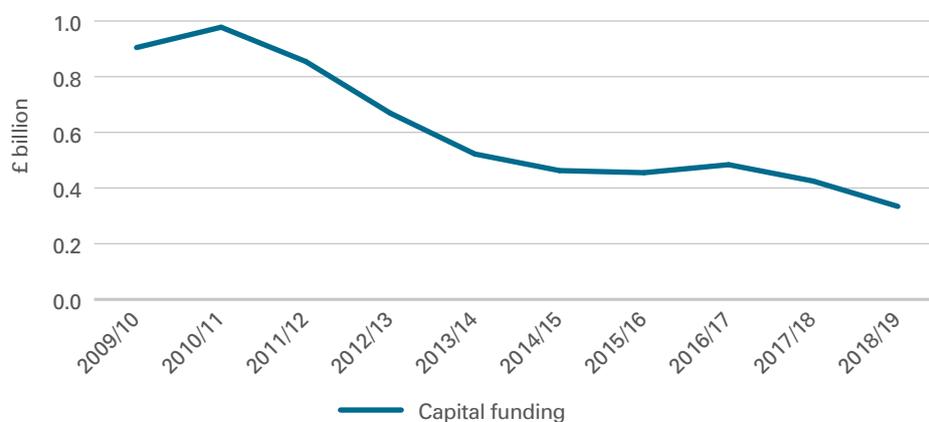
- an elective centres programme to create additional procedural and diagnostic capacity across Scotland<sup>10</sup>
- the new Baird Family Hospital and the Anchor Centre at Foresterhill Campus in Aberdeen
- new community hospitals in Aviemore and Broadford
- the replacement of St Brendan's Hospital, Barra, with a new health and social care hub.

**32.** NHS boards can use their revenue budget, which is allocated for day-to-day spending, to support additional capital investment. One way of doing this is to enter into contracts where the private sector finances the initial construction costs for the buildings and maintains them for a specific period, usually 25-30 years. NHS boards make annual payments from their revenue budgets for the length of the contract. Investment in these types of projects across the public sector in Scotland will be covered in more detail in our upcoming report on revenue funding of assets.

## Exhibit 6

### Capital funding from the Scottish Government since 2009/10

Capital funding has decreased in real terms.



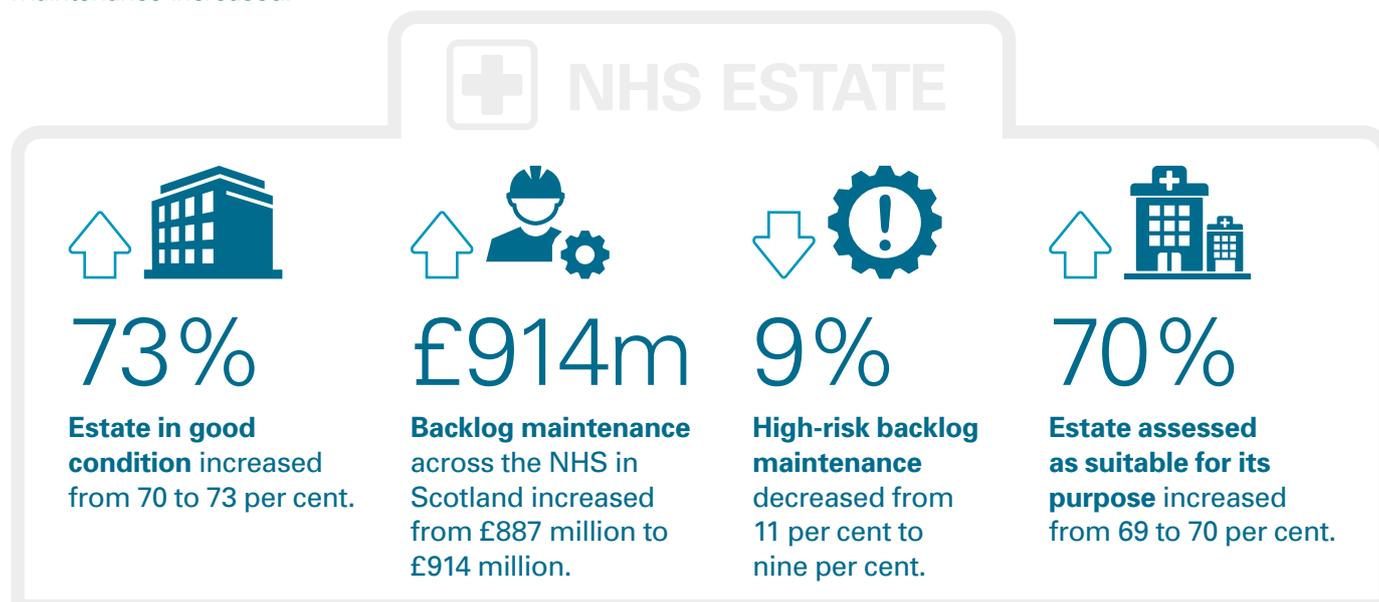
Source: Audit Scotland using NHS Consolidated Accounts

**33.** The condition of the NHS estate has improved, but there is still a significant maintenance backlog ([Exhibit 7](#)). Nine per cent of the backlog is classified as high risk, the majority of which (55 per cent) relates to electrical work required at Ninewells hospital in NHS Tayside. The Scottish Government has committed to fund the work required to resolve this. As recommended in [NHS in Scotland 2018](#) [\(download\)](#), the Scottish Government has been developing a national capital investment strategy to ensure that capital funding is strategically prioritised. This strategy should be finalised and published as a matter of urgency.

## Exhibit 7

### The condition of the NHS estate 2016 to 2018

The condition of the NHS estate has improved slightly over the last three years, but the level of backlog maintenance increased.



Source: Scottish Government, 2019

### Major capital projects face significant challenges

**34.** New hospitals have recently been built in Glasgow and Edinburgh. These major new-build projects have come under considerable scrutiny as a result of significant health and safety concerns ([Case study 3 and Case study 4, page 18](#)). In September 2019, the Scottish Government committed to carrying out a public inquiry into the issues at the Queen Elizabeth University Hospital in Glasgow and the Royal Hospital for Children and Young People in Edinburgh. The inquiry will look at how the problems with the ventilation systems happened, and what steps can be taken to prevent these problems in future. It is essential that the Scottish Government and NHS boards learn from these projects when planning new healthcare facilities.

**35.** Delays in opening a new healthcare facility can mean that an older site must be operational for longer than expected. This can result in additional expenditure to make sure that the older site remains fit for purpose for longer. In these circumstances, the relevant NHS board and the Scottish Government should provide assurance that any risks to patient and staff safety have been addressed.

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## Case study 3



### Queen Elizabeth University Hospital, Glasgow

In January 2019, Healthcare Improvement Scotland carried out an unannounced inspection of the Queen Elizabeth University Hospital, including the Institute of Neurosciences and the Royal Hospital for Children. The focus of the inspection was infection control, specifically considering the following standards:

- leadership in the prevention and control of infection
- infection prevention and control policies, procedures and guidance
- decontamination.

The inspection report published in March 2019 included 14 requirements and one recommendation. Nine of these were classed as urgent and had to be implemented within one week. The board developed an improvement plan to address the inspection findings.

The Cabinet Secretary for Health and Sport has also commissioned an independent review of the Queen Elizabeth University Hospital. As well as covering the infection control issues, this review will consider:

- the design of buildings
- the process for commissioning and constructing new healthcare facilities
- the scale of health problems acquired from the healthcare environment
- wider implications for healthcare facilities across Scotland.

The independent review is in its early stages. Two chairs have been appointed, and the terms of reference are under development. There is no timescale for the review to be completed or published.

Source: *Unannounced Inspection Report – Safety and Cleanliness of Hospitals, Queen Elizabeth University Hospital (including Institute of Neurosciences and Royal Hospital for Children)*, Healthcare Improvement Scotland, 2019; Scottish Government, 2019

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## Case study 4



### Royal Hospital for Children and Young People, Edinburgh

The opening of the new Royal Hospital for Children and Young People (RHCYP) in Edinburgh was delayed after final safety checks of the building found that the ventilation system in the critical care department did not meet national standards.

NHS National Services Scotland (NSS) reviewed all buildings systems in the new hospital that could have health and safety implications for patients and staff. The review assessed the water, ventilation and drainage systems and set out a timeframe for the opening of the hospital. NSS will also assess all current and recently completed new-builds and major refurbishments, to provide assurance that they comply with national standards.

KPMG carried out an independent review of the governance arrangements for the RHCYP. It identified the factors that led to the decision to delay the move to the new hospital, including communication and timescales. It found that a document produced by NHS Lothian during the tender stage of the project in 2012 was inconsistent with guidance, and that opportunities to rectify the error were missed. It also found that there was confusion over the interpretation of technical guidance and standards.

The Scottish Government has asked NHS Lothian to develop a recovery plan with clear milestones and responsibilities. The Cabinet Secretary for Health and Sport also announced that a package of tailored support measures would be made available to the board to support improvements.

Source: Scottish Government, 2019; *Review of: water, ventilation, drainage and plumbing systems*, NHS National Services Scotland, 2019; *Independent assessment of governance arrangements*, NHS National Services Scotland and KPMG, 2019

## The NHS in Scotland is facing significant pressures from population changes and increasing demand for services

**36.** Certain factors, such as demographic changes, rurality and deprivation, can affect demand for services and can make it more costly for boards to deliver services. The Scottish Government uses a formula developed by the NHS Scotland Resource Allocation Committee (NRAC) to assess how much funding each board should be allocated. The NRAC formula considers the demographics of each board area, including population size, deprivation levels and unavoidable geographical variations in the cost of providing services.

**37.** In 2018/19, all NHS boards received allocations within 0.8 per cent of what the NRAC formula determined they should receive, known as parity.<sup>11</sup> This was an improvement from the previous year, where all boards received allocations within one per cent of parity. This required an additional £30 million investment. To maintain this position for 2019/20, £23 million additional investment was required.<sup>12</sup>

**38.** NHS Highland was the only board to move slightly further from parity in 2018/19, moving from 0.7 per cent below parity in 2017/18 to 0.8 per cent. NHS Western Isles has historically received an allocation that was significantly above parity; in 2018/19, it was 11.3 per cent above.

**39.** In 2018/19, demand for hospital care continued to grow with increases in attendances at A&E and the number of people waiting for inpatient and outpatient appointments. At the same time, more people were admitted to hospital for both emergency and planned care, and on average, their stay in hospital was slightly shorter than in 2017/18. The average length of stay in hospital reduced from 6.2 days in 2017/18 to 6.0 days in 2018/19, despite increases in delayed

discharges. Fewer operations were cancelled and there was a small increase in the number of outpatient appointments held, following significant decreases in 2017/18. [Exhibit 8 \(page 21\)](#) shows national trends across selected indicators of demand and activity for acute services in 2018/19. The quality and availability of health and social care data need to improve. This will help boards better understand the reasons for trends in demand and activity and how to make best use of existing capacity.

**40.** We have consistently reported the lack of data and information available to measure performance and outcomes, especially in primary and community care. It is crucial that this is addressed as a matter of urgency. The establishment of Public Health Scotland is another opportunity to provide boards with more useful data from across the health and social care system. This will allow NHS boards and IAs to make informed decisions when planning and designing services.

**41.** The Scottish Government has committed to increasing investment in primary care by £500 million by 2021/22. This should provide at least £1.28 billion by 2021/22 to support the new GP contract and primary care reform. This aims to free up capacity in acute hospitals to reduce waiting times and improve access to services. In addition, a whole-system partnership programme to reform adult social care started in June 2019. This work is being carried out in partnership with people with lived experience of social care, unpaid carers and people who deliver the services. The programme aims to create additional capacity in the community to better meet the needs of people, their carers and the workforce.

### **Boards continue to struggle to achieve key national standards**

**42.** The NHS in Scotland met two of the eight key national waiting times standards in 2018/19 ([Exhibit 9, page 22](#)). This is a small improvement from 2017/18, when the NHS met only the drug and alcohol waiting times standard. The standards that were met were:

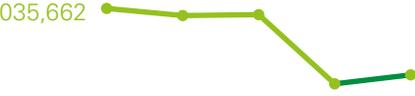
- patients starting cancer treatment within 31 days (decision to treatment)
- drug and alcohol patients seen within three weeks.

**43.** National performance declined for six out of the eight standards in 2018/19. Performance improved for outpatients waiting less than 12 weeks following first referral and for patients starting cancer treatment within 31 days of the decision to treat. [Appendix 1 \(page 42\)](#) shows performance against the national standards by NHS board for 2018/19, including the percentage change since the previous year and over the last five years.

**44.** It is important to acknowledge the impact of rising demand on waiting times. In 2018/19, the number of people seen on time increased for seven of the eight standards. This means that the waiting times targets were met for more people in 2018/19 than in 2017/18. However, demand for services increased at a higher rate, so the percentage of people for whom the targets were met declined.

**Exhibit 8**

## National trends in demand and activity for acute services in 2018/19

 Demand	Trend 2014/15 – 2018/19		Change since 2017/18
Number waiting for outpatient appointment		311,503	↑ 22.1% since 2014/15
Number waiting for inpatient appointment		76,832	↑ 37.3% since 2014/15
A&E attendances		1,691,952	↑ 3.2% since 2014/15
<b> Activity</b>			
New outpatient attendances		1,439,545	↓ 3.7% since 2014/15
Return outpatient attendances		2,848,272	↓ 6.2% since 2014/15
Emergency admissions		593,543	↑ 3.0% since 2014/15
Daycase admissions		466,817	↑ 1.4% since 2014/15
Elective admissions		146,365	↓ 21.3% since 2014/15
Number of procedures		1,440,249	↓ 1.7% since 2014/15
<b> Trend 2016/17 – 2018/19</b>			
Cancelled planned operations		6,788	↓ 6.9% since 2016/17
Bed days occupied by delayed discharges		420,157	↑ 2.9% since 2016/17

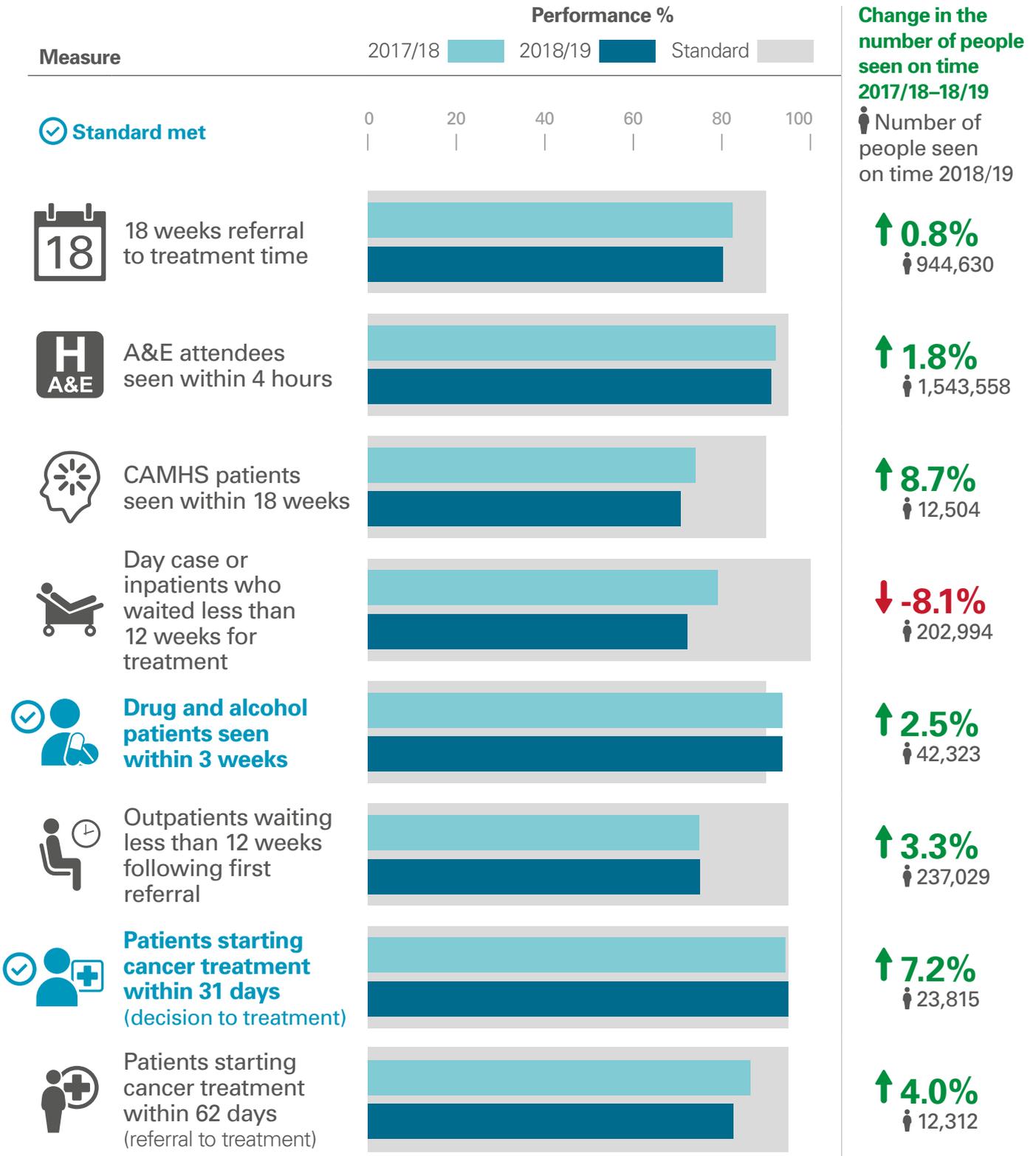
Note: 'Number waiting for outpatient appointment' and 'Number waiting for inpatient appointment' refer to the number of patients on the waiting list at the end of March in each year. 'Cancelled planned operations' refer to operations that have been cancelled for capacity or non-clinical reasons. The definition of bed days occupied by delayed discharges changed in June 2016, so the 2016/17 figure has been adjusted for comparability with subsequent years.

Source: Accident & Emergency Activity and Waiting Times Statistics, ISD Scotland, September 2019; Number on inpatient waiting list, ISD Scotland, August 2019; Number on new outpatient waiting list, ISD Scotland, August 2019; Cancelled planned operations, ISD Scotland, September 2019; Bed days occupied by delayed discharges, ISD Scotland, September 2019; Annual acute hospital activity and hospital beds, ISD Scotland, September 2019

### Exhibit 9

NHS Scotland performance against key national waiting times standards, 2017/18 to 2018/19

NHS Scotland met two of the eight waiting times standards in 2018/19.



Note: Figures are annual aggregated performance figures for all standards, apart from 'Outpatients waiting less than 12 weeks following first referral' (census date at 31 March 2018 and 31 March 2019). CAMHS = child and adolescent mental health services.

Source: See [Appendix 3](#) for sources

### **The Scottish Government and NHS boards have recently introduced initiatives that aim to improve access to care**

**45.** The Scottish Government has been working to improve waiting times and, in October 2018, introduced the WTIP.<sup>13</sup> The Scottish Government is investing more than £850 million over two and a half years. Of this, £535 million will be spent on frontline services and £320 million on capital projects.

**46.** As part of the WTIP, the Scottish Government introduced new monitoring arrangements for NHS boards that require them to report quarterly on their performance. This enables the Scottish Government to hold boards to account and to provide additional support to those that are not on track to meet their phased improvement goals. So far, £102 million of WTIP funding has been allocated for 2019/20. It is too soon to assess whether this additional funding will help boards to meet the phased improvement goals set out in the WTIP.

**47.** The Scottish Government has also developed a national independent-sector contract to provide additional capacity and reduce waiting times. This contract is designed to cap private-sector charges for treatment. It is planned to be used as a short-term measure, while elective centres are being set up.

**48.** The National Theatre Productivity Group is a collaboration between the National Waiting Times Centre (NWTC) and some NHS territorial boards. They are working together to share good practice and introduce new ways of working, to improve efficiency and reduce waiting times. At a recent event, the Golden Jubilee Hospital shared information about an initiative to reduce patient waiting times for cataract surgery. This work focused on improving theatre use by calling patients from a pre-assessment clinic to fill late cancellations. NWTC reported that on average, around 18 per cent of patients who cancelled late were replaced with other patients. There has been very positive feedback from patients. This is a model that has clinical support, has been approved by the General Medical Council and has the potential to be tested in other specialties.

### **Inpatients' experiences of care and patient safety are improving**

**49.** In 2018, the Scottish Government published its report on a survey of inpatients' experiences of quality of care.<sup>14</sup> It showed that 86 per cent of inpatients had a positive experience of care, an improvement of two percentage points since 2016. There was a consistent picture of positive experience in many areas.

**50.** Results in relation to arrangements for leaving hospital remained consistent, with 78 per cent of inpatients rating this experience as good or excellent. Only 30 per cent of people reported being delayed on the day of leaving hospital, an improvement of nine percentage points since 2016. The most common reason for such delays continued to be waiting for medications.

### **Patient safety is improving across a range of measures**

**51.** Despite the financial and demand challenges, staff are working hard across all health and social care settings to provide safe, high-quality care. Recently published data on the NHS Performs website shows improvement across a range of indicators over the past ten years. The Scottish Patient Safety Programme, established in 2008, has successfully improved patient safety.<sup>15</sup> This programme has contributed to the following significant reductions:

- Post-surgical mortality rates have decreased by 36.6 per cent since 2008, following the introduction of the World Health Organization Surgical Safety Checklist.<sup>16</sup> The checklist promotes a culture of teamwork and communication in operating theatres, helping to improve surgical care and safety.
- The number of deaths from sepsis has been reduced by introducing a structured response to, and treatment of, sepsis. Since its launch in 2012, the sepsis programme has contributed to a 21 per cent reduction in mortality rates.<sup>17</sup>
- The Hospital Standardised Mortality Ratio for Scotland has decreased by 14 per cent since 2014 because of improvements in the recognition of, and response to, acutely unwell patients. This means that the number of recorded deaths decreased compared to the number of deaths predicted.

**52.** In November 2016, the Scottish Ambulance Service (SAS) introduced a new system to prioritise patients. To create the system, over half a million 999 incidents were reviewed to determine what factors had the biggest impact on patient outcomes. This new system better prioritised incidents and matched the timing and type of ambulance response to the needs of the patient. In its first year of operation, there was a 43 per cent improvement in 30-day survival rates for patients in the most urgent category.

**53.** Minimising healthcare associated infections is a priority for the NHS. It has achieved consistent improvement in two key measures – Clostridium difficile (C. diff) infection rate and meticillin-resistant Staphylococcus aureus (MRSA)-associated bacteraemia rate. Between 2014 and 2018, a decreasing year-on-year trend has been seen in the incidence rate of:

- C. diff, which has decreased by 7.5 per cent in patients 15 years and older
- MRSA, which has decreased by 17.1 per cent between 2014 and 2018.<sup>18</sup>

## The amount spent on drugs stabilised in 2017/18

### NHS boards and the Scottish Government have implemented a range of initiatives to manage prescription costs

**54.** The NHS in Scotland spent almost £1.8 billion on drugs in 2017/18, a reduction of 0.2 per cent in real terms since 2016/17 (**Exhibit 10, page 25**). Good progress continues to be made in the proportion of generic medicines prescribed. This increased from 83.9 per cent in 2017/18 to 84.3 per cent in 2018/19.<sup>19</sup> Generic medicine is usually cheaper, sometimes significantly, compared to branded medicine. Some initiatives that boards have been working on include:

- increasing the use of generic medicines in secondary care
- reducing the amount of drugs dispensed in primary care by more regularly reviewing the medicines that are being prescribed
- switching from high-cost drugs to cheaper alternatives that are chemically similar to the original drugs and close enough to achieve the same results. These are referred to as biosimilars.

**Exhibit 10**

Expenditure on drugs stabilised in real terms, in 2017/18



**Spent on drugs in 2017/18 by the NHS in Scotland**

0.2% less in real terms than 2016/17

Changes in spending varied by board from:

- ↓ 5% decrease for NHS Borders
- ↑ 5.8% increase for NHS Western Isles



**Net expenditure in the NHS in 2017/18 was on drugs**

0.1% less than in 2016/17



**Spent on drugs in community and family health services**

0.6% less in real terms than in 2016/17

The amount spent on drugs in hospitals was £438.4 million

- ↑ 0.9% increase since 2016/17



**The Scottish Government, via the New Medicines Fund (NMF), provides additional funding to NHS boards to cover the costs of increasing access to some medicines for very rare conditions and end-of-life care.**

**£42 million in 2017/18**

Source: R600: pharmacy – drugs expenditure, ISD Scotland cost book data, November 2018; Volume and Cost (NHS Scotland), ISD Scotland, July 2019; Scottish Government NHS allocations, March 2019

**55.** Ten boards have reduced their expenditure on drugs in real terms. An example of a successful approach for reducing drug expenditure is the three-year medicines' efficiency programme launched by NHS Fife in 2016. This has delivered £12 million in savings across health and social care services. The programme included three priorities. These were to restrict the list of medicines available for prescribing, to reduce medicines waste and to review more regularly the medicines that are being prescribed. NHS Grampian also reduced its prescribing budget by £3.5 million compared with last year, mainly through switching to biosimilars.

**56.** The Scottish Government effective prescribing team supported improvements to reduce costs including by:

- implementing electronic prompts for prescribers, to encourage them to use generic medicines and lower-cost alternatives
- emphasising the importance of carrying out medicines reviews, to safely reduce the number of medications being taken at the same time.

### **The NHS in Scotland continues to face significant workforce challenges**

**57.** The NHS is reliant on its workforce to deliver healthcare services. However, it is increasingly challenging to recruit enough people with the right skills, particularly in some rural areas. [Exhibit 11 \(page 26\)](#) outlines some important figures relating to the NHS workforce in 2018/19.

## Exhibit 11

NHS workforce 2018/19

### Headcount



164,114

March 2019

↑ 0.6% since last year

↑ 3.4% over five years

### Full-time equivalent



140,881

March 2019

(excluding some primary care staff)

↑ 0.7% since last year

↑ 3.9% over five years

### Staff costs



=



£6.9bn  
in 2018/19

↑ 2.5% in real terms  
since last year

### Vacancy rates

#### Consultants



7.7%

↑ from 7.5% in 2017/18

Highest: **44.2%** Orkney

Lowest: **1.9%** Lothian

#### Nursing and midwifery



4.9%

↑ from 4.5% in 2017/18

Highest: **8.4%** Highland

Lowest: **0.7%** Ayrshire and Arran

#### Allied health professionals



4.7%

↑ from 4.4% in 2017/18

Highest: **9.1%** Grampian

Lowest: **0.4%** Ayrshire and Arran

54%

Vacancies open  
for at least 6 months

↓ from 60% in 2017/18



28.5%

Vacancies open for  
at least 3 months

↓ from 30.3% in 2017/18



32%

Vacancies open for  
at least 3 months

↑ from 29.4% in 2017/18



### Sickness absence

5.4%  
same as 2017/18



#### Territorial boards

Highest: **5.9%** NHS Forth Valley

Lowest: **4.3%** NHS Shetland

#### National boards

Highest:

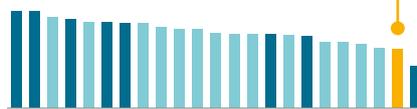
**8.6%** NHS 24

**8.3%** State Hospital

**7.8%** Scottish Ambulance Service

### Staff turnover

6.4%  
down from 6.6% in 2017/18



#### Territorial boards

Highest: **9.8%** NHS Shetland

Lowest: **6.5%** NHS Ayrshire and Arran

#### National boards

Highest: **10.5%** NHS Health Scotland

Lowest: **4.5%** Scottish Ambulance Service

### Workforce aged over 55



**58.** The Scottish Government's ambition is for the NHS to provide more care in the community than in acute hospitals. To support this ambition, the way that care and treatment is delivered will change, and therefore the way that NHS staff work will change too. There are examples of where roles have changed to support different ways of working ([Case studies 5 and 6](#)).

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## Case study 5



### Pharmacy First has been a success at NHS Forth Valley

NHS Forth Valley has evaluated its Pharmacy First service. This service aims to improve patients access to treatment for certain conditions without the need to see a GP. This service is now available at all community pharmacies, many of which are open at the weekend or evenings, when most GP practices are closed.

Results found that between April 2017 and March 2019, pharmacists were able to provide treatment for 83 per cent of consultations. Pharmacists referred just ten per cent of patients to their GP. The remaining seven per cent of patients were given advice.

Service users were asked for feedback on the service and, of those who responded, 88 per cent said that the pharmacist was able to help them fully, and 100 per cent rated the service excellent or good. Pharmacists in Forth Valley also provided positive feedback on the service and, of the GPs who responded, 53 per cent said that there had been a decrease in the number of patients seeking treatment, as many conditions were covered by the Pharmacy First service.

Source: *Evaluation of the pharmacy first extension service*, NHS Forth Valley, April 2019

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## Case study 6



### The Scottish Ambulance Service is helping to reduce demand for GP appointments

The Scottish Ambulance Service has been testing new ways of working as part of multidisciplinary teams in primary care, to help safely reduce the demand for GP appointments. Paramedics assess patients with urgent symptoms that need to be addressed before the next available GP appointment.

Initial results found that paramedics could safely assess and treat more than 65 per cent of requests for GP home visits, reducing demand for GP appointments. Patient feedback has been very positive. It also found that paramedics involved in this work brought additional expertise back to their 999 calls, with more patients being treated at the scene, which reduced hospital admissions. The Scottish Ambulance Service now plans to further develop this work and roll it out across the country.

Source: Scottish Ambulance Service, 2019

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**59.** In 2018, the Scottish Government published the new General Medical Services Contract, also known as the GP contract. It included plans to expand the role of multidisciplinary teams in primary care, to ease GPs' workload and improve patient access to appropriate care. These teams will be based in GP practices and involve pharmacists, advanced nurse practitioners, physiotherapists and others. It aims to increase the role that GPs have in planning and delivering new health and social care services. It also aims to increase the amount of time that they have available to care for patients, particularly those with complex or difficult to diagnose conditions.

**60.** Our report [NHS workforce planning - part 2](#)  found that because of a lack of primary care data, it is difficult to assess whether these aims are on track to be achieved. Increasing the primary care workforce as planned will be a significant challenge and any changes are likely to have an impact on other parts of the system.

### **Temporary staffing costs remain significant, and there is a wide variation between boards**

**61.** As a result of recruitment and retention issues, sickness absence and pressures to meet waiting time targets, NHS boards supplement their workforce by using temporary staff. In 2018/19, NHS boards spent £169.5 million on agency staffing. This was a real-terms increase of 0.3 per cent since 2017/18 ([Exhibit 12, page 29](#)).

### **Boards are working to reduce temporary staffing costs**

**62.** The cost of temporary staffing is significant. Boards have carried out a range of initiatives to reduce temporary staffing costs:

- In 2018/19, NHS Greater Glasgow and Clyde developed a refreshed campaign to recruit graduate nurses. It took a proactive approach to meeting students and promoting the board. It provided graduates with the opportunity to speak to senior nursing staff to learn more about the organisation. The board recruited 458 newly qualified nurses through this recruitment exercise, which filled most of its nursing vacancies. The board saw a real terms reduction of 23.4 per cent in agency spending in 2018/19 compared with 2017/18.<sup>20</sup>
- NHS Grampian has expanded its recruitment to alternative roles. The board has funded a considerable number of additional clinical development fellow, advanced nurse practitioner and physician associate posts. These posts can support areas that are struggling to recruit enough junior doctor posts and can help to reduce the reliance on medical locums. The board also recruited more than 100 nurses from Western Australia and is planning to develop a more formal partnership with Western Australia. It has also been promoting research and development opportunities, to attempt to attract more people to work at NHS Grampian.

### **Withdrawing from the European Union is likely to exacerbate existing workforce and cost pressures**

**63.** There is considerable uncertainty around the potential impact of the UK's withdrawal from the European Union (EU). The immediate areas of potential impact for NHS boards include reduced access to medicines for certain patient groups and increased costs of medicines and supplies. Higher costs will compound the financial pressure on the NHS. In the longer term, there is uncertainty about future immigration rules and the impact that this may have on being able to attract applicants for vacancies. Professional bodies consider that the number of applicants to the NHS from other EU countries has already declined. This will place further strain on the NHS workforce.

**64.** The UK and Scottish Governments are leading and coordinating most of the preparations. NHS National Services Scotland has played a central role in contingency arrangements. In line with guidance from National Procurement, NHS boards have not been holding increased stocks of drugs or medical equipment. This is being managed at a UK-wide level.

**65.** Some boards have acted to strengthen their local arrangements to increase resilience. Several boards, with their partners, have established assurance groups to coordinate preparations, address risks where possible and keep their staff and board members updated. NHS boards should factor any known workforce and cost implications into their financial plans.

## Exhibit 12

### Temporary staffing costs in 2018/19

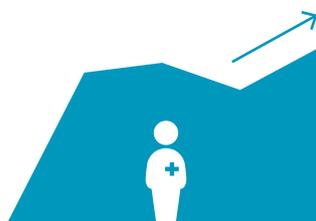
In real terms, several boards reduced their spending on temporary staff. Spending on medical agency locums has decreased but spending on agency and bank nurses continues to increase.



### Medical locum

2014/15 – £72.8 million  
2018/19 – £98.0 million

Peaked in 2016/17 at £114 million and has reduced year-on-year since



### Nursing agency

2014/15 – £17.1 million  
2018/19 – £26.2 million

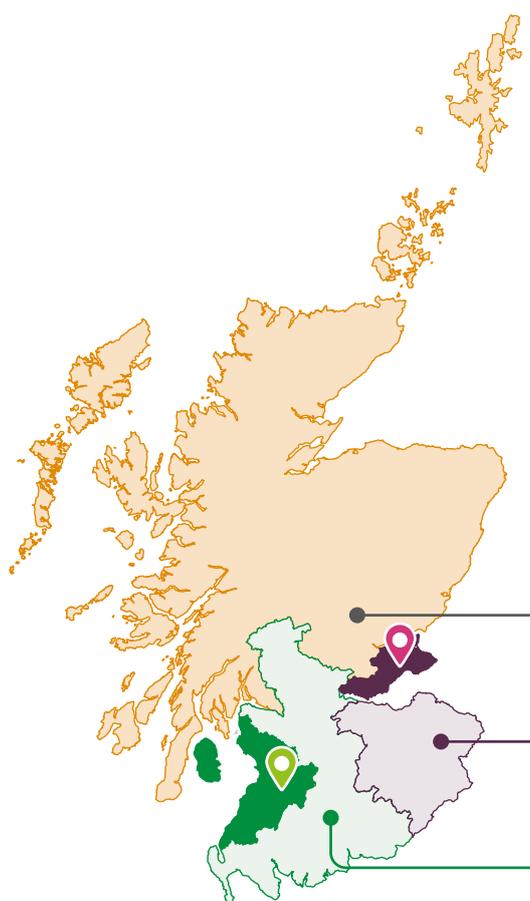
Decreased in 2017/18 but has reached its highest so far in 2018/19



### Nursing bank

2014/15 – £138.8 million  
2018/19 – £161.9 million

Continuing to rise year-on-year. This is a more cost effective option for health boards than agency nurses



## Compared with 2017/18 costs:

**7 territorial boards** reduced their agency spending in 2018/19, in real terms

**NHS Fife** saw the largest percentage increase in spending **↑ 20.6%**  
£1.8 million

**NHS Ayrshire and Arran** saw the largest percentage decrease in spending **↓ 26.1%**  
£3.0 million

Spending on agency staffing varied significantly across NHS boards and varied by region:

**North region**  
£43 per 1,000 population

**East**  
£27 per 1,000 population

**West**  
£23 per 1,000 population

Note:

**North:** Grampian, Highland, Orkney, Shetland, Tayside and Western Isles.

**East:** Borders, Fife and Lothian

**West:** Ayrshire and Arran, Dumfries and Galloway, Forth Valley, Greater Glasgow and Clyde and Lanarkshire

Sources: NHS Consolidated Accounts for the financial year 2018/19, Scottish Government, 2019; NHS Scotland workforce, ISD Scotland, June 2019; Mid-year population estimates, National Records of Scotland, April 2019

# Part 2

## Achieving a sustainable NHS



### Key messages

- 1 The Scottish Government's 2020 Vision is to change the way health and social care services are delivered. The successful integration of health and social care is essential for achieving this, but progress has been slow and the aims of the 2020 Vision will not be achieved on time. NHS boards are working on a significant number of local improvement initiatives, but there is scope to consolidate this activity to achieve larger-scale, system-wide reform. The Scottish Government should identify and prioritise the initiatives that are most likely to achieve the reform needed. It should use this information to develop its new strategy for health and social care for 2020 onwards. Much more work is also required to engage with local communities to inform and co-design changes to services.
- 2 Reforming health and social care also means that changes to the NHS workforce are required. To support this, the Scottish Government needs a national, integrated, health and social care workforce plan. This is overdue.
- 3 There has been significant turnover in senior leadership positions across the NHS in Scotland, with 26 new appointments in 2018/19. The Scottish Government has introduced a series of changes to improve its approach to senior leadership recruitment and development. This is a medium- to longer-term solution, and it is too soon to determine the impact of these changes on stabilising senior leadership in the NHS.
- 4 The NHS needs to improve workplace culture. Following reports of bullying and harassment and an independent review, the Scottish Government has committed to implementing a series of improvements. Boards are now required to provide assurance that they are aware of the culture and behaviours in their organisation and have plans to address any issues identified.

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### **There has been long-term and consistent national policy direction for health and social care integration, but progress has been slow**

66. Since 2005 there have been several strategies and frameworks published by the Scottish Government that aim to reform health and social care services across Scotland ([Exhibit 13, page 31](#)). To achieve the Scottish Government's vision to change the way services are delivered, successful integration of health and social care is urgently required and is a major priority across the whole system.

## Exhibit 13

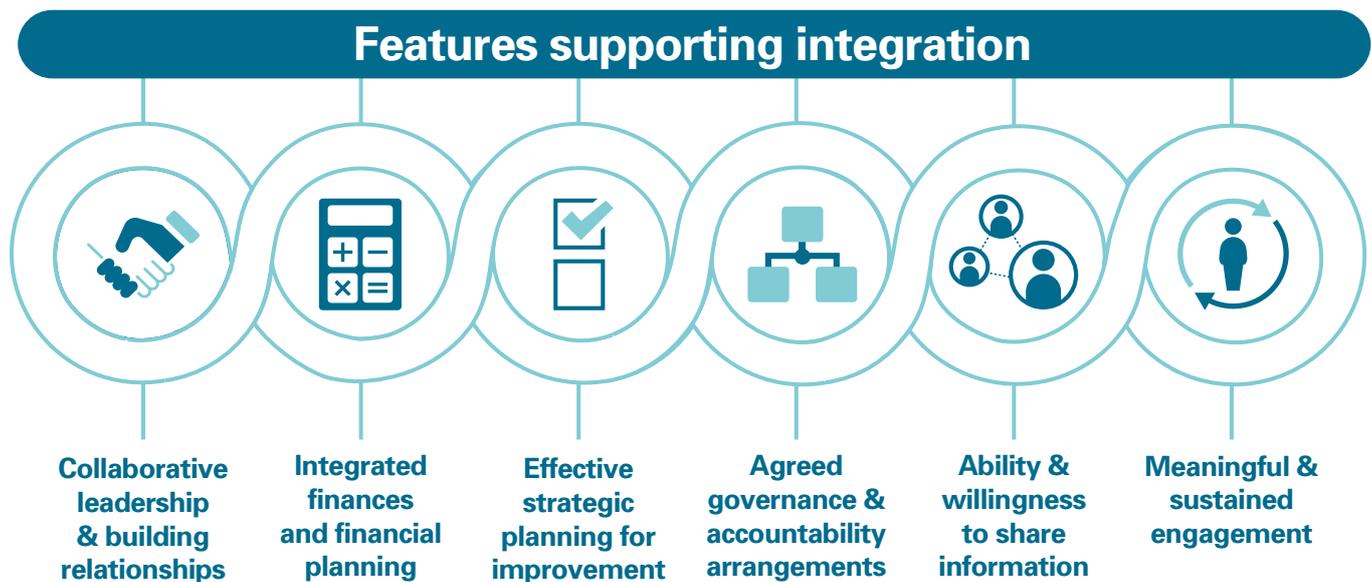
A timeline of major Scottish Government health and social care policies and publications, 2005–16

- **2005** **The Scottish Government published *Delivering for Health***  
 This first set out the aim to provide care that is quicker, more personal and closer to home. It aimed to support more integrated working across health and social care, improve patient pathways and develop a culture of teamwork and co-operation.
- **2009** **The Scottish Government and COSLA published *Improving Outcomes by Shifting the Balance of Care Improvement Framework***  
 It proposed ways that NHS boards and local authority partners could make better use of resources across the health and social care system. It aimed to help them to better manage the impact on acute hospitals of population growth, increase in the number of older people and long-term conditions.
- **2011** **The Scottish Government published its *2020 Vision***  
 It set out the aim that by 2020 'everyone is able to live longer, healthier lives at home, or in a homely setting'. Ambitions were to shift care from acute to community care, increase integrated working focusing on prevention, anticipate care needs and support self-management of long-term conditions. It aimed to ensure people are discharged from hospital as soon as appropriate with minimal risk of readmission.
- **2014** **Integration legislation passed and introduced the mandate for change with the establishment of Integration Authorities (IAs)**  
 NHS boards need to work in close partnership with IAs and local authorities to plan together how services that were once provided in hospital can be moved to the community. IAs are responsible for planning, designing and commissioning primary care services. They are also responsible for developing primary care improvement plans, in collaboration with NHS boards and local GP subcommittees.
- **2015** **The Scottish Government published the *National Clinical Strategy***  
 This highlighted areas where improvements would be necessary over the next five to ten years across primary and acute care. Significant changes were required to ensure the NHS could adapt to meet the needs of the population in the future.
- **2016** **The Health and Social Care Delivery Plan set the direction required to make hospital services more sustainable and available for those who need them in the future**  
 It provided more guidance for health and social care services to change the way services are delivered. It intended to increase the number of people that can be treated and cared for closer to their home, where it is safe and appropriate to do so.

**67.** Changing how healthcare services are accessed and delivered has been too slow. In September 2018, the Scottish Government, NHS Scotland and COSLA released a joint statement setting out a shared commitment to integration. It clearly stated that the pace of integration needs to be stepped up. In our report, [Health and Social Care Integration: update on progress](#) , we identified six areas that IAs and their NHS and council partners need to address ([Exhibit 14](#)).

## Exhibit 14

Features central to the success of integration



Source: [Health and social care integration: update on progress](#), Audit Scotland, November 2018

**68.** In 2018/19, NHS boards' external auditors reported on a range of challenges to the progress of integration. These included the following:

- Several boards reported IA overspends, including NHS Ayrshire and Arran, NHS Fife and NHS Forth Valley.
- There is a variation in the way that NHS boards work with IAs to plan services and budgets. Some reported that agreements are not yet fully implemented or are being renegotiated.
- There are workforce pressures, including the availability of key roles and having the right skills and experience.
- There is difficulty in finding time to support reform and integration while maintaining acute services.

**69.** As a result of concerns about the pace of health and social care integration, the Cabinet Secretary for Health and Sport commissioned a review of progress. This was conducted in late 2018. The Ministerial Strategic Group for Health and Community Care (MSG) published their findings in February 2019 and set out proposals for ensuring the success of integration.<sup>21</sup> It set out its proposals under the headings identified in [Exhibit 14](#).

**70.** Following publication of their review, the MSG issued a self-evaluation template to be completed by health boards, councils and IAs. This aimed to evaluate their current position in relation to the findings of the review. This exercise will be repeated to demonstrate any progress made across the country. Work needs to continue to implement the recommendations highlighted in our report and the MSG review. The Scottish Government has appointed a dedicated lead for this work.

### **There are examples of NHS boards working with partners to successfully change the way that services are delivered**

**71.** There are numerous innovative and successful examples of partnership working across health and social care to change the way that services are delivered. For example, NHS 24 works with Police Scotland and SAS to improve the pathway for people in distress who contact these three organisations. It also engaged with service users and those delivering services, to develop a mental health hub, based on similar models in London and Cambridgeshire. The hub aims to reduce the proportion of people experiencing mental health issues that are referred to emergency services. Early results show that it has been successful, with less than ten per cent of these cases being referred on to emergency services. [Case study 7](#) shows how SAS is working with NHS 24 to reduce the demand on emergency departments.

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## Case study 7



### **SAS is collaborating with NHS 24 to improve patient triage**

SAS has been working with NHS 24 to improve the way patients are assessed and treated. Many people making 999 calls are experiencing symptoms relating to long-term conditions that may not always require hospital care or admission. SAS and NHS 24 worked with NHS boards and IAs to develop new pathways of care. These pathways are designed to deal with the immediate issue and minimise the risk of future emergencies.

As a result, more patients are being safely managed either within the ambulance control centre or in the community by paramedics, without having to attend A&E. In June 2019, 37 per cent of incidents were managed by paramedics or through the control centre. This compares with 32 per cent of incidents in April 2017.

Good progress is being made, but there is variation across Scotland in the rate of patients being taken to emergency departments. SAS is focusing on reducing this variation. It is working with IAs and GP clusters to develop local solutions with local communities, in line with the principles of realistic medicine.

Source: Scottish Ambulance Service, 2019

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### **The potential of digital technology is not yet being maximised**

**72.** In April 2018, the Scottish Government published a new digital health and care strategy.<sup>22</sup> The strategy sets out national digital priorities for the next decade that aim to support the transformation of health and social care delivery. These include making use of new technologies to:

- share patient information across health and social care boundaries
- improve patient safety and the coordination of care
- support the redesign of services
- build workforce capability.

**73.** The Scottish Government is developing a new health and social care digital platform. The platform intends to improve access to health records where and when they are needed across acute, primary and community care. New ways of working using new technologies will also be tested, such as virtual clinics and the remote monitoring of chronic illnesses.

**74.** Work to implement the strategy is at an early stage. It requires collaboration between the Scottish Government, NHS boards and local government, and governance arrangements are being established to monitor progress. We will continue to monitor developments as part of our ongoing work programme.

**75.** There are examples of good work across Scotland to make the most of the technology that is currently available to improve patient care. The implementation of the electronic frailty index tool is an example of this ([Case study 8](#)).

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## Case study 8



### The Living Well in Communities (LWiC) team is improving the identification and management of people with frailty

The LWiC team in Healthcare Improvement Scotland's improvement hub has developed preventative support for people with frailty in the community. It uses an electronic frailty index (eFI) to identify people with frailty before they reach crisis point. The eFI is available to GP practices through a national IT (information technology) system known as the Scottish Primary Care Information Resource (SPIRE). GP practices using SPIRE can now identify their frail population enabling them to better direct and manage their healthcare needs. During the summer of 2019, the LWiC team supported 19 health and social care partnerships across Scotland to implement the eFI. This could lead to more care being provided in the community rather than in acute hospitals and improve the quality of life of people with frailty.

Source: Healthcare Improvement Scotland, 2019

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### More work needs to be done to engage with local communities when making changes to health and social care services

**76.** We have previously reported that the NHS in Scotland needs to be more open, by improving public reporting and the way that the community is involved in planning and designing changes to services.

**77.** In 2019, NHS boards completed the blueprint for good governance self-assessments.<sup>23</sup> These identified that engagement with stakeholders required further development across several boards. It found that boards need to develop more effective communication and engagement strategies. The approach to community engagement was inconsistent, with some boards reporting that they needed more clarity around expectations. Some boards reported that improved guidance was needed to support better dialogue and inclusion of the community in decision-making.

**78.** The Community Empowerment (Scotland) Act 2015 sets the requirement for all public bodies to work alongside their stakeholders when making decisions about what services are delivered and where.<sup>24</sup> Working in partnership with the community aims to support the co-design of services and improve outcomes. This is particularly important for marginalised community groups. There is still much work to be done to meet the requirements of the Act with many boards still developing engagement strategies.

**79.** The Place Principle, recently introduced by the Scottish Government and COSLA, aims to support collaboration and co-design of places in the community.<sup>25</sup> It supports inclusiveness and sustainable outcomes. Planning and working together with the community is vital to ensure a positive, shared understanding and agreement on future community developments.

**80.** In November 2018, the Scottish Government commissioned an independent review of how NHS Lanarkshire had planned for the redevelopment of Monklands Hospital. Concerns had been raised by elected representatives and members of the public about the level of community engagement and consultation. There were also concerns about the quality of the information used in the planning process, particularly around identifying possible new sites for the hospital. The review found that NHS Lanarkshire had carried out their planning and consultation process well, and in line with existing guidance. Nonetheless, to restore public confidence and trust, it recommended that for the redevelopment, they should follow the Place Principle to create a shared vision with the local community.<sup>26</sup>

**81.** NHS boards should incorporate the Community Empowerment Act principles into their communication and engagement strategies.<sup>27</sup> This will enable a more mature approach to involvement and improve trust and confidence within the community. Providing a range of community groups with a voice will allow a more informed and open conversation about the design and delivery of public services to meet local needs.

### **The development of a national, integrated health and social care workforce plan is overdue**

**82.** Between June 2017 and April 2018, the Scottish Government published three workforce plans, covering the NHS, social care and primary care.<sup>28,29,30</sup> It also intended to develop, with COSLA, a national integrated health and social care workforce plan. This was due to be published in 2018 but has been delayed until 2019.

**83.** IAs have been expected to provide health and social care workforce plans since 2017/18. These should include information about the existing workforce across their health and social care partnership, the expected workforce required in the future and an analysis of workforce supply and demand trends. Not all IAs, however, have produced a plan.

**84.** Health and social care reform includes changes in the way that care is delivered and by whom. To support planning for a different type of workforce, broader analysis is required. This should identify:

- what roles will be needed and how many
- where they are needed and what skills and training are necessary
- what these changes to the workforce will cost.

**85.** Acute hospitals and primary and community care services continue to face increasing workforce shortages. It is unclear if commitments to increase the number of GPs and create new multidisciplinary primary care teams can be achieved in the timescales expected. This is in addition to maintaining acute hospital services and establishing new elective centres. The Scottish Government needs to publish the national, integrated health and social care workforce plan and guidance to inform workforce planning.

## **The Scottish Government should develop a new strategy for health and social care that identifies priorities to support large-scale, system-wide reform**

**86.** The Scottish Government's 2020 Vision is to provide more care closer to home and reduce demand for acute hospital services. This aims to improve patient experience and help achieve the longer-term financial sustainability of the NHS. The successful integration of health and social care is essential for achieving this vision. However, progress has been slow, and the aims of the 2020 Vision are unlikely to be achieved by 2020. NHS boards have been working on a significant number of local improvement projects that may or may not have contributed to these aims.

**87.** The Scottish Government should identify and prioritise which initiatives are most likely to achieve the level of large-scale reform needed. It should use this information to develop a new strategy for health and social care for 2020 onwards. Spreading successful improvements to support the delivery of a new strategy is not always straight forward. NHS boards need to consider how these initiatives will fit within their local circumstances. This can include the need for additional skills and the development of new relationships. Cultural change may also be required to accept new ways of working.<sup>31</sup> NHS boards should be able to demonstrate how they are meeting the priorities of the new strategy and should report progress regularly to the Scottish Government.

## **The Scottish Government and boards still have work to do to improve NHS governance**

**88.** Each NHS board is responsible for ensuring that health services are delivered safely, efficiently and effectively. To support this, NHS boards must have good governance arrangements in place that provide sufficient scrutiny and assurance of financial and operational performance. This year, external auditors found that most NHS boards had adequate governance arrangements in place but found recurring areas of concern. These included the capability and capacity of board members, commitment to transparency, and the quality and timing of information provided for board committee meetings. The Scottish Government is carrying out a range of work aimed at strengthening governance arrangements in NHS boards. This includes piloting a standardised review of corporate governance – NHS Scotland's *A Blueprint for Good Governance* – published in February 2019.<sup>32</sup>

**89.** The blueprint for good governance intends to provide support for NHS board directors to better fulfil their oversight and decision-making role. It aims to create stronger systems and processes for effective scrutiny of performance. The first step in the framework was for NHS boards to conduct a self-assessment to provide a baseline of performance and to identify where improvements were needed. The self-assessment covered five functions of good governance. These are setting the direction, holding to account, assessing risk, engaging stakeholders and influencing culture.

**90.** Results showed that most boards scored themselves as performing well or exceptionally well across all five functions. Boards have developed action plans to address areas for improvement. NHS boards will provide six-monthly reports to the Scottish Government on progress against their agreed action plans. Themes for improvement include:

- board member induction, skills and ongoing training and development
- strengthening risk management arrangements
- standardising corporate governance documents
- improving the timing and quality of reports that are submitted to the board.

**91.** The national-level work to support improvement is being managed via three workstreams:

- corporate governance systems
- attraction and recruitment
- retention and development.

**92.** The blueprint recommends the independent validation of NHS boards in addition to the self-assessments. It is expected that all boards will be independently reviewed over a three-year period. The Scottish Government is currently considering options for the most appropriate way for this to be conducted. The Scottish Government Corporate Governance Steering Group is overseeing activity relating to the framework and workstreams.

### The lack of stable leadership in the NHS is impeding reform

**93.** There has been a significant turnover of senior leadership positions during 2018/19. [Exhibit 15](#) outlines some of these key changes.

## Exhibit 15

Changes in senior leadership appointments across the NHS in Scotland 2018/19



**26 new appointments**  
senior leadership positions

**22 NHS boards**



**5 chief executives**

NHS Grampian, Highland, Orkney, Tayside, and National Waiting Times Centre

**9 board chairs**

NHS Borders (interim), Grampian, Highland (interim), Shetland, Tayside (interim), Western Isles, Scottish Ambulance Service, NHS Education for Scotland and National Waiting Times Centre

**6 new directors of finance**

NHS Forth Valley, Highland (interim), Orkney (interim), Tayside, Western Isles and Scottish Ambulance Service

**6 new medical directors**

NHS Fife, Lanarkshire, Shetland (interim), Tayside (interim), National Services Scotland and NHS 24

**94.** At October 2019, over half of NHS boards in Scotland have senior leaders holding dual positions. Typically, this involves only one member of each board's senior leadership team, although three members of the NHS Grampian Executive Team held positions at NHS Tayside during 2018/19. At NHS Shetland, auditors were concerned that three members of the leadership team found managing dual roles challenging, as responsibilities continue to increase.

**95.** NHS boards are finding it difficult to recruit future leaders. It often takes a long time to appoint people to these positions. Vacancies, interim roles and short tenure can lead to short-term decision-making. This can affect the level of reform and the effective working relationships needed across NHS Scotland. The NHS Leadership Academy suggests that chief executives should stay in post for at least five years, to give organisations the stability they need for effective strategic planning. It is also considered that new chief executives can take 15-32 months to transition into their role.<sup>33</sup>

### **The Scottish Government has improved its approach to senior leadership recruitment and development**

**96.** Greater collaboration and partnership working are needed to support health and social care integration and to improve staff engagement and workplace culture. The Scottish Government recognised that to achieve this, a different style of leadership was required. This was an important factor in the creation of its new leadership development programme called Project Lift.

**97.** Project Lift has introduced a series of changes that have been progressed over the past two years.<sup>34</sup> Project Lift focuses on building positive relationships, respect and kindness. It intends to help people work together more effectively across health and social care services, communities, local authorities and the third sector to improve outcomes. The changes include the following:

- Values-based recruitment: this is a multi-stage recruitment process that includes a competency-based application form, and psychometric tests that are independently analysed and used to set questions for interview and role play. A one-year evaluation is under way and will include feedback from candidates. This process has been extended from only the recruitment of board chairs to now include board members and executive directors.
- A new approach to appraisal: for chairs and deputy chairs, this aims to include 360-degree appraisal by March 2020. The Scottish Government is planning to extend this to non-executive directors. This process aims to support improvements recommended in *A Blueprint for Good Governance* and the Sturrock review.
- A stronger process for induction and professional development: this has been introduced for new non-executive directors and chairs, and NHS Education for Scotland provides mentoring and coaching opportunities.
- A new talent management process: this has been established to help identify and develop future leaders. Individuals complete an online self-assessment and are invited to participate in a supported process of personal and leadership development. Over 1,500 staff from across Scotland have registered with this programme since its launch in 2018.
- Improved engagement across health and social care and the wider public sector: this has included leadership learning events and support to build relationships and cross system, collaborative working.

**98.** Project Lift aims to resolve future recruitment challenges. The Scottish Government should continue to monitor the effectiveness of the initiatives and their impact on recruitment and retention of senior healthcare leaders. However, this is a medium- to long-term solution and there is an immediate need to fill existing senior leadership vacancies on a substantive basis.

## The NHS needs to improve its workplace culture

**99.** In 2013, the Scottish Government published its *Everyone Matters: 2020 Workforce Vision*. It set out the commitment to put people at the heart of delivering high-quality care, to value the workforce and to treat people well .

**100.** In September 2018, four senior doctors from NHS Highland publicly reported problems with bullying and harassment. They reported a long-standing culture of fear and intimidation and an environment where concerns could not be raised in an open and transparent way. As a result of this the Cabinet Secretary for Health and Sport commissioned an independent review to further explore the matters raised.

**101.** John Sturrock QC published his review in April 2019.<sup>35</sup> There was extensive engagement, with input from around 300 NHS Highland staff. Many reported that they had experienced some form of bullying, harassment or inappropriate behaviour that was considered significant and harmful. The review made important immediate and longer-term recommendations that also have wider implications for the NHS in Scotland. We expect all boards and the Scottish Government to respond actively and positively. The recommendations included:

- a requirement for person-centred leadership
- working in partnership and engaging with staff at all levels
- improvements in governance
- improvements in the management of human resources processes.

**102.** The Scottish Government has committed to supporting improvements across NHS Scotland as a result of the Sturrock review.<sup>36</sup> Several initiatives are being put in place to support a safe, open and honest workplace culture. These include the following:

- The establishment of a ministerial-led short-life working group to ensure that the recommendations from the report are implemented.
- A review of all workplace policies, including bullying and harassment, conduct, and grievance and the development of a single workforce investigation policy.
- The formation of new legislation to establish an Independent National Whistleblowing Officer for NHS Scotland. This will form part of the Scottish Public Services Ombudsman role and will have the authority to investigate the way that whistleblowing complaints are handled and will make recommendations and report to the Scottish Parliament.
- Each NHS board appoints a whistleblowing champion as part of the role of one of their non-executive directors.



### NHS Scotland values

- Care and compassion
- Dignity and respect
- Openness, honesty and responsibility
- Quality and teamwork

**103.** The Scottish Government is seeking assurance that all boards are considering the outcomes and recommendations from the Sturrock review. Given the importance of this issue across NHS Scotland, the Scottish Government should ensure that all NHS boards:

- provide evidence that they actively promote positive workplace behaviours and encourage reporting of bullying and harassment
- have action plans in place to improve culture, address any issues identified and use the findings of the Sturrock review to inform continual cultural improvement.

**104.** The Scottish Government should consider what it can do to support NHS boards with this and whether a national cultural reform programme is required.

### **Senior leaders should consider how they can improve engagement with front-line staff**

**105.** The everyone matters: 2020 workforce vision led to the introduction of the iMatter survey in 2015.<sup>37</sup> This staff experience survey was designed to help individuals, teams and health boards understand the extent to which employees feel motivated, supported and cared for at work.

**106.** The response rate for the 2018 survey was 59 per cent.<sup>38</sup> This was less than the response rate in 2017, at 63 per cent. An employee engagement index (EEI) score is provided when there is a response rate of 60 per cent. Therefore, a national EEI score for health and social care was not published as part of the national report. In 2018, 13 boards, only five of which were territorial, received an organisational EEI score compared with 19 in 2017. The Scottish Government has commissioned an independent academic review to identify reasons for the reduction in response rate and to recommend ways to improve participation.

**107.** The results of the 2018 national report showed that staff were clear about their work and had confidence in their line manager. Areas that were rated lower included how well staff were involved in decision-making and the visibility of senior leaders. The areas where responses scored lowest align with some of the important leadership and cultural issues discussed in this report.

**108.** The iMatter survey does not contain questions specifically relating to culture such as bullying and harassment. This is covered in the biennial Dignity at Work Survey, last conducted in 2017.<sup>39</sup> Those results showed an increase in the proportion of staff experiencing bullying. Nine per cent of staff experienced bullying from their manager compared with eight per cent in 2015. Fifteen per cent of staff experienced bullying from a colleague compared with 13 per cent in 2015.

**109.** The Scottish Government should consider incorporating questions relating to organisational culture and behaviour within a single annual staff survey. This will enable the Scottish Government to monitor staff experience and the status of organisational culture and behaviour across the NHS. This will also avoid the requirement to conduct, analyse and report on two separate surveys. There are examples of public-sector surveys that include a combination of such questions.

# Endnotes



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- 27 [Principles for community empowerment](#) , Auditor General, July 2019.
- 28 *National health and social care workforce plan: part 1*, Scottish Government, June 2017.
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- 36 *The Scottish Government response to the Sturrock Review into cultural issues related to allegations of bullying and harassment in NHS Highland*, Scottish Government, May 2019.
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- 38 *Health and social care staff experience report 2018*, Scottish Government, February 2019.
- 39 *Health and social care staff experience: report 2017*, Scottish Government, March 2018.

# Appendix 1

## Audit methodology



This is our annual report on how the NHS in Scotland is performing. Our audit assessed how well the NHS managed its finances and performance against targets in 2018/19 and how well the NHS is adapting for the future.

Our findings are based on evidence from sources that include:

- the audited annual accounts and auditors' reports on the 2018/19 audits of the 22 NHS boards
- Audit Scotland's national performance audits
- NHS boards' Annual Operational Plans which set out how boards intend to deliver services to meet performance indicators and targets, and indicative spending plans for the next three years
- activity and performance data published by ISD Scotland, part of NHS National Services Scotland
- publicly available data and information on the NHS in Scotland including results from staff and patient surveys
- interviews with senior officials in the Scottish Government and a sample of NHS boards.

We reviewed service performance information at a national and board level. Our aim was to present the national picture and highlight any significant variances between boards. We focused on a sample of key targets and standards, covering some of the main activities of the NHS. Where we have used trend information, we have selected a time period where information is most comparable. Information about the financial performance of the NHS is included in [Appendix 2 \(page 43\)](#).

# Appendix 2

## Financial performance 2018/19 by NHS board



Board	Core revenue outturn (£m)	Total savings made – Annual Audit Report (£m)	Non-recurring savings in Annual Audit Report (%)	NRAC: distance from parity (%)
Ayrshire and Arran	796.6	32.0	43	-0.8
Borders	237.7	15.2	56	1.1
Dumfries and Galloway	343.2	17.3	74	2.8
Fife	706.8	20.0	80	-0.8
Forth Valley	568.8	18.4	38	-0.8
Grampian	1,035.1	17.3	72	-0.8
Greater Glasgow and Clyde	2,404.3	93.0	60	1.8
Highland	714.6	26.2	36	-0.8
Lanarkshire	1,271.9	28.8	40	-0.8
Lothian	1,535.1	27.1	44	-0.8
Orkney	58.7	2.9	98	-0.4
Shetland	59.3	3.8	58	-0.4
Tayside	848.7	32.0	34	-0.8
Western Isles	83.8	2.2	55	11.3
National Waiting Times Centre	71.1	4.3	35	
NHS 24	65.0	2.1	35	
NHS Education Scotland	464.4	14.6	52	
NHS Health Scotland	19.5	0.4	0	
NHS National Services Scotland	466.9	18.5	23	
Healthcare Improvement Scotland	29.4	2.6	78	
Scottish Ambulance Service	251.8	9.9	29	
The State Hospital	32.8	1.8	80	

Source: Scottish Government Consolidated accounts, 2019. Annual Audit Reports and Financial Performance Reports, 2019. Information on NRAC parity by board, Technical Advisory Group for Resource Allocation, 2019

# Appendix 3

Annual performance against key waiting times standards in 2018/19 by NHS board



Health board	18 weeks referral to treatment time	A&E attendees seen within four hours	CAMHS patients seen within 18 weeks	Patients starting cancer treatment within 31 days of decision
	standard = 90%	standard = 95%	standard = 90%	standard = 95%
Ayrshire and Arran	⊗ 79.0	⊗ 92.2	✓ 92.3	✓ 98.9
Borders	✓ 90.4	⊗ 93.6	⊗ 56.9	✓ 100.0
Dumfries and Galloway	⊗ 89.0	⊗ 92.6	⊗ 85.1	✓ 96.8
Fife	⊗ 79.0	✓ 95.2	⊗ 76.0	✓ 95.6
Forth Valley	⊗ 83.4	⊗ 86.1	⊗ 70.8	✓ 96.8
Grampian	⊗ 65.0	⊗ 94.4	⊗ 44.3	⊗ 91.6
Greater Glasgow and Clyde	⊗ 84.4	⊗ 90.3	⊗ 80.7	⊗ 94.6
Highland	⊗ 80.7	✓ 96.5	⊗ 82.3	⊗ 93.9
Lanarkshire	⊗ 85.7	⊗ 90.8	⊗ 70.9	✓ 98.6
Lothian	⊗ 72.0	⊗ 85.9	⊗ 62.8	⊗ 94.3
Orkney	✓ 93.1	✓ 95.7	✓ 95.0	✓ 96.2
Shetland	⊗ 83.6	✓ 96.3	✓ 95.0	✓ 98.5
Tayside	⊗ 76.3	✓ 97.5	⊗ 43.5	⊗ 92.7
Western Isles	✓ 90.7	✓ 98.9	✓ 95.0	✓ 100.0
<b>Scotland</b>	⊗ <b>80.2</b>	⊗ <b>91.2</b>	⊗ <b>70.7</b>	✓ <b>95.0</b>

✓ Standard met

⊗ Standard missed

Health board	Patients starting cancer treatment within 62 days of referral	Outpatients waiting less than 12 weeks following first referral	Day case or inpatients who waited less than 12 weeks for treatment	Drug and alcohol patients seen within three weeks
	standard = 95%	standard = 95%	standard = 100%	standard = 90%
Ayrshire and Arran	⊗ 84.6	⊗ 82.4	⊗ 83.9	✓ 98.6
Borders	⊗ 93.3	✓ 96.8	⊗ 78.4	✓ 95.3
Dumfries and Galloway	⊗ 92.0	✓ 95.9	⊗ 83.7	✓ 94.6
Fife	⊗ 85.4	✓ 98.2	⊗ 70.5	✓ 96.5
Forth Valley	⊗ 81.8	⊗ 88.2	⊗ 60.3	✓ 98.4
Grampian	⊗ 78.9	⊗ 64.9	⊗ 54.7	✓ 91.4
Greater Glasgow and Clyde	⊗ 77.1	⊗ 74.6	⊗ 77.3	✓ 94.8
Highland	⊗ 80.3	⊗ 84.7	⊗ 57.7	⊗ 87.8
Lanarkshire	✓ 95.9	⊗ 89.7	⊗ 63.3	✓ 97.9
Lothian	⊗ 81.0	⊗ 65.1	⊗ 77.2	⊗ 80.5
Orkney	⊗ 89.2	⊗ 78.9	⊗ 83.0	✓ 97.9
Shetland	⊗ 78.2	⊗ 71.2	⊗ 88.1	✓ 96.0
Tayside	⊗ 84.8	⊗ 62.7	⊗ 67.5	✓ 90.6
Western Isles	⊗ 83.3	⊗ 91.6	✓ 100.0	⊗ 89.3
<b>Scotland</b>	⊗ <b>82.5</b>	⊗ <b>75.0</b>	⊗ <b>72.2</b>	✓ <b>93.6</b>

 Standard met
  Standard missed

Sources: Child and Adolescent Mental Health Services: waiting times, workforce and service demand, ISD Scotland, June 2019; National drug and alcohol treatment waiting times, ISD Scotland, June 2019; 18 weeks referral to treatment: ISD Scotland, May 2019; New outpatient appointment: waiting times for patients waiting at month end, census date at 31 March 2019, ISD Scotland, May 2019; Inpatient or day case admission: waiting times for patients seen, ISD Scotland, May 2019; Accident and emergency: attendances and time in department, ISD Scotland, June 2019; Performance against the 62-day standard from receipt of an urgent referral with suspicion of cancer to first treatment by NHS board, ISD Scotland, June 2019; Performance against the 31-day standard from date decision to treat to first cancer treatment by NHS board, ISD Scotland, June 2019

# NHS in Scotland 2019

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