

HIS Public Board Meeting

Wed 29 June 2022, 10:30 - 14:55

MS Teams

Agenda

10:30 - 11:20 **1. OPENING BUSINESS**

50 min


1.1. Welcome and apologies

10.30 *Chair*

1.2. Register of Interests

10.35 *Chair*

Paper


 Item 1.2 Register of Interests.pdf (2 pages)

 Item 1.2 Appendix 1.pdf (5 pages)

1.3. Minutes of the Board meeting held on 23 March 2022

10.40 *Chair*

Paper

 Item 1.3 Public Board Minutes.pdf (13 pages)

1.4. Action points from the Board meeting on 23 March 2022

Chair

Paper

 Item 1.4 Action Point Register.pdf (1 pages)

1.5. Chair's Report

10.45 *Chair*

Paper

 Item 1.5 Chairs Report.pdf (3 pages)

1.6. Executive Update

10.55 *Chief Executive*


Papers

1.6.1. Executive Report

 Item 1.6.1 Executive Report.pdf (15 pages)

1.6.2. Covid-19 Inquiry Update

 Item 1.6.2 Covid Inquiry.pdf (3 pages)

 Item 1.6.2 Appendix 1.pdf (3 pages)

11:20 - 12:05 **2. SETTING THE DIRECTION**

45 min

2.1. HIS Future Strategy Consultation Feedback

11.20 *Chief Executive*

Paper

 Item 2.1 Strategy Consultation Update.pdf (4 pages)

2.2. COVID-19 Latest Operational Update

11.40 *Director of Finance, Planning and Governance*

Verbal

11.45 -11.50 Screen break

2.3. Workforce Plan 2022-25 Overview

11.50 *Director of Workforce*

Paper

 Item 2.3 Workforce Plan 2022-25.pdf (4 pages)

12:05 - 12:15 3. ASSESSING RISK


10 min


3.1. Risk Management: strategic risks

12.05 *Director of Finance, Planning and Governance*

Paper

 Item 3.1 Risk Management.pdf (3 pages)

 Item 3.1 Appendix 1.pdf (8 pages)

 Item 3.1 Appendix 2.pdf (1 pages)

12:15 - 14:00 4. HOLDING TO ACCOUNT – including FINANCE AND RESOURCE

105 min

4.1. Annual Accounts 2021-22


12.15

Papers

4.1.1. Draft Annual Accounts 2021-22

Director of Finance, Planning and Governance

 Item 4.1.1 Draft Annual Report and Accounts 2022 3.2.pdf (120 pages)

 Item 4.1.1 Accounts Movement Schedule.pdf (1 pages)

4.1.2. External Audit: Report to the Board and Auditor General for Scotland on the 2021-22 Audit

Deloitte


 Item 4.1.2 ISA 260 2021-22.pdf (36 pages)

4.1.3. Audit Assurance Letters

Director of Finance, Planning and Governance/Chair, Audit and Risk Committee

 Item 4.1.3 Assurance Letters Cover Paper.pdf (2 pages)

 Item 4.1.3 Appendix 1 Significant Issues.pdf (1 pages)

 Item 4.1.3 Appendix 2 Representation.pdf (4 pages)

4.2. Whistleblowing Champion Annual Report

12.40 *Whistleblowing Champion*

Paper

 Item 4.2 Whistleblowing Annual Report.pdf (3 pages)


12.45 – 13.30 Lunch break

4.3. Organisational Performance Report Quarter 4

13.30 *Director of Finance, Planning and Governance*

Paper


 Item 4.3 Performance Report.pdf (2 pages)

 Item 4.3 Appendix 1.pdf (1 pages)

4.4. Financial Performance Report

13.40 *Director of Finance, Planning and Governance*

Paper


 Item 4.4 Financial Performance Report.pdf (3 pages)

4.5. Workforce Report

13.50 *Director of Workforce*

Paper

 Item 4.5 Workforce Report.pdf (2 pages)

 Item 4.5 Appendix 1.pdf (9 pages)


14:00 - 14:15 5. ENGAGING STAKEHOLDERS 15 min

5.1. Communications Strategy

Head of Communications

Paper

 Item 5.1 Communications Strategy.pdf (2 pages)


 Item 5.1 Appendix 1.pdf (7 pages)


14:15 - 14:50 6. GOVERNANCE 35 min

6.1. Governance Committee Annual Reports 2021-22

14.15 *Director of Finance, Planning and Governance*

Paper

 Item 6.1 Committee Annual Reports.pdf (2 pages)

 Item 6.1 Appendix 1.pdf (2 pages)

6.2. Code of Corporate Governance

14.25 *Director of Finance, Planning and Governance*

Paper

 Item 6.2 Code of Corporate Governance.pdf (4 pages)

 Item 6.2 Appendix 1.pdf (69 pages)

6.3. Governance Committee Chairs: key points from the meeting on 13 April 2022

14.35 *Chair*

Paper

 Item 6.3 Governance Chairs Key Points.pdf (1 pages)

6.4. Audit and Risk Committee: key points from the meeting on 23 June 2022; approved minutes from the meeting on 16 March 2022

Committee Chair

Paper

 Item 6.4 ARC Key Points.pdf (1 pages)

6.5. Quality and Performance Committee: key points from the meeting on 18 May 2022 and approved minutes from the meeting on 23 February 2022

Committee Chair

Paper

 Item 6.5 QPC Key Points.pdf (1 pages)

6.6. Scottish Health Council Committee: key points from the meeting on 19 May 2022 and approved minutes from the meeting on 17 February 2022

Chair of the Scottish Health Council

Paper

 Item 6.6 SHCC Key Points.pdf (1 pages)

6.7. Staff Governance Committee: key points from the meeting on 11 May 2022 and approved minutes from the meeting on 9 March 2022

Committee Chair

Paper

 Item 6.7 SGC Key Points.pdf (1 pages)

6.8. Succession Planning Committee: key points from the meeting on 15 June 2022 and approved minutes from the meeting on 25 January 2022

Chair

Paper

 Item 6.8 SPC Key Points.pdf (1 pages)

14:50 - 14:55 **7. ANY OTHER BUSINESS**
5 min

14:55 - 14:55 **8. DATE OF NEXT MEETING**
0 min

The next meeting will be held on 28 September 2022

Healthcare Improvement Scotland

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| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | Register of Interests |
| Agenda item: | 1.2 |
| Responsible Executive/Non-Executive: | Angela Moodie, Director of Finance, Planning and Governance |
| Report Author: | Pauline Symaniak, Governance Manager |
| Purpose of paper: | Decision |

1. Situation

The current version of the Register of Interests for Board members, the co-opted committee member and senior staff members within HIS is attached at appendix 1. It requires appropriate scrutiny and is presented to each Board meeting for that purpose.

2. Background

Board members have a responsibility to comply with the HIS Code of Conduct which mirrors the Standards Commission Model Code of Conduct for Members of Devolved Bodies. This requires that declarations of interests are made and that these are held on a central Register of Interests which is published on the website.

3. Assessment

The Code of Conduct requires Board members to review their entries in the Register of Interests and confirm compliance with the Code. They have a responsibility to notify any change to their entry within one month of it occurring. Please notify changes through the Board Admin email address HIS.BoardAdmin@nhs.scot.

The categories of the interests set out in Appendix 1 have been updated to align with the new HIS Code of Conduct approved by the Board in May 2022. The Standards Commission guidance notes accompanying the new Model Code state that the Register covers those interests in place during a member's whole term of office with a note of dates when the interest was active. Therefore work will commence on the HIS Register of Interests to update the format in line with this guidance.

Assessment considerations

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| Quality/ Care | The Register of Interests is one means of preventing bribery and corruption. This ensures that strategic decisions made about the services delivered and their quality, are taken on the basis of securing the best outcomes for stakeholders. |
| Resource Implications | There are no direct financial impacts as a result of this paper. The Register ensures transparency in financial decisions. |
| | The Register of Interests is one way that we ensure transparency in decision making. This supports an open culture in the organisation which in turn promotes staff wellbeing. |
| Risk Management | There are no risks in respect of the Register recorded on the risk database. The Register is scrutinised at Board meetings and is presented within the Annual Report and Accounts. In addition, at the start of Board and Committee meetings, the Chair will remind members to declare any interests relevant to the discussions. These steps reduce the risk that the Register will be inaccurate or not fulfil its purpose. |
| Equality and Diversity, including health inequalities | There are no additional impacts. The Register is part of good corporate governance which supports the best outcomes for stakeholders. |
| Communication, involvement, engagement and consultation | The Register was last considered by the Board at its meeting on 23 March 2022. As it's an internal governance tool, no other engagement is required. The Register is available on the website and is updated quarterly once it has been considered at the Board meeting. |

4 Recommendation

The Board is asked to scrutinise the Register of Interests as at June 2022 and approve it for publication on the website.

5 Appendices and links to additional information

The following appendices are included with this report:

- Appendix 1, Register of Interests

REGISTER OF INTERESTS – BOARD MEMBERS, EXECUTIVE TEAM AND SENIOR STAFF: Financial year 2022/23

| NAME | CATEGORY | INTEREST | Date interest commenced (if in FY 2022/23) |
|--|-----------------|---|---|
| CHAIR | | | |
| Carole Wilkinson | 1 | *Lay Member, General Teaching Council | |
| | 1 | Board Member, Care Inspectorate | |
| | 1 | **Ad hoc advice and consultancy work for David Nicholl, On Board Training | |
| | 1 | Vice Chair of NHS Board Chairs Group | |
| Note: *Remuneration available but not claimed / ** Remuneration is a small hourly fee | | | |
| NON-EXECUTIVE BOARD MEMBERS | | | |
| Jackie Brock | 1 | Chief Operations Officer at The Promise Scotland | Ended 28 February 2022 |
| | 8 | Chair, Independent Child Protection Advisory Group, Scottish Football Association | Ended 31 August 2021 |
| | 8 | Appointed to the National Community Lottery Scotland Committee | |
| Keith Charters | 1 | Director & Owner, Strident Publishing Limited | |
| | 1 | Self-employed as author, presenter & book event chair (trading as Keith Charters) | |
| | 9 | Wife is employed by NHS Greater Glasgow & Clyde in a non-managerial, clinical Allied Health Professional role | |
| | 8 | Trustee, East Kilbride Athletic Club SCIO | |
| Suzanne Dawson | 8 | Director and Charity Trustee, Eastgate Theatre & Arts Centre | |
| | 9 | Brother in temporary administrative post in NHS Borders | |

| NAME | CATEGORY | INTEREST | Date interest commenced (if in FY 2022/23) |
|----------------|----------|---|--|
| | 8 | Charity Trustee, Borders Further Education Trust | |
| | 8 | Fellow of Chartered Institute of Marketing | |
| | 8 | Member of Law Society of Scotland Admissions Sub-Committee | |
| Paul Edie | 1 | Chair of the Care Inspectorate | |
| | 1 | Non Executive Member of the Scottish Social Services Council | |
| | 8 | Member of the Scottish Liberal Democrats | |
| | 1 | Board Member of Scottish Police Authority | |
| Gill Graham | | No declared interests | |
| Nicola Hanssen | 1 | Director of Hensikt Consulting | |
| | 1 | Tayside NHS Volunteering Scoping Exercise funded by NHS Tayside NHS Trust to VHS who contracted Hensikt Consulting to undertake the work. | |

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| Rhona Hotchkiss | 9 | Partner is a Non-executive Director at NHS Ayrshire & Arran and Vice Chair of the Golden Jubilee National Hospital | |
| | 8 | Trustee and Associate Fellow of The Queen's Nursing Institute Scotland | |
| | 8 | Board Member, North Ayrshire Women's Aid | |
| Christine Lester | 1 | Member, Accounts Commission | |
| | 8 | Volunteer Adviser, Citizens Advice Bureau | |
| Evelyn McPhail | 8 | Governor – Fife College | |
| | 8 | Fellow of the Royal Pharmaceutical Society | |
| | 8 | Registration with the General Pharmaceutical Council | |
| Duncan Service | 1 | Evidence Manager, SIGN | |
| | 8 | Director and Company Secretary, SHU East District Ltd | |
| | 8 | UNISON Steward | |
| | 8 | Treasurer, Guidelines International Network (G-I-N) | |
| | 8 | Co-Chair, UK Grade Network | |
| Dr Abhishek Agarwal – Co-opted Member of the Quality and Performance Committee | 1 | Associate Professor, Edinburgh Napier University | |
| | 1 | External Examiner, University College London | |
| | 2 | Board Chair, Grampian Housing Association | |
| | 5 | Owner of residential properties (not relevant to role with HIS) | |
| | 8 | Member of The Educational Institute of Scotland | |
| EXECUTIVE BOARD MEMBER | | | |
| Robbie Pearson | 1 | Chief Executive, Healthcare Improvement Scotland | |
| | 9 | Sister-in-law is nurse at St Columba's Hospice (regulated by HIS) | |
| | 8 | Vice Chair, NHS Board Chief Executives Group | |
| | 8 | Chair, NHS Scotland Planning Board | |
| | 8 | National Boards Implementation Lead | |

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| | 9 | Nephew's wife is a paediatrician working in NHS Greater Glasgow and Clyde. | |
| SENIOR STAFF MEMBERS | | | |
| Sybil Canavan | 1 | Director of Workforce | |
| | 8 | Member of Unite (Trade Union) | |
| | 9 | Spouse is employed as a Bank Emergency Ambulance Driver with the Scottish Ambulance Service | April 2022 |
| Lynsey Cleland | 1 | Director of Quality Assurance | |
| | 8 | *Lay Member, General Teaching Council for Scotland | |
| Note: *Remuneration available but not claimed. | | | |
| Ruth Glassborow | 1 | Director of Improvement | |
| | 8 | GenerationQ Fellow with Health Foundation | |
| | 8 | Member of Managers in Partnership (MiP) Union | |
| | 8 | Sciana Network Alumni* | |
| | 8 | Member of The Promise Oversight Board | |
| Note: *Participation is funded by the Health Foundation. | | | |
| Ann Gow | 1 | Director, Nursing, Midwifery and Allied Health Professionals | |
| | 8 | Member of Royal College of Nursing (RCN) | |
| | 8 | Fellowship of the Queen's Nursing Institute | |
| | 8 | Chair of Scottish Executive Nurse Directors group | |
| | 8 | Professional advisor to the RCN Foundation grants committee | |
| Ruth Jays | 1 | Director of Community Engagement | |
| | 8 | Seconded from the Scottish Government Health Directorates, previously Unit Head of the Person Centred and Participation Unit | |
| | 8 | Member of Prospect Union | |
| | 9 | Spouse is Head of Public Affairs and Strategic Communications at the British Medical Association Scotland | |
| Angela Moodie | 1 | Director of Finance, Planning and Governance | |
| | 8 | Trustee and Treasurer of Edinburgh Napier Students' Association | |
| | 6 | Director and 50% shareholder in Moodie Properties Ltd | |

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| Safia Qureshi | 1 | Director of Evidence | |
| | 9 | Spouse is CTO and VP Technology Innovation, Innovation & Technology Group, Leonardo MW Ltd | |
| Simon Watson | 1 | Medical Director | |
| | 8 | Honorary Consultant Physician, NHS Lothian Health Board | |
| | 8 | *Recently Director NHS Lothian Health Board, attending Board Meetings (April 2016-April 2020) | |
| | 8 | *Recently Consultant Physician, NHS Lothian Health Board (December 2008-April 2020) | |
| | 9 | Married to Consultant Physician, NHS Lothian Health Board | |
| | 8 | Fellow of the Royal College of Physicians of Edinburgh | |
| | 8 | Member of the British Medical Association | |
| | 8 | Member of the UK Renal Association | |
| | 8 | Member of the American Society of Nephrologists | |
| | 8 | Section Leader, UK Scout Association (voluntary work) | |
| | 8 | Honorary member of the University of Edinburgh Medical Education Faculty, providing clinical teaching to students | |
| | 8 | Honorary member of the University of Edinburgh Medical Education Faculty, providing clinical teaching to students | |

Explanation of Categories

| Category Number | Category Type |
|-----------------|----------------------------|
| 1 | Remuneration |
| 2 | Other Roles |
| 3 | Contracts |
| 4 | Election Expenses |
| 5 | Houses, Land and Buildings |
| 6 | Shares and Securities |
| 7 | Gifts and Hospitality |
| 8 | Non-Financial Interests |
| 9 | Close Family Members |

MINUTES – Draft

Public Meeting of the Board of Healthcare Improvement Scotland

Date: 23 March 2022

Time: 10.30 – 14.20

Venue: MS Teams Videoconference

Present

Carole Wilkinson, Chair

Jackie Brock, Non-executive Director

Keith Charters, Non-executive Director

Suzanne Dawson, Non-executive Director

Dr Zoë M Dunhill MBE, Non-executive Director

John Glennie OBE, Non-executive Director

Gill Graham, Non-executive Director

Nicola Hanssen, Non-executive Director

Christine Lester, Non-executive Director

Evelyn McPhail, Non-executive Director

Robbie Pearson, Chief Executive

Duncan Service, Non-executive Director

In Attendance

Sybil Canavan, Director of Workforce

Lynsey Cleland, Director of Community Engagement

Ruth Glassborow, Director of Improvement

Ann Gow, Deputy Chief Executive/Director of Nursing, Midwifery and Allied Health Professions (NMAHP)

Ben Hall, Head of Communications

Ruth Jays, Interim Director of Community Engagement

Angela Moodie, Director of Finance, Planning and Governance

Lynda Nicholson, Head of Corporate Development

Safia Qureshi, Director of Evidence

Simon Watson, Medical Director

Apologies

Paul Edie, Non-executive Director

Rhona Hotchkiss, Non-executive Director

Board Support

Pauline Symaniak, Governance Manager

Declaration of interests

Declaration(s) of interests raised are recorded in the details of the minute.

Registerable Interests

All Board members and senior staff are required to review regularly and advise of any updates to their registerable interests within one month of the change taking place. The register is available on the Healthcare Improvement Scotland website.

| 1. | OPENING BUSINESS | <u>ACTION</u> |
|------------|--|----------------------|
| 1.1 | Chair's welcome and apologies | |
| | <p>The Chair opened the public meeting of the Board by extending a warm welcome to all in attendance, including those in the public gallery.</p> <p>The Chair asked the meeting to note that a minute's silence will be observed during the meeting to join the country in reflecting on the second anniversary of the first coronavirus pandemic lockdown.</p> <p>The Chair also asked the meeting to note that a new style of board paper had been introduced for this meeting and feedback on it is welcome.</p> <p>Apologies were noted as above.</p> | |
| 1.2 | Register of Interests | |
| | <p>The Chair asked the Board to note the importance of the accuracy of the Register of Interests and that changes for the Register must be provided to the Planning and Governance Office within one month of them occurring. Any interests should be declared that may arise during the course of the meeting.</p> <p>The register was approved for publication on the website.</p> | |
| 1.3 | Minutes of the Public Board meeting held on 8 December 2021 | |
| | <p>The minutes of the meeting held on 8 December 2021 were accepted as an accurate record.</p> | |
| 1.4 | Action points from the Public Board meeting on 8 December 2021 | |
| | <p>The action point register was reviewed and the updates against each action accepted.</p> <p>The Chair advised that there was one matter arising which related to the Redress Scheme for Survivors of Historical Child Abuse. Due to urgent timescales the Board had received for consideration by email a paper setting out the proposal that HIS participates in the scheme. This is in line with other NHS Boards in Scotland. The Board approved the proposal.</p> | |
| 1.5 | Chair's Report | |
| | <p>The Board received a report from the Chair updating them on recent strategic developments, governance matters and stakeholder engagement. The Chair highlighted the following points:</p> <ul style="list-style-type: none"> a) A revised Code of Conduct will require Board consideration and approval by email due to the timelines falling between Board meetings. b) The report seeks approval by the Board for the appointment of new Chairs for the Audit & Risk Committee and the Quality & Performance Committee given that those currently fulfilling the Chair roles will reach the end of their appointments on 31 May 2022. c) The advert for the upcoming Board vacancies is live and an online information session will be held for interested candidates. <p>In response to questions from the Board, the following clarification was provided:</p> <ul style="list-style-type: none"> d) Regarding the Covid-19 public inquiry, HIS will respond in the | |

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| | <p>same way as other public bodies.</p> <p>e) The social care resilience meeting featured a broad range of attendees from across the health and care system. The meeting provided an opportunity to begin discussions about system recovery. However, given the large attendance, there were not detailed actions agreed on the day but there will now be follow up by the Cabinet Secretary. One key message was the need for system redesign as well as recovery to enable future challenges to be met.</p> <p>The Board noted the report and approved the appointments of the two Committee Chairs noted above.</p> | |
| 1.6 | Executive Report | |
| | <p>The Board received a report from the Chief Executive and the Executive Team providing information on headline issues and key operational developments.</p> <p>The Chief Executive highlighted the following points:</p> <ul style="list-style-type: none"> a) Regarding the Centre for Sustainable Delivery, the mapping of work programmes is complete and has identified areas for consolidation of our work. The Scottish Health Technologies Group are supporting the Centre with work on innovation. b) The National Care Service consultation has concluded but there are no further developments to report at this time. Legislation is expected in June. c) The Scottish Mental Health Law Review is an important piece of work. The Chief Executive and Director of Quality Assurance attended a stakeholder meeting and a consultation will be live shortly. d) We have delivered quality improvement work with NHS Lothian looking at improvements in unscheduled and urgent care. A presentation on this will be provided to a future Board session with NHS Lothian representatives invited to attend. e) The organisation's new ways of working will launch on 4 April 2022. <p>In response to questions from the Board, the Chief Executive and Executive Team provided the following additional information:</p> <ul style="list-style-type: none"> f) Regarding the volunteering role to support patients who are fit to be discharged and don't need a discharge package, we are working closely with territorial boards on this to avoid any risk for volunteers or for HIS. g) Learning from the quality improvement work with NHS Lothian is already being captured and shared across the wider system. A lot of the work focussed on relational aspects and helping staff to have confidence to identify an issue then proceed with making a change. The work takes account of the local context and the fact that as well as services being under enormous pressure, staff are feeling tired. h) The Scottish Medicines Consortium balances demand and capacity by managing time and priorities. The capacity of the team is understood and an overview is maintained of changing priorities. i) Regarding NMAHP student placements, the lack of practice assessors and supervisors in HIS means that our placements are | <p>Director of Improvement</p> |

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| | <p>part of that of other Boards. The plan in future is to develop more assessors and supervisors from within our staff.</p> <p>j) The key challenges set out in the IT section of the report reflect the paper being written prior to having a business case to address the issues. This will be covered later in the agenda.</p> <p>k) Senior leadership is often needed in the ihub work programmes because improvement support needs to be agile and adaptable, especially in the context of the Covid-19 pandemic. This means that the work being delivered by teams often needs to change and this change of direction needs senior leadership input. The hope is that a number of programmes will reach maturity but the reality is that the context keeps changing. Where possible, programmes will be adapted rather than designed new but the change is often significant so the challenge is ongoing.</p> <p>l) Further information will be provided to the Board on whether volunteers were used to maximum capability during the pandemic.</p> <p>m) Regarding the new inspection methodology, it is largely observational due to the current pressures in the system but we are confident that we are obtaining an appropriate level of assurance. Going forward it will be important to triangulate data that is not currently available and to continue to evolve the methodology to reflect the context in which the organisation operates. The benefits that were identified from the adaptations made during the pandemic will be retained.</p> <p>The Board examined in detail the report from the Executive Team and the additional information provided above, and were content with the information reported.</p> | <p>Director of Community Engagement</p> |
| <p>2.</p> | <p>SETTING THE DIRECTION</p> | |
| <p>2.1</p> | <p>COVID-19 Latest Operational Update</p> | |
| | <p>The Director of Finance, Planning and Governance who is lead for the Covid-19 response, provided a verbal update on the latest developments in the pandemic response and highlighted the following:</p> <p>a) Restrictions continue to change and the Omicron variant is now dominant. The overall number of Covid hospital admissions is high but there is less impact on intensive care and the death rate. There remain significant capacity issues in the health and care system.</p> <p>b) The organisation starts its new ways of working on 4 April with the Delta House, Gyle Square and some Community Engagement offices re-opening. A more cautious approach is being adopted relative to Scottish Government guidance such that 1m social distancing will be maintained.</p> <p>c) There are rising cases amongst staff, a slight increase in absences and more carers leave being used. This will be closely monitored.</p> <p>In response to a question from the Board, it was advised that data is not to hand about the number of hospital admissions which are primarily for covid-related disease relative to those admissions in which the presence of covid-19 is incidental. This information will be sought and provided to the Board. The additional pressure on services arises from staff shortages due to covid-19 or due to covid-19 exacerbating other</p> | <p>Director of Finance, Planning and Governance</p> |

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| | <p>conditions.</p> <p>The Board considered the latest position and were assured by the actions in place to continue to work within the context of the pandemic.</p> | |
| 2.2 | INTEGRATED PLANNING | |
| 2.2.1 | Integrated Planning 2022-23 | |
| | <p>The Director of Finance, Planning and Governance provided a paper which set out the budget and the work plan for 2022-23, as well as a five year financial plan. The following points were highlighted:</p> <ul style="list-style-type: none"> a) The budget is in line with the Scottish Government funding allocation of £31.6m which includes a 1% tolerance. b) There is a 10% increase in the baseline whole time equivalents (WTEs) but a 40% increase in additional allocations WTE, bringing total spend on allocations to £6.7m. Further additional allocations are in the pipeline and confirmation of some of the allocations has been received since the paper was written. Additional Allocations remain an area of risk in achieving a balanced budget next year. c) Areas of investment will be delivered on a phased approach with regular check points. This will allow activity to pause if needed and will help to balance risks or react to any underspend. d) One of the actions to achieve recurring savings is to streamline processes and the impact of this will be to reduce pay costs. This will bring benefits in subsequent years. e) The five year financial plan provided in the paper includes several known assumptions. f) The paper was considered in detail by the Audit & Risk Committee and they noted two areas of concern: only one recurring savings initiative has been identified in the budget and the reliance on the People and Workforce Directorate to deliver significant levels of recruitment. <p>The Chair of the Audit & Risk Committee stated that the Committee were content with the financial plans for 2022-23 and with the investment in IT infrastructure. However, they were concerned that the IT investment would prevent the achievement of a balanced budget if savings were not found elsewhere to cover this spend.</p> <p>The HIS Chair asked the Board to note that the budget needs to be as ambitious as our future strategy and that External Audit are supportive of the production of a five year financial plan. The Executive Remuneration Committee will review the Directors' objectives for 2022-23 to ensure they include delivery of a balanced budget and making recurring savings.</p> <p>There then followed detailed questioning by the Board which brought out the following additional points:</p> <ul style="list-style-type: none"> g) Streamlining activities can bring positive outcomes where staff are on board with the work. There is already a priority list of processes to examine and the Staff Governance Committee will maintain oversight. There likely will not be a reduction in headcount but rather a reduction in the need for future recruitment. h) Regarding the assumption about the rate of staff turnover, the budget avoids setting the attrition rate too high as the organisation doesn't want to lose staff. It is a risk area and it will be monitored. | |

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| | <p>i) Regarding recurring savings, the costs detailed are external costs only and do not include staff from the Internal Improvement Oversight Board or subject matter experts from Directorates.</p> <p>j) Additional allocations include new projects for the ihub some of which represent significant funds. This is a risk area for delivery and reputation, for example if a suitable workforce is not available, but it will be closely monitored. The business case in relation to the drugs rehabilitation work has been through a rigorous examination by the Executive Team and the Quality & Performance Committee. There is a joint group with Scottish Government that meets monthly and has agreed very clear deliverables for the HIS role. The work will not be supported solely by new staff as some staff will transition from other additional allocation projects that are ending. Other areas of work will be paused if necessary. The model will mirror that of the Access QI programme which has been successfully delivered. Any issues will be escalated through the risk register and reported to the Quality & Performance Committee.</p> <p>k) Although there is a significant ask of the People and Workplace Directorate to do recruitment, plans are in place to manage this. Resilience of the team is being reviewed and the possibility considered of retaining people who were brought in to assist with the bulk recruitment exercise. The Workforce Plan for next year will be refreshed and include contingencies for this. It is noted that time needs to be built into the process for new staff for training and induction as well.</p> <p>l) Turning back to the streamlining of processes, unintended consequences such as an increase in staff attrition will be avoided by strong communications and engagement. This will build on the experience of staff engagement during the new ways of working. There will also be a strong focus on staff wellbeing and oversight by the Staff Governance Committee.</p> <p>m) Regarding the Healthcare Staffing Programme and impact on the labour market, this is not known yet but the focus is on patient safety rather than numbers of staff. Commissioning discussions will include planning what workforce is needed.</p> <p>n) The variation in inflation between the budget and the business cases will be standardised as part of the review of the new commissions process.</p> <p>Having examined the paper and considered the additional information provided, the Board approved the budget for 2022-23 but noted the concerns in relation to securing recurring savings and the scale of recruitment.</p> <p>Integrated planning will be added to the Governance Committee Chairs agenda as a cross-committee item to ensure that the Committees have oversight of the risks.</p> | Governance Manager |
| 2.2.2 | Digital Investment | |
| | <p>The Director of Evidence presented this business case and highlighted the following points from within the paper:</p> <p>a) In October 2019, the Board agreed that HIS should become a role model in the use of digital technology. Following this, a review of Information and Communications Technology (ICT) capabilities and ambitions was undertaken with the support of the Digital and</p> | |

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| | <p>Security division of NSS. The resulting ICT Review and Recommendations report was approved by the Board in September 2020 and developed into the first digital strategy for HIS.</p> <ul style="list-style-type: none"> b) A digital development lead has been appointed and the ICT team and the previous planning team have been amalgamated into a digital development team. c) The digital development lead has undertaken a further review and identified four areas for focus: infrastructure and hardware improvements to create safer and more resilient systems; website upgrade to improve functionality and impact for stakeholders; new systems to improve security and gain benefits in how we use data; staff investment in the ICT team to ensure it can provide both maintenance and development of systems. <p>The HIS Chair asked the meeting to note that the ICT Team had worked very hard over the last two years of the pandemic to respond to the needs of home working.</p> <p>In response to questions from the Board, the following additional information was provided:</p> <ul style="list-style-type: none"> d) Given the interdependencies of the actions, project plans with milestones will be created. The resources needed will be identified and dashboard reports will be developed. e) The £53k figure in the business case and where the budget comes for it will be clarified. f) Spend for the project is mostly within the next 12 months but there is also a contingency should it not be. Contracts could be higher in future years. We are working closely with the Scottish Ambulance Service on procurement and their procurement has helped with market testing. The user requirement specification will detail the value of the contract. g) There is confidence that the additional funding requested from Scottish Government for the website redevelopment will be provided as it's a small amount. Without this extra funding, the website can still be redeveloped but wouldn't have the full functionality being sought. <p>Having examined the business case, the Board were content to approve it.</p> | <p>Director of Finance, Planning and Governance</p> |
| <p>2.2.3</p> | <p>Business Cases for Approval</p> | |
| | <p>The Director of Finance, Planning and Governance referred to the business cases set out in the paper. She advised that the Standing Financial Instructions require the Board to approve plans with resource implications about £500k. All of the business cases are additional allocations with a total of approximately £4m and represent 60 whole time equivalent staff. The allocations are in the budget or in the pipeline list.</p> <p>In response to questions from the Board, the following answers were given:</p> <ul style="list-style-type: none"> a) Regarding the Scottish Medicines Consortium (SMC) business case, the additional staff will fit into existing teams and therefore that can be absorbed within the SMC context. b) The Value Management Collaborative remains highly relevant as it is delivering quality management at a team level which is part of | |

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| | <p>our strategy. There are the financial implications of improvement to consider and Boards will be challenged in the next few years but feedback from Boards indicates that they welcome this work.</p> <ul style="list-style-type: none"> c) Regarding Designing & Improving Residential Care, there is a risk in how our redesign impacts directly on service users but it is well mitigated as we are using existing work and ensuring there is good engagement. d) There is a corporate overhead added to all additional allocations to ensure the costs of additional support services are covered for each additional allocation. e) The Healthcare Staffing Programme is mentioned in the national workforce strategy and it will bring more certainty on numbers. f) Regarding the inspection of mental health units, this has been under discussion with Scottish Government for some time and they are keen for the work to proceed. There is currently no baseline for infection prevention and control in mental health units so that will be an initial area of focus. There will be an ongoing dialogue with Scottish Government, the Care Inspectorate and the Mental Welfare Commission to ensure wider links are made and there is no duplication. HIS has been asked to bring specific skills related to infection prevention and control but the work may evolve beyond this. <p>Having considered the business cases, the Board was content to approve them.</p> <p>It was noted that these business cases demonstrate that the organisation is growing significantly and there is a need to review the structure to ensure that it remains effective.</p> | |
| 2.3 | Scrutiny and Assurance Activity 2022-23 | |
| | <p>The Director of Quality Assurance provided a paper setting out the planned scrutiny activity for 2022-23 and highlighted the following points:</p> <ul style="list-style-type: none"> a) Legislation requires that an inspection plan is created each year. To date this has been provided as part of the operational plan but given its growing complexity, it is being provided to the Board as a separate plan for increased clarity. b) All of the scrutiny and assurance programmes in HIS adapted their approaches to fit the context of the pandemic but all are now operational again including the Death Certification Review Service which has returned to 12% sampling of cases. c) Hospital inspections will continue with the new methodology and this will be flexible as operating contexts change. d) New programmes include the mental health unit inspections and the joint inspections of police custody suites. e) There are also reviews underway in relation to cervical screening, the Queen Elizabeth University Hospital and the Angus significant case review. f) An interim Programme Director has been appointed to ensure the plan can be delivered with appropriate staffing and resources. <p>In response to questions from the Board, the following information was provided:</p> <ul style="list-style-type: none"> g) The learning from the quality assurance system links to the Quality Management System approach. It will be shared across the other directorates of HIS and fully integrated into the work of | |

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| | <p>the rest of the organisation.</p> <p>h) HIS does not routinely scrutinise significant case reviews as the Care Inspectorate has responsibilities in this area. The Angus case review was a specific ministerial commission to ensure there is improvement support and that the action plan is addressed. The Sharing Intelligence for Health and Care Group scrutinises board and sub-committee papers as part of the annual review of each territorial Board.</p> <p>The Board examined the scrutiny plan provided and were content to endorse the proposals set out.</p> | |
| 3. | ASSESSING RISK | |
| 3.1 | Risk Management: strategic risks | |
| | <p>The Board received a report on the current status of risks on the strategic risk register and their management. The Director of Finance, Planning and Governance advised the following:</p> <p>a) There are 12 strategic risks on the register including a new risk related to sustainability and climate change.</p> <p>b) The risk related to the impact of covid-19 has been downgraded leaving only one risk rated at very high in relation to workforce and capacity.</p> <p>c) The Audit & Risk Committee also discussed the strategic risk register at their meeting on 16 March 2022 and received a summary of the risk deep dives that had been delivered by Committees during the year. The Committee agreed that the deep dives should continue.</p> <p>In light of earlier discussions about the budget and recurring savings, the finance risks will be reviewed.</p> <p>The Board considered the strategic risk register and, subject to the comment above, gained assurance that the risks presented were being effectively treated, tolerated or eliminated.</p> | Director of Finance, Planning and Governance |
| 3.2 | Risk Management Strategy | |
| | <p>The Director of Finance, Planning and Governance provided a revised Risk Management Strategy for the Board's consideration. She advised that it had not been fundamentally changed but rather there had been enhancements and the introduction of some new concepts. It had been considered by the Risk Management Advisory Group and the Audit & Risk Committee Vice Chair, and was provided to the Audit & Risk Committee at its meeting on 16 March.</p> <p>The Chair of the Audit & Risk Committee advised that they had examined the strategy in detail and were content.</p> <p>The Board considered the update strategy presented and were content to approve it.</p> | |
| 4. | HOLDING TO ACCOUNT – INCLUDING FINANCE AND RESOURCES | |
| 4.1 | Organisational Performance Report Quarter 3 including Workforce Report | |
| | The Board received the latest information about organisational | |

performance as at quarter 3 which included the finance report, the workforce report and the high/very high operational plan risks.

Performance Report

The Director of Finance, Planning and Governance highlighted the following information from within the report:

- a) The report was presented to the Quality & Performance Committee meeting on 23 February 2022.
- b) There are 97 projects currently active which is five less than the previous report. 71 projects are on track, 26 projects are at risk and four projects are complete.
- c) Projects at risk are due to a delay to the original milestone which is usually due to system pressures due to covid-19.
- d) There was a fall in the backlog of independent healthcare inspections from 102 to 62.
- e) 13 operational plan risks are set out in the report, only one of which is very high which is related to the Scottish Medicines Consortium.
- f) There were five new commissions proposed in the quarter bringing the year total to ten.
- g) The remobilisation plan update is included at appendix 2 and has been submitted to Scottish Government. There are no red flagged items compared to two in the previous quarter.

The following responses were provided to questions from the Board:

- h) The lag in the performance reporting was identified as an area for action by Internal Audit. More agile ways of reporting will be considered as will the level of detail that the Board receives relative to that for the Quality & Performance Committee.
- i) New commissions undergo a prioritisation process which involves assessing if they are aligned to our strategic goals and key delivery areas. There is also consideration given to whether or not HIS has the right expertise for the commission. If these criteria are not met, the commission will not be accepted.

The Board examined the performance report and were content with the progress reported.

Finance Report

The Director of Finance, Planning and Governance presented the financial position as at the end of February 2022 and drew the Board's attention to the following points:

- a) Expenditure year to date is £30.8m, which is £0.3m under budget. This underspend is mainly due to delays in additional allocation funded projects, either from deferred funding confirmations or system pressures preventing progress.
- b) The high-level baseline outturn for the year is predicted to be in line with the original budget of £30.6m and within the tolerance level of 1%.
- c) On additional allocations, spend year to date is £3.0m against a revised budget of £4.1m. Scottish Government have been advised of a return of funding which is now likely to be approximately £2.6m.
- d) The whole time equivalent at the end of February is 517 and this needs to increase to 530 by the end of March to transition into next year's budget. This is challenging to recruit this number of

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| | <p>staff so more additional allocations may be returned.</p> <p>The Chief Executive asked the meeting to recognise the efforts of the Finance Team and Directors to get to this position.</p> <p>In response to questions from the Board, the following additional information was provided:</p> <ul style="list-style-type: none"> e) Scottish Government have confirmed that a surplus cannot be carried forward into next year. f) The corporate services recharge has not been added this year and this has helped to achieve a balanced budget. It is a useful lever to assist the financial position. <p>Having scrutinised the report, the Board were content with the financial performance set out.</p> <p><u>Workforce Report</u></p> <p>The Director of Workforce then took the meeting through the workforce report and highlighted the following points:</p> <ul style="list-style-type: none"> j) The report provides the position at the end of February and includes data on the workforce mix across directorates and staff changes which show a net increase to headcount. k) Sickness absence is 2.9% which doesn't include covid-19 related absences. We are not observing a significant increase in absence but are seeing a slight increase in carer's leave. l) The report was also provided to the Staff Governance Committee. <p>In response to questions from the Board, the following additional information was provided:</p> <ul style="list-style-type: none"> m) An after action review will be done for the bulk recruitment exercise and learning will be used to inform future recruitment. It was an economical way to deliver recruitment so will be considered for use again in the future where appropriate. There are also plans to undertake process mapping of recruitment activity to identify improvements and to make best use of systems like Jobtrain. n) The workforce figures in the finance report and the workforce report show some variance but this will be corrected from 1 April so that the figures in future will match. <p>Having scrutinised the report, the Board were content with the workforce information set out.</p> | |
| 5. | GOVERNANCE | |
| 5.1 | Governance Committee Chairs: key points from the meeting on 9 February 2022 | |
| | <p>The Chair advised that this meeting discussed cross-committee matters, risk deep dives and reflected on the active governance session held on 26 January 2022. They also considered the most appropriate governance route for the paper in the relation to the Redress Scheme for Survivors of Historical Child Abuse.</p> <p>The Board noted the key points.</p> | |

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| 5.2 | Audit and Risk Committee: key points from the meeting on 16 March 2022; approved minutes from the meeting on 24 November 2021 | |
| | <p>The Committee Chair advised that the Director of Improvement is using risk deep dives within that directorate and this may be worth sharing more widely. He noted that several good audit reports were received, in particular the one related to the Delta House works.</p> <p>The Board noted the key points and minutes.</p> | |
| 5.3 | Quality and Performance Committee: key points from the meeting on 23 February 2022 and approved minutes from the meeting on 3 November 2021 | |
| | <p>The Committee Chair highlighted the following points:</p> <ul style="list-style-type: none"> a) The Committee welcomed the new commission related to reducing drugs death and asked for regular updates on progress. b) The national strategic framework for health technologies was also welcomed and will raise the profile of health technologies to the benefit of patients. c) A key risk area discussed was screening programmes, both the six national ones and those delivered by Boards. The Committee noted a possible role for HIS in establishing standards. d) An update was provided on the Significant Adverse Events notification system and the Committee will continue to receive progress reports. <p>The Board noted the key points and minutes.</p> | |
| 5.4 | Scottish Health Council Committee: key points from the meeting on 17 February 2022 and approved minutes from the meeting on 11 November 2021 | |
| | <p>The Committee Chair advised that the Committee approved updated guidance on major service change and agreed that the review of chemotherapy services at NHS Ayrshire and Arran is major service change. The Committee also received Rethinking Meaningful Engagement Guidance and Community Engagement will feature at the upcoming NHS Board Chairs Group meeting.</p> <p>The Board noted the key points and minutes.</p> | |
| 5.5 | Staff Governance Committee: key points from the meetings on 24 January and 9 March 2022, and approved minutes from the meetings on 27 October 2021 and 24 January 2022 | |
| | <p>The Committee Chair advised that the Committee discussed the Workforce Plan at both recent meetings and received the Workforce Equality Monitoring Report. There was a discussion about the need to effectively target mandatory training and the HIS Campus Group will take this forward.</p> <p>The Board noted the key points and minutes.</p> | |
| 5.6 | Succession Planning Committee: key points from the meeting on 25 January 2022 and approved minutes from the meeting on 21 September 2021 | |
| | <p>The Committee Chair advised that the Head of Communications had delivered a presentation about Non-executive Director recruitment in his previous position. The Committee also received an update on the</p> | |

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| | <p>Succession Plan and current recruitment.</p> <p>The Board noted the key points and minutes.</p> | |
| 6. | ANY OTHER BUSINESS | |
| | <p>The Chair asked the meeting to note that this is the final public Board meeting for two Non-executive Directors, John Glennie OBE and Dr Zoë M Dunhill MBE, who reach the end of their eight year appointments on 31 May 2022. On behalf of the organisation, she extended her thanks to them for their significant contributions over those years and for the leadership they have provided to their Committees.</p> | |
| 7. | DATE OF NEXT MEETING | |
| 7.1 | <p>The next meeting will be held on 29 June 2022.</p> <p>Members of the press and public were excluded from the remainder of the meeting due to the confidential nature of the business to be transacted, disclosure of which would be prejudicial to the public interest.</p> | |
| | <p>Name of person presiding: Carole Wilkinson</p> <p>Signature of person presiding:</p> <p>Date:</p> | |

DRAFT ACTION POINT REGISTER

Meeting: Healthcare Improvement Scotland Public Board Meeting
Date: 23 March 2022

| Minute ref | Heading | Action point | Timeline | Lead officer | Status |
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| 1.6 | Executive Report | Regarding the quality improvement work with NHS Lothian on unscheduled and urgent care, a presentation to be provided to a future Board session with NHS Lothian representatives invited to attend. | Oct/Nov 2022 | Director of Improvement | Added as a future topic to the Board's business planning schedule. |
| | | Further information to be provided to the Board on whether volunteers were used to maximum capability during the pandemic | Immediate | Director of Community Engagement | Complete – information issued to the Board on 8 April 2022 |
| 2.1 | COVID-19 Latest Operational Update | Data to be provided about the number of hospital admissions which are primarily for covid-related disease relative to those admissions in which the presence of covid-19 is incidental. | Immediate | Director of Finance, Planning and Governance | Complete – information issued to the Board on 8 April 2022 |
| 2.2.1 | Integrated Planning 2022-23 | Integrated planning will be added to the Governance Committee Chairs agenda as a cross-committee item. | Immediate | Governance Manager | Complete |
| 2.2.2 | Digital Investment | The £53k figure in the business case and where the budget comes for it to be clarified | Immediate | Director of Finance, Planning and Governance | Complete – information issued to the Board on 8 April 2022 |
| 3.1 | Risk Management: strategic risks | Finance risks to be reviewed. | Immediate | Director of Finance, Planning and Governance | Our new Risk Manager is working through all risks, not just Finance, and we will start to see these changes reflected in the various Committees over the coming months. |

SUBJECT: Chair's Report

1. Purpose of the report

This report provides the Healthcare Improvement Scotland (HIS) Board with an update on key strategic and governance issues.

2. Recommendation

The HIS Board is asked to:

- receive and note the content of the report.

3. Strategic issues

a) NHS Scotland Board Chairs Group

There have been meetings of the Chair's Group on 28 March, 25 April and 30 May 2022. I was represented at the April meeting by Suzanne Dawson, Chair of the Scottish Health Council. Agenda topics have included two areas of direct relevance to HIS. Firstly, workforce education and how it links to the Sharing Intelligence for Health and Care Group which HIS jointly chairs. Secondly, we discussed Serious Adverse events with joint representation at the meeting from NHS Education Scotland and HIS. The group have also been considering development of the Blueprint for Good Governance and received an update on the Centre for Sustainable Delivery. The Chair of the Scottish Health Council and I continue to raise community engagement and remind Chairs of its importance in this time of proposed rapid change.

The Board Chairs also had a meeting with the Cabinet Secretary for Health and Sport on 30 May 2022 which included an update on the pandemic.

I continue to hold fortnightly meetings with the National Board Chairs.

b) Code of Conduct

The HIS Board approved the updated Code of Conduct in May by email as the urgent timeline required fell outwith the board meetings schedule. The new Code was prepared on a Once for Scotland basis for all NHS Scotland Boards to adopt and aligned to the Standards Commission's new Model Code of Conduct for Members of Devolved Bodies.

4. Stakeholder engagement

Joint Engagement with the Chief Executive

a) Joint Ministerial Session for Chairs and Chief Executives

The Chief Executive and I joined this session on 28 March 2022 for all NHS Board Chairs and Chief Executives with the Cabinet Secretary and the Chief Executive of NHS Scotland/Director-General Health and Social Care. The agenda featured updates on the NHS Recovery Plan as well as the Care and Wellbeing Portfolio. It also included a joint item on delivering care as close to home as possible delivered by the Chief Executives of HIS and the Scottish Ambulance Service.

b) Spending Review

The Chief Executive and I attended a meeting on 31 May 2022 to receive information about the outcome of the spending review which set out the financial challenges for NHS Scotland over the coming years.

c) Quarterly Sponsor Meeting

The latest quarterly meeting with our sponsor team in Scottish Government was held on 29 March 2022. The Chief Executive and I were joined at the meeting by members of the Executive Team. Our agenda included the National Care Service and the future HIS strategy as well as the latest financial position.

Other Engagement

d) Whistleblowing Champions Meeting

Along with Keith Charters, our Non-Executive Whistleblowing Champion, I attended this meeting on 28 April 2022 which covered updates from the Independent National Whistleblowing Officer and on the Staff Governance monitoring exercise.

e) Finance and Public Administration Committee

I was invited to represent HIS at the Committee's engagement event in Glasgow on 10 May 2022 which covered the Committee's inquiry into the National Performance Framework. The inquiry will examine how the National Performance Framework and its National Outcomes shape policy aims and spending decisions, and in turn, how this drives delivery at national and local level.

f) Engagement with Staff

Along with Non-Executive Directors, I attended the monthly All Staff Huddles in March, April and May. One of the April huddles featured a presentation by Jason Leitch, National Clinical Director, followed by questions from staff. I was delighted to speak at the Quality Assurance Directorate all staff event on 23 May 2022 and covered the vision and values of HIS, and how the Directorate plays a role in these.

g) Human Learning Systems Launch Event

I attended this event on 16 June 2022 to deliver the welcoming address. The work has seen HIS collaborate with the Centre for Public Impact to develop thinking and practice related to putting learning at the heart of improving public services. Kevin Stewart, Minister for Mental Wellbeing and Social Care, joined the event which featured a broad audience from across the NHS, public services and the Third Sector.

h) Future Engagement Activities

The Chief Executive, the Chair of the Scottish Health Council and I will attend the NHS Scotland event on 21 and 22 June 2022 in Aberdeen. The event provides an important opportunity to engage with some of our key stakeholders, particularly during the consultation phase of the future organisational strategy.

5. Our governance

a) Board Vice Chair

Following an expressions of interest exercise, the appointment of Suzanne Dawson as the new Vice Chair of HIS was approved by the Cabinet Secretary. Her appointment commenced on 1 June 2022.

b) Board Recruitment

The recruitment round is almost complete to fill the vacancies on the Board created by Non-Executive Directors' appointments coming to an end. Interviews were held in May and preferred candidates identified. A public announcement of the appointments is awaited. The membership of the Governance Committees will be reviewed in light of the new appointments.

c) Board Development

A Board development session was held on 6 April 2022 and was the first face to face Board session since the HIS offices re-opened. The event focussed on equality and diversity and there were a number of actions agreed:

- Two topics for the Board will be included in their future development plans covering an enhanced understanding of Equality Impact Assessments (EQIA) and how HIS might work with Public Health Scotland to address inequalities.
- The review of the new commissions process will include greater emphasis on EQIA considerations as part of the development of a new commission. As well as this, recruitment and workforce planning requirements will be considered as part of the required EQIA process for new commissions. This revised process is due to be finalised over the summer.

As well as this scheduled event, a masterclass was held on 1 June 2022 which gave the Board the opportunity to have a detailed look at clinical and care governance, and how it is integrated across the organisation.

d) Non-Executive Director Appraisals

I have completed end of year appraisals for all of the Non-Executive Directors and any development themes that have arisen from them will be factored into the Board development programme for the year ahead.

Carole Wilkinson

Chair

Healthcare Improvement Scotland

EXECUTIVE REPORT TO THE BOARD – JUNE 2022

PURPOSE OF THE REPORT

This report from the Chief Executive and Directors is intended to provide the Healthcare Improvement Scotland (HIS) Board with information on the following:

- key internal developments, including achievements and challenges currently facing the directorates
- external developments of relevance to HIS, and
- stakeholder engagement

This report is in the context of the organisational response to COVID-19 and should be read in conjunction with the latest COVID-19 Operational Update.

RECOMMENDATION

The Healthcare Improvement Scotland Board is asked to note the content of this report.

REPORT FROM THE CHIEF EXECUTIVE

Appointment

I am delighted to confirm that Lynsey Cleland has been formally appointed as Director of Quality Assurance. Lynsey has been on secondment from the Community Engagement Directorate since summer 2021. With this appointment, we will take steps to fill the vacancy that has now arisen in the role of Director of Community Engagement.

Programme Board of Public Inquiry - Northern Ireland

I have been invited to join the Programme Board of a Public Inquiry as an external critical friend and independent expert. The inquiry is centred on Urology Services' governance and patient safety in the Southern Health & Social Care Trust resulting from concerns raised about a now retired consultant surgeon who is being investigated in parallel by the General Medical Council (GMC).

Microsoft Cloud Computing Strategy Programme Board

I was invited to Chair the Microsoft Cloud Computing Strategy Programme Board, which has oversight of the implementation of Microsoft 365 in NHSScotland. I am introducing changes to the governance arrangements to ensure that it actively supports the use of these applications in the healthcare system.

Executive Team Development Session

The Executive Team met face to face for a facilitated Development Session on 31 May and a further session will be held in late summer.

Key Delivery Areas

As the Board is aware, seven key delivery areas (KDAs) were first identified in HIS' Remobilisation Plan 2 (August 2020), to clarify HIS' priorities in relation to the recovery and redesign of the health and social care system.

The intention of KDAs is to increase the impact of HIS by ensuring effective cross-organisational working on key areas, underpinned by a Quality Management System

approach. This does not mean that cross-organisational working is restricted to these areas, but is a requirement for them.

As we refresh HIS' strategy and medium-term planning, it is timely to review the existing KDAs. As a result of discussion by the Executive Team, the following KDAs are proposed for implementation as a priority:

| Key Delivery Area | Sponsor Director |
|---------------------------|------------------|
| Safety | Simon Watson |
| Mental Health | Ruth Glassborow |
| Primary Care | Ann Gow |
| Urgent/Unscheduled Care | Angela Moodie |
| Children and Young People | Lynsey Cleland |
| Cancer | Safia Qureshi |
| Women's Health | Ruth Jays |

To allow for this refocusing, the previous KDAs of Access and Older People have been removed. This does not mean that they are no longer important areas of work for the organisation; rather that there are existing mechanisms to support delivery in these areas, and that the updated list sets out those areas which will benefit most from a KDA approach.

As a priority over the coming months, the Executive Team will be developing the key outcomes, delivery mechanisms and contributing programmes of work for each KDA for inclusion in our next three-year plan.

There should not be an entirely standardised approach to taking forward KDAs. There will be key minimum expectations (eg supporting driver diagrams) but it should be recognised that each KDA will be at different levels of maturity. The emphasis is on innovation and creativity in supporting the appropriate approach within any KDA.

Consideration is also being given to the most appropriate reporting mechanisms for the KDAs, balancing both the need to provide assurance of progress, and to communicate on our priorities externally, with maintaining clarity that responsibility for performance remains within the relevant delivery directorate.

UK Infected Blood Inquiry

The Director of Improvement and Director of Quality Assurance met with a senior solicitor from the Central Legal Office to discuss how the work of HIS could help inform the Scottish submission to the UK Infected Blood Inquiry in terms of generic improvements that have already been delivered in relation to quality of care processes. Briefings were provided around our significant adverse event work, our input into the Joint Commission for Safety, Openness and Learning, our Quality Management System approach and our work to embed quality improvement approaches into clinical and care services.

Complaints Update

The purpose of this section of the report is to update the Board on complaints received relating to the work of Healthcare Improvement Scotland. Since the last report to the Board in March 2022 Healthcare Improvement Scotland has received seven complaints.

- Complaint 1 – Referred to methods used for submission of responses for feedback when responding to the Scottish Medical Consortium (SMC). This was fully investigated under our stage two process and partially upheld.

- Complaint 2 – Referred to the appraisal of a drug by the SMC. This was reviewed and responded to using our stage one early resolution process.
- Complaint 3 – Referred to a complaint about an investigation of a complaint made against a healthcare provider. On review, it has not been possible to investigate this complaint as it falls outside of the timeframe for making complaints as stipulated by the Scottish Public Services Ombudsman (SPSO) Model Complaints Handling Process. The complainant has been informed of this.
- Complaint 4 – Referred to the length of time taken for information posted to Healthcare Improvement Scotland from a service took to arrive with the requisite team. This was upheld after investigation under our stage two process. This complaint investigation breached Model Complaints Handling Process timescales by 2 days.
- Complaint 5 – Refers to a delay in response to a request made to the Evidence Directorate. This is being dealt with under our stage two process and is still under investigation.
- Complaint 6 – Refers to a complaint regarding a delay in the decision of the SMC regarding a medicine review. This is still under investigation at time of writing.
- Complaint 7 – Complaint regarding the procedure followed and a delay in investigating a concern raised by a Clinician. This is under investigation at time of writing.

The organisation has seen a significant increase in complaints in April and May 2022. This directly correlates with ongoing efforts to raise the awareness of complaints within HIS. An increase in reporting has been noted from Directorates following engagement and support provided to their Directorate Management Teams. Face to face training continues to raise the profile of the complaints process within HIS. A leadership session for HIS Executive and Non-Executive Directors was held on 6 June. The Complaints Investigation training scheduled for May has been postponed until 31 August 2022 due to sickness.

DIRECTORATE ACHIEVEMENTS & CHALLENGES

NURSING, MIDWIFERY AND ALLIED HEALTH PROFESSIONALS DIRECTORATE (NMAHP)

Key Achievements

- 1. Public Protection**-The Public Protection and Child Health Lead has contributed to the development of a national NHS Public Protection Accountability and Assurance Framework. The Framework is intended to guide Health Boards in assessing the adequacy and effectiveness of their public protection arrangements at both strategic and operational levels. The key significance of this framework on Healthcare Improvement Scotland will be for the organisation to consistently promote a children's rights-based approach, develop trauma-informed practice across the organisation, have robust governance, accountability, assurance and reporting arrangements for public protection such as safer recruitment procedures, current public protection policies and guidance and a public protection education and learning framework to inform and support staff discharge their duty to safeguard and protect children and adults. The final draft framework is seeking sign off at the Board Chief Executives meeting on 14 June. The intention is to publish shortly after in line with expected timescales.
- 2. The Healthcare Staffing Programme (HSP)** is focussing 2022/23 on supporting the Health Boards and the care sector to prepare for the enactment of the Health and Care (Staffing) (Scotland) Act 2019. With an impending announcement on the timeline of the enactment, the team is working to redevelop some of the existing workload tools and develop a suite of real time staffing resources that will enable health and care practitioners

to better capture their staffing needs and requirements, escalate staffing risks and support decision making.

Access to these tools will support the Boards in working towards their legislative duties and a set of educational materials targeting four different levels of expertise in this area is being developed by the team, as an additional resource. The Safe and Effective staffing learning system developed by the HSP team continues to be accessed by practitioners around the country and a knowledge and skills framework, co-produced with NES will be launched shortly. Considering the multi-disciplinary nature of the legislation, the HSP is starting to increase stakeholder engagement amongst the non-nursing and midwifery communities, who are less familiar with the tools, educational materials and programme support.

- 3. The Excellence in Care (EiC)** programme has developed a refreshed Vision and Framework and 3-year Strategy as part of the relaunch of the programme and to inform and support Board engagement and implementation. The Framework and Strategy has received the support of the SEND (Scottish Executive Nurse Directors) and was endorsed by the EiC Programme Board ahead of the planned relaunch event in June 2022. Mini sessions incorporating the strategy and framework will be presented from the Healthcare Improvement Scotland corporate stand at the RCN (Royal College of Nursing) and NHS Scotland events in June 2022.

The relaunch of the programme will be complemented by communication and programme delivery plans that target all levels of the health boards. An SBAR is also being developed to outline a proposal for the development of an education programme aimed at Team Leaders / Senior Charge Nurses. The contents, requirements and desired learning outcomes of the programme will support boards to incorporate the elements of the framework into their practice promote the delivery of assured person-centre, high quality care.

- 4. NMAHP Nursing Student Practice Placement Learning** – Two adult nursing students from the Open University will commence July 2022. Practice based learning opportunities have also been confirmed for pre-registration physiotherapy and occupational therapy students. An appreciative inquiry approach has been progressed to explore professional support and development with Healthcare Improvement Scotland's NMAHP registrants, with a view to building on the existing positive foundations and co-creating a future vision.
- 5. Internal Improvement Oversight Board (IIOB)** – Process mapping work has begun in ihub – initially identifying a process list and development of high level documentation for these. Recruitment of a Lean Practitioner has now concluded and we are expecting to onboard them in early June, at which point formal process mapping workshops will start.

Key Challenges

- 1. HSP** - We anticipate that any announcement made in the coming weeks by the Scottish Government regarding the enactment of the staffing legislation may raise questions around timing in relation to the continued impact of the pandemic and current staff capacity in the NHS Boards. There is a communications plan developed and we are in regular contact with the Scottish Government to ensure we include any key messages from them as well as highlighting the benefits for patient outcomes, staff wellbeing and the support HSP can provide.
- 2. EiC** – there are ongoing challenges within the health boards relating to data burden, data submissions and staff capacity to engage. The National EiC team continue to collaborate with the Scottish Patient Safety Programme (SPSP) on the development of a national standardised definition for a fall and a fall with harm, with the aim of producing a single data submission for both programmes, ultimately reducing the data burden upon the health boards.

3. **NMAHP Student Placements** - HIS has insufficient Practice Assessors and Supervisors; all NMAHP registrants will be approached to understand their ability to fulfil the Practice Assessor/Supervisor role. This will provide baseline data; the aim will be for each Directorate to have a group of Practice Assessors/Supervisors. Support for existing and new Practice Assessors and Supervisors will be provided by the Practice Education Facilitator team from NHS Greater Glasgow & Clyde.
4. **IIOB** – recruitment of the Lean Practitioner is two months behind plan. This means that there may be impact to the business case benefits. We are minimising impact by progressing high level process documentation which may help us identify processes where there is greater opportunity for improvement and prioritise these for early review. We are also exploring options to bring in black belt consultancy to support the early stages of the project. This will not increase the agreed business case costs.

Key Stakeholder Engagement/External Activities

1. **HSP** - Engagement with SEND group, Heads of Midwifery and Scottish Deputy Nurse Directors' Forum in the form of SBARs and presentations to increase engagement with the (re)development of the suite of workload tools and real time staffing resources and get representation on the working groups. SBARs being developed for Directors of other practitioner communities to raise awareness of the legislation and programme. CEO of NHS Grampian Caroline Hiscox has taken up the position of Chair of the Healthcare Staffing Programme Board. HSP will be delivering mini presentations, containing key messages from the programme from the Healthcare Improvement Scotland corporate stand at the RCN and NHS Scotland events in June 2022.
2. **EiC** – continuing to engage with Vale of Leven families and Public Partner around Framework and shaping the agenda for the Relaunch event in June. Collaboration with ihub's acute adult team and three Health Boards around falls work is ongoing.
Engagement with health boards is ongoing through a variety of forums such as the 6-weekly coaching calls, EiC lead huddles and the EiC hubs. The coaching calls have supported the progress of remobilisation of data submissions to the Care Assurance and Improvement Resource dashboard.
3. **The RCN** provided a Pension Changes awareness session, open to all NMAHP's following a request for information. The session was very well attended and recorded for staff members unable to attend.

QUALITY ASSURANCE DIRECTORATE

Key Achievements

1. The **joint inspection of adult support and protection** programme has published an [interim overview report](#) which details emerging key messages at the mid-point of phase 1 of the joint inspection programme. The report highlights that nearly all adults at risk of harm experienced improvements to their safety, health, and wellbeing, mainly due to the collaborative efforts of social work, health, Police Scotland and provider organisations. Areas for improvement include more consistent application of chronologies, risk assessments and risk management/protection plans and attendance of all key partners, including the adult themselves, at case conferences.
2. The **Adverse Events** programme has launched a new community of practice interactive platform to share learning from reviews for NHS boards to share their local practices and enable national learning to take place. This site is also a resource toolkit for adverse events management and hosts other related work with partner organisations.

Key Challenges

1. The directorate is continuing to have to flex resources in order to effectively deliver a wide range of existing assurance functions as well as **new commissions for external quality**

assurance. This is requiring us to review and where necessary revise existing work programme deliverables in order to balance a range of competing priorities.

Key Stakeholder Engagement/External Activities

1. The **Healthcare within Justice Team** and Her Majesty's Inspectorate of Constabulary Scotland (HMICS) are jointly undertaking a preliminary baseline assessment to develop a benchmark of what healthcare is currently provided within police custody centres by NHS boards/partnerships across Scotland. We have asked boards/partnerships to complete a self-assessment tool and we are establishing a Short Life Working Group to support us to develop a joint inspection methodology for scrutiny of healthcare across police custody centres. We are holding interviews/focus groups to discuss healthcare provision within custody centres with a range of stakeholders including seeking people's care experience views while in custody. The outputs for this work will be a published national overview of healthcare within custody across Scotland, and a national joint inspection methodology for scrutiny of healthcare across police custody centres in Scotland.
2. The **National Hub for Reviewing and Learning from the Deaths of Children and Young People** developed a survey, in partnership with third sector colleagues, which was distributed to families and carers who had experienced the bereavement of a child. Our aim was to learn from their experiences and understand what worked well and what challenges families and carers have faced from the review process. A report has been produced to outline our findings entitled '**When a child dies: Learning from the experiences of bereaved families and carers**'. It includes clear recommendations for the National Hub team, NHS boards, local authorities, public protection committees and third sector colleagues, to improve engagement with and experiences of bereaved families and carers. The report will be published on 22 June 2022, alongside a blog post from Lynsey Cleland. Information from the survey will support the development of a national leaflet for families and carers, which will set out the review process following the death of their loved ones and the role of the National Hub.
3. The **Adverse Events** team work in collaboration with NHS Education for Scotland (NES) on a joint commission for safety, openness and learning. Research by the team exploring patient and family engagement during adverse events was recently published in the [British Medical Journal](#). As a result of this research, a compassionate communications course is being piloted by NES to provide staff with the necessary skills to improve effective family engagement. Work is also underway to ensure a national minimum standard in relation to this along with ensuring patients, family members and carers are at the heart of the review and to understand what contribution they can make to enhance the process.

COMMUNITY ENGAGEMENT DIRECTORATE

Key Achievements

1. **Citizens' Panel** - Early feedback on the impact of the eighth citizens' panel report <https://www.hisengage.scot/informing-policy/citizens-panel/eighth-panel-report>, which dealt with dentistry services, planned and unplanned care services and the role of the Patient Safety Commissioner has shown that the results deepened insight into patient experience of dentistry services in Scotland. The local resolution of dentistry complaints has already been promoted by the General Dental Council. The recommendations for Urgent Care have already been built into national and local workplans and the report is being considered by a team of service designers to inform a multi-year programme of work. In terms of planned care, findings will be used to support Scottish Government policy decisions on planned care as well as a review of Waiting Times Guidance, led by the Scottish Government in collaboration with Health Boards. This work was chosen as a

poster at the NHS Scotland event. The ninth Citizens' Panel survey was undertaken in January and February 2022 and focused on the topics of public engagement, to feed into the review of Planning with People, Inclusive COVID-19 Vaccination and COVID Vaccination Certification. The results are due at the end of June and this work was also chosen as a poster at the NHS Event.

2. **Volunteering** - The [Volunteering in NHSScotland Programme Annual Report 2021-22](#) was published during Volunteers Week (1st – 7th June). Other activity included two blogs and several [case studies](#) shared via social media and
The Volunteering in NHSScotland Programme worked collaboratively with a group of NHS volunteer managers and NES to develop a national NHS Volunteer Induction Training course which is available on TURAS. The course covers areas of induction relevant to volunteers and supports NHS boards to free up capacity by removing the need for them to continually update and deliver this part of a volunteer's induction. Our existing support offer to volunteering teams across Scotland was expanded to include a new virtual NHS Volunteering Community of Practice, which provides a 'one stop shop' for a range of information which may be of interest to volunteer managers. Funding has been secured from Scottish Government to purchase a new Volunteering Management System for NHSScotland. The existing system no longer meets the complex needs of volunteering across NHS Scotland. A scoping exercise has been carried out by Digital Health and Innovation Centre for Scotland (DHi) and is due to report in June 2022. This report will allow the project board to make decisions around project next steps.
Progress is being made on the Discharge Support Volunteering pilot, with a local steering group being set up in NHS Tayside and excellent buy in from staff in the wards selected for the pilot. Locally, work is underway to understand how the referral process for the service will work and to define operational processes. At the national group, discussions around standardised training and establishing a set of outcomes to evaluate against are underway. The project is being highlighted at a spotlight session at the NHSScotland event.
3. **What Matters to You**- The Directorate co-ordinates the What Matters To You (WMTY) programme and managed activity around What Matters to You Day on June 9th, supporting social media activity and distributing resources to boards and organisations. The WMTY working group promotes use of the person-centred approach on a daily basis. Within HIS, on WMTY Day staff were encouraged to share what matters to them using internal channels. Staff members from the working group carried out a number of visits to see first-hand WMTY activity within boards.
4. **Capital Investment Group** – The Director of Community Engagement attended her first meeting of the Capital Investment Group. All attendees found the presence of HIS-Community Engagement (HIS-CE) at the group beneficial. This is aimed at ensuring meaningful public engagement is embedded into capital projects within NHSScotland. HIS-CE will provide advice about engagement expectations around capital projects via this group. The first meeting considered the Lochaber Redesign Initial Agreement. This will now be considered by the Service Change Sub-Committee as per internal processes with a view on whether this constitutes major service change provided to NHS Highland and relayed to the Capital Investment Group.
5. **Quality Framework**- The development and publication of draft materials for our Quality Framework for Engagement and Participation has been completed. These can be found at our website [here](#).
The framework will support NHS boards, and Integration Joint Boards to carry out effective community engagement and demonstrate how they are meeting their statutory duties for public involvement. It is aligned to [Planning with People: community engagement and participation guidance](#) published by the Scottish Government and COSLA.
The framework identifies, supports and assures engagement activity within organisations in relation to three domains:

- outline ongoing engagement
- specific engagement activities relating to service planning and design
- internal governance systems for community engagement activity

Four partners are at the early stages of working with us to test the use of the draft materials and the proposed approach and our intention is to publish the final materials in line with the publication of the revised Planning with People guidance later in 2022.

- 6. Governance for Engagement** -The first annual cycle of HIS' Governance for Engagement process, which seeks to encourage, identify, and share good engagement and equalities practice across the organisation in order to meet our legislative and other duties, has now been completed. The Governance for Engagement sub-committee's report highlighting key findings and a series of recommendations for next steps has been completed, and the second cycle during 2022/23 will focus on evidence of improvement plus gaining directorate feedback on the process. Also during 2022/23, Community Engagement will undertake preparatory work to align the Governance for Engagement process with the emergent Quality Framework for Community Engagement and Participation, with the aim of implementation from 1 April 2023.

Key Challenges

- 1. Accommodation** - Access to suitable office accommodation for HIS-CE based in territorial boards has been agreed with the majority of host NHS Boards, with appropriate escalation taking place with the remaining few where there have been delays in making progress. The reasons for the delays are all attributable to the specific host Boards, and include finalisation of on-going local accommodation reviews, scheduled re-decoration works, logistics around furniture removal, and unsuitability due to ventilation concerns. In each circumstance, alternative hot-desking locations are being explored for affected directorate colleagues, who continue to work at home and where practical can also access Delta House and Gyle Square.

Key Stakeholder Engagement/External Activities

- 1. Royal College of Nursing Conference** – CE staff attended the RCN conference at the SEC in Glasgow to promote and raise awareness of the work of the directorate to attendees, and to distribute What Matters to You Day materials.
- 2. Capital Investment Network** – The Engagement Programmes Manager and Principal Service Change Advisor attended the network, attended by more than 60 people, to give an overview of the work of the directorate as well as some service change specific content in relation to duties and principles.
- 3. Online Workshops on Community Engagement** -The service change team has been delivering online workshops with partners in NHS boards and health and social care partnerships over recent months. The workshops cover duties and principles, planning with people, option appraisal and effective ongoing engagement. To date, participants have evaluated the workshops very positively and the team plans to revisit the impact the workshops have had on longer-term practice later in the year.
In response to feedback from NHS boards and Integration Authorities, the workshops are being adapted for senior staff and non-executive board members. Delivery of these sessions is planned to begin in summer 2022.
- 4. Volunteering webinar**- A webinar, Inclusive Volunteering: Turning intent into action, was hosted during Volunteers' Week and was attended by more than 100 participants.

EVIDENCE DIRECTORATE

Key Achievements

1. Standards and Indicators (S&I) published [Infection Prevention and Control \(IPC\) Standards](#) for health and adult social care settings on 16 May 2022. The standards will inform HIS and the Care Inspectorate's (CI) scrutiny and regulatory activities. The standards were developed in partnership with the CI and will be considered as best practice across the rest of social care. It is the Scottish Government's expectation that these standards will be adhered to across all health and social care settings including NHSScotland settings, independent healthcare and adult social care including care homes.
2. In response to an urgent request from Scottish Government, SIGN developed and published a rapid [national position statement](#) on the use of long-acting injectable buprenorphine for opioid substitution therapy. It addresses the unmet need for a resource to support clinicians and service providers to understand how this product can contribute to recovery.

Key Challenges

1. SMC is continuing to manage a high volume of submissions. SMC is still waiting for confirmation from Scottish Government regarding its business case for additional resource.

Key Stakeholder Engagement/External Activities

1. SMC facilitated a joint virtual [Innovative Licensing and Access Pathway \(ILAP\)](#) Information and Update Session on Thursday 28 April, supported by the other ILAP partner organisations (Medicines & Healthcare products Regulatory Agency, National Institute for Health & Care Excellence, All Wales Medicines Strategy Group). This provided an update for Patient Group Partners on the ambitions of ILAP, how patient and public representatives are involved, and planned future developments. Along with presentations from some of the ILAP team, a patient representative shared their experiences as a member of the pilot ILAP Patient and Public Reference Group. Over 80 Patient Group Partners attended and the feedback to date has been excellent, with 100 % of those who completed the evaluation rating the session as good/very good.

MEDICAL DIRECTORATE**Key Achievements**

1. A cross-organisational network to support the **Safety Key Delivery Area** has been established with Terms of Reference drafted to align with other networks within HIS. It has been decided that this Safety Network will lead on the work stream for World Safety Day on 17 September 2022 to deliver a campaign regarding the theme of 'Medication without Harm'.
2. In partnership with NMAHP, our directorate are continuing their work to develop and improve **Clinical and Care Governance** (CCG) organisation wide. This has progressed significantly into the implementation phase with the CCG Implementation Reference Group establishment on 11 May 2022. This group has made considerable steps forward in realising CCG conveyance within all Directorates by educating and supporting the use of the Improvement Planning Tool and providing support to all Directorate Management Teams in instilling the CCG ethos within all programmes of work.
3. **Health and Justice (Medicines and Pharmacy)** - We reviewed the model of pharmaceutical care in prisons and the improvements required to achieve equity with primary care services to the general population. We are working with the Scottish Government and the profession to progress this.

We are leading the Prescribing and Administration Requirements for the Prisons Digital Health and Care Systems Provisioning Programme Board to provide a clinical IT system with the requisite functionality for prison healthcare.

4. **ScotQR (Scottish Quality in Rheumatology)** has been part of this year's Quality Lab (Qlab) Programme; the improvement arm of The Health Foundation. QLab UK brings together organisations and individuals from across the UK to pool what is known about a specific challenge in health and care, uncover new insights and develop, test and spread ideas. We preparing an application to Accelerated National Innovation Adoption (ANIA) to offer Scot QR as a digital solution to all Rheumatoid Arthritis (RA) clinics in Scotland's Health Boards as a consistent, sustainable national step change in RA care delivery. The SQR programme is currently submitting an application for the Accelerated National Innovation Adoption programme with the National Centre for Sustainable Delivery.
5. **NCMAG Covid-19 impact report.** 30 proposals were reviewed by Covid-19 NCMAG (National Cancer Medicines Advisory Group) and 20 were supported. Analysis of treatments supported has shown uptake to be aligned to that predicted by regional cancer networks. Surveys of cancer doctors, managers and patients all indicated satisfaction with the NCMAG process and with the additional treatment options available as a result of the Covid-19 advice. This was widely felt to have minimised risk to patients whilst optimising patient outcomes and to have contributed to the efforts to ensure cancer services continued delivering cancer treatments safely to vulnerable patients throughout the pandemic.

Key Challenges

1. A known risk that is now becoming a key issue and challenge relates to engagement of medical staff. Pressures across the wider health and care systems are well-known. One consequence is significantly less availability of medical staff to engage with work beyond direct patient care or mandatory training and other professional obligations. The consequences for HIS have manifested in a number of ways, including lack of candidates for key roles for doctors. The Chief Medical Officer and other senior medical leaders in Scotland recently wrote to the profession encouraging release of staff for 'indirect' work of national importance. It remains to be seen how this welcome action will change the situation. In the meantime we are taking immediate mitigating steps including:-
 - Measures to make HIS a more attractive employer for seconded doctors – notably through leadership development
 - Further development of systems and structures to keep doctors connected and in touch during secondments
 - Ongoing development of enhanced approaches to inreach into the medical profession

The conditions that created this situation are unlikely to improve for the foreseeable future so our model for ongoing engagement with the medical profession must evolve to the new circumstances.

Key Stakeholder Engagement/External Activities

1. Working with HIS Medical Forum members to produce a collective response to the current GMC consultation on their code of practice.
2. Clinical and Care Forum have provided feedback on the HIS Strategy following discussion at their meeting on 17 May 2022.
3. Medical Director's attendance at the Scottish Association of Medical Directors Annual General Meeting on 26/27 May 2022 to discuss and receive feedback on the HIS Strategy.

4. Intelligence and Relationship Management (IRM) Medicines and Pharmacy generates valuable, timely and relevant intelligence that provides depth and understanding of emerging and critical issues including Sodium Valproate and parliamentary coverage of pharmacists providing independent healthcare services out with their registered premises.

ihub DIRECTORATE

Key Achievements

1. Access to General Practitioner (GP) services has become increasingly challenging since the onset of the pandemic. The ihub directorate are recruiting a GP cluster to pilot an 8-week programme of improvement support that enables GPs to identify the root cause of access issues and use quality improvement methods to implement solutions that can reduce demand on GPs or increase clinical time for patients. This approach adapts learning from other ihub programmes such as Access Quality Improvement and Mental Health Access as well as previous primary care work on Care Navigation, Workflow Optimisation and GP Access tools. If successful, this approach will be used to spread improvements in GP Access across Scotland.
2. [Human Learning Systems: A practical guide for the curious](#) was published between HIS, the Centre for Public Impact (CPI) and The Institute for Research and Innovation in Social Services (Iriss). A learning system sits at the heart of our quality management approach and the ihub Collaborative Communities team has been exploring the synergies of their learning system and that of Human Learning Systems (HLS) with the CPI. The HLS approach outlines a way of making social action and public service more responsive to the bespoke needs of each person that it serves, and creates an environment in which performance improvement is driven by continuous learning and adaptation. Following an [online launch event on 16 June](#), the team will be working with teams to support [learning experiments](#) to drive a real acceleration in change and improvement across a whole spectrum of health and social care services. This has gathered a high level of interest across several of Scottish Governments directorates and alongside learning experiments at front line, we are influencing the practice and culture around national reporting and evidence for improvement.
3. The ihub website continues to be a key platform to engage with stakeholders, with over 400,000 page views and over 75,000 resources downloaded during 2021/22. The Scottish Patient Safety Programme, Anticipatory Care Planning and Hospital at Home are the three topic areas with the highest online engagement from stakeholders. The website is routinely accessed by stakeholders from all 32 Scottish local authority areas, demonstrating our ability to continue to reach stakeholders across the country. The website is also accessed by users from 158 countries across the world, with 34% of total page views coming from users out with Scotland. The website is currently being refined to make it easier for users to find information about our programmes and access our large catalogue of resources.
4. HIS is hosting a 'Design for Healthcare' Masters student from University of Dundee for placements between May and August 2022. The student will work as part of the ihub's Person-centred Design and Improvement team and will contribute to the Mental Health Substance Use programme and Unpaid Carers programme.
5. The Scottish Government's Urgent and Unscheduled Care Collaborative launched on 1 June 2022 and aims to improve access to urgent and unscheduled care. The ihub directorate has supported this work by providing advice and guidance on the creating of implementation tools including driver diagrams and outcome measures.
6. The SPSP Acute Adult team within ihub delivered a national learning event in Glasgow on 31 May 2022. The event "[Improving Patient Safety: Learning Together](#)" hosted 130 delegates in person. A further 58 delegates joined virtually and were able to actively

engage with the event and speakers through this hybrid option. The event supported the work of the ongoing SPSP Acute Adult Collaborative which has a focus on the Essentials of Safe Care, falls and deteriorating patient. All NHS Scotland boards were represented at the event. The multidisciplinary audience included clinical staff, improvement staff and representation from the social care and higher education sectors.

Key Challenges

1. Key challenges remain around balancing the demands attached to designing and setting up new programmes of work; level of activity attached to ongoing recruitment; impact of turnover in key management roles, and the ongoing challenges of adapting what we do to ensure and enable ongoing engagement from front line clinical and care services who are extremely stretched. However, we continue with high levels of engagement in our work, albeit the pace of change is often slower than desired due to capacity challenges in the health and care system.

Key Stakeholder Engagement/External Activities

1. The Community Care and Dementia Portfolio took a lead role in facilitating a virtual visit for the Cabinet Secretary for Health and Social Care with the Western Isles Hospital at Home (H@H) team and a patient that recently received treatment by the service. During the visit, we were able to hear about the patient's experience, and the difference it made to be cared for in their own home. The Western Isles H@H team introduced their service model and covered a number of topics, including the potential for expansion, as well as the opportunity to showcase a model of H@H which has adapted to the needs of a rural setting and population. This has since led to a follow up meeting on Monday 20 June with the Cabinet Secretary, which will allow the team to share more detail on challenges, successes and lessons learned from the last two years, as well as to share data on activity across Scotland. The recording of the virtual visit to the Western Isles can be viewed [here](#).
2. In partnership with the Scottish Drug Forum and Homeless Network Scotland, the [Reducing Harm Improving Care \(RHIC\) programme](#) sought to understand the views of people with lived experience of accessing homelessness, alcohol and drug services. The multidisciplinary team delivered a key set of insights outlining the disjointed structure of statutory service provision for this group of people with multiple and complex needs whilst also highlighting some key positive aspects such as the impact that a trusting relationship with a supportive and consistent key worker can have. This work is now informing two further Scottish Government commissions within the ihub: [redesigning service pathways for a national residential rehabilitation service](#), and [helping ADPs meet newly instituted Medication Assisted Treatment standards](#).

FINANCE, PLANNING AND GOVERNANCE DIRECTORATE

Key Achievements

1. The completion of the 2021-22 accounts and a clean audit report has been a key success this quarter. No material unadjusted errors, qualification or delays were experienced.
2. In quarter 4 of 2022 our Internal Auditors, Grant Thornton, reviewed the current process for the management of new work commissioned from HIS by Scottish Government and outlined several areas for improvement including stronger evidence of approvals and more consolidated information across all commissions. A Short-Life Working Group has been working to implement the recommendations and is due to provide an update to the Executive Team in June, following which the updated process will be shared with the Quality and Performance Committee.

3. To support our increasing focus on Risk Management at all levels across HIS, a dedicated Risk Manager has been appointed. The new Risk Manager joined the Planning and Governance Team on 2 June and will take forward implementation of the Risk Management Strategy as a priority.
4. We are nearly half way through our test of change for the new ways of working. Over 330 staff have been in an office at least once (60%) and nearly 80% of respondents in a recent survey find the new ways of working effective and 92% do not have concerns around Covid-19 under the new ways of working. Office attendance averages 40 colleagues per day at 29% usage of bookable office space.

Key Challenges

1. We are currently developing the approach to our strategic and operational planning for the next three years, in discussion with Scottish Government. Along with all other national and territorial boards, we are required to submit an Annual Operational Plan for 2022-23 by the end of July. This will follow the same format as earlier progress reports against our Remobilisation Plan. In addition, we have been asked to develop a 3-year plan over the coming months, and we are developing a timetable for this, which will ideally align with the formal agreement of our new 5-year Strategy and its implementation. We are hopeful our approach and timescales will be acceptable as they have yet to be formally agreed with Scottish Government (SG).
2. **The Resource Spending Review on 31 May 2022** announced measures to reset the pay and workforce expectations by announcing a broad aim to freeze total pay bill costs (as opposed to pay levels) at 2022-23 levels. To achieve this, we are assessing our recruitment expectations for the remainder of the year, with a slowdown likely. SG have also asked for a detailed breakdown of saving schemes underway, assessment of further in year options and considerations of key risks by the end of July.

PEOPLE AND WORKFORCE DIRECTORATE

Key Achievements

1. **Learning opportunities** – To support a range of organisational learning needs identified via the corporate Learning Needs Analysis of 2021, the Organisational Development and Learning (OD&L) Team have procured and arranged the following;
 - Resilience Awareness Workshops attended by 103 colleagues
 - Menopause Awareness Sessions attended by 110 colleagues. (To continue supporting staff and managers impacted by menopause, the Health Promotion Group is in the process of creating a HIS Menopause Café).
 - Managing Successful Programmes (23 delegates)
 - Introduction to Project Management (22 delegates)
 - Certified Online Learning Practitioner (12 delegates)
 - Certificate in Designing online Learning (12 delegates)

In addition, a further four courses were piloted: Agile Programme Management, Project Management with MS Project, and Lean Sigma for Managers. (Initial evaluation of these courses has been positive).

2. **Supporting the Personal Development and Wellbeing Review (PDWR) Process** – The OD&L team has supported staff managers through the 2021/22 PDWR process with 4 staff drop-in sessions and one-to-one assistance via the KSF helpdesk. Compliance reporting will commence 13 June 2022.
3. **The Six Career Ready Internships** have been progressing well and we are preparing to welcome five of the students to their four week paid programme of work activities with

the first commencing on the 20th June 2022. During their time with us we will be providing them with an insight into the workings of the various areas within Healthcare Improvement Scotland and provide them with some practical experience in applying for jobs, some experience of interviews and the career opportunities that may be available to them. Those who have indicated their wish to follow a clinical career will be given an opportunity to meet clinicians within HIS. At the end of the four week programme each Intern will be required to prepare and deliver a 15 minute presentation on their experience within HIS to a physical audience including their parents, teachers, HIS mentors and management from the Career Ready Charity.

4. **Appointment** – the Associate Director of Workforce joined the Directorate on 16 May. This is a key appointment to the team and the new post holder has had the opportunity to spend the first few weeks orientating around our organisation and meeting a range of Executive Team and Board colleagues.

Key Challenges

1. Following the departure of our Senior Organisational Development Advisor, there has been a reduction in capacity within the OD&L team. Work has been undertaken in the short term to increase capacity in the team whilst planning is underway to look at the appropriate steps to replace the vacant role.

Key Stakeholder Engagement/External Activities

1. **HIS Campus** – Progress continues with the development of the HIS Campus concept and HIS Campus group. A development session is planned for the HIS Campus Group with a view to creating a shared vision on our organisational approach to learning and development, and this will include the types of services people expect to access to support learning and development and the funding model required to support this.
2. **iMatter** – A more collaborative approach is being taken to this year's iMatter activity through the establishment of an iMatter Steering Group, comprising representatives from all Directorates. Arrangements are in place for the survey to be issued on 27 June 2022 to run for a three-week period, with HIS results due on 19 July 2022.

COMMUNICATIONS TEAM

Key Achievements

1. **Volunteering Week (June 2022)** - In line with our new way of delivering communications, dedicated support was provided to Community Engagement for this campaign. A positive news story from the volunteering annual report, was developed and coverage achieved in multiple news outlets. Additionally, two blogs and several case studies were published, supported by a social media campaign to drive our audience to this content. As a result of this campaign approach, we were able to showcase HIS' role in the Volunteering in NHSScotland Programme.
2. **All staff huddle with Professor Jason Leitch, National Clinical Director (April 2022)** - 320 staff members attended the huddle which is the largest number of attendees at an all staff huddle to date, and a further 91 watched the recording of the huddle. The huddle also gave us the opportunity to showcase Delta House to Prof Leitch. This event, the second in our programme of inviting high profile figures to interact directly with our staff, provided an opportunity to ask Prof Leitch pertinent questions, demonstrating to our highly skilled and engaged workforce.
3. **The Communications Team has been working with the Digital Services Team to oversee the redevelopment of our website estate** - Together we have successfully set up a project board to oversee the discovery, build and implementation of a redeveloped

web estate for the organisation and have developed an internal engagement plan to support teams to prioritise how we engage with our audiences and share the outputs of our work.

Key Challenges

- 1. Institute for Healthcare Improvement (IHI) Conference** - Planning for the first face-to-face IHI Conference since the pandemic has provided some important learning points and an opportunity to reflect on how we manage events in the future. A clear, agreed plan will help colleagues across the organisation to have a consistent, shared understanding of our position as an organisation in terms of attendance and poster submissions. There has been some confusion this time, which has resulted in shorter timescales than would be liked to produce posters and other printed material. Similar issues have been experienced with the NHS Event in Aberdeen. We will include learning from this to help shape the strategy we are creating around our attendance at events and supporting public relations. Events we know we will be attending will be included on the HIS Corporate Calendar that is under construction as well as the HIS Communications Calendar to ensure sufficient support can be provided.
- 2. Transition period to our new way of delivering communications** - As we transition to our new way of working including agreed and time scaled communications plans for Directorates, we are still managing requests for support on an ad hoc basis – inevitably some of these requests have short delivery timescales which can potentially compromise the support available, particularly in design and print. The communications team will continue to deliver a professional service during this time but there may, at times, need to be discussion with colleagues needing support about what is achievable in the time available.

Key Stakeholder Engagement

- 1.** With increased attention to media engagement, we have achieved significantly increased media coverage over the course of the last month. Stimulated coverage has been positive about the role of the organisation and our priorities. For example, our press release relating to a study of adverse events which recommended increased engagement with patients and families in order to gather learning achieved positive coverage across all key target media including Scotsman, Herald, STV, Metro and a wide range of regional titles across the country. Another press release related to SIGN's Long COVID app and this was picked up across all major national and local titles with coverage continuing to appear for more than a week. As mentioned earlier, our proactive media activity to support the volunteering annual report from Community Engagement, which was specifically targeted at local media, achieved significant coverage. We will continue to build on this success in the future.

Healthcare Improvement Scotland

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| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | 2022 Public Inquiries Update – COVID-19 |
| Agenda item: | 1.6.2 |
| Responsible Executive/Non-Executive: | Robbie Pearson, Chief Executive |
| Report Author: | Lynda Nicholson, Head of Corporate Development |
| Purpose of paper: | Information |

1. Situation

The Covid-19 Public Inquiry in Scotland has been established to investigate the facts of the strategic response to the Covid-19 pandemic.

This paper provides an update to the Board on progress with HIS' preparations to participate in the Inquiry.

2. Background

The Inquiry was set up on 28 February 2022, and the official public launch took place on 25 May, marked by the publication of the Inquiry web site.

There are 12 Terms of Reference for the Inquiry – set out at Appendix 1. These are collated under four portfolios, one of which is the provision of health and social care.

There will be three phases to the Inquiry:

Establishment – the current phase for the introductory academic scoping research which has now been published;

Investigative – this phase will include production of an interim factual report with the key strategic elements of the handling of the pandemic, oral hearings and calls for evidence and submissions. The web site also mentions a listening project, with lived experiences to be heard; and

Reporting Phase – report produced.

The timeframe for, or the potential duration of, the Inquiry is not clear at this stage, nor is there any indication of when HIS may become involved. The Inquiry period of investigation will start with the World Health Organisation declaration of the first known case of Covid-19 and end at 31 December 2022.

3. Assessment

Our preparations for the Inquiry are based on what we currently know about the Terms of Reference, and proportionate to the likely impact on us.

We have appointed a team from the Central Legal Office (CLO) to advise, guide and support HIS through the Inquiry, with whom we have begun liaising. The CLO team is shared with another national NHS organisation, which will ensure this resource is proportionate to our needs.

A small virtual team has been established within HIS to help with co-ordination and collation of evidence in due course that the Inquiry may request.

We are currently preparing a timeline of key decisions and actions, with an accompanying factual narrative that will inform the future evidence gathering process.

A Privacy Notice has been prepared in respect of our handling of documentation for the Inquiry that may contain personal data.

The Communications Team is preparing a communications plan and initial information has already been provided to staff to keep them up to date as the Inquiry progresses.

In addition to providing evidence on request, there is an opportunity for us to share additional information relating to positive aspects of our contribution to supporting NHS Scotland through the pandemic. These will also form part of our narrative.

Assessment considerations

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| Quality/ Care | There is the opportunity to make a positive impact on the provision of future care by sharing our learning from the pandemic. |
| Resource Implications | This is additional work which is not resourced and at times may make significant demands on a small number of individuals. We will aim to keep any legal costs to a minimum. |
| | The timing of any demands is not in our control, and providing information or appearing before the Inquiry will need to take priority over other matters. This may put pressure on staff members and potentially create anxiety. |
| Risk Management | The requirement to provide evidence is a given and there is reputational risk from being unable to provide anything that the Inquiry requests. Ensuring the preservation of, and access to, records will be key in this respect. A comprehensive communications strategy will be devised to maintain and promote the organisation's reputation throughout the Inquiry. |
| Equality and Diversity, including health inequalities | Our participation will be driven by the needs of the Inquiry, and will bear in mind the requirements of the Public Sector Equality Duty , the Fairer Scotland Duty and the Board's Equalities Outcomes . |

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| Communication, involvement, engagement and consultation | This paper follows information previously discussed by the Executive Team on 5 April 2022 and 15 June 2022. |
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4 Recommendation

The Board is asked to note the early and proportionate progress being made, in anticipation of our future involvement in the Covid-19 Public Inquiry.

5 Appendices and links to additional information

The following appendices and links are included with this report:

- Appendix no 1 – Scottish Inquiry Terms of Reference
- Appendix no 2 – Scottish Inquiry [web site](#)

The Scottish Covid-19 Inquiry: Terms of Reference

1. Aim

1. The aim of this inquiry is to establish the facts of, and learn lessons from, the strategic response to the COVID-19 pandemic in Scotland.

2. Scope

2. To investigate the strategic elements of the handling of the pandemic relating to:
 - a) pandemic planning and exercises carried out by the Scottish Government;
 - b) the decisions to lockdown and to apply other restrictions **and the impact of those restrictions;**
 - c) the delivery of a system of testing, outbreak management and self-isolation;
 - d) the design and delivery of a vaccination strategy;
 - e) the supply, distribution and use of Personal Protective Equipment;
 - f) the requirement for shielding and associated assistance programmes, provided or supported by public agencies;
 - g) in care and nursing homes: the transfer of residents to or from homes, treatment and care of residents,

restrictions on visiting, infection prevention and control, **and inspections**;

- h) the provision of healthcare services and social care support, including the management and support of staff and **the recognition, involvement and support of unpaid carers**;
- i) the delivery of end of life care and the use of DNACPR (do not attempt cardiopulmonary resuscitation decisions);
- j) welfare assistance programmes, for example those relating to benefits or the provision of food, provided or supported by public agencies;
- k) the delivery of education and certification; and
- l) financial support and guidance given to businesses and the self-employed, including in relation to identification of keyworkers, by public agencies.

3. Reporting

- 3. To create a factual record of the key strategic elements of the handling of the pandemic.
- 4. To identify lessons and implications for the future, and provide recommendations.
- 5. To provide reports to the Scottish Ministers as soon as practicable.

4. Interpretation

- 6. When interpreting and applying these terms of reference:

- a) in relation to points 2(b) to 2(l), investigations will cover the period between 1 January 2020 and 31 December 2022;
- b) the inquiry will, as the chair deems appropriate and necessary, consider the impacts of the strategic elements of handling of the pandemic on the exercise of Convention rights (as defined in Section 1 of the Human Rights Act 1998);
- c) the inquiry will, as the chair deems appropriate and necessary, consider any disparities in the strategic elements of handling of the pandemic, including unequal impacts on people.
- d) the inquiry can consider only "Scottish matters" as defined in section 28(5) of the Inquiries Act 2005;
- e) the inquiry respects the independent role of the Lord Advocate in relation to the prosecution of crime and the investigation of deaths in Scotland; and
- f) the inquiry must make reasonable efforts to minimise duplication of investigation, evidence gathering and reporting with any other public inquiry established under the Inquiries Act 2005.

End of document.

Healthcare Improvement Scotland

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| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | HIS Future Strategy 2022-27 Consultation Update |
| Agenda item: | 2.1 |
| Responsible Executive/Non-Executive: | Robbie Pearson, Chief Executive |
| Report Author: | Jane Illingworth, Head of Planning and Governance, Lynda Nicholson, Head of Corporate Development |
| Purpose of paper: | Decision |

1. Situation

At its reserved meeting in March, the Board received the [draft HIS Strategy for 2022-27](#). Taking into account Board feedback, some minor amendments were made to the Strategy to produce a 'draft for consultation'.

This paper is intended to provide the Board with an update on the stakeholder engagement which has been taking place around the draft Strategy, and on feedback from the wider engagement activity.

The ongoing engagement and feedback will inform the final version of the Strategy which will be presented to the Board for approval in September 2022.

2. Background

The draft Strategy was developed by the Strategy Co-ordination Group with input from the Executive Team, and Board, as well as some informal stakeholder feedback obtained over a period of months. Due to system pressures, initial external stakeholder engagement activity was focused on 'business as usual' opportunities. However from April onwards we have undertaken more bespoke engagement (for example with national professional groups and Scottish Government) as well as wider and more general external engagement. Supporting material was made available for delivering presentations to stakeholders.

We have also had the support of the expertise and established networks of HIS: Community Engagement. Respondents were given the option of providing comment via an [online survey](#) or dedicated mailbox.

We shared the draft strategy with a wide range of stakeholders and in a number of different ways. For example, we promoted the strategy through direct correspondence and briefings to key contacts. We promoted it on social media, through a special edition of the HIS eNews and an external and internal blog from the Chief Executive, as well as in all staff huddles and through the Chief Executive's fortnightly staff message. For example, we contacted:

- All NHS Boards
- All Integration Joint Boards
- A wide range of key partner organisations including the Care Inspectorate
- Groups or representatives of key stakeholders such as independent healthcare providers, and professional bodies
- Specific key contacts of directors and other senior staff
- Public partners
- Third sector colleagues
- Over 700 subscribers to our electronic newsletter
- Other audiences, including the general public, via social media activity

The staff engagement process which commenced in April, with staff being encouraged to provide responses via Directorate Team meetings and/or the formal consultation survey whereby staff also had the option to respond as individuals. Staff networks were also invited to contribute through their specific lens. There is an additional but parallel bespoke piece of work with staff which will focus on the 'best public service employer' element of the draft strategy that will be reported at a later date.

The support of HIS:Community Engagement in undertaking public facing engagement enabled us to gather meaningful feedback on our strategy from public citizens. Five discussion groups took place in May 2022 – one in each of four geographical regions (West, South & East, North East and North) and one session with the HIS Public Partners, with a total of 40 participants being involved. Discussion group invites were sent to members of the public who are current service user/carer representatives on various boards/committees, or frontline staff who work within a range of third sector community groups. The invitations to participate in the groups were well received and enthusiastic discussion took place, with many suggestions for inclusion in the document being provided.

3. Assessment

The summary analysis below reflects the responses we received up to 10 June 2022, and only responses that addressed the specific questions we asked are included. Responses were reviewed by colleagues from the Evidence Directorate Knowledge Management Service and the Community Engagement Directorate.

There is quite a lot to work through, but overall the responses were generally positive with a number of our partners commenting on how our draft strategy aligns with theirs, and a number of suggestions on where we might clarify our ambitions or add to them. Comments on wording, formatting etc. are only included where they have been raised repeatedly and quotations are used to illustrate themes and highlight specific suggestions.

Some of the feedback comments were fairly lengthy, and other comments were provided beyond the specific questions we asked. Our digital ambition is clearly of interest, as is our role in tackling health inequalities. We also still continue to receive feedback and all of this still requires to be analysed. Consequently, all feedback will be fully considered before a final version of the Strategy is presented back to the Board.

In summary, some of the most common suggestions repeated across all of the engagement were:

The vision

Statements would work better in a different order

Especially move harm from the top spot

Include place of care in the Vision

Needs clarity on the language around 'health & care'.

What does this mean? Tighten up on consistency. Plainer language for public accessibility

Many comments suggest using 'equality' instead of 'equity'

Internal ambitions feel vague

More detail requested on:

How HIS will support NHS staff post-pandemic, putting them at the heart of recovery

The inequalities ambition – what is HIS' role, especially around access to care

Who HIS' partners are & how we work with them

The realities of a challenging context – finances, workforce

Digital ambitions & activity

What HIS should do more of / include more of in the strategy:

Engagement with workforce planning

Support NHS & care staff

Wellbeing, capacity, development

Hold the system accountable

And support services to ensure care meets standards & guidelines

Influence & lead (& fund?) research that will support the needs of the system

Support economic sustainability of the health & care system

Model being an equal and inclusive employer

Address remote & rural inequalities of care

Assessment considerations

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| Quality/Care | The strategy seeks to reflect the impact of the covid-19 pandemic and the evolving nature of health and social care delivery. It is essential that we engage with stakeholders to ensure that we reflect and address priorities for safe, high quality care in the medium and longer term. |
| Resource Implications | The strategy will inform the prioritisation of HIS resources over the coming years and be reflected in future Financial Plans. Achieving best value and maximising the impact of our resources will continue to be central to our strategic approach and decision-making. |
| | The strategy will inform the future shape of the HIS workforce, its learning and development, and ways of working. The strategy includes the values of the organisation and will provide opportunities for alignment of individual and team objectives with organisational priorities. |
| Risk Management | The Strategy will provide direction which will support clarity in external engagement and internal decision-making. The strategic risk register will be reviewed in light of the new strategy once agreed. |
| Equality and Diversity, including health inequalities | <p>The strategy includes a human rights-based approach to our work and considerations of equity. An Equality Impact Assessment will be undertaken and the strategy reflects the organisation's Equality Outcomes for 2021-25.</p> <p>As part of ongoing equalities monitoring, all participants of the Community Engagement Directorate discussion groups were asked to complete an online equalities monitoring survey, the results of which will be used to inform future engagement activities.</p> |
| Communication, involvement, engagement and consultation | <ul style="list-style-type: none"> • Board strategy session, 25 August 2021 • Board Development session, 17 November 2021 • Board meeting, 8 December 2021 • Board meeting (reserved), 23 March 2022 |

4 Recommendation

The Board is asked to note the feedback, comment on any aspect in relation to the further development of the strategy, and note that all feedback we have already received, or are still due to receive, will be given full consideration as we prepare the final version of the Strategy for future presentation to the Board.

5 Appendices and links to additional information

N/A

Healthcare Improvement Scotland

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|---|---|
| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | Workforce Plan – 2022 -25 Overview |
| Agenda item: | 2.3 |
| Responsible Executive/Non-Executive: | Sybil Canavan, Director of Workforce |
| Report Author: | Sybil Canavan, Director of Workforce |
| Purpose of paper: | Discussion |

1. Situation

This report is provide Board members with the detail of the guidance provided across NHS Scotland to inform the construction and content of our Workforce Plan for 2022 -25. This paper also gives an overview of activity to date.

2. Background

For the period 2021/22, an interim Workforce Plan for Healthcare Improvement Scotland was constructed based on the interim guidance previously provided.

The new guidance as detailed in DL 2022 (09), which is included as **Appendix 1** to this document confirms the expectation that the information and analysis provided at a board level will now reflect

- Alignment with the NHS Scotland National Recovery Plan
- Relevant detail in terms of the development of a National Care Service and
- Strategic and operational planning requirements

There will be a need to provide information on

- The current workforce, including a Gap analysis
- Assessment of our future workforce need and
- Our Board action plan predicated on the 5 Pillars of the National Workforce Strategy.

For National Boards there is a specific suggestion of engagement with our Sponsor Teams for discussion on the detail.

Details of the National Workforce Strategy are available via [Health and social care: national workforce strategy - gov.scot \(www.gov.scot\)](https://www.gov.scot/national-workforce-strategy)

The timeline provided in the document requires the submission of all draft Workforce Plans by the end of July 2022 to provide the opportunity for feedback from the Scottish Government (SG) Directorate Workforce Planning team, prior to publication of the final Board plan by the end of October 2022. In discussion with the Staff Governance Committee, it has been agreed that the Healthcare Improvement Scotland draft will be returned following the next Committee on 4 August.

Current Activity

Following receipt of the requested guidance for the Workforce Plan structure for all NHS Boards, discussion regarding the planning, content and context of the proposed draft for 2022 -25 have taken place at the Executive Team, Partnership Forum and Staff Governance Committee.

Specific areas of focus that have been highlighted from early discussions with the Executive Team, Partnership Forum and Staff Governance Committee colleagues at an organisational level have been -

- Visibility and continued updating of new commission arrangements
- Risk Management
- Consistency and transparency
- Planning and impact of recruitment activity
- Service overview and organisational structure arrangements
- Data accuracy, availability and alignment
- Recruitment, retention and turnover
- Case Studies, sharing of good practice and 'cross-fertilisation'
- Directorate and Organisational 'Employer Branding'
- Work environment and opportunities
- 'Employability'

A further, detailed request has now been issued to all Directorates to ask for –

- Current Service Demands
- Service drivers and workforce implications
- Required actions to support service growth and transformation e.g. role or service redesign and skills gaps
- What risks might already be known in meeting projected staffing requirements
- What skills are needed to develop the support and delivery of our organisation's ambitions?

Planning

The initial draft submission from Healthcare Improvement Scotland to the Workforce Directorate in SG will take place after the next full Staff Governance Committee in early August 2022. It is envisaged that the final version of the plan will be available for final publication in October 2022 as requested.

Following initial discussions across the organisation to reflect the organisational workforce planning position, and the anticipated financial settlement for Healthcare Improvement Scotland, the Resource Spending Review has been published.

The organisation has also implemented the agreed budget arrangements, including savings, for the organisation which include an element of attrition and turnover to be achieved within the financial year.

The Resource Spending Review, published on 31 May 2022, covering the period until the 2026/27 budget will require a need for Healthcare Improvement Scotland to scrutinise planned workforce expectations. The detail of the review includes confirmation that

- Continued growth of the public sector workforce away from frontline services is not seen as sustainable
- The aim to hold the total public sector pay bill at around 2022/23 levels whilst returning the size of the public sector to pre-Covid 19 levels
- Ongoing negotiation regarding the 2022-23 pay settlement
- The ‘broad aim’ for the public sector to maintain the total cost of the overall pay bill compared to 2022/23 levels
- Improvement of well-being – to reduce stress and wider sickness absence
- Continued development of technology to support hybrid and flexible working
- A look ahead to shared services.

The result of this detail is an immediate need for us to review our budgeted and planned headcount for the remainder of the coming year to ensure that our future pay arrangements will be affordable in the current financial climate.

This work will be described in the upcoming plan to ensure transparency in terms of proposals and the planned approach. It will also continue to be an essential feature of our workforce and financial planning and oversight arrangements for the remainder of the current financial year.

At this time, the proposed pay settlement for NHS Scotland is 5% for 2022-23. We await further information regarding whether this offer has been accepted or if a further request for a revised offer will be forthcoming.

3. **Assessment**

Healthcare Improvement Board members are asked to review the attached Workforce Planning guidance and also the detail captured in the narrative of this paper encapsulating the activity underway to date to enable discussion and comment as appropriate.

Assessment considerations

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| Quality/ Care | The detail provided assists in best use of resources, ensuring Healthcare Improvement Scotland’s workforce is aligned to our service demand and impact on the quality of care (and services) provided. |
| Resource Implications | Staffing within the organisation and how they are deployed has major operational and financial implications. This report confirms the required planning and approach to be taken to production of the Workforce Plan |

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| Risk Management | The workforce risk and mitigation activity is described in detail in the Strategic Risk register. The risk is reviewed and updated monthly. |
| Equality and Diversity, including health inequalities | The Workforce Plan will inform how the workforce is developing in relation to previous periods and track our skill mix across the organisation. An impact assessment has not been completed. This will be included in the final Workforce Plan. A range of workforce data is used to complete organisational Workforce Equality Monitoring Report for the organisation which includes equality and pay data. This report is published to share this detail for Healthcare Improvement Scotland. |
| Communication, involvement, engagement and consultation | 19 April 2022 Executive Team Meeting 28 April 2022 Partnership Forum Development Session 11 May 2022, Staff Governance Committee |

4 Recommendation

Board members are asked to

- a) Discuss and consider the implications of the workforce planning guidance provided in Appendix 1. The provision of this detail is to enable all members to ask questions or where there is a need to understand the impact of any proposed reporting or activity required.
- b) Review the considerations already highlighted in terms of current detail for the initial draft of the plan.
- c) Provide comment on any additional areas for consideration and inclusion in the initial draft of the plan for submission to Scottish Government in August 2022.

5 Appendices and links to additional information

The following appendices are included with this report:

- Appendix No 1 [DL 2022 \(09\)](#) National Health and Social Care Workforce Strategy: Three Year Workforce Plans

Healthcare Improvement Scotland

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|---|---|
| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | Risk Management: strategic risks |
| Agenda item: | 3.1 |
| Responsible Executive/Non-Executive: | Angela Moodie, Director of Finance, Planning and Governance |
| Report Author: | Pauline Symaniak, Governance Manager and Paul McCauley, Risk Manager |
| Purpose of paper: | Discussion |

1. Situation

The strategic risk register held on Compass, the risk management database, as at 10 June 2022, is provided at Appendix 1. The Board is asked to review the risks presented.

2. Background

The Compass database is aligned to the Risk Management Strategy and enables the management and reporting of risks across the organisation.

The Board's role for assessing risk is set out in the NHS Scotland Blueprint for Good Governance as follows:

- Agree the organisation's risk appetite.
- Approve risk management strategies and ensure they are communicated to the organisation's staff.
- Identify current and future risks.
- Oversee an effective risk management system that assesses level of risk, identifies mitigation and provides assurance that risk is being effectively treated, tolerated or eliminated.

3. Assessment

The strategic risk register at Appendix 1 provides the detail behind the current risk profile and the graph below provides additional information on the trend for strategic risks.

The key changes since the March meeting are as follows:

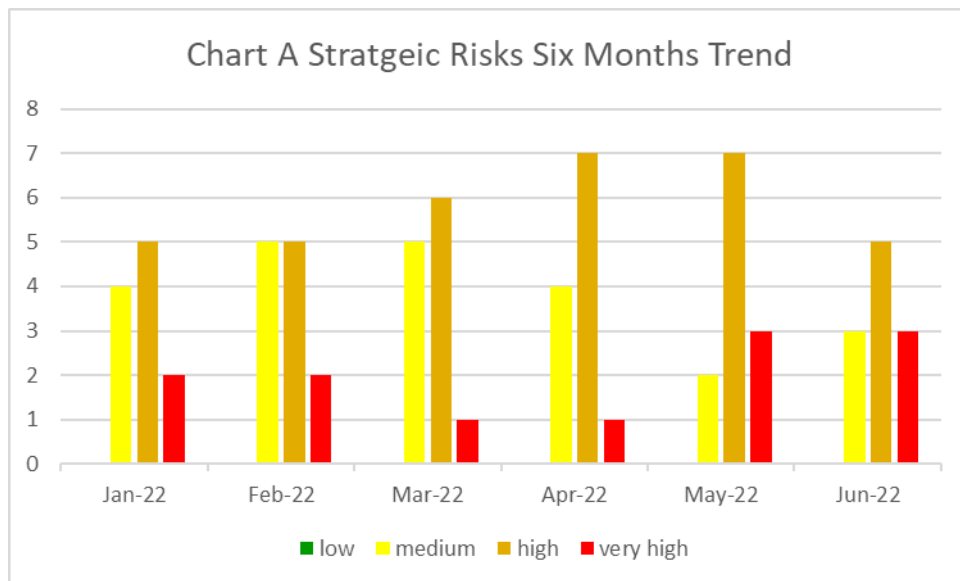
- One risk has been removed from the register (consolidated into another risk).

- One risk has been raised in severity from medium to high.
- Three risks have been rated upwards from medium to high or high to very high but solely due to the application of a cautious risk appetite following the approval of the new Risk Management Strategy. It should be noted that these risk scores remain the same.
- One risk has been lowered from very high to high.
- Two risks have been lowered from high to medium.
- One risk has been lowered in score but remains in the medium rating.

The changes above are outlined in a movement schedule at Appendix 2.

The risk appetite matrix is included at Appendix 3.

Work is underway to review all risks for consistency of scoring and wording, and therefore a higher number of changes than usual may be seen in forthcoming months.



The Board is asked to note that the Audit & Risk Committee reviewed the strategic risk register at its meeting on 23 June 2022.

Assessment considerations

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| Quality/ Care | The risk register underpins delivery of the organisation's strategy and effective risk management ensures the best outcomes from our work programmes. Discussion of the risk register and its impact on delivery of the organisation's work |
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| | plan is a key part of the assurance arrangements of the organisation and in identifying opportunities. |
| Resource Implications | There is no financial impact as a result of this paper. Relevant financial risks are recorded on Compass and presented to the Audit and Risk Committee. |
| | There is no impact on staff resources, staff health and wellbeing as a result of this paper. Relevant workforce risks are recorded on Compass and presented to the Staff Governance Committee. |
| Risk Management | Strategic risks and their mitigations are set out in the report. |
| Equality and Diversity, including health inequalities | There are no equality and diversity issues as a result of this paper. An impact assessment has not been completed because this is an internal governance paper. |
| Communication, involvement, engagement and consultation | The risk register is an internal management tool and therefore no external consultation has been undertaken in preparing this paper. |

4 Recommendation

The paper is presented for discussion.

The Board is asked to review the attached papers to:

- Assure themselves that the risks presented are recorded and mitigated appropriately.
- To identify any opportunities that arise from the risk reports presented.

5 Appendices and links to additional information

The following appendices are included with this report:

- Appendix 1: Strategic risk register
- Appendix 2: Movement schedule

Appendix 1 Strategic Risks

| Category | Project/Strategy | Risk No | Risk Director | Risk Description | Risk Appetite | Current Controls | Current Mitigation | Current Update | Current Risk Level | May - 2022 | Apr - 2022 | Mar - 2022 | Feb - 2022 | Jan - 2022 |
|-----------------------------|------------------|---------|----------------|--|---------------|--|---|--|--|----------------|------------|------------|----------------|----------------|
| Reputational / Credibility | COVID-19 | 1072 | Robbie Pearson | There is a risk that the continued development and implementation of our strategy and the associated operational plan will be impeded by the COVID-19 pandemic and subsequent system pressures on the NHS. | Cautious | <p>The fourth version of the remobilisation plan (RMP4) was agreed with the Scottish Government (SG) in September 2021 and provides the focus for the remainder of 2021-22. At present, we are reporting on progress against RMP4 and any changes in delivery on a quarterly basis to Scottish Government and as part of our internal performance reporting.</p> <p>The 7 key delivery areas – agreed by the Board – will continue to provide the platform for priorities in the future and provide the basis for a more integrated response, consistent with the Quality Management System.</p> | Steps are being taken to adjust to changing circumstances as restrictions are eased and the NHS and the social care system edges forward. This has included the need to adjust the focus and tempo of our operational activities to deal with surges in infections such as the omicron variant. | We have gradually adjusted our approach in response to the pandemic: ensuring our operational activities are aligned to the residual and sustained pressures in the health and social care system as a consequence of the pandemic. It is likely that the impact of the pandemic will be sustained over a long period of time as providers seek to meet unmet need and the backlog of care. We will continue to ensure our response is tailored to alleviating such pressures. | High - 16 Impact - 4 Likelihood - 4 | High - 16 | High - 16 | High - 16 | Very High - 20 | Very High - 20 |
| Financial / Value for Money | Finance Strategy | 635 | Angela Moodie | There is a risk of financial instability because of national funding challenges, resulting in changes to the organisational priorities around our work plan and strategy. | Cautious | <p>The remobilisation plans have been shared with SG and updates are regularly provided. Meetings are held with SG policy leads and SG finance to assess and update on progress to those plans. The work plan remains agile to be able to flex to system pressures across the NHS.</p> | <p>Additional allocations are monitored closely, tracking against deliveries and budget. Management Accountants work closely with budget holders to track deviations from approved budget.</p> <p>Scenario planning is underway follow the Spending Review details and operational plans will be amended accordingly.</p> | A balanced budget has been projected for 22/23, with a small overspend identified at P2. The recent Spending Review will provide further challenges. Work is underway to determine the actions required here. | High - 12 Impact - 3 Likelihood - 4 | High - 12 | High - 12 | High - 12 | High - 12 | High - 12 |
| Reputational / Credibility | ICT Strategy | 923 | Safia Qureshi | There is a risk that our Information, Communications and Technology (ICT) systems could be disabled because of a cyber-security attack resulting in staff being | Cautious | <p>Controls that are in place include:</p> <ul style="list-style-type: none"> No direct connection to the internet and two Dell Sonicwall firewalls between the Swan network (external) and HIS network (internal), | <p>Mitigations under control of ICT are as for risk 1149. Business areas should manage business mitigations through their business continuity plans.</p> | Update since March meeting- Likelihood increased from 3 to 4 due to recent activity and the ongoing situation in Ukraine. Also a Digital Investment Business Case was approved by the Board in March when it | Very High - 16 Impact - 4 Likelihood - 4 | Very High - 16 | High - 16 | High - 16 | Medium - 12 | Medium - 12 |

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| | | | <p>unable to deliver our work and causing reputational damage.</p> | | <p>blocking incoming and outgoing traffic. These provide the following safeguards: block network attacks, intruder prevention and gateway anti-spyware and anti-virus scanning of incoming traffic.</p> <ul style="list-style-type: none"> • Network traffic is segregated with VLans and Sophos filters website traffic by blocking or allowing websites or categories. • Sophos Anti-Virus has been deployed across the internal HIS Network which includes malware detection and blocks the latest threats, including ransomware, exploit-based attacks, and server-specific malware. • We proactively search for issues, understand how attacks take place. • Sophos sandstorm is an additional software protection system that integrates with our existing Sophos anti-virus software and provides the organization with an extra layer of security against malware, ransomware and targeted attacks. • HIS gained Cyber Essentials accreditation in October 2018 • HIS receive notification that are issued both by (i) National Cyber Security Centre and (ii) the NHS Cyber Security Centre of Excellence regarding security exploits and vulnerabilities and act accordingly | <ul style="list-style-type: none"> • All HIS staff complete training modules on Data protection, Information Security and Freedom of information before being allowed access to HIS computers. User also sign the HIS Acceptable Use Policy. • Avanti port control blocks unauthorised removable media being attached to laptops and Sophos policy scans on read access to alert ICT to issues. • We use Windows Server Update Server (WSUS) for security patch deployment to laptops and servers. This excludes out of support servers. • A patching schedule is in place where new security patches released are to be deployed to laptops and servers within four weeks of release. This excludes out of support servers. • There is a standard build to all new laptops with the latest security patches applied. • Only the members of the ICT team have privilege accounts for the domain. The ICT manager and Senior ICT Support Analyst are notified automatically when changes occur. • The ICT team monitor and receive alert from the firewall, server, anti-virus and proxy server logs. • Daily backups of all data are taken. • Alerts are sent nationally whenever any suspicious activity takes place across NHS Scotland or the public sector. • All HIS staff need to complete the mandatory Cyber Security training module developed by the National Cyber Security Centre (NCSC). • The ICT Team are rolling | <p>was agreed that cybersecurity was a priority for investment.</p> <p>Alerts are sent nationally whenever any suspicious activity takes place across NHS Scotland or the public sector. The Director and the Head of ICT at Scottish Ambulance Service (SAS) are on call for major incidents which are all handled centrally. HIS will undertake a self- assessment audit as part of the national resilience work to ensure that the controls that are in place are adequate to protect the organisation.</p> <p>Update 15/02/2022 Digital Services Group requested a £40K investment in Cybersecurity for the FY 22/23 budget. This has now been included as part of a Business Case request for Investment in Cybersecurity, ICT Resilience and Digital Transformation.</p> <p>Update 28/03/2022 Likelihood increased from 3 to 4 due to recent activity and the ongoing situation in Ukraine.</p> <p>Although HIS email and Teams are held on separate servers in a Microsoft datacentre, in the scenario that HIS are subject to a cyber- attack it is highly likely that the National M365 Security team will block all HIS access to email and Teams.</p> | | | | | | |
|--|--|--|--|--|--|---|--|--|--|--|--|--|--|

| | | | | | | | | | | | | | | |
|----------------------------|---------------------------------|-----|---------------|--|----------|--|--|---|---|-------------|-------------|-------------|-------------|-------------|
| | | | | | | <p>out Mobile Device Management to all HIS mobile devices which allows all HIS mobiles to be set up centrally with approved apps only and with the facility to be wiped remotely if lost or stolen.</p> <ul style="list-style-type: none"> • The ICT Team are currently configuring InTune for all HIS laptops. This software enables security patches to be deployed automatically to all HIS laptops without a requirement for laptops to be connected to the corporate network, thereby ensuring that the security of our devices is maintained during this continued period of home working. • Work is underway to deploy Microsoft Defender Advanced Threat Protection which will automatically detect and remediate advanced attacks on HIS laptops and mobiles. It also identifies vulnerabilities such as unpatched software, providing remediation options to address this. This a 'preventative' solution and offers another layer of protection to HIS. | | | | | | | | |
| Reputational / Credibility | Information Governance Strategy | 759 | Safia Qureshi | There is a risk of reputational damage through failure to demonstrate compliance with the General Data Protection Regulation, resulting in reduced stakeholder confidence in the organisation. | Cautious | Staff training, records retention policy, data protection policy, information security policies, technical security controls, cyber security certification, data processor contractual arrangements, improved implementation of retention schedule. | Staff training and awareness; review of the information asset register for compliance gaps; review of HIS practices against the Information Commissioner's Office (ICO) accountability framework; ongoing monitoring and advice. | As a result of the necessary changes to working practices caused by the pandemic the Information Governance Group carried out an assessment of personal data processing against the ICO Accountability Framework. The Information Governance (IG) Team are now taking forward the relevant actions from the assessment. These include awareness raising sessions starting this month, the release of a new Information Governance handbook and training module for all staff. Additionally, staff who undertake data analysis are to undertake an | Medium - 12 Impact - 3 Likelihood - 4 | Medium - 12 | Medium - 12 | Medium - 12 | Medium - 12 | Medium - 12 |

| | | | | | | | | | | | | | | | |
|-------------|---------------------------------------|------|----------------|---|----------|--|--|--|---|-----------|-----------|-----------|-----------|-----------|--|
| | | | | | | | | intermediate level module which reflects their more advanced data usage before the end of September. Following this work this overall risk will be reviewed at the end of the next quarter. | | | | | | | |
| Operational | Making Care Better Strategy 2017-2022 | 1131 | Robbie Pearson | There is a risk that the introduction of the National Care Service (NCS) in Scotland impacts on the role of HIS. The impact specifically is with regards to HIS' remit and responsibilities, role as a regulator and improvement support offered. | Cautious | Consultation on the NCS is now closed and HIS has responded on key strategic issues. We are connecting to the SG policy team/sponsor unit to ensure our voice is heard in any specific proposals regarding HIS. We are connecting and ensuring uptake of any early opportunities for broader engagement. | We have opened discussions with other national bodies around agreeing an overarching framework for improvement support and key principles about how we work together that would address the issue of a model that "practitioners at all levels can implement as a whole rather than a sum of the parts". We have also been working with the Care Inspectorate around a joint proposal to Scottish Government around how we can move forward now with the design of national improvement programmes to address the issues raised by the Independent Review of Adult Social Care. | We await the introduction of the draft bill regarding the establishment of the National Care Service into the Scottish Parliament in late June. It is likely that the operational details and implications arising from this will be subject to more extended discussion over the remaining life of the Parliament. HIS has contributed to the consultation in an extensive and positive manner with the Scottish Government and will continue to contribute not only to the draft bill but also via broader engagement over the next few years. | Medium - 10 Impact - 5 Likelihood - 2 | High - 15 | High - 15 | High - 15 | High - 15 | High - 15 | |
| Operational | Making Care Better Strategy 2017-2022 | 1133 | Robbie Pearson | There is a risk that a variety of external factors including economic, environmental and political pressures will impact on the availability, performance and priorities of HIS. | Cautious | Horizon scanning and ongoing stakeholder engagement. | Strategy development will seek to retain the gains in organisational agility shown during the response to the COVID-19 pandemic, whilst remaining vigilant in respect of changes in the current and future operating environment. The process for managing new work commissions in HIS is being reviewed and improved to support consistent and transparent prioritization and decision-making in relation to our work. | The development of the new HIS strategy is underway, supported by a programme of internal and external stakeholder engagement to ensure that HIS' priorities reflect the needs of the system. On wider external factors, the current invasion of Ukraine carries huge risks for a world economy that is yet to fully recover from the pandemic. We continue to monitor this closely, alongside the implications arising from the Resource Spending Review. HIS is protected against inflation for the next three years in many key areas and our ability to respond to unexpected developments, as demonstrated in our response to the pandemic, indicates that we can be flexible in terms of | Medium - 10 Impact - 5 Likelihood - 2 | High - 15 | High - 15 | High - 15 | High - 15 | High - 15 | |

| | | | | | | | | | | | | | | |
|----------------------------|--|------|----------------|---|----------|--|--|---|---|-----------|-------------|-------------|-------------|-------------|
| | | | | | | | our commitments and finances. | | | | | | | |
| Reputational / Credibility | Making Care Better Strategy 2017-2022 | 1160 | Lynsey Cleland | There is a risk that inspections or other assurance activity carried out by HIS fails to identify significant risks to the safety and quality of care, resulting in potential harm to patients and damage to the reputation of HIS. | Cautious | Individuals involved in assurance activities are appropriately qualified and trained and have sufficient experience to carry out their role. Quality Assurance System and associated Standard Operating Process promotes a consistent and robust approach to all Quality Assurance Directorate (QAD) work to ensure best practice is followed. Standard Operating Process (SOP) is supplemented where needed by additional tools and systems for particular programmes. Clear escalation policy in place. Memorandum of Understanding in place with partner agencies, including the Care Inspectorate. | Quality Assurance System (including the Quality Assurance Framework and Standard Operating Process) has been revised to ensure fitness for purpose and engagement on this has taken place. Inspections and reviews are informed by relevant data and intelligence with support from the Data Measurement and Business Intelligence (DMBI) team. Risk assessments inform decisions on frequency and focus of inspection and other assurance activities and focused inspections/reviews are undertaken in response to intelligence on potential significant risks or concerns. Ongoing review of learning and development needs to ensure staff have the necessary skills and experience. Workforce and capacity planning to ensure assurance activities are appropriately resourced with the required mix of skills for the activity being undertaken. Improvement plan to strengthen capacity planning is being developed. Review and evaluation of inspections and reviews to continually improve the quality and impact of assurance activities. | A number of measures designed to improve the quality and robustness of QAD planning processes and programme delivery are underway, and reflected in the QAD improvement plan. These include improvements in implementing new commissions, workforce planning, clinical and care governance, and changes to the QAD reporting infrastructure to ensure appropriate monitoring and internal assurance. An engagement process on the QAD Quality Assurance System has been completed, and we have used feedback to further refine the Quality Assurance Framework and Standard Operating Process, to ensure these are up to date, and effective in supporting consistent, high quality work. These will be implemented across QAD programmes over the coming months. | High - 12 Impact - 4 Likelihood - 3 | High - 12 | Medium - 12 | Medium - 12 | Medium - 12 | Medium - 12 |
| Reputational / Credibility | NHS Scotland Climate Emergency & Sustainability Strategy | 1165 | Safia Qureshi | There is a risk that HIS will be unable to achieve the Scottish Government and UN sustainability requirements or the NHS Scotland net zero target for 2040. This would be mainly due to a lack of capacity to deliver the work required resulting in reputational damage to HIS and a failure to capitalise on the financial and health & wellbeing | Cautious | Sustainable Development Action Plan. National Sustainability Assessment Tool (NSAT) annual assessment. Net Zero Action Plan. Active Travel Adaptation Policy. | Submission of an annual Sustainability Assessment Report audited by Health Facilities Scotland and Scottish Government. Collaboration with other NHS boards contributing to Climate Change Risk Assessment & Adaptation Plans, including Biodiversity reporting. Development of an organisational Net-Zero | Healthcare Improvement Scotland submitted its 2021/22 NSAT report during April 2022. The report details significant year on year improvements regarding the organisation's Sustainability achievements, that are partly evidenced by the 37 new documents submitted. The third meeting of the internal Climate Change network took place in April and there are | High - 12 Impact - 4 Likelihood - 3 | High - 12 | Medium - 12 | Medium - 12 | Medium - 12 | - |

| | | | | | | | | | | | | | | |
|----------------------------|--------------------------------------|------|----------------|---|----------|---|---|--|---|------------|-------------|-------------|-------------|-------------|
| | | | | opportunities associated with sustainable delivery of our work. | | | Route map action plan. | plans to have a Climate Change workshop to review and action some of the recommendations that have been made by the network. HIS is also working with NSS to establish a Special Health board group, which will collaborate to share ideas and develop active travel plans, joint adaptation plans and NSATs etc. | | | | | | |
| Reputational / Credibility | Regulation of Independent Healthcare | 1159 | Lynsey Cleland | The breadth, diversity and volatility of the independent healthcare sector, a combination of a range of financial, clinical, policy and operational risks could impact the organisation's ability to effectively regulate independent healthcare services and presents risk to public safety and/or the reputation or financial stability of HIS if adequate controls and mitigations are not in place. | Cautious | <p>We now have an establishment of 13.6 Whole Time Equivalent (WTE) inspectors, 2.6 wte Programme Manager, 2.0 wte Project Officer 1.6 wte admin and 2.8 wte Snr Inspector for the IHC team to create additional capacity to cope with the growth and complexity of the sector.</p> <p>A new approach to accessing the required clinical expertise and updating staff knowledge is being developed in partnership with the medical directorate. While maintaining clinical input as required in the meantime, this now includes a monthly meeting for discussion of clinical issues relating to regulatory activity and provides an opportunity to seek specialist advice if required.</p> <p>Work continues with the finance team to monitor the financial picture and maintain accurate forecasts. IHC now has dedicated management accountant working on forecasting, budgeting, fee setting and monthly management accounts and agreed annual baseline finding of £260K from SG.</p> <p>Online Forum (Care Quality Commission CQC, Regulation and Quality Improvement Authority</p> | HIS/SG Independent Health Care (IHC) Short life working group considering the policy and financial considerations to enable effective and sustainable regulation of the independent healthcare sector in to the future. | <p>Recruitment in final stages, three Inspectors recruited and awaiting to join. Senior Inspector recruitment on going.</p> <p>The HIS /Scottish Government (SG) IHC short life working group is well established and the IHC team are working on wider regulatory reform proposals to close known loop holes, informed by wider discussions are also taking place with clinical leaders at SG.</p> <p>Work is now progressing in respect of the system to improve our access to specialist clinical input and the clinical and care governance risks for IHC are discussed at every IHC clinical group.</p> | High - 12 Impact - 4 Likelihood - 3 | Medium - 8 | Medium - 12 | Medium - 12 | Medium - 12 | Medium - 12 |

| | | | | | | | | | | | | | | | |
|----------------------------|--------------------|------|---------------|---|----------|--|---|--|--|----------------|----------------|----------------|----------------|----------------|--|
| | | | | | | (RQIA), Healthcare Inspectorate Wales (HIW) and HIS) in place to discuss UK wide regulatory considerations and share emerging issues in relation to digital healthcare. IHC Clinical & Care Governance Group in place to consider clinical care governance and ensure appropriate clinical input. | | | | | | | | | |
| Reputational / Credibility | Service Change | 1163 | Ruth Jays | There is a risk that system pressures together with regional/national planning and COVID remobilisation and recovery reduces the priority given to meaningful public involvement and engagement in service change resulting in failure of Boards to meet their statutory responsibilities with the subsequent operational and reputational risk to HIS. | Cautious | "Planning with People", Scottish Government and COSLA Community Engagement Guidance', Identifying options for delivery of core functions; and raising awareness through governance structures, via engagement with NHS boards, partnerships and Scottish Government. Development of Quality Framework for Engagement to support implementation of national guidance. | The Scottish Health Council Committee Service Change Sub-Committee continues to provide governance over the issue and last met on 31 March 2022 to consider progress. This subject was the focus of a paper presented to the Scottish Health Council Committee on 9 September where recommendations were accepted. The issue was also the subject of a Board Development Day on 17 November and further actions have been developed in the light of these discussions. Ongoing discussions with boards and partnerships to emphasise need for engagement and support available via HIS-CED. | The current serious and sustained pressures in the health and social care system are having an impact on boards' ability to meaningfully engage around service change. There are also a range of service changes which were brought in on a temporary basis at the start of the pandemic and have now been in place for 24 months. We are reviewing on an ongoing basis the support we provide for boards and what more we can do to ensure relevant guidance is applied and the risks around failure to meaningfully engage are taken account of. | Very High - 16 Impact - 4 Likelihood - 4 | Very High - 16 | High - 16 | High - 16 | High - 16 | High - 16 | |
| Operational | Workforce Strategy | 634 | Sybil Canavan | There is a risk that we may not have the right skills at the right time to deliver our work because of a skills shortage or lack of capacity resulting in a failure to meet our objectives. | Cautious | Workforce planning arrangements are in place within Healthcare Improvement Scotland. The organisational plan is in the process of being revised for the period 2022-25 in line with Scottish Government requirements. This will include an agreed action plan which will be formulated through engagement and discussion with the Partnership Forum and Staff Governance Committee prior to submission to the Board for formal approval. As before the plan will reflect | Activity and progress monitored quarterly via Staff Governance Committee. Further scrutiny and service focus takes place via Partnership Forum, New Commissions arrangements, oversight of recruitment and vacancy arrangements for the organisation and also any required review of structural and service requirements. Management of workforce risks occurs through everyday management activities including business planning, role design, departure practices, | The Workforce plan for 2022-25 will be accompanied by a detailed action plan for this risk. It will include narrative and actions on workforce planning regarding succession planning and any identified areas of skills shortage or wider workforce market challenges. The plan will also describe opportunities for improved cross-organisational working and capacity planning around generic posts. These actions are being led and implemented by the Director of Workforce. The risk assessment for this | High 15 Impact - 5 Likelihood - 3 | Very High - 20 | Very High - 20 | Very High - 20 | Very High - 20 | Very High - 20 | |

09/06/2022

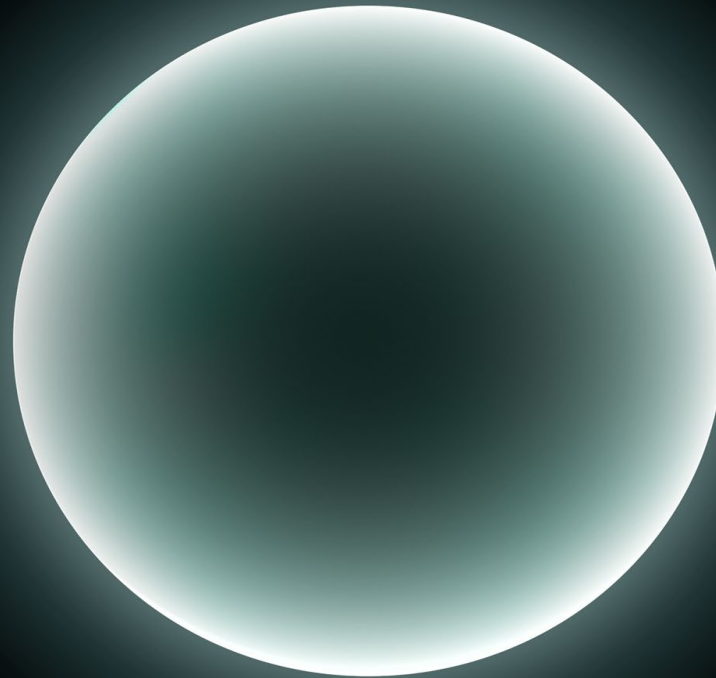
| | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | both financial and operational planning priorities for the organisation. | organisational design, staff development, knowledge of the external labour market, attraction activities, recruitment activities, 'on-boarding', performance management and organisational culture | area has reduced to reflect that, whilst the operational register does provide detail directorate issues in terms of local workforce challenges, Healthcare Improvement Scotland continues to deliver on required commissions and our organisational priorities. | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

1. Risks that have changed profile since March

| Risk No. | Risk Title | Reason |
|----------|---|---|
| 923 | ICT Strategy | Risk is raised from medium to high |
| 1160 | Making Better Care Strategy | Risk is raised to high from medium due to the application of a cautious risk appetite |
| 1165 | NHS Scotland Climate, Emergency and Sustainability Strategy | Risk is raised to high from medium due to the application of a cautious risk appetite |
| 1163 | Service Change | Risk rating raised to very high from high due to the application of a cautious risk appetite. |
| 634 | Workforce Strategy | Risk rating lowered from very high to high |
| 1131 | Making Care Better Strategy | Risk rating lowered from high to medium |
| 1133 | Making Care Better Strategy | Risk rating lowered from high to medium |
| 1159 | Regulation of Independent Health Care | Risk is lowered in score but remains medium |

2. Risks that have left the report since March

| Risk No. | Risk Title | Risk Description | Reason |
|----------|--------------------|---|--|
| 1124 | Workforce Strategy | There is a risk that a vacancy in a critical role cannot be filled satisfactorily within an acceptable timeframe. This impacts business continuity and performance due to periods of unplanned absences | This specific risk is now consolidated into a wider workforce risk |



Healthcare Improvement Scotland

Report to the Audit and Risk Committee and the Auditor General for Scotland
on the 2021/22 audit

Issued on 16 June 2022 for the meeting on 23 June 2022

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01 Final report

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Introduction

The key messages in this report

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the Annual Report and Accounts.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our final report to the Audit and Risk Committee (“the Committee”) of Healthcare Improvement Scotland (“HIS”) for the year ending 31 March 2022 audit. The scope of our audit was set out within our planning report presented to the Committee in March 2022.

This report summarises our findings and conclusions in relation to:

- The audit of the **annual report and accounts**; and
- Consideration of the wider scope requirements of public sector audit. As set out in our plan, in line with previous years, we have concluded that the full application of the wider scope is not appropriate and applied the “small body” clause set out in the Code which allows narrower scope work to be carried out. We have updated our risk assessment during the audit and confirm that the judgement made in our audit plan has not changed. Our work in this area was restricted to concluding on:
 - The appropriateness of the disclosures in **the annual governance statement**; and
 - The **financial sustainability** of HIS and the services that it delivers over the medium to longer term. As part of this work, we have followed up on progress with the recommendations made in our previous years audit report.

Conclusions from our testing

Based on our audit work completed to date we expect to issue an unmodified audit opinion.

Following updates made by management, the Performance Report and Accountability Report comply with the statutory guidance and proper practice and are consistent with the financial statements and our knowledge of HIS.

Following updates made by management, the auditable parts of the Remuneration and Staff Report have been prepared in accordance with the relevant regulations.

A summary of our work on the significant risks is provided in the dashboard on page 9.

We have identified three misstatements above our reporting threshold, relating to Dilapidations, PPE transfers, a VAT recoverable balance in creditors and fair pay disclosures, which are included on page 29 - 30.

Introduction (continued)

The key messages in this report (continued)

Status of the Annual Report and Accounts audit

Outstanding matters to conclude the audit include:

- Finalisation of internal quality control procedures;
- Receipt of signed management representation letter; and
- Our review of events since 31 March 2022.

Conclusions on audit dimensions

Annual Governance statement – The disclosures are appropriate and address the minimum requirements of the Scottish Public Finance Manual (“SPFM”) and the Government Financial Reporting Manual (“FReM”).

Financial sustainability – HIS has achieved an underspend in 2021/22 and has submitted a balanced budget to Scottish Government which includes a small undefined savings target. Based on historic achievement of in year savings we are satisfied that short term financial balance can be achieved in 2022/23. HIS has a MTFP which highlights small deficits year on year over the medium term and it is positive to note this has been completed given the challenging environment.

Our detailed findings and conclusions are included on pages 18 to 21 of this report.

Next steps

An agreed Action Plan is included on pages 31 – 33 of this report, including a follow-up of progress against prior year actions.

Added value

Our aim is to add value to HIS by providing insight into, and offering foresight on, financial sustainability, risk and performance by identifying areas for improvement and recommending and encouraging good practice. In so doing, we aim to help HIS promote improved standards of governance, better management and decision making, and more effective use of resources.

This is provided throughout the report. In addition, we have included our “sector developments” on pages 24 – 26 where we have shared our research, informed perspective and best practice from our work across the wider public sector that are specifically relevant to HIS.

During the year, we have also provided guidance on management papers concerning dilapidations and the new remuneration report requirements.

Managing transition to 2022/23 audits

2021/22 is the final year of the current audit appointments. We will minimise disruption to all parties, and maximise the transfer of knowledge of the Board, by working in partnership with Audit Scotland and the incoming auditors.

We would like to put on record our thanks to the Board, management and staff for the good working relationship over the period of our appointment.

Pat Kenny
Audit Director

Annual Report and Accounts audit



Quality indicators

Impact on the execution of our audit

Management and those charged with governance are in a position to influence the effectiveness of our audit, through timely formulation of judgements, provision of accurate information, and responsiveness to issues identified in the course of the audit. This slide summarises some key metrics related to your control environment which can significantly impact the execution of the audit. We consider these metrics important in assessing the reliability of your financial reporting and provide context for other messages in this report.

| Area | Grading | | | Reason |
|--|---------|------|------|--|
| | FY22 | FY21 | FY20 | |
| Timing of key accounting judgements | | | | Key estimate for HIS primarily relate to Dilapidations. The management paper for this estimate was not provided at the start of our audit and the initial draft had not considered the estimate in sufficient detail. Following a revised version of this paper and subsequent discussion we have agreed an adjustment of £59k with management. |
| Adherence to deliverables timetable | | | | Management provided the majority of evidence in a timely manner, in advance of agreed timelines. Any follow-up requests during the audit were quickly actioned. |
| Access to finance team and other key personnel | | | | Deloitte and HIS have worked together to facilitate remote communication during the audit which has been successful. There have been no issues with access to the finance team or other key personnel however throughout the audit it has become evident that there are financial capacity issues at various levels within the finance team due to reduced resource. |
| Quality and accuracy of management accounting papers | | | | Documentation provided has been of a high standard, which enabled an efficient audit. Working papers were clear and reconcilable to the Annual Report and Accounts. This is borne out by the resubmission rate on requests for the audit being low, at 11% (2020/21 6%). |
| Quality of draft financial statements | | | | A full draft of the Annual Report and Accounts was received for audit on 9 May 2022. We identified a number of changes which were required including items that would have been picked up by a more detailed management review. |

Lagging Developing Mature

Quality indicators

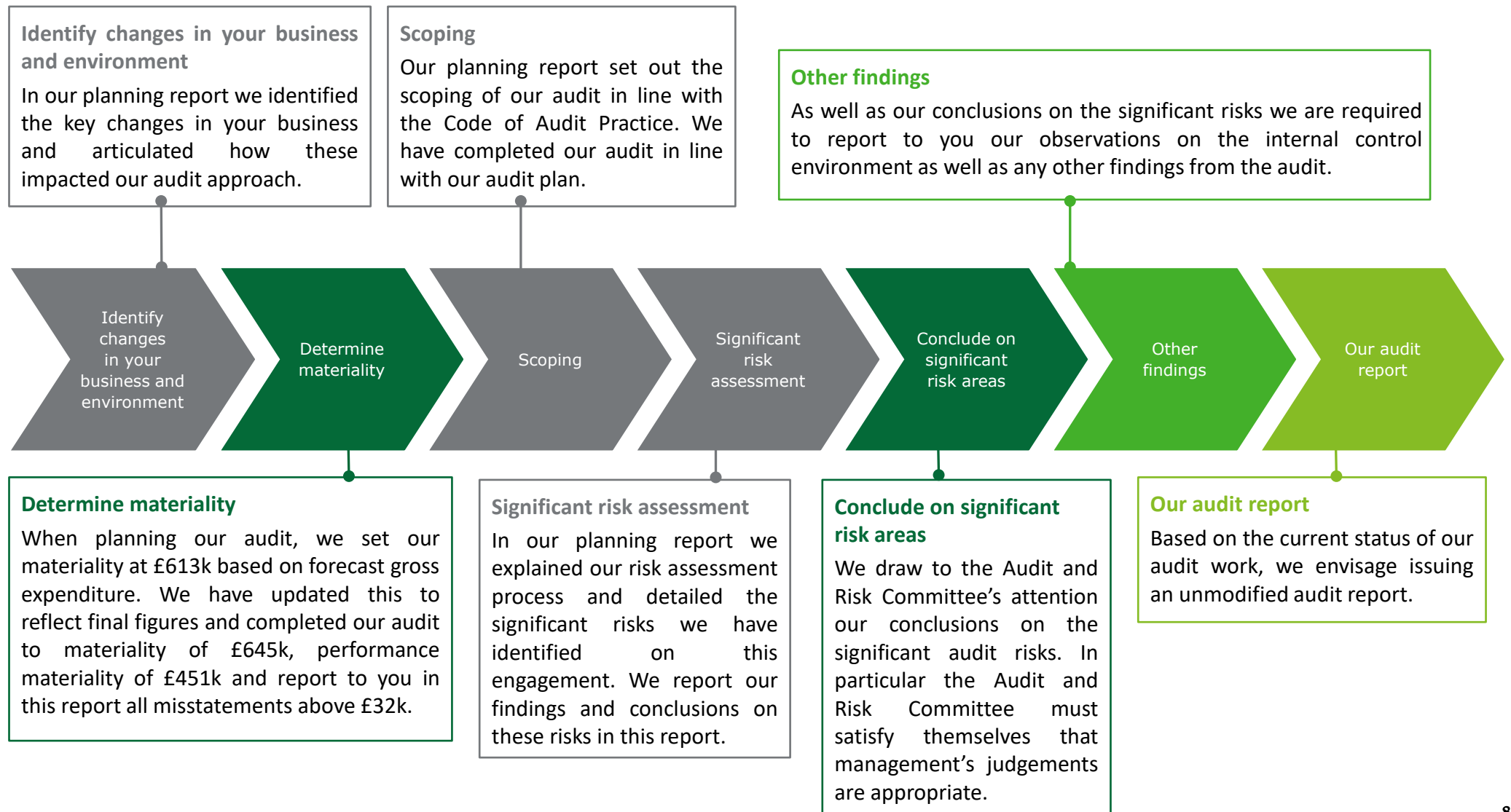
Impact on the execution of our audit

| Area | Grading | | | Reason |
|---|---------|------|------|--|
| | FY22 | FY21 | FY20 | |
| Response to control deficiencies identified | ! | ! | ! | Controls deficiencies have been identified and management have investigated appropriately. These are discussed further on page 13. |
| Volume and magnitude of identified errors | ! | ! | ! | We have identified three financial adjustments above our reporting threshold and further disclosure adjustments as noted on page 29 –30. These adjustments could have been prevented by a more detailed management review as noted on page 13. |

 Lagging  Developing  Mature







Our audit explained

We tailor our audit to your business and your strategy



Significant risks

Dashboard

| Risk | Material | Fraud risk | Planned approach to controls testing | Controls testing conclusion | Consistency of judgements with Deloitte's expectations | Comments | Page no. |
|--|---|---|--------------------------------------|-----------------------------|---|--------------|----------|
| Operating within expenditure resource limits |  |  | D+I | Satisfactory |  | Satisfactory | 10 |
| Management override of controls |  |  | D+I | Satisfactory |  | Satisfactory | 11 |

Overly prudent, likely to lead to future credit



Overly optimistic, likely to lead to future debit.

D+I: Testing of the design and implementation of key controls

Significant risks (continued)

Operating within expenditure resource limits



Risk identified and key judgements

Under Auditing Standards there is a rebuttable presumption that the fraud risk from revenue recognition is a significant risk. In line with previous years, we do not consider this to be a significant risk for HIS as there is little incentive to manipulate revenue recognition with the majority of revenue being from the Scottish Government which can be agreed to confirmations supplied.

We therefore considered the fraud risk to be focused on how management operate within the expenditure resource limits set by the Scottish Government. There is a risk is that HIS could materially misstate expenditure in relation to year end transactions, in an attempt to align with its tolerance target or achieve a breakeven position.

The significant risk was therefore pinpointed to the completeness of accruals and the existence of prepayments made by management at the year end and invoices processed around the year end as this is the area where there is scope to manipulate the final results. Given the financial pressures across the whole of the public sector, there is an inherent fraud risk associated with the recording of accruals and prepayments around year end.



Deloitte response and challenge

We have evaluated the results of our audit testing in the context of the achievement of the target set by the Scottish Government. Our work in this area included the following:

- Evaluating the design and implementation of controls around monthly monitoring of financial performance;
- Obtaining independent confirmation of the resource limits allocated to HIS by the Scottish Government;
- Performing focused testing of accruals and prepayments made at the year end; and.
- Performing focused cut-off testing of invoices received and paid around the year end.

Deloitte view

We have concluded that expenditure and receipts were incurred or applied in accordance with the applicable enactments and guidance issued by the Scottish Ministers.

We confirm that the Board has performed within the limits set by Scottish Government Health and Social Care Directorate and therefore is in compliance with the financial targets in the year.

Significant risks (continued)

Management override of controls



Risk identified

Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.

Although management is responsible for safeguarding the assets of the entity, we planned our audit so that we had a reasonable expectation of detecting material misstatements to the Annual Report and Accounts and accounting records.



Deloitte response and challenge

In considering the risk of management override, we have performed the following audit procedures that directly address this risk:

Journals

We have tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the Annual Report and Accounts. In designing and performing audit procedures for such tests, we have:

- Tested the design and implementation of controls over journal entry processing;
- Made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
- Selected journal entries and other adjustments made at the end of a reporting period; and
- Tested journal entries and other adjustments throughout the period.

Accounting estimates and judgements

We have reviewed accounting estimates for biases and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement due to fraud. In performing this review, we have:

- Evaluated whether the judgments and decisions made by management in making the accounting estimates included in the Annual Report and Accounts, even if they are individually reasonable, indicate a possible bias on the part of the entity's management that may represent a risk of material misstatement due to fraud. From our testing we did not identify any indications of bias. A summary of the key estimates and judgements considered is provided on the next page; and
- Performed a retrospective review of management judgements and assumptions related to significant accounting estimates reflected in the Annual Report and Accounts of the prior year.

Significant and unusual transactions

We did not identify any significant transactions outside the normal course of business or any transactions where the business rationale was not clear.

Deloitte view

Although we have identified a misstatement in the dilapidations provision, we have not identified any significant bias in the key judgements made by management.

We have not identified any instances of management override of controls in relation to the specific transactions tested.

Significant risks (continued)

Management override of controls (continued)


Key estimates and judgements The key judgement in the Annual Report and Accounts is that which we have selected to be the significant audit risk around expenditure recognition. This is inherently the area in which management has the potential to use their judgement to influence the Annual Report and Accounts. As part of our work on this risk, we have reviewed and challenged management’s key estimates and judgements including:

| Estimate / judgement | Details of management’s position | Deloitte Challenge and conclusions |
|---|--|---|
| Clinical Negligence and Other Risks Indemnity Scheme (‘CNORIS’) provision | NHS bodies in Scotland are responsible for meeting negligence costs up to a threshold of £25,000 per claim. Costs above this threshold are reimbursed from the CNORIS scheme by the Scottish Government. The Board provide 100% for Category three claims and 50% for all Category two claims notified by the NHS Central Legal Office (‘CLO’), according to the value of the claim. As at 31 March 2022, there were no claims specific to HIS included in the provision. This provision recognises HIS’ respective share of the total liability of NHS Scotland as advised by the Scottish Government, based on information from NHS Boards and the Central Legal Office. | <p>The provision is valued by the CLO based on the information on claims and historical experience. The value of claims is notified to HIS by the CLO. We have obtained independent confirmation directly from the CLO that there are no specific claims against HIS outstanding at 31 March 2022.</p> <p>We have received assurance from Audit Scotland on the methodology used in the preparation of these figures and the relevance and reliability of the information provided by the CLO.</p> |
| Dilapidations Provision | HIS provide for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. A dilapidations provision of £355k has been made in respect of a leased property in Glasgow. | <p>The provision is no longer material however given issues in prior years and continuing regulator focus we assessed this balance at higher risk of misstatement. It relates to the HIS Glasgow office (Delta House).</p> <p>We reviewed the 2021/22 provision and challenged managements judgements and valuation. The outcome of this was an adjustment of £59k (as noted on page 29). Management had omitted a provision in relation to mechanical and electrical equipment in the initial provision.</p> |

Other significant findings

Internal control

During the course of our audit we have identified one internal control finding, which we have included below for information.

| Area | Observation | Priority |
|-------------------|---|---|
| Management Review | Throughout the audit, disclosure deficiencies were identified in relation to the Remuneration and Staff Report disclosures (specifically fair pay calculations, headcount and omissions on staff turnover). We also identified financial statement misstatements as detailed on page 29. These could have been prevented through a more in-depth management review, where by errors of this nature could have been identified prior to the audit, reducing the requirements for corrections to be made and increasing the efficiency of the audit for both HIS and Deloitte. This is a recurring finding whereby similar issues were identified in the prior year audit. Our recommendation is detailed in the prior year action plan follow-up on page 33. |  |

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters being reported are limited to those deficiencies that we have identified during the audit and that we have concluded are of sufficient importance to merit being reported to you.

Low Priority

Medium Priority

High Priority

Other significant findings

Financial reporting findings

Below, we set out the findings from our audit surrounding your financial reporting process.

Qualitative aspects of your accounting practices:

HIS' Annual Report and Accounts have been prepared in accordance with the Government Financial Reporting Manual ('the FReM'). Following our audit work and the updates made to the annual report and accounts highlighted on page x, we are satisfied that the accounting policies are appropriate.

Significant matters discussed with management:

Significant matters discussed with management related primarily to the impact of COVID-19 on the organization. We also discussed the potential short-to-medium term impacts on HIS arising from the Independent Review of Adult Social Care in Scotland.

Regulatory change

IFRS 16, Leases, comes into effect on 1 April 2022, therefore will be first implemented in financial year 2022/23. This will require adjustments to recognise on balance sheet arrangements currently treated as operating leases. We have considered the preparatory work carried out by management and the disclosures made in the 2021/22 Annual Report and Accounts and satisfied that the new standard has been appropriately considered.

Other matters relevant to financial reporting:

We have not identified other matters arising from the audit that, in the auditor's professional judgement, are significant to the oversight of the financial reporting process.

We will obtain written representations from the Board on matters material to the Annual Report and Accounts when other sufficient appropriate audit evidence cannot reasonably be expected to exist. A copy of the draft representations letter has been circulated separately.

Our audit report

Other matters relating to the form and content of our report

Here we discuss how the results of the audit impact on other significant sections of our audit report.



Our opinion on the financial statements

Our opinion on the financial statements is expected to be unmodified.



Material uncertainty related to going concern

We have not identified a material uncertainty related to going concern and will report by exception regarding the appropriateness of the use of the going concern basis of accounting.

Practice Note 10 provides guidance on applying ISA (UK) 570 Going Concern to the audit of public sector bodies. The anticipated continued provision of the service is relevant to the assessment of the continued existence of a particular body.



Emphasis of matter and other matter paragraphs

There are no matters we judge to be of fundamental importance in the financial statements that we consider it necessary to draw attention to in an emphasis of matter paragraph.

There are no matters relevant to users' understanding of the audit that we consider necessary to communicate in an other matter paragraph.



Other reporting responsibilities

The Annual Report is reviewed in its entirety for material consistency with the financial statements and the audit work performance and to ensure that they are fair, balanced and reasonable.

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Our opinion on matters prescribed by the Auditor General for Scotland are discussed further on page 16.

Your Annual Report

We are required to provide an opinion on the auditable parts of the Remuneration and Staff Report, the Annual Governance Statement and whether the Performance Report is consistent with the disclosures in the accounts.

| | Requirement | Deloitte response |
|---------------------------|--|--|
| The Performance Report | The report outlines HIS's performance, both financial and non-financial. It also sets out the key risks and uncertainties faced by HIS. | We have assessed whether the Performance Report has been prepared in accordance with the Accounts Direction. We have also read the Performance Report and confirmed that the information contained within is materially correct and consistent with our knowledge acquired during the course of performing the audit, and is not otherwise misleading. We highlighted areas where amendments were required the only significant one being the disclosure of performance against HIS's key performance indicators. |
| The Accountability Report | Management have ensured that the Accountability Report meets the requirements of the FReM, comprising the governance statement, Remuneration and Staff Report and the Parliamentary Accountability Report. | <p>We have assessed whether the information given in the Annual Governance Statement is consistent with the Annual Report and Accounts, has been prepared in accordance with the Accounts Direction and is consistent with our knowledge of the entity. No exceptions have been noted.</p> <p>We have also read the Accountability Report and confirmed that the information contained within is materially correct and consistent with our knowledge acquired during the course of performing the audit, and is not otherwise misleading. We provided management with comments and suggested changes and have received an updated version reflecting these changes.</p> <p>We have also audited the auditable parts of the Remuneration and Staff Report and confirmed that – following updates made by management it has been prepared in accordance with the Accounts Direction. Updates were required in relation to the fair pay disclosure for which there were new requirements this year. The percentage change year on year and associated narrative was omitted. The calculations required for the quartiles were initially incorrect.</p> |

Audit dimensions



Audit dimensions

Overview

As set out in our Audit Plan, the Code of Audit Practice sets out four **audit dimensions** that frame the wider scope of the audit of the accounts. The audit dimensions provide a common framework for all the audit work conducted for the Auditor General and for the Accounts Commission.



In line with previous years, we have concluded that the full application of the wider scope is not appropriate and applied the “small body” clause set out in the Code which allows narrower scope work to be carried out. We have updated our risk assessment during the audit and confirm that the judgement made in our Audit Plan has not changed. Our work in this area was restricted to concluding on:

- The appropriateness of the disclosures in the annual governance statement (which is discussed on page 16) and
- The financial sustainability of HIS and the services that it delivers over the medium to longer term. As part of this work, we have followed up on progress with the recommendations made in our previous years audit report.

In addition to the above, we have reviewed the HIS’s arrangements for the prevention and detection of fraud and irregularities. Overall we found HIS’s arrangements to be effectively designed and appropriately implemented.

The internal audit function has independent responsibility for examining, evaluating and reporting on the adequacy of internal controls. During the year, we have completed an assessment of the independence and competence of the internal audit team and reviewed their work and findings. The conclusions have helped inform our audit work, although no specific reliance has been placed on the work of internal audit.

Financial sustainability

Can short-term (current and next year) financial balance be achieved?

Short term financial planning

The 2021/22 budget of £29.1m was approved by the Board on 24 March 2021. This incorporated £1.5m of savings split £0.7m in relation to staff turnover and £0.8m of non-recurring savings. It has been updated throughout the year to include in-year movements and the final outturn as reported in the Annual Report and Accounts is an underspend of £282k (0.8%). The Senior Management Team and Board regularly review progress against budget throughout the year. From review of the reporting throughout the year, variances are clearly reported and explained.

Is there a long-term (5-10 years) financial strategy?

The 2022/23 budget of £39.3m, was approved by the Board on 23 March 2022, being a deficit budget of £384k. This includes the assumptions below:

- Baseline Funding uplift from the SG of 2%;
- Pay and non-pay costs inflation of 2%; and
- Decrease in staff turnover from 9.1% in 2021/22 to 5.8%.

Is investment effective?

We would always recommend that bodies set a balanced budget from the outset so that unforeseen cost increases can be managed within the envelope set by Scottish Government. Inflation in 2022 is already above 2% for costs which represents a challenge to an already deficit budget. While on the other hand the assumption of 2% uplift in Scottish Government allocation has been met (to date).

HIS did submit a balanced budget to the Scottish Government absorbing the deficit into directorate budgets with a requirement for each directorate to balance their budget over the course of the year. This means that all savings plans are not fully identified which is not best practice.

Based on the above and historic achievement of in year savings we are satisfied that short term financial balance can be achieved in 2022/23.

Financial Sustainability

Financial sustainability (continued)

Medium-to long-term financial planning

Under normal circumstances, the Scottish Government require NHS Boards to demonstrate financial balance over a medium-term three-year period, via submission of a three-year financial plan. This requirement was put on hold in 2021/22 due to the impact of COVID-19, and the Scottish Government has advised that it is only expecting a one-year Annual Operating Plan for 2022/23.

Whilst there is no Scottish Government requirement for a three-year financial plan, it is positive to see that HIS has developed one and a 5 year outlook, which anticipates a small overspend position over that period of £0.6m. Work is underway on the three year plan in line with the Scottish Government deadline in July 2022.

The Strategic Plan for 2022-2027 has been drafted and sets out a clear direction, focused on delivering Scotland's national outcomes in the national performance framework. The approval and publication of the strategy has been delayed due to the NHS remaining on an emergency footing for the majority of 2021/22.

An interim workforce plan has been created for 2021/22. Although it is useful to have a workforce plan in place this should act as a strategic document aligned both to the strategic plan and financial plan over the medium term. In our previous reports we have provided information on good practice in this area. We are aware Scottish Government have extended the deadline for this to August 2022.

Effective investment

From the disclosures within the Performance Report, HIS have completed 13% of projects during the year with a further 66% on track and 21% delayed mainly due to ongoing system pressures.

HIS began establishing a new change programme in 2019/20 which now sits under the improvement oversight board. Funding has been allocated to this scheme in both 2020/21 and 2021/22. According to the latest project tracker all projects are in progress but it is unclear based on this tracker what financial benefits are intended to be realised.

It is important that then intended outcome of each project is clearly defined so that its success or failure can be measured once implemented and value for money can be appropriately assessed.

National Fraud Initiative (NFI)

All NHS Boards are participating in the most recent NFI exercise which commenced in 2020/21. We have continued to monitor HIS's participation and progress in the NFI during 2021/22 and submitted an assessment of HIS's participation to Audit Scotland in February 2022. The information submitted will be used by Audit Scotland in its next national NFI report which is due to be published in the summer of 2022. We concluded that the Board was fully engaged in the exercise.

In line with the Audit Scotland report published on the 2018/19 exercise, we would encourage the Audit and Risk Committee and staff leading the NFI work review the NFI self appraisal checklist for future exercises.

Financial sustainability (continued)

Deloitte view – Financial sustainability

HIS has achieved an underspend in 2021/22 and has submitted a balanced budget to Scottish Government which includes a small undefined savings target. Based on historic achievement of in year savings we are satisfied that short term financial balance can be achieved in 2022/23. HIS has a MTFP which highlights small deficits year on year over the medium term and it is positive to note this has been completed given the challenging environment. HIS is reporting mixed performance which is understandable given the ongoing NHS response to the COVID-19 pandemic. The project management framework including benefits realisation tracker should be reviewed to ensure it clearly defines a projects intended financial benefits.

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to help the Audit and Risk Committee discharge their governance duties. It also represents one way in which we fulfil our obligations under ISA (UK) 260 to communicate with you regarding your oversight of the financial reporting process and your governance requirements. Our report includes:

- Results of our work on key audit judgements and our observations on the quality of your Annual Report and Accounts;
- Our internal control observations; and
- Other insights we have identified from our audit.

The scope of our work

Our observations are developed in the context of our audit of the financial statements.

We described the scope of our work in our audit plan.

Use of this report

This report has been prepared for HIS, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose.

What we don't report

As you will be aware, our audit was not designed to identify all matters that may be relevant to the Audit and Risk Committee.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, our views on internal controls and business risk assessment should not be taken as comprehensive or as an opinion on effectiveness since they have been based solely on the audit procedures performed in the procedures performed in fulfilling our audit plan.

We welcome the opportunity to discuss our report with you and receive your feedback.



Pat Kenny, CPFA

For and on behalf of Deloitte LLP

Glasgow | 16 June 2022

Sector developments



NHS in Scotland 2021

Background and overview

The Auditor General for Scotland published his NHS in Scotland 2021 overview report in February 2022. This concluded that the Scottish Government must focus on transforming health and social care services to address the growing cost of the NHS and its recovery from COVID-19.

Key messages

- The NHS in Scotland is operating on an emergency footing and remains under severe pressure.
- NHS and social care workforce planning has never been more important.
- The NHS's ability to plan for recovery from COVID-19 remains hindered by a lack of robust and reliable data across several areas.
- The NHS was not financially sustainable before the pandemic and responding to COVID-19 has increased those pressures.



NHS in Scotland (continued)

2021 (continued)

Recommendations (relevant to NHS boards)

The report recommends that the Scottish Government and NHS Boards should:

- work with partners in the social care sector to develop a long-term, sustainable solution for reducing delayed discharges from hospital;
- publish data on performance against the clinical prioritisation categories, to enable transparency about how NHS boards are managing their waiting lists;
- work with patients on an ongoing basis to inform the priorities for service delivery, and be clear on how services are developed around patients' needs;
- take a cohesive approach to tackling health inequalities by working collaboratively with partners across the public sector and third sector, and be transparent on how it will do this;
- improve the availability, quality and use of workforce data to ensure workforce planning is based on accurate projections of need;
- monitor and manage risks around the impact of additional work outlined in the NHS recovery plan on the NHS workforce, to make sure recovery does not negatively affect staff wellbeing;
- communicate widely with the public on changes to how services are delivered so that people are aware of how best to access services, and monitor the effectiveness of that communication;
- prioritise the prevention and early intervention agenda as part of the recovery and redesign of NHS services, to enable the NHS to be sustainable into the future; and
- improve the availability, quality and use of data on primary, community and social care so that service planning is based on accurate measures of existing provision and demand.

Next steps

The Board should consider each of the above recommendations and incorporate into plans where not already considered. The full report is available through the following link: [NHS in Scotland 2021 \(audit-scotland.gov.uk\)](https://www.audit-scotland.gov.uk/nhs-in-scotland-2021)

The future of public health report series

Building a fairer and sustainable system for the UK

Background and overview

The **Deloitte Centre for Health Solutions** has produced a **series of six reports** on the crucial role of public health and the actions needed to optimise the link between health and productivity to drive economic recovery and positive societal impact.

Public health challenges are complex requiring cross functional targeted, approaches to tackle them, alongside a deep understanding of the needs of defined populations. COVID-19 has shown the UK to be an unequal society and has exposed a crisis in public health services, including inadequate funding, variations in workforce capability and capacity and a need for clarity over roles, responsibilities and accountabilities.

The pandemic has raised awareness of public health's role in health protection, ill health prevention as well as health promotion and prolonging healthy life years for all. As well as promoting and prolonging healthy live years for all, it has also demonstrated the potential of public health to use community assets and tackle local health issues effectively.

Despite unequivocal evidence that prevention is more cost effective than treatment, funding cuts and a lack of focus on prevention hinder progress in reducing health inequalities and addressing the impact of social determinants on the physical and mental health of the population.

The full reports are available here [The future of public health | Deloitte UK](#), with some key highlights summarised on the following pages.

The future of public health report series (continued)

Building a fairer and sustainable system for the UK (continued)

| Title | What the report explores |
|--|---|
| Overview – Narrowing the gap: establishing a fairer and more sustainable future public health | An executive overview of the key findings from the series, examining the current challenges and future requirements for a resilient public health system in the UK. |
| Identifying the gap: Understanding the drivers of inequality in public health | Evaluating the pre-existing and current challenges and solutions to tackling the ‘wicked problems’ affecting public health, including the impact of COVID-19. |
| Bridging the gap: Protecting the nation from public health threats | Examining the health protection policies and approaches in the UK, as well as the opportunities brought on by health reform and the creation of the new UK Health Security Agency. |
| Negating the gap: Preventing ill health and promoting healthy behaviours | Exploring how investment in prevention and health promotion can help increase healthy life years and reduce health inequalities. |
| Removing the gap: Galvanising community assets to improve health outcomes for all | Demonstrating the importance of asset-based, place-based solutions to improve public health, as well as of creating sustainable and systemic change to empower individuals and communities. |
| The role of employers in reducing the UK’s public health gap: Improving the health and productivity of employees. | Exploring how organisations can build a more resilient and productive workforce by supporting the health and wellbeing needs of their employees. |

Appendices



Audit adjustments (continued)

Corrected misstatements

The following misstatements have been identified up to the date of this report which have been corrected by management. We nonetheless communicate them to you to assist you in fulfilling your governance responsibilities, including reviewing the effectiveness of the system of internal control.

| | | Debit/ (credit) SoCNE £k | Debit/ (credit) in net assets £k | Debit/ (credit) prior year General Fund £k | Debit/ (credit) SoCTE £k |
|-------------------------|-----|--------------------------------|--|---|--------------------------------|
| VAT Recoverable | [1] | - | - | - | - |
| Dilapidations Provision | [2] | | | | |
| Transfers | [3] | - | - | - | - |
| Total | | | | | |

[1] This adjustment refers to the reclassification of a VAT recoverable balance (£104k) which was incorrectly allocated to the accruals line in the financial statements.

[2] As set out on page 12, this relates to the increase of £59k in the dilapidations provision for mechanical and electrical items initially omitted from the provision. This increase in costs has been met from the underspend in baseline funding.

[3] This item relates to a reclassification of the transfer of Delta House leasehold improvements from asset under construction to the buildings category. Initially this was presented through the disposals and additions lines when it should be a separate line. The total adjustment is £288k.

Audit adjustments (continued)

Disclosures

Disclosure misstatements

The following disclosure misstatements have been identified up to the date of this report which have been corrected by management. We nonetheless communicate them to you to assist you in fulfilling your governance responsibilities, including reviewing the effectiveness of the system of internal control.

| Disclosure | Summary of disclosure requirement | Quantitative or qualitative consideration |
|---|-----------------------------------|--|
| Remuneration and Staff Report: <ul style="list-style-type: none">- Fair pay disclosures in relation to the % change year on year and associated narrative were omitted;- Calculations relating to the median and quartiles did not exclude the highest paid director- Single total figures of remuneration did not disclose both the actual and FTE remuneration for individuals who were not in post for the full year; and- There were arithmetic errors throughout the remuneration report. | FReM 6.5 | Qualitative – This report and the items disclosed within are of significant interest to the users of the accounts. |

Action plan

Recommendations for improvement

| No. | Area | Recommendation | Management Response | Responsible person | Target Date | Priority |
|-----|------|--|--|--------------------|----------------|----------|
| 1 | NFI | Key Contact and Audit and Risk Committee should review the self-appraisal checklist as a means of monitoring the body's planning and progress with the 2020/21 NFI exercise. | The NFI self-appraisal checklist will be completed and submitted to the Committee ahead of the 2023/24 exercise. | Finance Manager | September 2023 | Low |

Action Plan (continued)

We have followed up the recommendations made in our previous years audits. We are pleased to note that one recommendation has been fully implemented with another partially implemented, with plan in place to implement this fully.

| Recommendation | Management Response | Priority | Management update 2021/22 |
|--|---|-------------|--|
| <p>1.1. HIS need to increase their focus on identifying recurring savings, through the use of available funding for transformation change to drive the change/improvement needed to bring HIS to a financially sustainable position. These efforts will be aided through the development of a 5 year financial and workforce planning approach.</p> | <p>The Internal Improvement Oversight Board remit is to drive efficiency. This coupled with improvements in workforce planning will deliver improvements in recurring savings. HIS operates medium-term financial planning aligned to the Scottish Government framework. This is a 3 year plan which is funded on an annual basis. Extrapolating beyond 3 years proves significantly less reliable particularly in the current climate and given that circa 25% of current funding is on an annual basis which makes planning beyond 3 years problematic.</p> <p>The budget for 2020/21 includes a bridging fund to enable investment in capacity for QAD, Evidence and Corporate Services and this is included in the Workforce Plan. The fund will also support digital investment to enable improved efficiency and effectiveness.</p> | <p>High</p> | <p>Fully implemented</p> <p>This action has been completed during 21/22. During the 22/23 budget process there was a strong focus on recurring savings, with no material overlays or targets without a specific initiative and plan behind it.</p> <p>The development of our five year financial plan has allowed us to quantify and prioritise the level of recurring savings required in order to achieve financial stability.</p> <p>The IIOB continues to be our key delivery vehicle for recurring savings, with their main focus in 22/23 on delivery of recurring benefits. There is a continuous process of identifying recurring savings, which in turn are investigated and prioritised by the IIOB and Executive Team.</p> |
| | <p>Responsible Person: Director of Finance & Corporate Services</p> <p>Revised Target Date: 31 March 2022</p> | | |

Action Plan (continued)

| Recommendation | Management Response | Priority | Management update 2021/22 |
|---|--|----------|---|
| <p>1.2 We would recommend that a detailed review of supporting listings and documents is undertaken prior to preparing the draft Annual Report and Accounts.</p> | <p>Management reviews did take place. The audit started approximately 1 week earlier than the 18/19 audit, this combined with logistical difficulties relating to COVID-19 meant that management review in some areas overlapped with the audit of information. For the 20/21 audit we will look to commence this a week later and will ensure no overlap between management review and provision of data for audit. We will also work constructively with Deloitte on the timetable to identify improvements in process.</p> <p>Responsible Person: Head of Finance Revised Target Date: 28 February 2022</p> | High | <p><i>Partially implemented</i></p> <p>The timescales of the audit and requirement for the statutory accounts continue to be extremely tight. Outstanding information from Scottish Government, Pension Agencies and other NHS Boards results in little / no time for management review before Deloitte request a copy of the accounts. For 21/22 this review happened in the first week of the audit, with amendments made within the first week. We will continue to work with partners on the timetable and possible changes to allow sufficient review time.</p> |

Our other responsibilities explained

Fraud responsibilities and representations



Responsibilities:

The primary responsibility for the prevention and detection of fraud rests with management and those charged with governance, including establishing and maintaining internal controls over the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

As auditor, we obtain reasonable, but not absolute, assurance that the financial statements as a whole are free from material misstatement, whether caused by fraud or error.



Required representations:

We have asked HIS to confirm in writing that you have disclosed to us the results of your own assessment of the risk that the financial statements may be materially misstated as a result of fraud and that you have disclosed to us all information in relation to fraud or suspected fraud that you are aware of and that affects the entity .

We have also asked HIS to confirm in writing their responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.



Audit work performed:

In our planning we identified the risks of fraud in relation to operating within the expenditure resource limit and management override of controls as key audit risk for your organisation.

During course of our audit, we have had discussions with management and those charged with governance.

In addition, we have reviewed management's own documented procedures regarding fraud and error in the financial statements.

Independence and fees

As part of our obligations under International Standards on Auditing (UK), we are required to report to you on the matters listed below:

Independence confirmation

We confirm the audit engagement team, and others in the firm as appropriate, Deloitte LLP and, where applicable, all Deloitte network firms are independent of HIS and our objectivity is not compromised.

Fees

The audit fee for 2021/22, in line with the expected fee range provided by Audit Scotland, is £27,254, as analysed below:

| | |
|-------------------------------|---------------|
| | £ |
| Auditor remuneration | 23,294 |
| Audit Scotland fixed charges: | |
| Pooled costs | 2,750 |
| Audit support costs | 1,210 |
| Total fee | 27,254 |

No non-audit services fees have been charged for the period.

Non-audit services

In our opinion there are no inconsistencies between the FRC's Ethical Standard and the company's policy for the supply of non-audit services or any apparent breach of that policy. We continue to review our independence and ensure that appropriate safeguards are in place including, but not limited to, the rotation of senior partners and professional staff and the involvement of additional partners and professional staff to carry out reviews of the work performed and to otherwise advise as necessary.

Relationships

We are required to provide written details of all relationships (including the provision of non-audit services) between us and the organisation, its board and senior management and its affiliates, including all services provided by us and the DTTL network to the audited entity, its board and senior management and its affiliates, and other services provided to other known connected parties that we consider may reasonably be thought to bear on our objectivity and independence.

We are not aware of any relationships which are required to be disclosed.

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Healthcare Improvement Scotland

| | |
|---|--|
| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | Assurance Letters |
| Agenda item: | 4.1.3 |
| Responsible Executive/Non-Executive: | Angela Moodie, Director of Finance, Planning & Governance |
| Report Author: | Angela Moodie, Director of Finance, Planning & Governance |
| Purpose of paper: | Consideration |

1. **Situation**

As part of the annual accounts process, there are two assurance letters required:

1. The Chair of the Audit & Risk Committee is required to provide details of any significant issues that occurred during the year to the Scottish Government.
2. The Accountable Officer, Robbie Pearson, is required to issue to a letter of representation to our external auditors.

This paper presents drafts of both letters to the Board.

2. **Background**

The significant issues letter is a requirement set out in the Scottish Public Finance Manual, notifying Scottish Government of any material issues during the year. Any issues should also be disclosed in the Governance Statement in the annual accounts.

The letter of representation is a formal record by management to the auditors. It is signed after the audit work is completed by the Accountable Officer, Robbie Pearson, attesting to the accuracy of the financial statements.

3. **Assessment**

During 2021-22 there were no significant issues that were discovered or brought to management attention. HIS worked closely with Counter Fraud Services during the year and took a proactive role in working on the National Fraud initiative where no incidences of fraud were discovered. There were also no material changes in funding or structure during the year. The Audit and Risk Committee has considered the letters and recommends to the Board that they are signed.

4 Recommendation

The Board is asked to agreed that the Chair of the Audit and Risk Committee and the Chief Executive sign the letters as part of the process of recommending adoption of the 2021-22 accounts to the Board.

5 Appendices and links to additional information

The following appendices are included with this report:

- Appendix 1: Significant Issues Letter
- Appendix 2, Letter of Representation

Richard McCallum
Directorate for Health Finance & Governance
The Scottish Government
St Andrew's House
Regent Road
EDINBURGH
EH1 3DG

23 June 2022

Sent by email: richard.mccallum@gov.scot

Dear Mr McCallum,

At the 23 June 2022 meeting of the Healthcare Improvement Scotland Audit and Risk Committee, documents supporting the Healthcare Improvement Scotland 2021-22 Annual Accounts and Governance Statement were presented by the management team. These documents provided the Committee with the necessary assurance that there were no significant issues of fraud that arose within Healthcare Improvement Scotland during 2021-22.

Gill Graham
Healthcare Improvement Scotland Audit & Risk Committee (Chair)

Your Ref: PK/HIS/2022

29 June 2022

Dear Pat Kenny,

This representation letter is provided in connection with your audit of the financial statements of Healthcare Improvement Scotland ('the entity') for the year ended 31 March 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the entity as of 31 March 2022 and of the results of its operations, other comprehensive net expenditure and its cash flows for the year then ended in accordance with the applicable accounting framework as interpreted by the directions given by the Scottish Ministers.

It is also provided for the purposes of expressing an opinion as to whether in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition to the above, this representation letter is provided in connection with your audit of the other information in the Annual Report and Accounts, for the purposes set out in the Code of Audit Practice 2016.

We are aware that it is an offence to mislead an auditor of a public body.

On behalf of the entity, I confirm as Accountable Officer, to the best of my knowledge and belief, the following representations.

Financial statements

1. We understand and have fulfilled our responsibilities for the preparation of the financial statements in accordance with the applicable financial reporting framework, as set out in the directions given by the Auditor General for Scotland ('the Auditor General') in accordance with, Section 21 of the Public Finance and Accountability (Scotland) Act 2000, which give a true and fair view, as set out in the terms of the audit engagement letter.
2. Significant assumptions used by us in making accounting estimates, including those measured at fair value and assessing the impact of COVID-19 on the entity are reasonable. We have made sufficient and appropriate disclosure of the general increased estimation uncertainty arising from the impact of COVID-19.
3. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IAS24 "Related party disclosures".

4. All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment of or disclosure have been adjusted or disclosed.
5. There are no uncorrected misstatements and disclosure deficiencies.
6. We confirm that the financial statements have been prepared on the going concern basis and disclose in accordance with IAS 1 all matters of which we are aware that are relevant to the entity's ability to continue as a going concern, including principal conditions or events and our plans. We do not intend to cease operations as we consider we have realistic alternatives to doing so. We are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. We confirm the completeness of the information provided regarding events and conditions relating to going concern at the date of approval of the financial statements, including our plans for future actions.
7. We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.
8. We have reconsidered the remaining useful lives of the property, plant and equipment and confirm that the present rates of depreciation are appropriate to amortise the cost less residual value over the remaining useful lives.
9. We are not aware of events or changes in circumstances occurring during the period which indicate that the carrying amount of property, plant and equipment may not be recoverable.
10. With respect to accounting estimates, we confirm:
 - the measurement processes, including related assumptions and models used to determine accounting estimates in the context of the applicable financial reporting framework are appropriate and have been applied consistently;
 - the assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity where relevant to the accounting estimates and disclosures;
 - the disclosures related to accounting estimates under the entity's applicable financial reporting framework are complete and appropriate; and
 - there have been no subsequent events that require adjustment to the accounting estimates and disclosures included in the financial statements.
11. We confirm that we consider the depreciated historic cost is an appropriate proxy for the fair value of non-property assets, and are not aware of any circumstances that would indicate that these assets require revaluation.
12. We confirm that the provisions included within the financial statements are our best estimate of the liability due by the entity.

Information provided

13. We have provided you with all relevant information and access as agreed in the terms of the audit engagement letter with Audit Scotland.

14. All transactions have been recorded and are reflected in the financial statements and the underlying accounting records.
15. We acknowledge our responsibilities for the design, implementation and maintenance of internal control to prevent and detect fraud and error. We are not aware of any deficiencies in internal control of which you should be aware.
16. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
17. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity or group and involves:
 - (i) management;
 - (ii) employees who have significant roles in internal control; or
 - (iii) others where the fraud could have a material effect on the financial statements.
18. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.
19. We are not aware of any instances of non-compliance, or suspected non-compliance, with laws, regulations, and contractual agreements whose effects should be considered when preparing financial statements.
20. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
21. All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for and disclosed in accordance with the applicable financial reporting framework. No other claims in connection with litigation have been or are expected to be received.
22. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
23. We confirm that:
 - (i) we consider that the entity has appropriate processes to prevent and identify any cyber breaches other than those that are clearly inconsequential; and
 - (ii) we have disclosed to you all cyber breaches of which we are aware that have resulted in more than inconsequential unauthorised access of data, applications, services, networks and/or devices.
24. We have performed an assessment of the impact on the financial statements of events in Russia and Ukraine including consideration of the impact of sanctions and have disclosed the results of that assessment to you.
25. All minutes of Board and Committee meetings during and since the financial year have been made available to you.

26. We have drawn to your attention all correspondence and notes of meetings with regulators.
27. We confirm that all of the disclosures relating to sections of the Annual Report and Accounts which are considered 'other information' as set out in the Code of Audit Practice 2016 have been prepared in accordance with relevant legislation and guidance.
28. I confirm that I have appropriately discharged my responsibility for the regularity of transactions.

We confirm that the above representations are made on the basis of adequate enquiries of management and staff (and where appropriate, inspection of evidence) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

Yours faithfully

Signed as Accountable Officer, for and on behalf of Healthcare Improvement Scotland.

Healthcare Improvement Scotland

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|---|---|
| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | Whistleblowing Annual Report |
| Agenda item: | 4.2 |
| Responsible Executive/Non-Executive: | Keith Charters, Non-Executive Whistleblowing Champion / Sybil Canavan, Director of Workforce |
| Report Author: | Keith Charters / Sybil Canavan |
| Purpose of paper: | Discussion |

1. Situation

This report provides Board members with the annual report regarding Whistleblowing activity across Healthcare Improvement Scotland.

2. Background

Our Whistleblowing Champion, Keith Charters, Non-Executive Director is pleased to confirm to Board members that:

‘No news is normally good news when it comes to whistleblowing, and the last quarter has not seen any new cases. Only one concern has been over the past year and that has now been closed.

The proviso will always be that colleagues must feel able to speak up via the whistleblowing process. So long as they do, low case numbers will normally be a sign that business-as-usual systems are working well. That is certainly my perception at Healthcare Improvement Scotland. We thrive on open discussions and appropriate challenge of ideas and approaches – it is part of how we bring about improvement not only within HIS but in the NHS more generally. What is important is that we are not complacent; that we continue to make colleagues aware of the Whistleblowing Standards as one of the range of speaking-up options.

The one concern that was raised asked useful questions of our whistleblowing process, and we have made some adaptations as a result.

We also continue to keep abreast of whistleblowing developments in the wider NHS, where greater employee numbers, especially in territorial boards, mean more cases from which learning can be derived. It is noticeable that there is an increasingly consistent approach across the system as a result of shared learning. Since sharing learning is at the heart of how we work, that will come as no surprise.

Finally, I would like to express my gratitude to colleagues who have helped make the system work – and have helped nudge it in the right direction as required – as we have bedded it in.’

‘In Year’ Activity

As Board and Staff Governance Committee members are aware, implementation of the Whistleblowing Standards arrangements within Healthcare Improvement Scotland was subject to an internal audit. This process provided additional guidance and support as part of our working arrangements across the organisation.

As a result of this work, we have

- Continued to publicise, record and monitor uptake of training available to all staff, reporting to the Staff Governance Committee on an ongoing basis.
- Increased the number of Whistleblowing Confidential Contacts within the organisation from 1 to 2 in total, to include a Partnership Forum representative.
- Developed a local guide to the Whistleblowing standards to ensure all those seeking detail on the process can understand how to contact those who can assist with the process.
- Continued to update the ‘Frequently Asked Questions’ available to all staff.

In the last Short Life Working Group meeting, it was recognised that, given the current level of concerns being raised, it was important to ensure that the organisational response to implementation of the Standards was proportionate. It was also clear that continued awareness of the Standards and local process arrangements was essential to ensure visibility of the way to raise cases and concerns. This has continued through our regular ‘Staff Huddle’ process and will continue in the coming year.

Healthcare Improvement Scotland has been invited to join with other National Board colleagues to be part of an informal ‘learning’ network. We were contacted directly by a colleague in Public Health Scotland who is working to establish this arrangement. This is to enable learning from other Boards but also recognises the low number of cases across a range of Boards and the importance of keeping knowledge and skills up to date.

All lead officers involved in the Whistleblowing Standards process for Healthcare Improvement Scotland have access to a regular newsletter from the Independent Whistleblowing Officer (INWO)/ Scottish Public Services Ombudsman office. The newsletter provides regular updates on areas of wider discussion and development. As part of this communication there is an open invitation for individuals to participate in the national Whistleblowing Practitioners Forum.

Further training and webinar materials are available on an ongoing basis from the INWO website, which provides an excellent range of resources for any process or potential participant. The INWO is also very responsive to any individual Board asks or approaches.

The Whistleblowing Champions Network meets bi-monthly to discuss evolving issues and approaches. It liaises with the INWO and has been an important part of the evolution of the approach to implementing the Standards. It has addressed issues such as scope, confidentiality and reporting.

Looking Ahead

In the coming months there will be the opportunity to reflect further on activity to embed a consistent approach to Whistleblowing cases. Potential opportunities for Healthcare Improvement Scotland include participation in, and publicising of, 'Speak up Week' in October 2022. A further consideration could be the opportunity to join the Scottish 'Speak Up' Network, led by colleagues in NHS Lothian who are recognised leaders in Whistleblowing practice.

3. Assessment

Healthcare Improvement Board members are asked to review the annual report detail captured in the narrative of this paper encapsulating the activity underway to date to enable discussion and comment as appropriate.

Assessment considerations

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|--|---|
| Quality/ Care | The detail provided assists in best use of resources, ensuring Healthcare Improvement Scotland's workforce is aligned to our service demand and impact on the quality of care (and services) provided. |
| Resource Implications | Staffing within the organisation, and how staff are deployed, has major operational and financial implications. Any behaviour or activities that jeopardise this could have major resource implications in terms of staff, reputation or ability to deliver work. |
| Risk Management | The workforce risk and mitigation activity is described in detail in the Strategic Risk register. The risk is reviewed and updated monthly. |
| Equality and Diversity, including health inequalities | Whistleblowing cases are recorded and reported quarterly in line with reporting arrangements as required by the Independent Whistleblowing Officer. An annual report is provided to the board that will include any case overviews as appropriate. |
| Communication, involvement, engagement and consultation | Continued updates provided to Staff Governance Committee. |

4 Recommendation

Board members are asked to review and discuss the Annual Report detail captured in the narrative of this paper and bring forward any questions or points of clarity required.

5 Appendices and links to additional information

N/A

Healthcare Improvement Scotland

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|-------------------------------|--|
| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | Performance Report, Quarter 4 2021/22 |
| Agenda item: | 4.3 |
| Responsible Executive: | Angela Moodie, Director of Finance, Planning & Governance |
| Report Author: | Caroline Champion, Planning & Performance Manager |
| Purpose of paper: | Assurance |

1. Situation

This performance report provides the Board with a high level progress summary against Healthcare Improvement Scotland's (HIS) Operational Plan.

2. Background

The performance report on progress against the key work programme deliverables covering the Quarter 4 (Q4) period, January – March 2022 was provided to the Quality and Performance Committee at its meeting on 18 May 2022. This is in line with the Board's Terms of Reference which includes 'scrutiny and monitoring of operational performance having received recommendations from the Quality and Performance Committee on this'.

3. Assessment

Work Programme Status Summary Report

96 projects were active including IIOB (Internal Improvement Oversight Board) activities at the end of Q4, which is a net movement of - **1** since the last quarter. **74** projects were on target and **22** were running behind plan, **4** projects were completed and **3** new projects were added to the work programme during Q4.

During Q4, the status of **2** (2%) projects moved from 'on track' to 'behind', with **78** (81%) remaining on track or completing during the quarter.

The main reason for the number of projects 'behind' is due to the ongoing pressures being experienced across health and care system. Towards the end of Q3 (September – December 2021), we were starting to see the impact this was having across directorates where Health Boards were unable to engage with some programmes of work and as anticipated, this impact continued through Q4 and will run into 2022-23. This is being closely monitored. Quality and Performance Committee reviewed those reported as

“behind” at the end of Q4 and were comfortable with the mitigations that have been put in place.

Progress towards delivery of the seven Key Delivery Areas (KDAs) identified in the Remobilisation Plan RMP4 (September 2021) is part of the quarterly performance reporting process. The KDAs are currently under review / development and as such for the reporting period 2022 – 23 these will change to better reflect the key priorities for health and care.

Operational Risks

There has been an increase in the number of ‘very high’ operational risks during the quarter from 1 to 4. The 4 risks relate to sustained volume in SMC (Scottish Medicines Consortium), ICT (Information & Communications Technology) server resilience, shortage of Microsoft 365 licences and ICT aging hardware. The Committee reviewed these risks and their mitigations.

Remobilisation Plan RMP4

HIS’ Remobilisation Plan RMP4 Q4 update covering the period January - March 2022 was submitted to the Scottish Government on 6 May. The update was based on the Q4 organisational performance report.

New Commissions

During Q4, a further 5 proposals for new commissions were received taking the total for the year to 15.

Performance Dashboard

A Q4 Performance Dashboard has been developed to provide a graphical at-a-glance summary of the progress over the last reporting period (Appendix 1).

Assessment Considerations

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|--|---|
| Quality/ Care | The performance report is a key part of corporate governance, which in turn ensures the best outcomes in services we deliver. |
| Resource Implications | Workforce constraints are highlighted in various programmes of work where applicable. |
| Risk Management | The performance report is complied with reference to programme risks and key risks on the organisational risk register. |
| Equality and Diversity, including health inequalities | There are no equality and diversity issues as a result of this paper. |
| Communication, involvement, engagement and consultation | The detailed Q4 performance report was previously considered by the Quality and Performance Committee. |

4 Recommendation

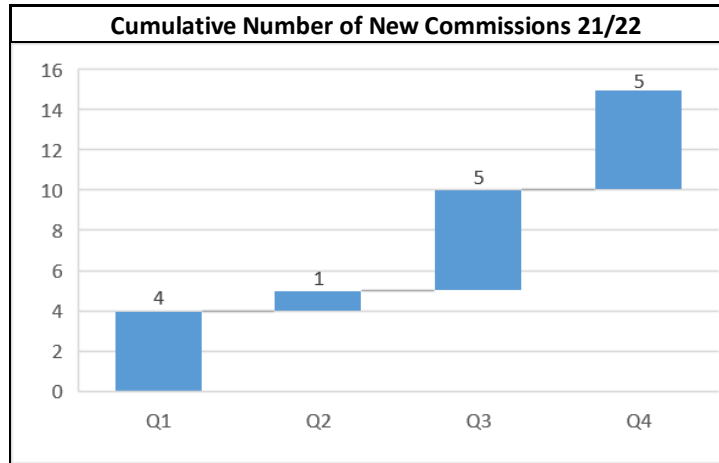
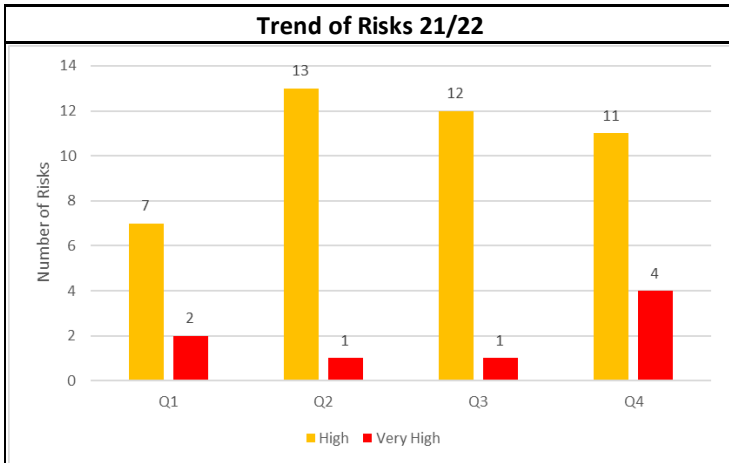
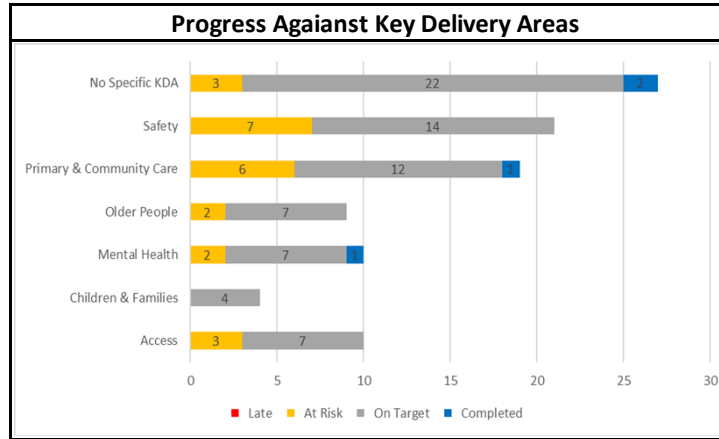
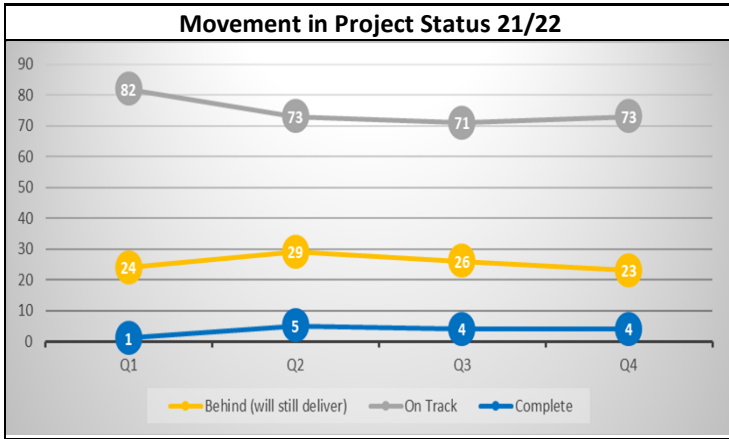
The Board is asked to gain assurance from this performance report about progress against the delivery of the HIS Operational Plan.

5 Appendices and links to additional information

Appendix 1: Q4 Performance Dashboard

Q4 Performance Dashboard

Appendix 1



| Programmes of Work | |
|---|-----------------------------------|
| New Q4 | Completed Q4 |
| Rapid C-19 | Cost Conscious (COCO) Care |
| Improving our Response to People with Mental Health & Substance Use Support Needs in Scotland | Sexual Health Standards |
| GP Access Improvement Support | SIGN : Eating Disorders Guideline |
| | SIGN : Covid-19 Decision Support |

| Commissions in Development Q4 2021 - 22 |
|---|
| Dementia Whole Pathway National Implementation Support (post-diagnostic support and care co-ordination) |
| Improving Service Models of Dementia Diagnosis |
| Unpaid Carers Improvement Programme - Expansion (Short Breaks) |
| HIS Support for Mental Health and Learning Disability |
| SPSP MCQIC - C-Section |

| Commissions Under Development 2022 - 23 |
|---|
| Hospital at Home Expansion |

Healthcare Improvement Scotland

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|--------------------------------------|---|
| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | Financial Performance Report 31 May 2022 |
| Agenda item: | 4.4 |
| Responsible Executive/Non-Executive: | Angela Moodie, Director of Finance, Planning & Governance |
| Report Author: | Angela Moodie |
| Purpose of paper: | Discussion |

1. Situation

This report provides the Board with a summary of the financial position at 31 May 2022, which was considered in detail at the Audit & Risk Committee.

2. Background

The Financial Performance Report sets out the financial position in detail against baseline funding and against additional funding allocations. The report measures financial performance against budget and includes a prediction of full year outturn.

3. Assessment

Overview of Financial Performance

At 31 May 2022, the total budgeted revenue resource limit (RRL) for 2022-23 was £37.6m. This was made up of £31.3m in baseline expenditure and £6.3m in additional allocations.

| | Year to Date | | | Full Year | | |
|---|------------------|------------------|--------------------|------------------|--------------------|--------------------|
| | Actual £000's | Budget £000's | Variance £000's | Budget £000's | Forecast £000's | Variance £000's |
| Baseline Funding | 5,239 | 4,923 | -316 | 31,293 | 31,716 | -423 |
| Expenditure on additional allocations | 983 | 1,051 | 68 | 6,268 | 8,766 | -2,498 |
| Revenue Resource Limit Expenditure (RRL) | 6,221 | 5,974 | -248 | 37,561 | 40,483 | -2,922 |
| IHC Income | -175 | -172 | 3 | -1,428 | -1,428 | - |
| IHC Expenditure | 130 | 170 | 40 | 1,428 | 1,428 | - |
| IHC deficit / (surplus) | -45 | -2 | 43 | - | - | - |
| | | | | | | |
| Net Revenue Expenditure | 6,176 | 5,971 | -205 | 37,561 | 40,483 | -2,922 |
| Capital Expenditure | 1 | 97 | 95 | 579 | 579 | - |
| Baseline staff count (WTE) | 439.6 | 420.7 | -18.9 | 448.8 | 448.8 | - |
| Non recurring allocations staff count (WTE) | 80.1 | 87.1 | 7.1 | 93.9 | 128.2 | -34.3 |
| IHC staff count (WTE) | 17.6 | 19.7 | 2.1 | 21.5 | 21.5 | - |
| Total WTE | 537.2 | 527.4 | -9.8 | 564.2 | 598.5 | -34.3 |

Expenditure year to date was £6.2m, which was £0.2m over budget primarily due to lower staff turnover rate compared to budget and timing of spend on IT laptops.

The high-level outturn for the year is expected to be £40.5m, primarily driven by an increase in additional allocations by £2.5m and overspend on the baseline of £0.4m (1.4%). The forecasted position is likely to change significantly following the resource spending review announcement.

Baseline Spend

Total baseline spend year to date (YTD) was £5.2m, which was a £0.3m overspend against the budget of £4.9m. The key movements were due to:

- £0.1m on laptops. The budget for laptops for the full year was £0.1m, but this was not expected to be spent by P2. There is a risk additional spend may be needed later in the year.
- Staff turnover rates year to date were significantly lower than assumed in the budget. The target YTD was £0.4m v £0.2m achieved.

Baseline staffing whole time equivalent (WTE) levels at the end of May were 440, which was 19 over budget.

Additional Allocations Spend

Total additional allocations either received or requested from Scottish Government (SG) for this financial year were originally £6.3m, rising to £8.9m with the inclusion of new allocations approved by the Board in March 2022.

Additional allocations WTE at the end of May were 80, which was 7 behind budget.

The current forecast is slightly behind the budget, mainly due to delays in the timing of Access QI, but this is likely to change in forthcoming weeks as revisions are expected following the spending review announcement from SG.

Recurring Savings and Improvement Activity

The process mapping project is currently tracking **AMBER** due to delays in the recruitment of a lean practitioner and availability of previously trained lean practitioners already in the organisation. To date 175 processes have been documented at a high level in the ihub.

The 'back to green' plan has been enacted, with commitment from all directorates to free resources where possible and enable relevant training. Although this will mean some items of work will have to stop. This impact analysis is underway.

Baseline Outturn Prediction for 31 March 2023

At a high-level, we are currently forecasting a baseline outturn position of £31.7m, which is £0.4m higher than our funding level (1.4%). This is based on the following assumptions:

- Baseline year to date position of £0.3m adverse is not recovered
- No further spend on laptops
- Achieving the staff turnover numbers per the budget from P3 onwards
- Delivering the recurring savings target of £0.1m from the process mapping activities

Resource Spending Review (RSR)

The RSR on 31 May 2022 introduced measures to reset the pay and workforce expectations, by announcing a board aim to freeze total paybill costs, as opposed to pay levels, at 2022-23 levels.

As our budgeted headcount is to increase throughout the year, this means our P12 WTE position will not be affordable in 2023-24. Therefore, work is underway to quantify the scale in which we need to pull back on recruitment, either by not filling budgeted positions or by not renewing fixed term contracts. Early calculations show that we are close to this level at our current P2 position.

SG have requested a detailed breakdown of savings schemes underway and progress to date, an assessment of further robust in year savings options and key risks to our financial position by the end of July.

Capital Expenditure

There has been minimal capital expenditure at the end of May, compared to a budget of £0.1m.

The full year budget of £0.6m is for software, Delta House and Gyle Square costs. Anticipated spend on these items for the remainder of the year is being reviewed following the RSR.

Assessment considerations

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|--|---|
| Quality/ Care | No impact on quality of care. |
| Resource Implications | The increasing broader financial challenges across the NHS is likely to result in a reduction in recruitment compared to the budgeted position. |
| Risk Management | The management of the organisation's finances is covered on the strategic risk register. |
| Equality and Diversity, including health inequalities | No impact on equality and diversity. |
| Communication, involvement, engagement and consultation | This report has been prepared by the Finance Team and considered by the Audit & Risk Committee. |

4 Recommendation

The Board are asked to consider this report for **discussion**.

Healthcare Improvement Scotland

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|---|---|
| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | Monthly Workforce Report |
| Agenda item: | 4.5 |
| Responsible Executive/Non-Executive: | Sybil Canavan, Director of Workforce |
| Report Author: | Dougie Craig, Resource Specialist |
| Purpose of paper: | Discussion |

1. Situation

This report is provided to inform Board members of the current workforce position and monthly reporting data within the organisation.

2. Background

As in previous months, the standard report contents comprise of:

- Current staffing profile and changes across directorates since the start of the financial year
- Recruitment campaigns, activity and campaign management in this financial year
- Compound staff attrition & turnover rates year to date (YTD)
- Sickness absence rates and main reasons for absence year to date
- Additional quarterly data will be included periodically during the annual reporting cycle

3. Assessment

Board members are asked to review the attached monthly workforce resource report to inform the corporate workforce position and provide comment as appropriate.

Assessment considerations

| | |
|------------------------------|--|
| Quality/ Care | The detail provided assists in best use of resources, ensuring Healthcare Improvement Scotland's workforce is aligned to our service demand and impact on the quality of care (and services) provided. |
| Resource Implications | Whilst staffing within the organisation and how they are deployed, has major operational and financial implications, the report is not intended to be a detailed financial reporting tool. |

| | |
|--|--|
| | The attached monthly workforce report describes the resource position within the organisation including, current staffing, changes/turnover throughout the year and sickness absence which is reflective of staff health and wellbeing. |
| Risk Management | The workforce risk and mitigation activity is described in detail in the Strategic Risk register. The risk is reviewed and updated monthly. |
| Equality and Diversity, including health inequalities | <p>The report is intended to inform how the workforce is developing in relation to previous periods and track our skill mix across the organisation.</p> <p>An impact assessment has not been completed because this report is one of a series of regular monthly management information.</p> <p>A range of workforce data is used to complete organisational Workforce Equality Monitoring Report for the organisation which includes equality and pay data. This report is published to share this detail for Healthcare Improvement Scotland.</p> |
| Communication, involvement, engagement and consultation | N/A |

4 Recommendation

Board members and colleagues are asked to examine and consider the implications of the workforce detail provided in the report. The information will provide an opportunity for all to discuss any areas of concern or where there is a need to understand the impact of any activity reported in the full resourcing report.

5 Appendices and links to additional information

The following appendices are included with this report:

- Appendix No 1 Monthly Workforce Report

Resource position summary

(31 May 2022)

People and Workplace

The monthly flash report summarises the workforce position at each month-end year to date (YTD). Headcount (HC) and Whole Time Equivalent (WTE) are referenced, along with comparisons to previous periods where appropriate. Terms used include 'Payroll' (HIS staff with permanent or fixed term contracts) and 'Non-payroll' (external secondees/associates from other NHS Boards). E-ESS is the primary source of workforce data unless otherwise stated and reports on the current operational workforce up to and including Chief Executive level (e-ESS data excludes HIS employees seconded out to other organisations, agency and bank workers).

Periods referenced:

YTD month end: 31 May 2022

YTD Period: 1 April 2022 – 31 March 2023

Previous Year End: 31 March 2022

Summary highlights



Workforce Mix

Our current workforce is:

- 582 total headcount
- 543 payroll headcount
- 39 non-payroll headcount

Directorate workforce:
(total headcount)

- CEO: 26
- Comm/Engag: 54
- Evidence: 131
- Finance P&G: 16
- ihub: 169
- Medical: 24
- NMAHP: 36
- PaW: 16
- QAD: 110



Staff Changes

During the financial year, 8 people have left the organisation in total - representing an overall turnover rate of 1.4% YTD.

33 people have also joined our organisation in this period, representing a net increase of 25 to our overall workforce headcount (payroll & non-payroll) since April.



Sickness absence

4534 hours or 605 days were lost due to sickness absence this year, which represents a rate of **2.6%** of available capacity.

68% of sickness has been due to long term conditions and the main reason given for absence is anxiety, stress or depression, which accounts for **40%** (1785 hours or 238 days) of the reported absence lost.



Vacancy Approvals

There have been 50 recruitment related posts that have been considered by the Vacancy Management Strategy Group (VMSG) since the start of the financial year. 48 of these have been approved and recommendations made in-line with the organisation's priorities for the remainder.

On average, it's taken circa 10 days in total to complete an e-RAF request via the workflow on Source and obtain approval via the VSMG.



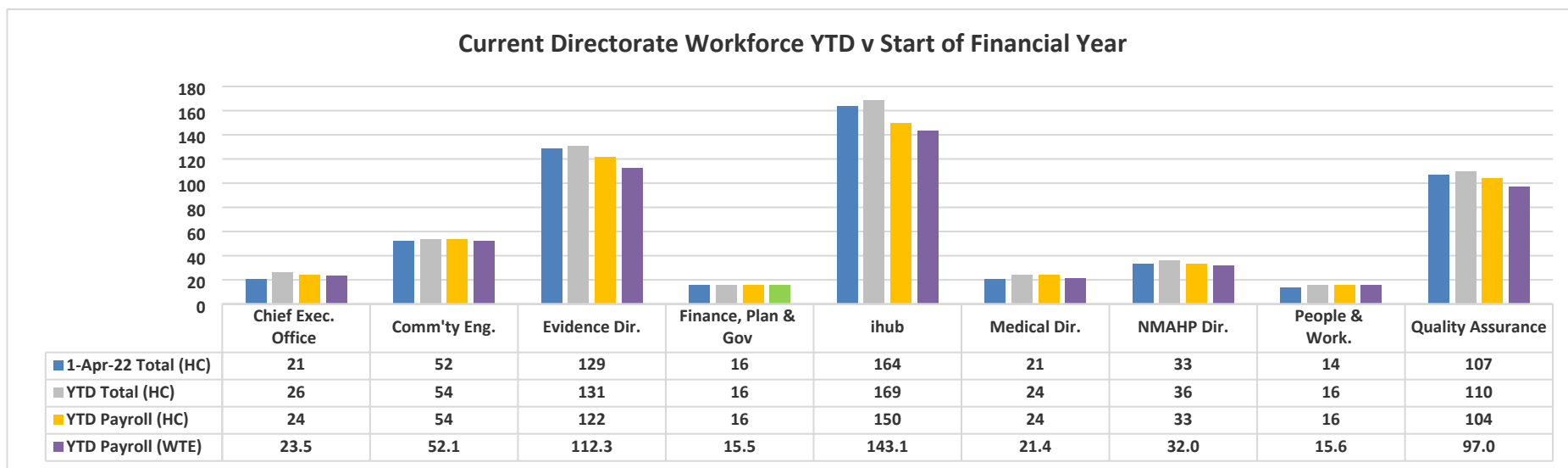
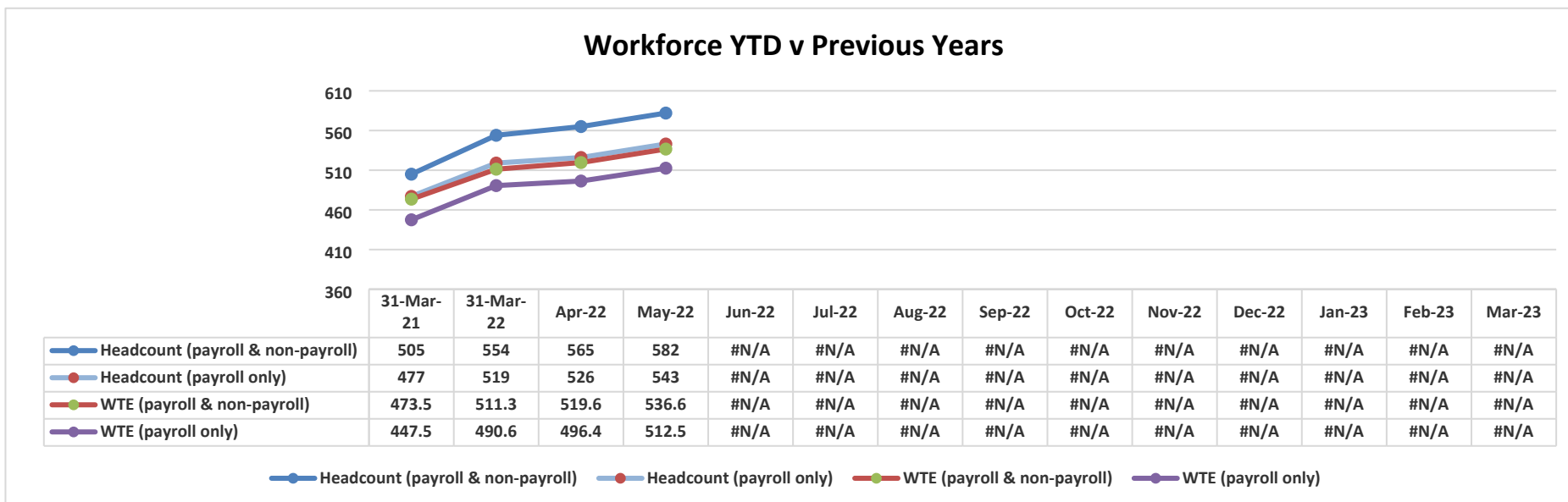
Recruitment

Since April, we have recruited to **43** new campaigns, which are at various stages on the way to being filled.

So far on average, it has taken 38.3 days to reach offer stage and 45 days to confirm a start date.

YTD workforce position

The current total workforce stands at 582 HC/536.6 WTE with 543 HC/512.5 WTE being payroll staff and 39 HC/24.1 WTE non-payroll.



YTD Workforce by Job Family & Substantive base

Administrative Services is our largest job family consisting of 527 (90%) of the total workforce as shown along with a detailed breakdown of other job families below.

Approximately half of our staff (295/51%) are substantively based from Delta House, followed by those based at Gyle Square (226/39%) as shown in the location breakdown below.

| Job Family | Headcount | WTE |
|--------------------------------|------------|--------------|
| ADMINISTRATIVE SERVICES | 527 | 500.5 |
| FINANCE | 8 | 7.8 |
| HUMAN RESOURCES | 12 | 11.6 |
| INFORMATION SYSTEMS/TECHNOLOGY | 70 | 65.2 |
| OFFICE SERVICES | 437 | 415.9 |
| MEDICAL AND DENTAL | 29 | 12.4 |
| MEDICAL | 29 | 12.4 |
| OTHER THERAPEUTIC | 17 | 14.8 |
| PHARMACY | 17 | 14.8 |
| SENIOR MANAGERS | 8 | 8.0 |
| SENIOR MANAGERS | 8 | 8.0 |
| Grand Total | 581 | 535.6 |

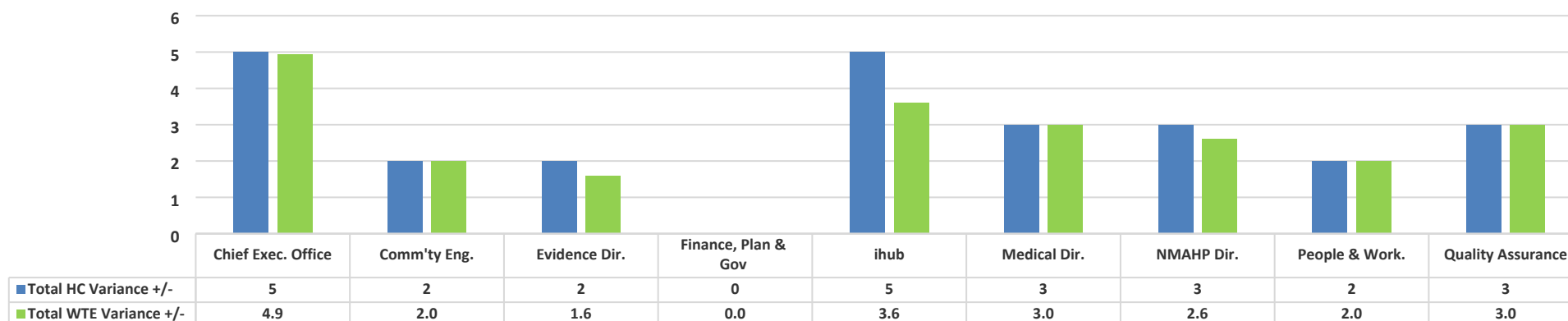
| Location | Total HC | % |
|--|------------|---------------|
| A028A Ayrshire & Arran | 2 | 0.3% |
| B010A Borders | 2 | 0.3% |
| D009A NHS 24 - East Contact Centre | 8 | 1.4% |
| D022A NHS 24 HQ & Cardonald Contact Cē | 6 | 1.0% |
| F020A Fife | 3 | 0.5% |
| G087A Greater Glasgow & Clyde | 4 | 0.7% |
| H083A Highland | 3 | 0.5% |
| L020A Lanarkshire | 2 | 0.3% |
| N036A Grampian | 7 | 1.2% |
| R008A Orkney | 1 | 0.2% |
| S024A Lothian | 1 | 0.2% |
| T024A Tayside | 2 | 0.3% |
| V017A Forth Valley | 1 | 0.2% |
| W019A Western Isles | 4 | 0.7% |
| X023A Aberdeen & North-East Scotland B | 1 | 0.2% |
| X056A Healthcare Improvement Scotland | 295.4 | 50.8% |
| X057A Healthcare Improvement Scotland | 226.6 | 39.0% |
| Y007A Dumfries & Galloway | 1 | 0.2% |
| Z012A Shetland | 1 | 0.2% |
| SD039 Healthcare Improvement Scotland | 10 | 1.7% |
| Grand Total | 581 | 100.0% |

Workforce mix and YTD changes

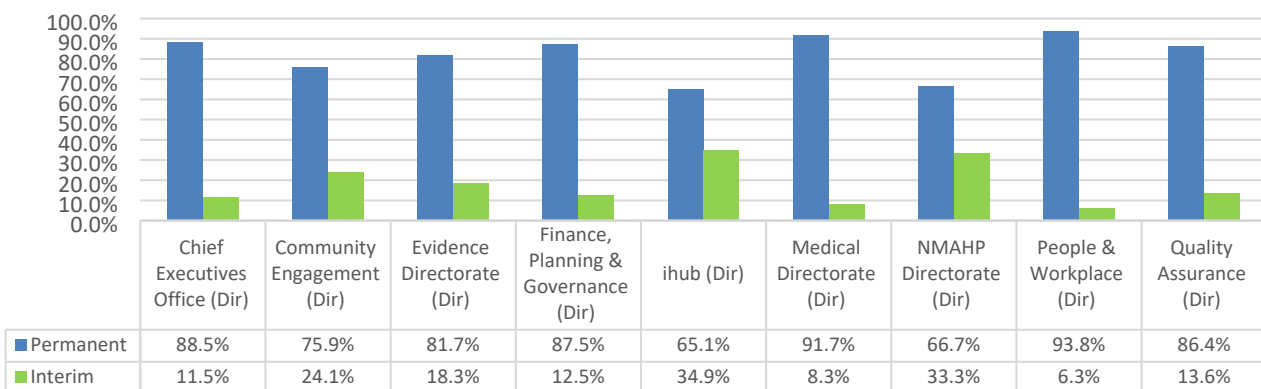
Since the start of this financial year, the overall workforce has changed by a net of +25 HC /+22.7 WTE year to date (incl. adjustment to hours, which may alter WTE without impacting on headcount). At Directorate level, the key net changes due to joiners, leavers and internal moves are shown below.

Both the total workforce mix and the ratio of permanent to interim postholders across the organisation have remained broadly consistent with previous periods. At directorate level, ihub (34.9% interim workforce) has the highest ratio of posts currently being filled on an interim basis compared to an organisational average of circa 22.6%.

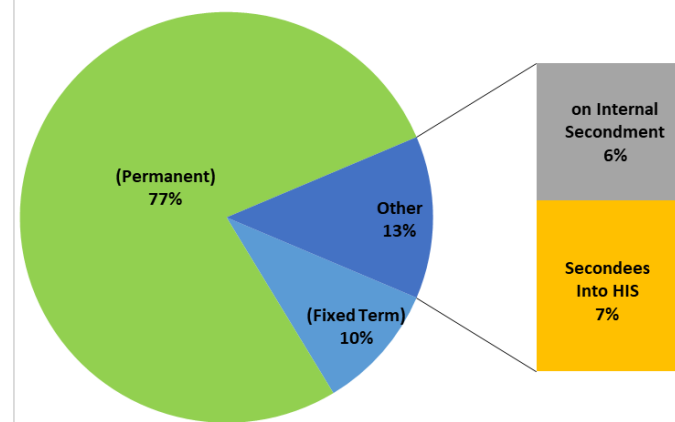
Variance in workforce YTD



Permanent v Interim postholders ratio per directorate



Total Workforce Mix by Contract Type



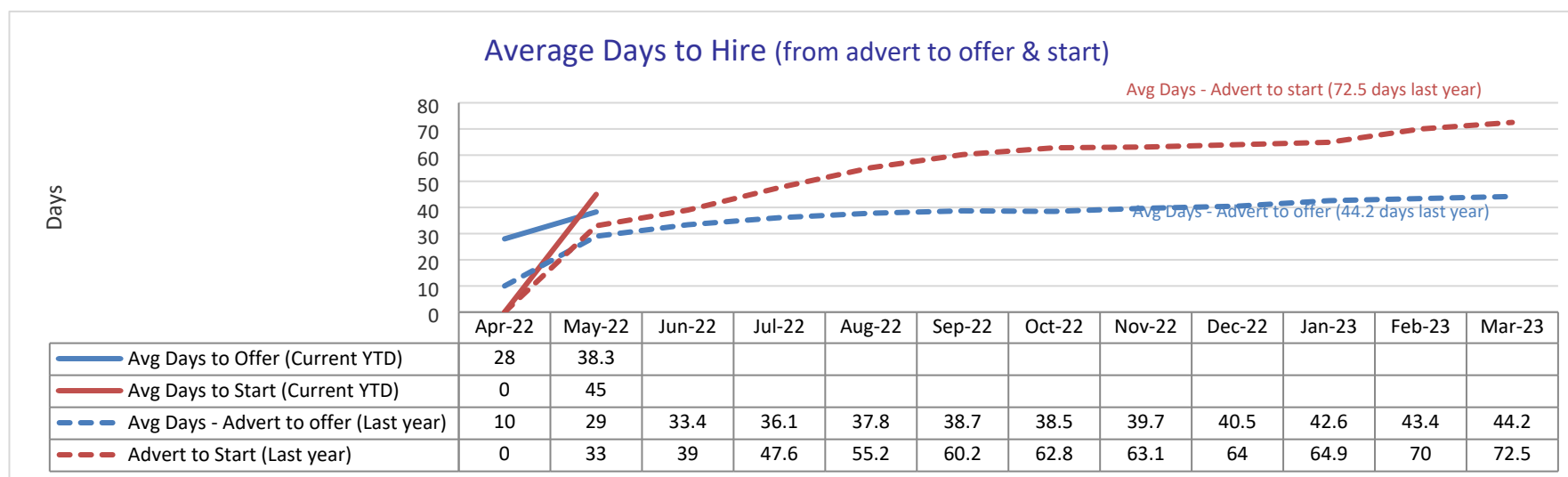
Recruitment Activity (YTD)

Since 1 April, 43 new campaigns have gone to advert - out of these (campaigns commencing in this financial year) there are 10 campaigns currently being advertised, 17 at shortlisting/interview stage and 5 at offer/on-boarding stage.

| Recruitment Campaigns YTD Summary | | | | | | | | |
|-----------------------------------|---------------------|----------------------|-------------------|-------------------|-----------------------------------|-----------------|--------------|----------|
| Vacancy Type | Total Campaigns YTD | Campaigns Filled YTD | Filled Internally | Filled Externally | Current Live Campaigns (Jobtrain) | | | |
| | | | | | 1. Advert | 2. Shortlisting | 3. Interview | 4. Offer |
| Fixed-term/Secondment | 16 | 1 | 0 | 1 | 0 | 3 | 4 | 3 |
| Permanent | 20 | 3 | 2 | 1 | 6 | 0 | 8 | 2 |
| Secondment Only | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |
| Multiple post combinations | 6 | 1 | 1 | 0 | 4 | 0 | 1 | 0 |
| Grand Total | 43 | 5 | 3 | 2 | 10 | 3 | 14 | 5 |

Recruitment Timelines

Recruitment data is reported for campaigns advertised from 1 April. Q1 data is normally low as fewer candidates have reached offer stage during the initial campaigns of the financial year (data normalises during Q2 onwards as more campaigns progress). In April, the average time for campaigns to reach offer stage is 38.3 days and 45 days to confirm a start date.



*Time to hire days are based on total days from when a post was advertised

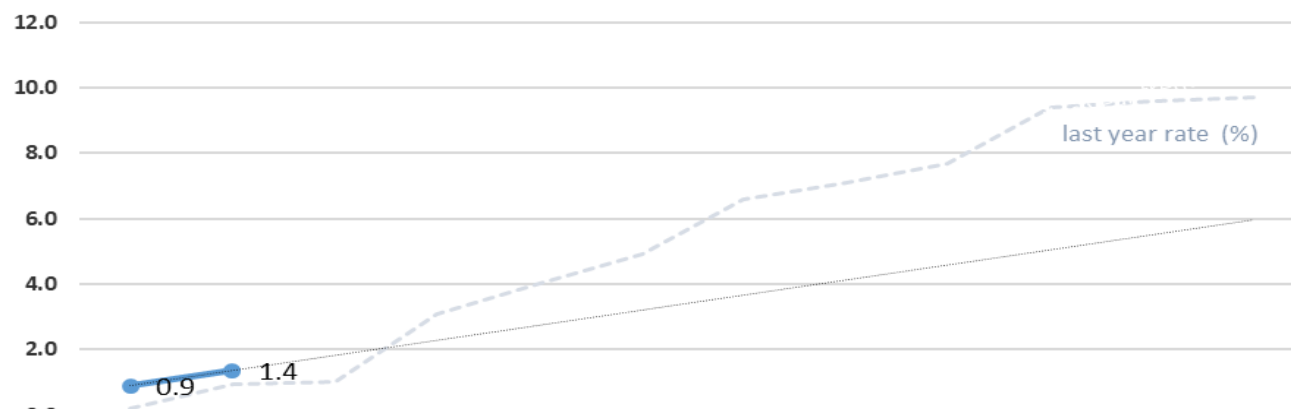
Workforce Turnover (YTD)

This year, 33 people have joined the workforce and 8 who have left as shown below, representing an organisational turnover ratio of 1.4% (1.0% at the same period last year). The attrition rate in relation to the type of contract/engagement is also detailed.

| YTD Turnover by Directorate | Starters | Leavers | Turnover Rate |
|--------------------------------------|-----------|----------|---------------|
| Chief Executives Office (Dir) | 5 | 0 | 0.0% |
| Community Engagement (Dir) | 2 | 0 | 0.0% |
| Evidence Directorate (Dir) | 5 | 3 | 2.3% |
| Finance, Planning & Governance (Dir) | 0 | 0 | 0.0% |
| iHub (Dir) | 8 | 3 | 1.8% |
| Medical Directorate (Dir) | 3 | 0 | 0.0% |
| NMAHP Directorate (Dir) | 3 | 0 | 0.0% |
| People & Workplace (Dir) | 3 | 1 | 6.7% |
| Quality Assurance (Dir) | 4 | 1 | 0.9% |
| Total | 33 | 8 | 1.4% |

| YTD Turnover by Contract Type | | | |
|------------------------------------|-----------|----------|---------------|
| Contract Type | Starters | Leavers | Turnover Rate |
| Fixed Term | 10 | 0 | 0.0% |
| Inward Secondment | 3 | 0 | 0.0% |
| Permanent | 20 | 7 | 1.6% |
| Internal Secondment | 0 | 1 | 3.1% |
| YTD Organisational Turnover | 33 | 8 | 1.4% |

Cumulative Staff Turnover Rate (%) YTD by Month v Last Year



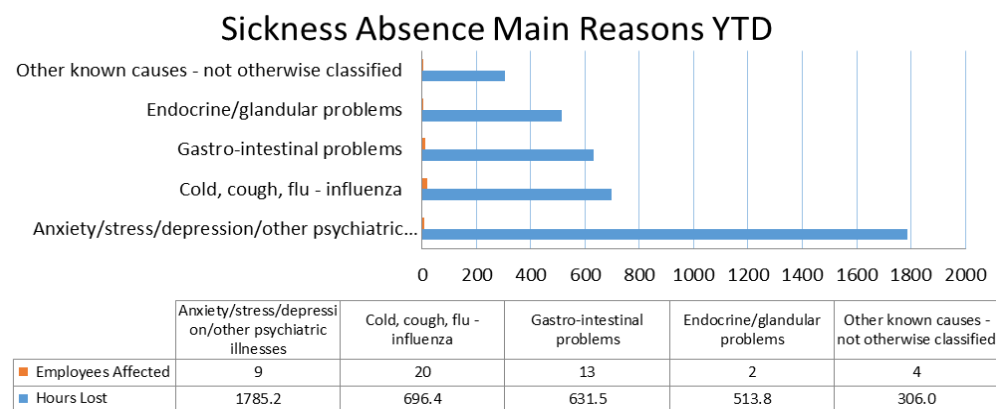
| | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2022/23 Staff Turnover ratio (%) YTD | 0.9 | 1.4 | | | | | | | | | | |
| Last Year Staff Turnover ratio (%) | 0.2 | 1.0 | 1.0 | 3.1 | 4.0 | 4.9 | 6.6 | 7.1 | 7.7 | 9.4 | 9.6 | 9.7 |

Sickness Absence Rate (YTD)

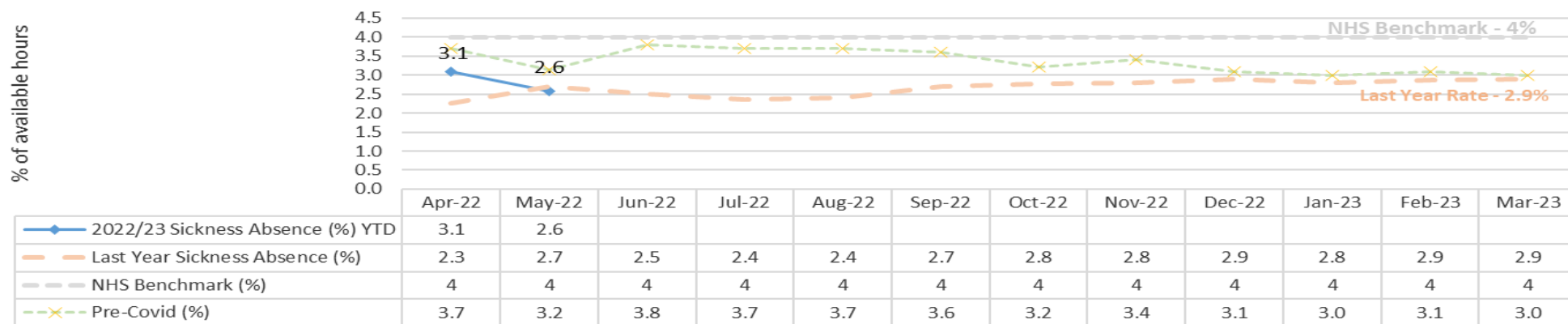
YTD, a total of 4534 hours (605 days) were lost due to sickness absence, representing 2.6% of the total available workforce with 68% attributed to long term conditions. The highest overall rates were reported within NMAPH & Community Engagement (6.1%) with the Medical Directorate (0.0%) and Chief Executive Office (0.1%) reporting the lowest.

Consistent with previous periods (based on the total hours lost) the main reason for sickness absence remains 'Anxiety/stress/depression/psychiatric illnesses' related with 1785 hours (238 days) lost - affecting 9 staff members (other main reasons are shown below). The sickness absence rate has decreased and is comparable to last year (2.7%) and remains lower than pre Covid-19 rates (3.2%).

| Directorate | Sickness Absence | | | | Instances | |
|--------------------------------------|------------------|---------------|---------------|---------------|-----------|------------|
| | Rate | Long Term | Short Term | Hours Lost | Long Term | Short Term |
| Chief Executives Office (Dir) | 0.1 | 0.0 | 4.0 | 4.0 | 0 | 1 |
| Community Engagement (Dir) | 6.1 | 862.1 | 172.5 | 1034.6 | 4 | 3 |
| Evidence Directorate (Dir) | 1.7 | 252.2 | 407.5 | 659.7 | 1 | 14 |
| Finance, Planning & Governance (Dir) | 6.3 | 320.5 | 0.0 | 320.5 | 2 | 0 |
| iHub (Dir) | 1.6 | 569.2 | 245.4 | 814.6 | 3 | 14 |
| Medical Directorate (Dir) | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 |
| NMAHP Directorate (Dir) | 1.7 | 0.0 | 185.1 | 185.1 | 0 | 9 |
| People & Workplace (Dir) | 1.4 | 0.0 | 70.0 | 70.0 | 0 | 2 |
| Quality Assurance (Dir) | 4.2 | 1084.1 | 361.2 | 1445.3 | 4 | 15 |
| Organisational Total | 2.6 | 3088.2 | 1445.7 | 4533.9 | 14 | 58 |



Sickness Absence Rate (%) YTD by Month



Vacancy Management & Approvals

Since April, there have been 63 requests in total submitted for approval (all reasons – including change in hours/duration etc.). On average YTD, it's taken 4.7 days for an eRAF to be completed/submitted for review and a further 4.9 days to reach the next available Vacancy Strategy Management Group (VSMG).

Of all the requests the VSMG considered – 50 eRAF's were related to recruitment (incl. covering leavers/internal moves/secondments/sickness etc.) of which, 19 (70%) were being funded from base allocation (various contract types), 8 (30%) additional allocation and none were externally funded.

Vacancy Group Outcomes YTD (Recruitment related eRAFs)

| eRAFs by Directorate | Approved | Approved - subject to Finance | Total |
|----------------------------|-----------|-------------------------------|-----------|
| Evidence Directorate (Dir) | 9 | 2 | 11 |
| iHub (Dir) | 18 | | 18 |
| Quality Assurance (Dir) | 13 | | 13 |
| Community Engagement (Dir) | 4 | | 4 |
| NMAHP Directorate (Dir) | 4 | | 4 |
| Total | 48 | 2 | 50 |

| eRAFs by Reason | Approved | Approved - subject to Finance | Total |
|--|-----------|-------------------------------|-----------|
| Interim Backfill (postholder is returning) | 6 | | 6 |
| New Post (not currently in structure) | 14 | | 14 |
| Replacing a Leaver (returning) | 28 | 2 | 30 |
| Total | 48 | 2 | 50 |

| eRAFs by funding/band/contract | Fixed Term | Permanent | Secondment | Temporary | Total |
|-----------------------------------|------------|-----------|------------|-----------|-----------|
| Additional allocation | 14 | | | | 14 |
| Band 4 | 4 | | | | 4 |
| Band 5 | 1 | | | | 1 |
| Band 6 | 2 | | | | 2 |
| Band 7 | 6 | | | | 6 |
| Band 8A | 1 | | | | 1 |
| Baseline allocation (Core) | 5 | 28 | 1 | 1 | 35 |
| Band 4 | 1 | 4 | | | 5 |
| Band 5 | 1 | 5 | | | 6 |
| Band 6 | 1 | 4 | | | 5 |
| Band 7 | 1 | 10 | | | 11 |
| Band 8A | 1 | 3 | | | 4 |
| Band 8B | | | | 1 | 1 |
| Band 8D | | 1 | | | 1 |
| Medical/Dental | | 1 | 1 | | 2 |
| External Funding | 1 | | | | 1 |
| Band 7 | 1 | | | | 1 |
| Total | 20 | 28 | 1 | 1 | 50 |

Healthcare Improvement Scotland

| | |
|---|---|
| Meeting: | Board Meeting - Public |
| Meeting date: | 29 June 2022 |
| Title: | Communications Strategy |
| Agenda item: | 5.1 |
| Responsible Executive/Non-Executive: | Ben Hall, Head of Communications |
| Report Author: | Ben Hall |
| Purpose of paper: | Discussion |

1. Situation

Following a review of the effectiveness of communications at Healthcare Improvement Scotland, a new communications strategy has been developed to enable the organisation to get the reputation building recognition it deserves. The Board is requested to review the attached paper which outlines the research findings and measures required to deliver more effective communications.

2. Background

Communications at Healthcare Improvement Scotland has been delivered in a number of different ways over the past decade with varying degrees of success. Communications has, at times, been devolved to the Directorates with communications team members embedded and accountable to those Directorates. However, this model created silos making organisation wide communications difficult to deliver. The communications team was centralised again about three years ago. During the pandemic the communications team carried a number of vacancies and the focus was, understandably, on managing through the pandemic. The relationship between the communications team and the wider organisation became quite transactional and it was felt that the organisation wasn't capitalising on the communications opportunities it had. The appointment of a new Head of Communications in October 2022 created an opportunity to review the organisations communications capability and effectiveness and to reshape and refocus both the way communications is delivered and the team delivering them.

3. Assessment

The new communications strategy, team structure and approach will help Healthcare Improvement Scotland to achieve the recognition it deserves. Corporate Communications will significantly improve the quality of outputs and research will enable us to closely target the right communications in the right way to the right people. Operational communication – essentially those co-designed with the Directorates – will enable delivery of

communications activity that is consistent across the organisation without losing directorate identity. A brand refresh will bring all our brands together so that there is value from their association with each other and the Healthcare Improvement Scotland brand itself. A dedicated press office function will create increased media profile and build strong relationships with journalists – this will include a proper out of hours on-call arrangement which doesn't exist at present. There will be an increased focus on stakeholder and political engagement and a more strategic approach to our presence at events and conferences. Internal Communications will build on what is successful now and create new channels and opportunities to create internal engagement. In short, the new communications strategy will help Healthcare Improvement Scotland have the visibility and recognition it deserves.

Assessment considerations

| | |
|--|--|
| Quality/ Care | Clearer and more targeted communications will help make the work of Healthcare Improvement Scotland more readily and easily accessible. |
| Resource Implications | There are no major resource implications |
| | The communications team has been strengthened and restructured to support the new way of delivering communications. This has created opportunities for promotion within the team. Vacancies that had been carried for some time have been filled with new colleagues who were recruited for specific skills and experience that were needed to strengthen capacity and capability. |
| Risk Management | Efficiency savings may impact the ability to undertake research projects, however we can mitigate that by using the skills and experience of the comms team instead. |
| Equality and Diversity, including health inequalities | The new communications strategy supports promotion of equalities and diversity. |
| Communication, involvement, engagement and consultation | The communications approach has been discussed with the Executive Team collectively and individually. In addition, communications workshops with each of the Directorates are taking place now and over the rest of the summer. |

4 Recommendation

The paper is being submitted to the board for discussion

5 Appendices and links to additional information

The following appendices are included with this report:

- Appendix 1 Communications Strategy Healthcare Improvement Scotland

Appendix 1 - Healthcare Improvement Scotland Communications Strategy

Overview

This strategy has been devised – following a period of review and evaluation – to deliver the communications that will help Healthcare Improvement Scotland to achieve its corporate, reputation and operational objectives. The review included all aspects of internal and external communications within the organisation including the quality of the outputs, the appropriateness of the channels and language used and, importantly, the results achieved.

This documents outlines the main changes being – or planned to be – made in the key areas of delivery. There are individual plans to support all the areas referenced in this plan and many, including a Healthcare Improvement Scotland corporate calendar and communications calendar, and directorate communications plans are in development.

To support delivery of the communications strategy, some changes have been made to restructure and strengthen the Communications Team.

Communications review

The communication review found that:

- Healthcare Improvement Scotland isn't achieving the recognition it deserves.
- The current communications approach doesn't achieve best value for the great work being done across the organisation.
- The communications landscape is both crowded and confusing.
- Communications activities are often undertaken in isolation from the rest of the organisation and are often formulaic or undertaken due to legacy or habit.
- As a result, different parts of the organisation are filling a perceived or real communications vacuum which leads to further fragmentation.
- Communications outputs also lean towards broad and shallow, rather than deep and narrow, and tend to be tactical and reactive rather than strategic and proactive, leading to a lack focus and direction.
- The digital expectations of our audiences – particularly the website experience – aren't being met. This is partly because of the confusing web architecture and lack of technical capability but also because we are unsure who is visiting our website and why. As a result, visits to our website tend to be brief. Greater understanding of our audiences, their needs and motivations is needed.
- Combined, all these factors make it difficult to achieve strong external audience engagement.
- Additionally, throughout the organisation, the process of communicating – for example putting a document on the website or publishing a blog – is seen as 'engagement' however engagement should be viewed as the desired outcome of communication rather than the process.
- Externally, we have been better at reputation management with traditional media eg keeping incorrect stories out of the media, more than being proactive at getting stories out about our positive impact and our role.
- Internally, there are some clear success – such as the All Staff Huddles and the CEO weekly messages – but the approach is primarily 'push' and 'broadcast' which can hinder engagement.
- To be able to take a new approach to how communications are delivered both internally and externally at Healthcare Improvement Scotland, the Communications Team will need to be restructured, refocussed and upskilled.

Purpose of communications

The Healthcare Improvement Scotland Communications Team exists to maximise awareness and understanding of the organisation and the value and impact of its work.

Aim

Our overall aim is for the importance of Healthcare Improvement Scotland and its work to be better understood and supported by stakeholders and the general public.

Strategy

We will maximise awareness and understanding of Healthcare Improvement Scotland and the value and impact of its work. We will do this by creating credible opportunities across multiple channels to offer stakeholders and the general public evidential reasons to believe in the organisation's essential role in continuous improvement of health and care services in Scotland.

Delivery

Communications delivery will be in two areas: corporate and operational. The Communications Team has been restructured to support this and the infrastructure required for delivery is being developed. The areas covered below all have – or will have – supporting communications plans.

Corporate communications

Corporate narrative

We will create a strong corporate narrative which reflects and supports the corporate strategy 2022–27.

Board and Executive Team communications

To support the corporate strategy and narrative, we will increase internal and external engagement by creating strategic and reputation enhancing opportunities for our Board and Executive Team to be seen and heard. This will include, but will not be limited to, creating media opportunities, speaker opportunities at key events as well as blogs and podcasts.

Media relations

Having a positive and consistent media profile is one of our key routes to engagement. So that we can more closely target our stories, we need to better understand our target media. We will undertake regular media mapping of traditional print and broadcast media, as well as digital and social media, influencers, bloggers and commentators.

We are setting up a Healthcare Improvement Scotland Media Office with dedicated press officers who will focus on the following areas:

Proactive

- creating a 'voice' for the organisation
- sourcing, writing and issuing news releases (corporate and operational)
- writing and placing op-eds, blogs, web articles and features
- creating a journalist 'contact and nurturing' programme
- media and public speaking training for the Board, Executive Team and subject matter experts, and

- creating media briefing materials including press packs and backgrounders as required.

Reactive

- The team will offer a complete press office service for incoming enquiries (including out of hours) to research and respond to journalist questions to deadline. They will aim to minimise the impact of negative enquiries and will use every enquiry as an opportunity to promote other relevant areas of our work for possible media stories.

The Media Office team will also provide regular media monitoring updates for the organisation and will, under agreed criteria, evaluate coverage achieved as either positive, negative or neutral. Once we have acquired sufficient data, we will use this data to inform our media team strategy, pinpointing areas of strengths and areas for improvement in our messaging and media opportunities.

Brand

We will refresh our brand, making sure that our corporate brand and constituent brands work together to lever best value, creating consistency without losing identity. To do this we will:

- review our existing suite of brands and logos
- undertake research to understand current level of brand awareness/recognition/understanding internally and externally
- create a cross organisation brand development group and a network of brand guardians
- create a brand personality supported by the language and tone of voice we use, the type of images and colours we choose, and ease of accessibility
- use research and the psychology behind brands to make sure we have the right approach
- develop an effective brand architecture that allows all our brands to fit together and interact with each other in a way that levers best value from the association
 - We currently have a 'House of Brands' where they all co-exist but there is no strong relation to each other. It's similar to an organisation like Proctor & Gamble who have brand such as Fairy Liquid, Pampers and Old Spice who all exist on a supermarket shelf but have little or no interconnection.
- explore an endorsed brand architecture which enables all our constituent brands to lever value from being part of Healthcare Improvement Scotland without loss of identity – an example of how this works for Marriot Hotels is below – distinctly different hotel brands endorsed by being under the Marriot banner.



Website

Our website is closely aligned to brand and reputation. We are supporting a major programme to redesign and relaunch the website guided by user analytics and research. The new website will offer a more inviting user experience and use AI to help us to take visitors on a journey through the website that they want and that we want them to have. We will be able to suggest other content they might like to view based on their searches, pages views or documents read. Our new website design will support our refreshed brand with consistent language, tone and images.

Internal communications

We will build on the strong sense of pride within the organisation to help colleagues understand Healthcare Improvement Scotland better and foster an increased sense of unity. We will provide colleagues with access to the information they need to do their jobs, maintain a regular flow of internal news and create opportunities for personal interaction. This will include:

- monthly All Staff Huddles, with regular attendance by relevant high profile figures, in addition to the creation of new internal shared experience events
- creating new channels and routes to engagement that are consistent with how people access news in their own lives
- reviewing the relevance and purpose of intranets in a digital world (perhaps maintaining The Source as a repository or library for information useful to colleagues while delivering news through other channels)
- creating line manager communications and toolkits to support major programmes, and
- our internal communications being consistent with and supporting our employer brand values.

Recruitment/Employer branding communications

We will work with colleagues throughout the organisation to reshape how we communicate around recruitment and promote Healthcare Improvement Scotland as an employer of choice. This will include greater use of digital technology and platforms such as LinkedIn as routes to engagement as well as creating content for sector specific publications and other channels. Our employer brand runs through an individual's total experience with us as an organisation from before employment, attraction, recruitment, employment experience through to exit from the organisation and post-employment. We will make wide use of case studies to promote our organisation's culture, values and behaviours.

Promoting Healthcare Improvement Scotland as an inclusive organisation where everyone can be themselves at work is an important part of our employer brand, so we will create a bespoke communications plan to promote our position and support our staff networks.

Organisation calendar and milestones

We are creating an organisation wide corporate calendar with associated milestones and communications activities (including directorate communications plans and milestones) to give visibility of the organisation's activities and communications priorities throughout the year. It will be reviewed and updated regularly so that it can be considered a reliable source of information.

Design and publications strategy

We will put in place design and publications guidelines to ensure everything produced is clear, accessible and consistent, and supports our brand values and guidelines. We will use data from the corporate calendar to enable sufficient studio time for design work to have maximum impact. We will also create 'mood' boards and colour palettes for the organisation and we will source or commission powerful photography that creates an emotional response to help tell our story.

Sustainability communications

Sustainability is an important part of our corporate narrative, so we will create a sustainability communications plan to allow us to tell our sustainability story as part of other communications as well as creating bespoke activities to promote our sustainability journey and principles.

Events

We are reviewing our approach to events and how we can get best value from them. There is often a cost attached to attending events so we will look at getting the best ROI we can. We will also be looking strategically at events and conferences we don't traditionally attend to see if there are opportunities to raise awareness of our organisation or be seen before a particular audience. We will also create speaker opportunities for senior HIS colleagues both within and outside the health sector.

When attendance at an event or conference has been agreed we will ask ourselves some simple questions:

- Why are we there?
- Who is the audience?
- Is this an opportunity to raise profile?
- Is there a speaker opportunity for a senior HIS colleague?
- What are the PR opportunities around attendance (eg is there a media or social media story, do we have something to announce or an opinion we want to share)?

We are also looking at creating our own Healthcare Improvement Scotland Awards externally and relaunching the Chair's Awards internally.

Inclusive communication

We will be taking a proactive approach to establishing inclusive communication across Healthcare Improvement Scotland. We will make sure that everything we produce is accessible to as many people as possible by making greater use of our Lifetime Membership of the Plain English organisation, ensuring the design of our documents support the use of screen readers and will produce easy read versions of documents wherever possible.

Operational communications

We will help our directorates to achieve their objectives by finding accessible and easily understood ways to increase engagement with key audiences. To do this we will:

- co-design communications strategies and plans for each directorate that support directorate business plans and objectives and the corporate strategy
- create directorate identities that reflect our corporate brand position without losing individual identity

- review existing communications activities to make sure they are still achieving desired outcomes and offer alternative routes or channels when appropriate
- regularly review directorate communications plans for effectiveness and refocus where necessary, and
- support Directors with their own communications needs.

Reaching our audiences

Given the broad range of work and activities that make up Healthcare Improvement Scotland, it is important that we understand who our audiences are so that we can target communications effectively using the right channels and right language. We will thoroughly research our audiences so that we can find out how they like to get information and how they want us to communicate with them. We will tailor communications to suit different audience groups, create new channels or refresh old ones.

Once we have data to support our decisions we will create an audience and channels matrix on which to plot audience groups.

Stakeholder engagement

We will undertake a research project to evaluate and map stakeholders so that we can create the most effective routes to engagement for example face-to-face, newsletters, leaflets, e-zines or social media campaigns. We are undertaking a research project to understand current perception and advocacy. And will use CRM principles and use an engagement matrix to decide levels of interaction.

Political engagement

We will work to create greater engagement across the political spectrum, seeking reciprocal relationships with news desk and portfolio communications leads and Special Advisors. We are aiming to be included in the weekly submission of communications activities that goes to Ministers each week as well as seeking routes to elected members through face-to-face events such as Holyrood drop-in sessions and subject matter 'round tables' as well as producing newsletters and social media campaigns. We will ensure cross party and Westminster engagement is undertaken where appropriate.

Evaluation and measurement

We will be regularly reviewing and evaluating our activities to ensure we are delivering value for money and we measure success across outputs, out-takes and outcomes. This helps us to measure our effectiveness and to redesign communications activities where necessary. This will include:

- metrics across all channels and activities
- engagement matrix
- media coverage – volume and sentiment
- stakeholder – understanding an advocacy, and
- cost effectiveness.

We will track media, stakeholder and public sentiment seeking to move through an improvement curve from awareness through understanding to advocacy. Research will be regularly to track progress.

Communications Team

To support delivery of the above, the Communications Team has been restructured and strengthened with increased skills and experience. Four Communications Managers support the Head of Communications and they have the following responsibilities:

Kim Tooke – Brand and Reputation

Stephen Ferguson – Media Office

Caroline Foulkes – Corporate Communications

Victoria Edmond – Internal Communications

The newly structured Communications Team will:

- take an ‘agency’ approach – seeking to delight our internal ‘customers’
- be a professional centre of excellence
- use quality improvement principles – constantly asking ourselves what can we do better
- create a ‘can-do’ culture – the art of the possible – where we seek to provide solutions to communications problems, challenges and opportunities
- be champions for inclusive communications – making all our communications accessible, and
- deliver an out of hours on-call service – raising profile proactively will increase reactive enquiries.

Costs

The Communications Team budget for the current year shows an expected spend of £635K with wte of 14.7 (headcount 16). The actuals for 2021–22 were spend of £592K with wte 12.46 (headcount 11) however this was carrying six vacancies. Headcount accounts for the majority of the Communications Team budget.

Healthcare Improvement Scotland

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|---|--|
| Meeting: | Board Meeting – Public |
| Meeting date: | 29 June 2022 |
| Title: | Governance Committee Annual Reports |
| Agenda item: | 6.1 |
| Responsible Executive/Non-Executive: | Angela Moodie, Director of Finance, Planning and Governance |
| Report Author: | Pauline Symaniak, Governance Manager |
| Purpose of paper: | Discussion |

1. Situation

This paper provides a summary of the key themes from the Committee annual reports for 2021-22 and sets out the actions identified for each Committee during 2022-23.

2. Background

The Code of Corporate Governance requires that each Governance Committee produces an annual report which summarises its activities during the course of year, how it has met its remit and what future actions are proposed based on the learning of the Committee during the year. The future actions agreed by each Committee are set out in Appendix 1. These are considered by the Board as part of the annual reporting cycle in June and a progress report of the actions will be provided to the Board at the mid-way point of 2022-23.

3. Assessment

Key points from the 2021-22 annual reports are as follows:

- a) The Committees continued to operate in a virtual manner throughout 2021-22. All Committees discussed their future ways of working ahead of the organisation's new ways of working test of change period which commenced in April 2022.
- b) All of the Committees reported that they met their remit during 2021-22 and they reviewed their terms of reference. Changes to the terms of reference are reflected in the revised Code of Corporate Governance which is provided separately on the agenda.
- c) Committees reviewed at each meeting any strategic or operational plan risks within their remit. The process of Committee's undertaking risk deep dives continued through 2021-22. The Quality & Performance Committee also undertook deep dives into the work of the technology groups. The complex risks

related to the Regulation of Independent Healthcare spanned the remit of both the Audit & Risk Committee and the Quality & Performance Committee. Therefore they both discussed these risks throughout the year and undertook a joint deep dive.

Assessment considerations

| | |
|--|---|
| Quality/ Care | In completing their annual reports, the Committees are considering their effectiveness throughout the year and the contribution which they make to good corporate governance. This in turn ensures the best outcomes for the services we deliver. |
| Resource Implications | The Audit and Risk Committee considers matters related to financial resources. It has completed an annual report for 2021-22 setting out how it has met its remit. |
| | The Staff Governance Committee considers matters related to workforce. It has completed an annual report for 2021-22 setting out how it has met its remit. |
| Risk Management | The key points noted above detail how the Committees have considered risk management during the year. |
| Equality and Diversity, including health inequalities | The Staff Governance Committee and the Scottish Health Council Committee consider matters related to Equality and Diversity. Both have completed an annual report for 2021-22 setting out how they have met their remit. |
| Communication, involvement, engagement and consultation | Each Committee and its lead director has considered its annual report. There is no need for any further engagement prior to this being provided to the Board. |

4 Recommendation

The Board is asked to:

- gain assurance that the Committees have met the remits delegated to them by the Board during 2021-22
- consider the actions identified in the annual reports and note that a progress report of these will be provided to the Board during 2022-23
- note that copies of the detailed annual reports are available on request

5 Appendices and links to additional information

The following appendices are included with this report:

- Appendix No 1, Summary of Actions from the 2021-22 Governance Committee Annual Reports

Appendix 1: Summary of key actions for 2022-23 from the Governance Committee Annual Reports 2021-22

| Committee | Action | Lead Director | Status (to be updated during 22-23) |
|--------------------------------|--|--|--|
| Audit and Risk | 1. Continued enhancement and refinement of HIS' Risk Management Strategy. | Director of Finance, Planning and Governance | |
| | 2. Oversee delivery of a balanced budget for 22/23 and the overall financial sustainability. | | |
| | 3. Oversight of new Counter Fraud Services standards. | | |
| | 4. Continued oversight of HIS' evolving digital strategy and Information & Communications Technology resilience. | | |
| | 5. Consideration of Independent Healthcare Fees. | | |
| Executive Remuneration | 1. Maintaining oversight of Executive appointments to the organisation. | Director of Workforce | |
| | 2. Review of objectives and performance against objectives throughout the annual cycle. | | |
| | 3. Continued overview of senior leadership structures and any planned or potential arrangements to these arrangements. | | |
| Quality and Performance | 1. Receive regular updates on the implementation of the Clinical and Care Governance (CCG) Framework, including regular updates from the CCG Management Group. | Medical Director | |
| | 2. Receive updates on agreed Key Delivery Areas, in addition to core programmes and commissions. | | |
| | 3. Contribute to the development and assurance of the new HIS organisational strategy. | | |

| | | | |
|--------------------------------|---|----------------------------------|--|
| Scottish Health Council | 1. Service Change -further action to ensure meaningful engagement as the NHS remobilises and recovers from the pandemic. | Director of Community Engagement | |
| | 2. Restart work on the Quality Framework for Engagement which was paused due to the impact of the pandemic. | | |
| | 3. Consider what advice and support is required to be provided to boards and partnerships around major service change and large-scale national projects such as National Treatment Centres. | | |
| | 4. Maximise the opportunities presented by COVID-19 to work in a different and more effective way. | | |
| | 5. Ensure that the new member and new Committee Vice Chair are supported to provide continuity of expertise and scrutiny. | | |
| Staff Governance | 1. Receive and review the draft of the organisational Workforce Plan for 2022-25. | Director of Workforce | |
| | 2. Oversight of iMatter process and learning. | | |
| | 3. Continued overview of workforce data, reporting and recruitment trends. | | |
| | 4. Ensure Directorate level compliance with the Staff Governance Standard. | | |
| | 5. Continued overview of implementation of Ways of Working and the Test of Change process. | | |
| | 6. Oversight of effective Exit Interview processes. | | |
| | 7. Ongoing scrutiny and reporting of staffing and workforce levels in recognition of the need to maintain overview of organisational risk. | | |
| Succession Planning | 1. Consider ways to engage with our stakeholders to understand better the barriers to recruitment. | Director of Community Engagement | |
| | 2. Review and update the Skills Matrix. | | |
| | 3. Review and update the Board development plan to include opportunities in relation to increasing knowledge and understanding in relation to equality and diversity. | | |

Healthcare Improvement Scotland

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|---|--|
| Meeting: | Board Meeting – Public |
| Meeting date: | 29 June 2022 |
| Title: | Code of Corporate Governance |
| Agenda item: | 6.2 |
| Responsible Executive/Non-Executive: | Angela Moodie, Director of Finance, Planning and Governance |
| Report Author: | Pauline Symaniak, Governance Manager |
| Purpose of paper: | Decision |

1. Situation

The Code of Corporate Governance sets out the organisation's Standing Orders, Board and Committee terms of reference, and the Standing Financial Instructions. It is best practice to review and update the Code regularly. Therefore a revised Code of Corporate Governance is provided at Appendix 1 for the Board's consideration and approval.

2. Background

The Standing Orders set out the framework for delivery of the Board's governance meetings. The HIS Standing Orders mirror those agreed on a Once for Scotland basis across NHS Scotland Boards with minor adjustments to reflect any aspects specific to HIS.

Each of the Governance Committees created by the Board has terms of reference which explain their remit, purpose and membership. This ensures there is clarity in the roles that the Board delegates to its Committees and that they operate within their delegated role. Committees' terms of reference are reviewed by the Committees when they are creating their end of year annual reports and any changes are incorporated into the next revision of the Code of Corporate Governance.

The Standing Financial Instructions have been set at their current thresholds for a number of years and are now considered out of date.

3. Assessment

No amendments have been made to the Standing Orders in the revised version presented at Appendix 1.

The Committees have all reviewed their terms of reference as part of year end reporting and made minor adjustments which are reflected in the revised Code at Appendix 1. The Governance Committee Chairs and Board terms of reference have also been reviewed and minor adjustments made. One key change to the Board’s terms of reference is in the number of Non-executive Directors on the HIS Board. HIS has previously operated with 13 Non-Executive Directors (including the HIS Chair, Chair of the Care Inspectorate and the Non-Executive Whistleblowing Champion). However during the recent Non-Executive recruitment round, the Public Appointments Team in Scottish Government confirmed that the regulations allow HIS to have up to 15 Non-Executive Directors in total on its Board. Therefore this has been updated in the revised Code presented.

The Standing Financial Instructions have been reviewed to ensure compliance with current best practice and the changes are summarised in the table below. By incorporating the changes this will help streamline the procurement process for both HIS and Scottish Ambulance Service (SAS), who we outsource our procurement services to. The materiality of the changes and the risk of revising the limits have been considered and is deemed low. This approach also brings us in line with various other national boards i.e. NHS24, SAS, Public Health Scotland, so ensures a consistent approach across the shared service.

| Page, section | Change | Rationale for Change |
|------------------------------|--|--|
| Page 61, Part K, section 2.0 | <p>Proposed change to the wording regarding Board approval for funding.</p> <p>Previous wording: “The following shall be reserved for agreement by the Board: strategic plans and policies with resource implications greater than £500,000;”</p> <p>Proposed wording: “The following shall be reserved for agreement by the Board; strategic plans, policies and requests to SG for funding (additional allocations) with costs greater than £500,000.”</p> | Clearer wording regarding what needs to be approved by the Board. In 2021-22 there were two allocations >£500k, whereas in 2022-23 there are six proposed. |
| Page 46, SFIs, Part E | Competitive quotations table updated to combine thresholds <£1k and £1k-£5k | Helps to streamline the procurement process for both HIS and SAS for low spends and brings us in line with various other boards |
| | Threshold <£5k, Procurement Route added “Quote and rationale for selection of supplier should be documented and sent to Head of Finance & Procurement or Finance Manager”. | Mitigates above change and Internal Audit recommendation |

| | | |
|--|---|---|
| | NCT Form Authorisation amended to include Medical or NMAMP Director sign off for any clinical advisors, to ensure HIS has considered their clinical experience for the appointment is relevant. | Point was raised at the March 2022 Audit & Risk Committee meeting |
| | Minimum Quote Exceptions (MQE) – text added for when three quotes can't be obtained | Internal Audit recommended that MQE's were monitored and reported to the Audit & Risk Committee |

The Audit and Risk Committee will consider the revised Code at its meeting on 23 June 2022 and will report its recommendations to the Board at the meeting on 29 June 2022.

Assessment considerations

| | |
|--|--|
| Quality/ Care | The Code of Corporate sets out the governance and financial framework of the organisation and supports the delivery of good corporate governance and achievement of value for money. This in turns supports the best outcomes for our work programmes. |
| Resource Implications | The Standing Financial Instructions set out details of procurement and delegated authority which ensure good stewardship of the organisation's financial resources. |
| | There are no direct impacts on staff but the Code includes terms of reference for the Staff Governance Committee which has oversight of staff governance matters. |
| Risk Management | There are no risks on the risk register related to this paper. |
| Equality and Diversity, including health inequalities | The Code of Corporate Governance is a key component in achieving good corporate governance which ensures the best outcomes for our stakeholders. |
| Communication, involvement, engagement and consultation | The Committee Chairs and members as well as the Lead Directors have been consulted in relation to the revisions to the Committee terms of reference. |

4 Recommendation

The Board is asked to:

- gain assurance that the revised Code of Corporate Governance presented sets out an effective governance framework for the organisation
- approve the revised Code presented

5 Appendices and links to additional information

The following appendices are included with this report:

- Appendix No1, Draft Code of Corporate Governance 2022

CODE OF CORPORATE GOVERNANCE

Approved: [date] 2022
Review date: [date] 2024

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SECTION 1 - INTRODUCTION

Healthcare Improvement Scotland's Code of Corporate Governance is based on the general principles of the UK Corporate Governance Code and the NHS Scotland Blueprint for Good Governance.

The UK Corporate Governance Code defines corporate governance as the system by which organisations are directed and controlled. The NHS Scotland Blueprint for Good Governance states that the purpose of good governance is to facilitate effective, innovative and prudent management that can deliver the long-term success of the organisation. It provides a model for good governance which has three tiers – the functions of a governance system, the enablers and the support required to effectively deliver those functions. Effective corporate governance also leads to good management, good stewardship of public money, good public engagement and ultimately good outcomes.

The HIS Code of Corporate Governance sets out the governance framework for the organisation. This includes the Standing Orders for delivery of Board and Governance Committee meetings, terms of reference for the Board and its Governance Committees, and the Standing Financial Instructions.

The Code has been developed under the guidance of the Audit and Risk Committee. They will keep the Code of Corporate Governance under review and undertake a comprehensive review at least every 3 years. The Code was ratified by the Board on [date 2022].

Comments are welcomed on the Code. These can be directed to the Director of Finance, Planning and Governance, angela.moodie@nhs.scot.

Healthcare Improvement Scotland (HIS)

HIS is a public body which was formed on 1 April 2011. It was constituted by the National Health Service (Scotland) Act 1978, as amended by Public Service Reform Scotland Act 2010 and the Public Bodies (Joint Working) Act 2014. Our aim is better quality health and social care for everyone in Scotland and our five strategic priorities are:

- Enable people to make informed decisions about their own care and treatment.
- Help health and social care organisations to redesign and continuously improve services.
- Provide evidence and share knowledge that enables people to get the best out of the services they use and helps services to improve.
- Provide and embed quality assurance that gives people confidence in the quality and sustainability of services and supports providers to improve.
- Make best use of all resources.

Our organisation includes:

- Scottish Health Council (SHC) which operates as Healthcare Improvement Scotland – Community Engagement
- Scottish Intercollegiate Guidelines Network (SIGN)
- Healthcare Environment Inspectorate
- Scottish Health Technologies Group
- Scottish Medicines Consortium (SMC)
- Scottish Antimicrobial Prescribing Group (SAPG)

SECTION 2 – STANDING ORDERS FOR THE PROCEEDINGS AND BUSINESS OF HEALTHCARE IMPROVEMENT SCOTLAND

1 General

- 1.1 These Standing Orders for regulation of the conduct and proceedings of Healthcare Improvement Scotland are made under the National Health Service (Scotland) Act 1978. It states that “HIS may determine its own procedure and that of its committees, including a quorum for meetings”. The procedures set out below mirror the Model Standing Orders developed on a national basis by those Health Boards which are subject to the Health Boards (Membership and Procedure) (Scotland) Regulations 2001 (2001 No. 302), as amended up to and including The Health Boards (Membership and Procedure) (Scotland) Amendment Regulations 2016 (2016 No. 3).

The NHS Scotland Blueprint for Good Governance (issued through [DL 2019 02](#)) has informed these Standing Orders. The Blueprint describes the functions of the Board as:

- Setting the direction, clarifying priorities and defining expectations.
- Holding the executive to account and seeking assurance that the organisation is being effectively managed.
- Managing risks to the quality, delivery and sustainability of services.
- Engaging with stakeholders.
- Influencing the Board’s and the organisation’s culture.

- 1.2 The Scottish Ministers shall appoint the members of the Board. The Scottish Ministers shall also attend to any issues relating to the resignation and removal, suspension and disqualification of members in line with the above regulations. Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances.
- 1.3 Any statutory provision, regulation or direction by Scottish Ministers, shall have precedence if they are in conflict with these Standing Orders.
- 1.4 Any one or more of these Standing Orders may be varied or revoked at a meeting of the Board by a majority of members present and voting, provided the notice for the meeting at which the proposal is to be considered clearly states the extent of the proposed repeal, addition or amendment.
- 1.5 Any member of the Board may on reasonable cause shown be suspended from the Board or disqualified for taking part in any business of the Board in specified circumstances. The Scottish Ministers may by determination suspend a member from taking part in the business (including meetings) of the Board. Paragraph 5.4 sets out when the person presiding at a Board meeting may suspend a Board member for the remainder of a specific Board meeting. The Standards Commission for Scotland can apply sanctions if a Board member is found to have breached the Board Members’ Code of Conduct, and those include suspension and disqualification. The regulations (see paragraph 1.1) also set out grounds for why a person may be disqualified from being a member of the Board.

Board Members – Ethical Conduct

- 1.6 Members have a personal responsibility to comply with the Code of Conduct for Members of Healthcare Improvement Scotland. The Commissioner for Public Standards can investigate complaints about members who are alleged to have breached their Code of Conduct. The Board will have appointed a Standards Officer. This

individual is responsible for carrying out the duties of that role, however he or she may delegate the carrying out of associated tasks to other members of staff. The Board's appointed Standards Officer shall ensure that the Board's Register of Interests is maintained. When a member needs to update or amend his or her entry in the Register, he or she must notify the Board's appointed Standards Officer of the need to change the entry within one month after the date the matter required to be registered.

- 1.7 The Board's appointed Standards Officer shall ensure the Register is available for public inspection at the principal offices of the Board at all reasonable times and will be included on the Board's website.
- 1.8 Members must always consider the relevance of any interests they may have to any business presented to the Board or one of its committees. Members must observe paragraphs 5.6 - 5.10 of these Standing Orders, and have regard to the Code of Conduct (Declaration of Interests).
- 1.9 In case of doubt as to whether any interest or matter should be declared, in the interests of transparency, members are advised to make a declaration.
- 1.10 Members shall make a declaration of any gifts or hospitality received in their capacity as a Board member. Such declarations shall be made to the Board's appointed Standards Officer who shall make them available for public inspection at all reasonable times at the principal offices of the Board and on the Board's website. The Register of Interests includes a section on gifts and hospitality. The Register may include the information on any such declarations, or cross-refer to where the information is published.
- 1.11 The Board's Corporate Governance Manager shall provide a copy of these Standing Orders to all members of the Board on appointment. A copy shall also be held on the Board's website.

2 Chair

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

3 Vice Chair

- 3.1 The Chair shall nominate a candidate or candidates for Vice Chair to the Cabinet Secretary. The candidate(s) must be a non-executive member of the Board. The Non-executive Whistleblowing Champion and any member who is an employee of a Board is disqualified from being Vice Chair. The Cabinet Secretary will in turn determine who to appoint based on evidence of effective performance and evidence that the member has the skills, knowledge and experience needed for the position. Following the decision, the Board shall appoint the member as Vice Chair. Any person so appointed shall, so long as he or she remains a member of the Board, continue in office for such a period as the Board may decide.
- 3.2 The Vice Chair may at any time resign from that office by giving notice in writing to the Chair. The process to appoint a replacement Vice Chair is the process described at paragraph 3.1.
- 3.3 Where the Chair has died, ceased to hold office, or is unable for a sustained period of time to perform his or her duties due to illness, absence from Scotland or for any other reason, then the Board's Corporate Governance Manager should refer this to the Scottish Government. The Cabinet Secretary will confirm which member may assume the role of Interim Chair in the period until the appointment of a new chair, or the return of the appointed chair. Where the Chair is absent for a short period due to leave (for whatever reason). The Vice Chair shall assume the role of the Chair in the conduct of the business of the Board. In either of these circumstances references to the Chair

shall, so long as there is no Chair able to perform the duties, be taken to include references to either the Interim Chair or the Vice Chair. If the Vice Chair has been appointed as the Interim Chair, then the process described at paragraph 3.1 will apply to replace the Vice Chair.

- 3.4 Led by the Vice Chair of the Board, the non-executive members should meet without the Chair present at least annually and on other such occasions as are deemed appropriate. The outcomes from any meetings shall be shared with the Chair.

4 Calling and Notice of Board Meetings

- 4.1 The Chair may call a meeting of the Board at any time and shall call a meeting when required to do so by the Board. The Board shall meet at least four times in the year and will annually approve a forward schedule of meeting dates.

- 4.2 The Chair will determine the final agenda for all Board meetings. The agenda may include an item for any other business, however this can only be for business which the Board is being informed of for awareness, rather than being asked to make a decision. No business shall be transacted at any meeting of the Board other than that specified in the notice of the meeting except on grounds of urgency.

- 4.3 Any member may propose an item of business to be included in the agenda of a future Board meeting by submitting a request to the Chair. If the Chair elects to agree to the request, then the Chair may decide whether the item is to be considered at the Board meeting which immediately follows the receipt of the request, or a future Board meeting. The Chair will inform the member which meeting the item will be discussed. If any member has a specific legal duty or responsibility to discharge which requires that member to present a report to the Board, then that report will be included in the agenda.

- 4.4 In the event that the Chair decides not to include the item of business on the agenda of a Board meeting, then the Chair will inform the member in writing as to the reasons why.

- 4.5 A Board meeting may be called if one third of the whole number of members signs a requisition for that purpose. The requisition must specify the business proposed to be transacted. The Chair is required to call a meeting within 7 days of receiving the requisition. If the Chair does not do so, or simply refuses to call a meeting, those members who presented the requisition may call a meeting by signing an instruction to approve the notice calling the meeting provided that no business shall be transacted at the meeting other than that specified in the requisition.

- 4.6 Before each meeting of the Board, a notice of the meeting (in the form of an agenda), specifying the time, place and business proposed to be transacted at it and approved by the Chair, or by a member authorised by the Chair to approve on that person's behalf, shall be circulated to every member so as to be available to them at least three clear days before the meeting. The notice shall be distributed along with any papers for the meeting that are available at that point.

- 4.7 With regard to calculating clear days for the purpose of notice under 4.6 and 4.9, the period of notice excludes the day the notice is sent out and the day of the meeting itself. Additionally only working days (Monday to Friday) are to be used when calculating clear days; weekend days and public holidays should be excluded.

Example: If a Board is meeting on a Wednesday, the notice and papers for the meeting should be distributed to members no later than the preceding Thursday. The three clear days would be Friday, Monday and Tuesday. If the Monday was a public holiday, then the notice and papers should be distributed no later than the preceding Wednesday.

- 4.8 Lack of service of the notice on any member shall not affect the validity of a meeting.

- 4.9 Board meetings shall be held in public. A public notice of the time and place of the meeting shall be provided at least three clear days before the meeting is held. The notice and the meeting papers shall also be placed on the Board's website. The meeting papers will include the minutes of committee meetings which the relevant committee has approved. The exception is that the meeting papers will not include the minutes of the Remuneration Committee. The Board may determine its own approach for committees to inform it of business which has been discussed in committee meetings for which the final minutes are not yet available.

5 Conduct of Meetings

Authority of the Person Presiding at a Board Meeting

- 5.1 The Chair shall preside at every meeting of the Board. The Vice Chair shall preside if the Chair is absent. If both the Chair and Vice Chair are absent, the members present at the meeting shall choose a Board member who is not an employee of a Board to preside.
- 5.2 The duty of the person presiding at a meeting of the Board or one of its committees is to ensure that the Standing Orders or the committee's terms of reference are observed, to preserve order, to ensure fairness between members, and to determine all questions of order and competence. The ruling of the person presiding shall be final and shall not be open to question or discussion.
- 5.3 The person presiding may direct that the meeting can be conducted in any way that allows members to participate, regardless of where they are physically located, e.g. video-conferencing, teleconferencing. For the avoidance of doubt, those members using such facilities will be regarded as present at the meeting.
- 5.4 In the event that any member who disregards the authority of the person presiding, obstructs the meeting, or conducts himself/herself inappropriately the person presiding may suspend the member for the remainder of the meeting. If a person so suspended refuses to leave when required by the person presiding to do so, the person presiding will adjourn the meeting in line with paragraph 5.12. For paragraphs 5.5 to 5.20, reference to 'Chair' means the person who is presiding the meeting, as determined by paragraph 5.1.

Quorum

- 5.5 The Board will be deemed to meet only when there are present, and entitled to vote, a quorum of at least one half of the whole number of members, including at least two members who are not employees of a Board. The quorum for committees will be set out in their terms of reference, however it can never be less than two Board members.
- 5.6 In determining whether or not a quorum is present the Chair must consider the effect of any declared interests.
- 5.7 If a member, or an associate of the member, has any pecuniary or other interest, direct or indirect, in any contract, proposed contract or other matter under consideration by the Board or a committee, the member should declare that interest at the start of the meeting. This applies whether or not that interest is already recorded in the Board Members' Register of Interests. Following such a declaration, the member shall be excluded from the Board or committee meeting when the item is under consideration, and should not be counted as participating in that meeting for quorum or voting purposes.
- 5.8 Paragraph 5.7 will not apply where a member's, or an associate of their's, interest in any company, body or person is so remote or insignificant that it cannot reasonably be regarded as likely to affect any influence in the consideration or discussion of any

question with respect to that contract or matter. In March 2015, the Standards Commission granted a dispensation to NHS Board members who are also voting members of integration joint boards. The effect is that those members do not need to declare as an interest that they are a member of an integration joint board when taking part in discussions of general health & social care issues. However members still have to declare other interests as required by the Board Members' Code of Conduct.

- 5.9 If a question arises at a Board meeting as to the right of a member to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting be referred to the Chair. The Chair's ruling in relation to any member other than the Chair is to be final and conclusive. If a question arises with regard to the participation of the Chair in the meeting (or part of the meeting) for voting or quorum purposes, the question is to be decided by the members at that meeting. For this latter purpose, the Chair is not to be counted for quorum or voting purposes.
- 5.10 Paragraphs 5.6-5.9 shall equally apply to members of any Board committees, whether or not they are also members of the Board, e.g. stakeholder representatives.
- 5.11 When a quorum is not present, the only actions that can be taken are to either adjourn to another time or abandon the meeting altogether and call another one. The quorum should be monitored throughout the conduct of the meeting in the event that a member leaves during a meeting, with no intention of returning. The Chair may set a time limit to permit the quorum to be achieved before electing to adjourn, abandon or bring a meeting that has started to a close.

Adjournment

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

Business of the Meeting

The Agenda

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

Decision Making

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

- 5.17 As part of the process of stating the resulting decisions of the Board, the Chair may propose an adaptation of what may have been recommended to the Board in the accompanying report, to reflect the outcome of the discussion.
- 5.18 The Board may reach consensus on an item of business without taking a formal vote, and this will be normally what happens where consensus has been reached.
- 5.19 Where the Chair concludes that there is not a consensus on the Board's position on the item and/ or what it wishes to do, then the Chair will put the decision to a vote. If at least two Board members ask for a decision to be put to a vote, then the Chair will do so. Before putting any decision to vote, the Chair will summarise the outcome of the discussion and the proposal(s) for the members to vote on.
- 5.20 Where a vote is taken, the decision shall be determined by a majority of votes of the members present and voting on the question. In the case of an equality of votes, the Chair shall have a second or casting vote. The Chair may determine the method for taking the vote, which may be by a show of hands, or by ballot, or any other method the Chair determines.
- 5.21 While the meeting is in public the Board may not exclude members of the public and the press (for the purpose of reporting the proceedings) from attending the meeting.

Board Meeting in Private Session

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

Minutes

- 5.24 The names of members present at a meeting of the Board, or of a committee of the Board, shall be recorded in the minute of the meeting. The names of other persons in attendance shall also be recorded.
- 5.25 The Board's Corporate Governance Manager (or his/her authorised nominee) shall prepare the minutes of meetings of the Board and its committees. The Board or the committee shall review the draft minutes at the following meeting. The person presiding at that meeting shall sign the approved minute.

6 Matters Reserved for the Board

Introduction

- 6.1 The Scottish Government retains the authority to approve certain items of business. There are other items of the business which can only be approved at an NHS Board

meeting, due to either Scottish Government directions or a Board decision in the interests of good governance practice.

6.2 This section summarises the matters reserved to the Board:

- a) Standing Orders
- b) The establishment and terms of reference of all its committees, and appointment of committee members
- c) Organisational Values
- d) The strategies for all the functions that it has planning responsibility for, subject to any provisions for major service change which require Ministerial approval.
- e) The Annual Operational Plan for submission to the Scottish Government for its approval. (Note: This should be conducted when the Board meets in private session.)
- f) Corporate objectives or corporate plans which have been created to implement its agreed strategies.
- g) Risk Management Policy.
- h) Financial plan for the forthcoming year, and the opening revenue and capital budgets.
- i) Standing Financial Instructions and a Scheme of Delegation.
- j) Annual Accounts and report. (Note: This should be conducted when the Board meets in private session.)
- k) Any business case item that is beyond the scope of its delegated financial authority before it is presented to the Scottish Government for approval. The Board shall comply with the [Scottish Capital Investment Manual](#).
- l) The Board shall approve the content, format, and frequency of performance reporting to the Board.

6.3 The Board may be required by law or Scottish Government direction to approve certain items of business, e.g. the integration schemes for a local authority area.

6.4 The Board itself may resolve that other items of business be presented to it for approval.

7 Delegation of Authority by the Board

7.1 Except for the Matters Reserved for the Board, the Board may delegate authority to act on its behalf to committees, individual Board members, or other Board employees. In practice this is achieved primarily through the Board's approval of the Standing Financial Instructions and the Scheme of Delegation.

7.2 The Board may delegate responsibility for certain matters to the Chair for action. In such circumstances, the Chair should inform the Board of any decision or action subsequently taken on these matters.

7.3 The Board and its officers must comply with the [NHS Scotland Property Transactions Handbook](#), and this is cross-referenced in the Scheme of Delegation.

7.4 The Board may, from time to time, request reports on any matter or may decide to reserve any particular decision for itself. The Board may withdraw any previous act of delegation to allow this.

8 Execution of Documents

8.1 Where a document requires to be authenticated under legislation or rule of law relating to the authentication of documents under the Law of Scotland, or where a document is otherwise required to be authenticated on behalf of the Board, it shall be signed by an executive member of the Board or any person duly authorised to sign under the Scheme of Delegation in accordance with the Requirements of Writing (Scotland) Act 1995.

Before authenticating any document the person authenticating the document shall satisfy themselves that all necessary approvals in terms of the Board's procedures have been satisfied. A document executed by the Board in accordance with this paragraph shall be self-proving for the purposes of the Requirements of Writing (Scotland) Act 1995.

- 8.2 Scottish Ministers shall direct which officers of the Board can sign on their behalf in relation to the acquisition, management and disposal of land.
- 8.3 Any authorisation to sign documents granted to an officer of the Board shall terminate upon that person ceasing (for whatever reason) from being an employee of the Board, without further intimation or action by the Board.

9 Committees

- 9.1 Subject to any direction issued by Scottish Ministers, the Board shall appoint such committees (and sub-committees) as it thinks fit. The committees which the Board has appointed are:
- Audit and Risk Committee
 - Executive Remuneration Committee
 - Quality and Performance Committee
 - Scottish Health Council Committee (SHC)
 - Staff Governance Committee
 - Succession Planning Committee
- 9.2 The Board shall appoint the chairs of all committees except the Chair of the SHC Committee who is appointed by the Cabinet Secretary for Health and Sport. The Board shall approve the terms of reference and membership of the committees except the stakeholder membership of the SHC Committee which is approved by the SHC Chair. The Board shall review these as and when required, and shall review the terms within 2 years of their approval if there has not been a review.
- 9.3 The Board shall appoint committee members to fill any vacancy in the membership as and when required. If a committee is required by regulation to be constituted with a particular membership, then the regulation must be followed
- 9.4 Provided there is no Scottish Government instruction to the contrary, any non-executive Board member may replace a Committee member who is also a non-executive Board member, if such a replacement is necessary to achieve the quorum of the committee.
- 9.5 The Board's Standing Orders relating to the calling and notice of Board meetings, conduct of meetings, and conduct of Board members shall also be applied to committee meetings. The general exception is that committee meetings shall not be held in public and committee papers shall not be placed on the Board's website, unless the Board specifically elects to do so.
- 9.6 The Board shall approve a calendar of meeting dates for its committees. The committee chair may call a meeting any time, and shall call a meeting when requested to do so by the Board.
- 9.7 The Board may authorise committees to co-opt members for a period up to one year, subject to the approval of both the Board and the Accountable Officer. A committee may decide this is necessary to enhance the knowledge, skills and experience within its membership to address a particular element of the committee's business. A co-opted member is one who is not a member of the Healthcare Improvement Scotland Board and is not to be counted when determining the committee's quorum. The co-opted member will be remunerated at a level commensurate with the daily rate payable to the

organisation's Non-executive Directors unless they are fulfilling the co-option duties as part of a remunerated post.

SECTION 3 – TERMS OF REFERENCE FOR THE BOARD AND GOVERNANCE COMMITTEES

Part A - General Principles Applied to All Governance Committees

The Board shall create such governance committees, as are required by statute, guidance, regulation or Ministerial direction and as are necessary for the economical efficient and effective governance of its business. The Board can also appoint other committees, as it sees fit, subject to any direction issued by the Scottish Government. The remit of governance committees, their quorum and reporting arrangements to the Board shall be subject to Board approval.

1.0 Right to attend meetings and/or place items on an agenda

Any Board member shall be entitled to attend any meeting of any governance committee other than the Audit and Risk Committee. No-one other than the Audit and Risk Committee's Chair and members are entitled to be present at a meeting of the Audit and Risk Committee. It is for the Audit and Risk Committee to decide if non-members should attend for a particular meeting or a particular agenda item.

When attending a governance committee meeting, Board Members shall, with the consent of the governance committee, be entitled to speak but not to propose, second any motion or vote. Executive members/directors cannot attend either the Executive Remuneration Committee, when matters pertaining to their terms and conditions of service are being discussed, or the Audit and Risk Committee when deemed necessary by the Chair.

A Board Member, who is not a member of a particular governance committee and wishes that committee to consider an item of business which is within its remit, shall inform in writing the relevant Chair and Lead Director, no later than 12 noon 14 days prior to the meeting, of the issue to be discussed. The committee secretary shall arrange for it to be placed on the agenda of the committee. The member shall be entitled to attend the meeting and speak in relation to the item, but shall not be entitled to propose or second any motion or to vote.

The Chief Internal Auditor and External Auditor have a right of attendance at all governance committees. The Chief Internal Auditor and External Auditor shall have the right of direct access to the Chair of the Board and the Chairs of all governance committees.

2.0 Functions

An executive member or another specified director and/or officer shall be appointed to lead and support the functioning of each governance committee.

Where the functions of the Board are being carried out by a governance committee, the membership, including those co-opted members who are not members of the Board, is deemed to be acting on behalf of the Board.

During intervals between meetings of the Board or its governance committees, the Chair of the Board or a governance committee, or in their absence, the Vice Chair shall, in conjunction with the Chief Executive and the Lead Director concerned, have powers to deal with matters of urgency which fall within the terms of reference of the governance committee and require a decision which would normally be taken by the governance committee. All decisions so taken should be reported to the next full meeting of the relevant governance committee. It shall be for the Chair of the governance committee, in consultation with the Chief Executive and Lead Director concerned, to determine whether a matter is urgent in terms of this Standing Order.

3.0 Delegation

Each governance committee shall have delegated authority to determine any matter within its terms of reference with the exception of any specific restrictions contained within the Scheme of Delegation. Governance committees shall conduct their business within their purpose and remit. In exercising their authority, they shall do so in accordance with the following provisions. However, in relation to any matter either not specifically referred to in the purpose and remit, or in the Standing Orders, it shall be competent for the governance committee, whose remit the matter most closely resembles, to consider such matter and to make any appropriate recommendations to the Board.

Governance committees must conduct all business in accordance with Healthcare Improvement Scotland policies and this Code.

The Board may deal with any matter falling within the purpose and remit of any governance committee without the requirement of receiving a report or minute of that committee referring to that matter.

The Board may at any time vary, add to, restrict or recall any reference or delegation to any governance committee. Specific direction by the Board in relation to the remit of a governance committee shall take precedence over the terms of any provision in the purpose and remit.

If a matter is of common or joint interest to a number of governance committees, and is a delegated matter, no action shall be taken until all governance committees have considered the matter.

In the event of a disagreement between governance committees in respect of any such proposal or recommendation, which falls within the delegated authority of one governance committee, the decision of that governance committee shall prevail. If the matter is referred but not delegated to any governance committee, a report summarising the views of the various governance committees shall be prepared by the appropriate officer and shall appear as an item of business on the agenda of the next convenient meeting of the Board.

4.0 Authority

Each governance committee (the committee) is authorised by the Board, within its terms of reference, to investigate any activity in the operations of HIS. It is authorised to seek and obtain any information it requires from any employee and all employees of HIS are directed to co-operate with any request made by the committee.

The committee is authorised by the Board to procure external legal or other independent professional advice and to secure the assistance of people from outside HIS or the wider NHS, with relevant expertise, if it is considered necessary.

The committee is authorised by the Board to appoint sub-committees, as considered necessary. Governance committees may from time to time establish working groups for such purposes as may be necessary.

5.0 Membership

The Board shall appoint the membership of the governance committees. By virtue of their appointment the Chair of the Board is an ex officio member of all committees except the Audit and Risk Committee.

Any committee, shall include at least one non-executive member of the Board, and may include persons, who are co-opted, and may consist wholly or partly of members of the Board.

In determining the membership of the committees, the Board shall have due regard to its purpose, role and remit, and accountability requirements. Certain members may not be

appointed to serve on a particular committee as a consequence of their positions.

The persons appointed as a committee Chair shall usually be a non-executive member of the Board and only in exceptional circumstances shall the Board appoint a Chair of a committee who is not a non-executive member. Such circumstances are to be recorded in the minutes of the Board meeting making the appointment.

The Board has the power to vary the membership of committees at any time, provided that:

- in any case this is not contrary to statute, regulation or direction by Scottish Ministers, and
- each member of the Board is afforded proper opportunity to serve on committees.

Casual vacancies occurring in any committee shall be filled as soon as may be by the Board after the vacancy takes place.

Membership of the committees shall be disclosed in the Annual Report and Accounts.

Appropriate training and development will be provided to ensure that members of the committee have the skills and knowledge to carry out their role.

6.0 Values and behaviours

The committee has a responsibility for seeking assurance in relation to staff understanding and commitment to HIS's agreed values and behaviours. In doing so, the committee also has a responsibility to conduct itself in a manner which reflects these values and behaviours. The Chair of the committee therefore ensures that all the work of the committee is undertaken in a spirit of openness and mutual respect.

7.0 Annual report

The committee will review its own effectiveness and report the results of the review to the Board and Accountable Officer through submission of an annual report. The annual report will describe the outcomes from the committee during the previous financial year and provide assurance to the Board that the committee has met its remit during the year.

The timing of this will align to the Board's consideration of the Chief Executive's Governance Statement for the associated financial year.

8.0 Reporting to the Board

The committee will formally report in writing to the Board. A copy of the record of the meeting will form the basis of this report.

The approved record of the meeting will be presented at the next meeting of the Board unless otherwise provided. A short paper listing the key issues arising from each meeting will also be presented to the Board by the Chair of the committee.

In the event of the record of the meeting not being available at the next Board meeting, a verbal update on the business of the committee shall be provided to ensure that any questions members of the Board may have can be addressed promptly or other matters highlighted.

9.0 Best Value

The committees of the Board have a responsibility to review progress against the duty of Best Value as set out in the [Scottish Public Finance Manual](#) (SPFM) and recent guidance from Scottish Government Health and Social Care Directorate 'Best Value in public services: Guidance for Accountable Officers', March 2011. Specifically, there is an individual and corporate responsibility on the Directors and non-executive members to promote the efficient and effective use of staff and other resources in accordance with Best Value principles.

Assurance of this area of responsibility to the Chief Executive should be included as an explicit statement in the Annual Report of the committee.

Part B - Terms of Reference: Board

1.0 Purpose

The purpose of the Board is set out in the Operating Framework¹ between Healthcare Improvement Scotland and Scottish Government:

- ensure efficient, effective and accountable governance of the organisation;
- provide strategic leadership and direction;
- determine the risks the organisation is willing to take in pursuit of its strategic objectives; and
- focus on agreed outcomes.

2.0 Remit

The remit of the Board shall be in line with the Audit Scotland Role of Boards and the NHS Scotland Blueprint for Good Governance².

The Board delegates several areas of its work to Governance Committees. However, decisions reserved for the Board are as follows but not restricted to:

Setting the Direction

- Approval of the organisation's strategy, corporate plan, annual operational plan, financial plan and workforce plan.
- Oversight and approval of high level plans that support delivery of the organisation's strategy.
- Approval of new areas of work to ensure they fit with the organisation's strategy. Endorsement of joint plans with NHS Boards, Care Inspectorate and other partners.

Holding to account

- Scrutiny and monitoring of operational performance having received recommendations from detailed scrutiny by the Quality and Performance Committee.
- Scrutiny and monitoring of financial performance having received recommendations from the detailed scrutiny by the Audit and Risk Committee.

Assessing Risk

- Scrutiny and monitoring of risk management having received recommendations from the detailed scrutiny by the Audit and Risk Committee.

1. The [Operating Framework](#) was published on 18 March 2019.

2. The [NHS Scotland Blueprint for Good Governance](#) was published on 1 February 2019.

Engaging Stakeholders

- Seek assurance that the views of external stakeholders are taken into account when designing strategies, policies and services.
- Oversight of stakeholder communication and engagement strategies to establish confidence in the organisation.

Influencing Culture

- Demonstrate the organisation's values and exemplify effective governance through Board Members' individual behaviours.
- Oversight of the results of staff satisfaction surveys.

Finance and resource

- Approval of the financial transactions reserved for the Board set out in the Standing Financial Instructions.
- Approval of the annual fees for regulation of Independent Clinics.

Governance

- Approval of the Annual Accounts, the Annual Report and the Governance Statement.
- Monitoring of compliance with the Clinical and Care Governance Framework.
- Oversight of the establishment of sub-committees including the Scottish Health Council Committee.
- Approval of the Code of Corporate Governance including the terms of reference of the Governance Committees and the Standing Financial Instructions.
- Approval of the Board Members' Code of Conduct.
- Approval of arrangements for the appointment and removal of key staff, in particular the Chief Executive.
- Approving publication of the Register of Interests.
- Approval of the schedule of meeting dates for Board and Governance Committees.
- Oversight of the Governance Committee Annual Reports and approval of the Annual Reports action plan.

The Board will review regularly its own effectiveness including external peer review.

3.0 Membership

Membership of the Board is as follows:

- Chair (non-executive)
- Chair of the Care Inspectorate (non-executive)
- Up to 13 additional non-executive members, including the Employee Director (non-executive), the Chair of the Scottish Health Council (non-executive) and the Whistleblowing Champion (non-executive)
- Chief Executive (executive member).

The following officers of HIS will be in attendance:

- Executive Team
- other officers of HIS will be invited to attend as required

4.0 Quorum

A minimum of 50% of non-executive members shall constitute a quorum and no business shall be transacted unless this minimum number of members is present. For the purposes of determining whether a meeting is quorate, members attending by either video or teleconference link will be determined to be present.

5.0 Meetings

The Board shall hold a minimum of four business meetings in each financial year as well as seminar and development sessions as required. The purpose of these different meetings is as follows:

| Meeting | Purpose |
|---------------------------|--|
| Public Board Meeting | To undertake formal governance requirements as listed above in <i>Decisions reserved for the Board</i> . |
| Reserved Board Meeting | To undertake formal governance requirements as listed above in <i>Decisions reserved for the Board</i> , but where those matters are of a sensitive nature. Meetings will be reserved in exceptional circumstances and justified by the inclusion of the reserved paper cover sheet. This can be due to staffing information, commercial in confidence information or where the information is otherwise prejudice to public interest, for example, where draft information is presented prior to publication. |
| Board Seminar | To receive papers and presentations in respect of specific topics related to key items of strategic business but which are not at that time presented as part of the formal governance requirements or for a decision reserved by the Board. These will be: <ul style="list-style-type: none"> • Emerging issues that will influence the organisation's future strategic planning and operation, for example, national initiatives, new legislation, significant organisational change. • Briefing on new / developing areas of work that will be provided to the Board in future for their decision but which require early input or comment from Board members. • Information and presentations on the organisation's work, impact and stakeholder engagement which support the Board's assurance role. |
| Board Development Session | To undertake activities related to the development of the skills, knowledge and effectiveness of the Board as individuals, as a collective Non-executive cohort and with the Executive Team. This will include regular joint sessions with the Board and senior team of the Care Inspectorate to expand members' knowledge of joint areas of working. |

Where decisions reserved for the Board arise between Board meetings and require urgent approval or where other matters of significance arise that require the Board's attention, they will be dealt with by email correspondence or by convening a virtual meeting. The outcomes will be shared in the Matters Arising section of the next Board meeting to ensure they are placed on public record.

6.0 Information requirements

For each meeting the Board will be provided with:

- risk management report including all of the risks on the Strategic Risk Register and the very high risks on the Operational Plan Risk Register.
- an operational performance report.
- the financial performance report and forecast to financial year-end.
- a report from the Chair providing an update on key strategic and governance issues
- a report from the Chief Executive and Directors on key areas of work not covered by the operational performance report.
- register of interests for Board members and senior staff.
- approved minutes and key points reports from the Governance Committees except the Executive Remuneration Committee which will provide abridged minutes to Non-executive Directors only.

As and when appropriate the Board will also be provided with:

- changes to the Code of Corporate Governance.
- the organisation's corporate, operational, financial and workforce plans.
- the Annual Accounts and Governance Statement.
- proposals for setting the annual fees for regulation of Independent Clinics.
- Board Members Code of Conduct.
- annual schedule of meeting dates for Board and Governance Committees.
- Governance Committee Annual Reports or Annual Reports action plan.
- Annual Review Self-assessment Submission
- Annual report from the Non-Executive Whistleblowing Champion

Part C - Terms of Reference: Governance Committee Chairs

1.0 Purpose

The purpose of the Governance Committee Chairs meeting is to take a co-ordinated and strategic approach to the business of the Board and its Governance Committees.

2.0 Remit

The Governance Committee Chairs will:

- Review the business planning schedules of the Board and its governance committees.
- Ensure the work programmes of the Committees and Board are correctly aligned and take a collective view on the handling of new / emerging strategic issues.
- Ensure that correct lines of assurance are in place for governance and statutory reporting requirements.
- Provide updates on the work of their committees to highlight common areas of interest and ensure linkages are made in matters that impact on more than one Committee.
- Identify any areas of duplication or best practice.
- Maintain oversight of the governance functions with the organisation.

3.0 Membership

The Governance Committee Chairs meeting will comprise:

- HIS Chair
- HIS Vice Chair
- Chairs of all Governance Committees – Audit and Risk, Quality and Performance, Staff Governance, Scottish Health Council, Succession Planning and Executive Remuneration
- Officers of HIS will be invited to attend as appropriate

4.0 Meetings

The Governance Committee Chairs shall hold at least two meetings in each financial year.

5.0 Information requirements

For each meeting the Governance Committee Chairs will be provided with:

- Business planning schedules for the Board and Governance Committees.
- Any relevant updates to the delivery of the governance function within HIS.

As and when appropriate the Committee will also be provided with:

- Internal Audit Annual Plan
- Action plan from Governance Committee Annual Reports

Part D - Terms of Reference: Audit and Risk Committee

1.0 Purpose

The purpose of the Audit and Risk Committee is to assist the Board to deliver its responsibilities for the issues of risk, control and governance and associated assurance through a process of constructive challenge.

2.0 Remit

The remit of the Committee shall be in line with the [Scottish Government Audit Committee Handbook](#). The Audit and Risk Committee will advise the Board and Accountable Officer on:

3.0 Governance, risk and control

to review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the framework of governance, risk management and control

- to consider arrangements to secure value for money
- to monitor the effective development and operation of risk management and to monitor progress in addressing risk-related issues reported to the committee
- to consider the effectiveness of internal controls and monitor the implementation of agreed improvements
- to monitor anti-fraud policies, whistleblowing processes, and arrangements for special investigations.
- to monitor the resilience, adequacy and effectiveness of ICT systems.

4.0 Internal and external audit

- to consider proposals for tendering for either internal or external audit services or for purchase of non-audit services from contractors who provide audit services;
- to commission work from internal and external audit;
- to approve the risk-based Internal Audit plan, including Internal Audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources
- to receive and approve Internal Audit progress reports and review action on audit recommendations
- to consider the external auditor's annual letter of opinion, relevant reports and the report to those charged with governance
- to consider specific reports as agreed with the external auditor
- to review the adequacy of management responses and actions in relation to issues identified by audit activity, including external audit's management letter/report;

5.0 Financial reporting

- To undertake detailed scrutiny of financial performance and forecasting and make recommendations on this to the board.

- To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed, that the process for review of the accounts prior to submission to the Board for adoption, levels of error identified, and management's letter of representation to the external auditors are completed to a high standard and on time.
- To review financial planning and sustainability as part of an integrated planning process.

The Audit and Risk Committee will review its own effectiveness and report the results of the review to the Board and Accountable Officer through submission of an annual report.

The Committee will report to the full Board on a regular basis on the Committee's activity in relation to the terms of reference.

6.0 Membership

The committee will comprise:

- Non-executive Board members x 4 minimum
- the following officers of HIS will be in attendance:
- Chief Executive
- Director of Finance, Planning and Governance
- Representation from the Executive Team (ET)
- Internal Audit representative and a representative of External Audit
- other officers of HIS will be invited to attend as required

A lead officer selected from the ET will be appointed to support the committee. This appointment will be made jointly by the CEO and the Chair of the committee.

The Audit and Risk Committee Chair shall not be a Chair of another committee. At least one member of the Audit and Risk Committee should have recent and relevant financial and/or risk management experience.

The Board Chairman and Executive Directors of the Board are explicitly excluded from being members of the Audit and Risk Committee.

7.0 Quorum

A minimum of 50% of non-executive members of the committee shall constitute a quorum and no business shall be transacted unless this minimum number of Members is present. For the purposes of determining whether a meeting is quorate, members attending by either video or teleconference link will be determined to be present.

8.0 Meetings

The committee shall hold four business meetings in each financial year and an additional meeting specifically to consider the requirements to meet the Governance Statement and Annual Accounts. Meetings will be held at a place and time as determined by the Committee. The external auditors may request a meeting if they consider that one is necessary.

It is anticipated that Internal Audit representative(s) will attend each meeting of the committee and External Audit representative(s) will attend at least two meetings per financial year.

The committee should meet individually with the Internal Auditors and with the external auditors, at least once per year, without any Executive Directors present.

The committee should meet with the Director of Finance, Planning and Governance once per year without any other Directors or Auditors present.

The Board or the committee Chair may convene additional meetings of the committee to consider business which may require urgent consideration.

9.0 Information requirements

For each meeting the Audit Committee will be provided with:

- the Strategic Risk Register and high / very high operational plan risks
- monthly financial performance report
- a progress report from Internal Audit
- a progress report from the External Audit
- a report summarising Information Governance
- a resilience report covering fraud, cyber-security and business continuity
- a report of all non-competitive tenders since the previous meeting

As and when appropriate the Committee will also be provided with:

- proposals for the Terms of Reference of Internal Audit
- the Internal Audit Strategy
- the Head of Internal Audit's Annual Opinion and Report
- Internal Audit reports / quality assurance reports on the Internal Audit function
- the draft accounts of the organisation
- changes to the Code of Corporate Governance
- the organisation's financial plans (in draft form)
- the draft Governance Statement
- a report on any changes to accounting policies
- External Audit's plan and annual report
- a report on any proposals to tender for audit functions
- a report on co-operation between Internal and External Audit
- annual progress reports on key strategies / changes to the strategies

Part E - Terms of Reference: Executive Remuneration Committee

1.0 Purpose

The Executive Remuneration Committee ('the Committee') is appointed by the Board to provide assurance that systems and procedures are in place regarding the application of national guidance, performance and remuneration arrangements for those employed on Executive Pay arrangements and the Medical Director ('Executive Cohort') and to maintain the highest possible standards of corporate governance in this area. The Committee is also required to ensure that any associated risks assigned to the Committee are managed.

For the purposes of these Terms of Reference the Executive Cohort refers to staff covered by pay arrangements set out in HDL(2006) 59 and includes the Medical Director.

2.0 Remit

- To ensure compliance with Scottish Government guidance in relation to the recruitment to the Executive Cohort roles.
- Agree all terms & conditions of employment for all staff in the Executive Cohort and the Medical Director, including job description, job evaluation, terms of employment, basic pay, performance pay and benefits (including pension or superannuation arrangements and motor cars).
- Review and agree the objectives for all staff in the Executive Cohort. To consider appropriate revisions to such objectives during the course of an assessment year.
- Review the performance of all staff in the Executive Cohort against their objectives.
- To consider and approve submissions of posts within the Executive Cohort for evaluation to the National Evaluation Committee.
- To act as the appeals body for those in the Executive Cohort who have a grievance concerning their Terms and Conditions of Service and in relation to disciplinary matters.
- To approve any individual voluntary redundancy and/or premature retirement arrangements for staff in the Executive Cohort.
- Ensure all staff in the Executive Cohort are treated appropriately, fairly and consistently. The Executive Remuneration Committee will review its own effectiveness and report the results of the review to the Board and Accountable Officer through submission of an annual report.

The Committee will report to the non-executive members of the Board on a regular basis on the Committee's activity in relation to the terms of reference through submission of an abridged version of the record of business under the reserved business of the Board.

3.0 Membership

The committee shall be appointed by the Board from amongst the non-executive members of the Board and shall comprise a minimum of four members (including the Chair of the Board and the Employee Director). The Chief Executive and designated lead HR officer shall normally attend meetings other than when their own performance and remuneration (if applicable) are being considered.

4.0 Quorum

A minimum of three non-executive members of the Committee, one of which must be the HIS Chair, shall constitute a quorum and no business shall be transacted unless this minimum number of Members is present. For the purposes of determining whether a meeting is quorate, members attending by either video or teleconference link will be determined to be present.

5.0 Meetings

Meetings shall be held not less than twice per year.

6.0 Record of business

The Director of Workforce will:

- have oversight of the preparation and quality assurance of documentation for annual and mid-year appraisals and annual objectives.
- prepare papers for the ERC including the annual report.
- co-ordinate communications between the ERC and the National Performance Management Committee
- Committee and Scottish Government in relation to executive and senior management pay arrangements.
- provide end of year appraisal documentation as requested by the Scottish Government and the National Performance Management Committee
- arrange for a committee secretary to collate and issue papers and prepare a record of the business from the meeting.
- hold the record of business in the Planning and Governance team confidential files which will be available for review as permitted.

7.0 Information requirements

For each meeting the Executive Remuneration Committee will be provided with:

- the Committee risk register
- the business planning schedule
- performance summaries for the Chief Executive and Executive Team at every mid year meeting of the Committee
- end of year performance reports and next year performance objectives for the Chief Executive and Executive Team at every year-end meeting

As and when appropriate the Committee will also be provided with:

- Scottish Government circulars related to executive level pay and conditions

Part F - Terms of Reference: Quality and Performance Committee

1.0 Purpose

The Committee shall be responsible for providing assurance to the Board in relation to progress against achieving delivery of the objectives / outcomes of the organisational strategy. The Committee will assure the Board that the organisation is delivering to the highest quality and within agreed timescales, including the appropriate integration of clinical and care governance throughout the organisation.

2.0 Remit

The Committee is responsible for considering, on the Board's behalf, progress being made by the organisation to deliver the Strategy, exploring any issues of performance, which may present a risk to achieving the organisation's objectives/outcomes and managing any associated risks assigned to it¹. The Board can commission the Committee to scrutinise work where further assurance is required.

The Committee will be outcomes focused and will provide appropriate clinical and care assurance underpinned by HIS' Clinical and Care Governance Framework (see Annex 1).

In particular, the Committee will:

- assure the quality and progress of strategically and/or operationally significant areas of work, by undertaking detailed scrutiny of these (including management of risk and delivery of stated outcomes) and escalating concerns to the full Board as required
- guide the strategic direction of new work or the refocusing of existing work, taking account of the external policy environment and issues in the system and recommending any necessary changes to the Board's risk register and annual plans, including reviewing programme management arrangements.
- assure that clinical and care governance arrangements are in place in all programmes of work and working effectively
- assure the governance and internal alignment of the strategy within and across directorates
- assure that effective partnership working is in place with other national organisations involved in supporting improvement across health and social care
- assure that systems are in place for managing and responding to stakeholder engagement, feedback and complaints
- assure the systems and processes for the regulation of independent healthcare in line with legislation and codes of practice
- approve annual reports in relation to the Death Certification Review Service, the ihub Impact Report, the Complaints and Feedback Annual Report and other reports as delegated by the Board.

¹ The Healthcare Improvement Scotland Risk Management Strategy describes how each risk raised on the corporate risk management system is assigned to the appropriate governance committee, dependent on its description and the context of the risk.

The Committee will review its own effectiveness and report the results of the review to the Board and Accountable Officer through submission of an annual report.

The Committee will report to the full Board on a regular basis on the Committee's activity in relation to the terms of reference, and specifically on its consideration of performance against the Operational Plan.

Note:

Annex 1 sets out the purpose of the Healthcare Improvement Scotland Clinical and Care Governance Framework.

Annex 2 provides further detail on the responsibility for the provision of independent advice to NHSScotland based on health technology assessment (clinical and cost effectiveness) which is delegated to the following health technologies groups: Scottish Medicines Consortium (SMC), Scottish Intercollegiate Guidelines Network (SIGN), Scottish Health Technologies Group (SHTG) and the Scottish Antimicrobial Prescribing Group (SAPG).

3.0 Membership

The Committee will comprise:

- Non-executive Board members x 6 minimum (one of whom will be the Chair of the SHC)
- The Chair of SMC
- The Chair of SAPG
- The Chair of SIGN
- The Chair of SHTG
- Public Partners
- the following officers of HIS will be in attendance:
 - Chief Executive
 - Medical Director (Lead Director)
 - Representation from the ET
 - other officers of HIS will be invited to attend as required.

A lead officer selected from the ET will be appointed to support the committee. This appointment will be made jointly by the CEO and the Chair of the committee.

4.0 Quorum

A minimum of 50% of non-executive members of the committee shall constitute a quorum and no business shall be transacted unless this minimum number of members is present. For the purposes of determining whether a meeting is quorate, members attending by either video or teleconference link will be determined to be present.

5.0 Meetings

The committee shall hold at least four business meetings in each financial year to fulfil its remit. Meetings will be held at a place and time as determined by the Committee.

6.0 Information requirements

For each meeting the Committee will be provided with:

- the performance report against the operational plan
- the Committee risk register
- reports from the Clinical and Care Governance Group
- updates from the Health Technologies Groups
- updates from the Strategic Stakeholder Advisory Group

As and when appropriate the Committee will also be provided with:

- the Corporate and Operational Plans (draft stage)
- reports in relation to the regulation of independent healthcare
- reports in relation to significant adverse events
- the Death Certification Review Service Annual Report
- the Complaints and Feedback Annual Report
- the Clinical and Care Governance Framework (revisions to)
- annual progress reports on key strategies
- Sharing Intelligence for Health and Care

Annex 1 – Clinical and Care Governance Framework

The overarching purpose of the Healthcare Improvement Scotland Clinical and Care Governance Framework is:

To provide assurance to the Chief Executive and HIS Board that clinical and care governance arrangements are in place in all programmes of our work to support the delivery of safe, effective and person centred health and social care services to improve outcomes for the people of Scotland.

Our framework is based around seven broad principles:

1. We have a supported, involved and engaged workforce
2. There are clear lines of leadership and accountability
3. We involve the people and communities who use services in all our programmes of work
4. There is transparent and informed decision making
5. All clinical and care risks are identified, managed and acted upon
6. We will uphold and demonstrate professional ethics, values and standards
7. We will continually share the knowledge and learning with all our stakeholders

Annex 2 - Health Technologies Groups

Scottish Health Technologies Group (SHTG), Scottish Intercollegiate Guidelines Network (SIGN), Scottish Medicines Consortium (SMC) and Scottish Antimicrobial Prescribing Group (SAPG).

The Public Services Reform (Scotland) Act, 2010, specifies functions for HIS in relation to the evaluation and provision of advice to the health service on the clinical and cost effectiveness of new and existing health technologies including drugs (hereafter described as medicines). NHS HDL (2005) 41 specifies that standards for quality and care set for NHSScotland apply to services contracted from the independent sector.

Responsibility for the provision of independent advice to NHSScotland based on health technology assessment (clinical and cost effectiveness) is delegated to the health technologies groups. SAPG provides the national framework for antimicrobial stewardship. The work of the groups is supported by HIS staff based in the Evidence Directorate.

The appointment process for the Chairs is by open competition and the appointment panel will include the HIS Chair or their nominated deputy.

SHTG provides advice on the evidence about the clinical and cost effectiveness of existing and new non-medical technologies likely to have significant implications for patient care in Scotland. Members of the SHTG Committee are nominated by NHS Boards. The SHTG Committee also includes public partners and representation from the Association of British Healthcare Industries (ABHI), Life Sciences Advisory Board, Directors of Public Health, Planning and Finance groups, Board Chief Executives and the Scottish Association of Medical Directors.

SIGN produces evidence based clinical guidelines aimed at improving the quality of healthcare by reducing variation in practice and outcome. Members of SIGN Council are nominated by the Royal Colleges and professional organisations and includes all the medical specialties, nursing, pharmacy, dentistry, professions allied to medicine, health service managers, social services, researchers, patient representatives and public partners.

SMC produces clinical advice about the clinical and cost effectiveness of all new medicines. SMC is a consortium of stakeholders from Area Drug and Therapeutic Committees (ADTCs) and representation is derived from ADTCs across NHSScotland. SMC also includes three representatives from the Association of British Pharmaceutical Industry (ABPI) and three public partners.

SAPG is a national clinical multi-disciplinary forum which co-ordinates and delivers a national framework for antimicrobial stewardship. This comprises information (surveillance data on antimicrobial use and resistance), quality improvement interventions to optimise prescribing, and education for health and care staff, patients and the public. Members of SAPG include national stakeholders, representatives from NHS board Antimicrobial Management Teams and two public partners.

All members of SHTG, SIGN, SMC and SAPG must abide by the HIS [Code of Conduct](#).

The governance reporting route for the four groups is through the Quality and Performance

Committee to the HIS Board. The Chair of the Committee provides a specific point of contact for the four chairs regarding any concerns or threats to the independence of the groups.

- HIS is responsible for:
 - Implementation of the methodologies approved by the four groups.
 - Management of the processes used to produce the advice by the four groups.
- Response to legal challenge (to both the advice and also in relation to legal challenges to governance and internal controls). A letter of comfort was provided by Scottish Government to HIS on 23 April 2013 specifically regarding potential legal challenge.
- Contribution to the annual appraisal process in the home NHS Board by the Medical / NMAHP Director for the clinical chairs of the groups. The chairs are able to request professional support at any time from the Medical / NMAHP Directors.

The following table identifies the accountability lines for the three technology groups and SAPG.

| | Methodology | Advice | Governance and internal controls | Legal challenges | Clinical assurance |
|-------------|-------------------------|--------------------|---|-------------------------|-----------------------------------|
| SHTG | SHTG | SHTG | HIS | HIS | Quality and Performance Committee |
| SIGN | SIGN Council | SIGN Council | HIS | HIS | Quality and Performance Committee |
| SMC | SMC Staff and Executive | SMC Committee | HIS | HIS | Quality and Performance Committee |
| SAPG | SAPG | SAPG Project Board | HIS | HIS | Quality and Performance Committee |

Part G - Terms of Reference: Scottish Health Council Committee

1.0 Purpose

The Scottish Health Council operates as *Healthcare Improvement Scotland – Community Engagement* (HIS-CE).

The Committee shall be responsible for oversight of the governance and assurance of the statutory duties of the Scottish Health Council as set out in the National Health Service (Scotland) Act 1978 as amended by the Public Service Reform (Scotland) Act 2010:

- ensuring, supporting and monitoring NHS Boards compliance with the duty to involve the public
- ensuring, supporting and monitoring the NHS Boards compliance with the duty of Equal Opportunities (in relation to the provision of services and public involvement)

The Committee will assure the Board that Healthcare Improvement Scotland (HIS) is meeting its duties in respect of: (i) patient focus and public involvement² (ii) equalities (excluding staff governance) (iii) User Focus and (iv) Corporate Parenting.

2.0 Remit

The duties of the Scottish Health Council Committee are:

- approval of HIS-CE strategic objectives, priorities and workplan for recommendation for inclusion in the HIS strategy, corporate and operational delivery plans and to ensure convergence between these plans
- detailed scrutiny of performance against the workplan and delivery of outcomes
- the establishment of terms of reference, membership, and reporting arrangements for any sub committees acting on behalf of the Committee
- approval of systems and processes by which the organisation makes assessments of performance in relation to patient focus and public involvement in health services
- hold to account all HIS Directorates for performance in relation to Patient and Public Involvement, the Duty of User Focus, Corporate Parenting and Equalities Duties in the delivery of HIS functions, excluding Equalities Duties relating to workforce which fall within the remit of the Staff Governance Committee.

The Committee will manage any associated risks assigned to it³. The Committee will review its own effectiveness and report the results of the review to the Board and Accountable Officer through submission of an annual report.

3.0 Membership

The Chair of the Committee shall be the Chair of the Scottish Health Council as appointed by the Cabinet Secretary for Health and Sport. There shall be up to eight other members of

² The term ‘community engagement’ may be used to signify the duties of patient and public involvement.

³ The Healthcare Improvement Scotland Risk Management Strategy describes how each risk raised on the corporate risk management system is assigned to the appropriate governance committee, dependent on its description and the context of the risk

the Committee, two of whom shall be members of, and appointed by, the HIS Board on the recommendation of the Chair of the Scottish Health Council, and up to six who shall be members of the public appointed by the Chair of the Scottish Health Council. Committee members can serve a maximum of two four-year terms. The Director of Community Engagement is expected to attend meetings.

The Healthcare Improvement Scotland Chair cannot be a member of the Committee but has the right to attend.

The Chair of the Scottish Health Council shall be a member of the HIS Quality and Performance Committee.

A Vice Chair will be appointed by the Chair, who will deputise for the Chair in their absence.

4.0 Quorum

Meetings of the Committee shall be quorate when at least 50% of members are present, including at least one HIS non-executive Board member.

For the purposes of determining whether a meeting is quorate, members attending by either video or teleconference link will be determined to be present.

5.0 Meetings

The Committee will meet a minimum of four times a year. Meetings will be held at a place and time as determined by the Committee.

6.0 Information requirements

For each meeting the Scottish Health Council Committee will be provided with:

- Business Planning Schedule
- Operational Plan
- Risk register

As and when appropriate the Committee will also be provided with:

- Equality mainstreaming reports
- Corporate Parenting progress reports
- Sub committee meeting notes

7.0 Committee Annual Report

The Committee will submit an annual report to the HIS Board to assist in the review of the organisation's systems of internal control.

Part H - Terms of Reference: Staff Governance Committee

1.0 Purpose

The NHS Scotland Staff Governance Standard ('the Standard') defines staff governance as, "a system of corporate accountability for the fair and effective management of all staff." To this end, and as part of its overall corporate governance approach, HIS has established a Staff Governance Committee.

The Committee holds the organisation to account in terms of meeting the requirements of the Standard. More specifically, the role of the Committee is to support and maintain a culture where the delivery of the highest possible standard of staff management is understood to be the responsibility of everyone working within the organisation and is built upon partnership and collaboration. Finally, the Committee ensures that robust arrangements to implement the Standard are in place and monitored, and that any associated risks assigned to the Committee are managed.

2.0 Remit

The duties of the Committee are as follows:

- monitor and evaluate structures and processes which ensure that delivery against the standard is being achieved
- monitor and evaluate strategies and implementation plans relating to people management
- propose and support any policy amendment, funding or resource submission to achieve the Standard
- take responsibility for the timely submission of all staff governance information required for national monitoring arrangements
- monitor benefits realisation processes, where applicable
- provide staff governance information for the Statement of Internal Control
- review the Medical, Nursing and Pharmacy Revalidation Reports
- review the Equality Mainstreaming Report.

The Staff Governance Committee will review its own effectiveness and report the results of the review to the Board and Accountable Officer through submission of an annual report.

The Committee will report to the full Board on a regular basis on the Committee's activity in relation to the terms of reference. In particular, the Committee is authorised to consider the annual organisational workforce plan and gain assurance regarding its content in the context of other corporate plans (e.g. the operational and financial plans), before making a recommendation to the Board for its approval.

3.0 Membership

The Committee is appointed by the Board. It comprises a minimum of four non-executive Board members (one of which should be the Employee Director). The Board appoints one non-executive Board member as Chair of the Committee.

The membership also includes:

- Chief Executive
- Director of Workforce
- Two staff representatives from trade unions/professional organisations nominated by the HIS Partnership Forum
- Appropriate representation from Human Resources

Other NHS Officers are invited to attend as required. All Board members, Executive and Non-Executive, have access to papers and where appropriate may be invited to attend specific meetings of the Committee.

4.0 Quorum

A quorum shall be at least 50% of Non-Executive members and the Chief Executive (or designated deputy).

5.0 Meetings

The Committee shall hold four business meetings a year.

6.0 Information requirements

For each meeting the Staff Governance Committee will be provided with:

- the Staff Governance Action Plan
- the Staff Governance Monitoring Return
- minutes / reports from the Partnership Forum

As and when appropriate the Committee will also be provided with:

- the Workforce Plan
- reports on Whistleblowing
- reports on Health and Safety activity
- reports on Organisational Development and learning activity
- reports on adverse events or serious concerns raised relating to staffing issues
- Equalities Mainstreaming Report
- Medical, Nursing and Pharmacy Revalidation Report

Part J - Terms of Reference: Succession Planning Committee

1.0 Purpose

The role of the Succession Planning Committee is to:

- Improve the diversity of the membership of the HIS Board by:
 - Leading the process for non-Executive Board appointments¹ to ensure it captures a more diverse applicant pool and providing advice and recommendations to the Board.
 - Leading the review and evaluation of the skills, knowledge, diversity and expertise of current non-Executive Directors on an annual basis in line with the Blueprint for Good Governance.
- To work with and influence the Scottish Government approach to Public Appointments.

2.0 Remit

The duties of the committee are as follows:

- To lead a regular process with the full Board to review and evaluate the skills, knowledge, diversity and experience of non-Executive Directors, in order to identify gaps and recommend action to address these through future Board appointment processes or through a Board development plan.
- To advise on and influence the development of current non-Executive Directors in support of short-term succession planning i.e. to enable them to take on other non-Executive leadership roles, such as Committee Chairs.
- To develop and agree a longer-term succession plan in response to the expertise required by the Board in the future and the needs of the organisation, for appending to the Workforce Plan.
- To consider and recommend different approaches to recruitment with the aim of (i) widening the applicant pool and (ii) achieving a diverse Board and (iii) addressing skills gaps.
 - This should include consideration of the role of stakeholders in the recruitment process and nurturing of a talent pool which allows those with no previous Board experience to develop the skills required to become a Board member.
- To keep the Board informed of the Committee's work via an annual report and via the regular submission of committee meeting minutes
- To ensure adherence at all times to the Code of Practice for Ministerial Appointments and policy and advice of the Public Appointments Commissioner's Office.

¹To note that the Executive Remuneration Committee is responsible for staff employed on Executive and senior management terms and conditions.

3.0 Membership

- To consist of the Chair and a minimum of two Non-Executives. The Committee will be chaired by the HIS Chair.
- To have scope to invite up to two representatives from our stakeholders/public partners with specialist knowledge or expertise to sit on the Committee if required.
- To have scope to co-opt additional members with specialist knowledge or expertise if required including from the Scottish Government Public Appointments Unit and/or Sponsor Unit.
- Staff members from the Corporate Governance Office, Workforce, Organisational Development & Learning and Communications will attend as required. The expertise of the Community Engagement Directorate and the Equality & Diversity Advisor will also be sought in relation to areas such as stakeholder engagement, equality and diversity and hard-to-reach groups.
- The Committee will seek the advice of the Commissioner's Office, the Public Appointments Team and draw on their initiatives and expertise in developing and creating diversity on Boards.
- To invite other Board Members and Executives to attend to provide advice or as part of their personal development.

4.0 Quorum

A quorum shall be at least two Non-Executive members.

5.0 Meetings

The Committee shall hold a minimum of two meetings a year.

6.0 Information requirements

When available / required, the following information will be provided to the Committee:

- updates from the Scottish Government Public Appointments Unit
- updates from the Standards Commissioner
- information summaries from public appointments rounds
- strategic risk register
- committee issues log

SECTION 4 – STANDING FINANCIAL INSTRUCTIONS

Part A - General Principles

1.0 General

These Standing Financial Instructions (“SFIs”) replace all previous instructions and are issued for compliance by all officers of Healthcare Improvement Scotland, referred to as HIS throughout this section.

These SFIs, supplemented by supporting policies and procedures, detail the financial responsibilities adopted by HIS. They are designed to ensure that HIS’s financial and related activities are carried out in accordance with the law and Scottish Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Standing Orders, the Scheme of Delegation and the Code of Conduct for members of HIS.

These SFIs identify the financial responsibilities that apply to everyone working for HIS and its constituent organisations. They do not provide detailed procedural advice and should be read in conjunction with the detailed financial procedures which are updated regularly and are available internally on the intranet. The Director of Finance, Planning and Governance must approve all financial procedures and any consequent amendments.

Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Finance, Planning and Governance must be sought before acting. The user of these SFIs should also be familiar with, and comply with, the provisions of Standing Orders of HIS and the Code of Conduct for Members of HIS.

Failure to comply with these SFIs and Standing Orders may result in disciplinary action being taken.

Any breach or non-compliance with these SFIs must, on discovery, be reported immediately to the Director of Finance, Planning and Governance who will discuss the matter with the Chief Executive and/or Head of Division in order to determine the proper action to be taken. The views of Internal Audit and/or Counter Fraud Services may also be taken depending on circumstances.

2.0 Terminology

The following terminology applies throughout these Standing Financial Instructions:

“HIS” means Healthcare Improvement Scotland

“Accountable Officer” means the Scottish NHS Officer responsible and accountable for funds entrusted to HIS. The Accountable Officer will be responsible for ensuring the proper stewardship of public funds and assets. For HIS the Accountable Officer is the Chief Executive

“Board” means the Board of HIS

“Budget” means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of HIS

“Budget Holder” means the director or employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation

“Chief Executive” means the chief Accountable Officer of HIS

“Director of Finance, Planning and Governance” means the chief financial officer of HIS

“Head of Division” means the Director of a division of HIS

“Legal Advisor” means the properly qualified person appointed by HIS to provide legal advice

“Officer” means employee of HIS or any other person holding a paid appointment or office with

HIS

“Financial Services” means the central finance function of HIS

“ET” means the committee of executive officers of HIS given authority by the Board to take all decisions on behalf of HIS other than those decisions formally reserved to the Board

“SGHSCD” means the Scottish Government Health and Social Care Directorates;

“Contract” means any arrangement giving rise to right and obligations between HIS and any one or more third parties whether legally enforceable or otherwise, and

“Framework Agreement” means a framework agreement in terms of the Public Contracts (Scotland) Regulations 2006.

Wherever the title Chief Executive, Director of Finance, Planning and Governance, and Director is used in these instructions, it will be deemed to include such other directors or employees who have been duly authorised to represent HIS.

Wherever the term "employee" is used and where the context permits it will be deemed to include employees of third parties contracted to HIS when acting on behalf of HIS.

All references in these Instructions to the singular form will be read as equally applicable to the plural. Similarly, all references in these instructions to the masculine gender will be read as equally applicable to the feminine gender.

3.0 Responsibilities and delegation

The Board exercises financial supervision and control by:

- formulating the financial strategy
- requiring the submission and approval of budgets within approved allocations/overall income
- defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money), and
- defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation.

The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the Reservation of Powers to the Board within the Standing Orders. All other powers have been delegated to the ET.

The ET will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation document adopted by HIS within the Standing Orders.

Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as designated Accountable Officer, to the Scottish Parliament in accordance with Section 17 of the Public Finance and Accountability (Scotland) Act 2000, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for HIS's activities; is responsible to the Chair and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for HIS's system of internal control.

The Chief Executive and Director of Finance, Planning and Governance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

It is a duty of the Chief Executive to ensure that existing members of the Board and ET, employees and all new appointees are notified of, and understand, their responsibilities within these Instructions.

The Director of Finance, Planning and Governance is responsible for:

- implementing HIS's financial policies and for co-ordinating any corrective action necessary to further these policies;
- maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- ensuring that sufficient records are maintained to show and explain HIS's transactions, in order to disclose, with reasonable accuracy, the financial position of HIS at any time;
- and, without prejudice to any other functions of HIS, and employees of HIS, the duties of the Director of Finance, Planning and Governance include:
 - the provision of financial advice to other members of the Board, ET and employees
 - the design, implementation and supervision of systems of internal financial control; and
 - the preparation and maintenance of such accounts, certificates, estimates, records and reports as HIS may require for the purpose of carrying out its statutory duties.

All members of the Board and ET and all HIS employees, severally and collectively, are responsible for:

- the security of the property of HIS
- avoiding loss
- exercising economy and efficiency in the use of resources
- conforming with the requirements of Standing Orders, Standing Financial Instructions, and Financial Procedures, and
- reporting, on discovery, of any breach or non-compliance with Standing Financial Instructions.

It will be the duty of each Director to ensure that these SFIs and associated documents are made known to the appropriate persons within the Directorate and to ensure that they are adhered to.

Any contractor, or employee of a contractor, who is empowered by HIS to commit HIS to expenditure or who is authorised to obtain income will be covered by these instructions. It is the responsibility of the Director to ensure that such persons are made aware of this.

For any and all members of the Board and ET and employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board and ET and employees discharge their duties must be to the satisfaction of the Director of Finance, Planning and Governance.

4.0 Variation and revocation

These Standing Financial Instructions may only be varied or revoked in accordance with the HIS Standing Orders.

Part B - Financial Planning, Budgets, and Budgetary Control

1.0 General

HIS has a responsibility to prepare and submit financial plans in accordance with the requirements of Scottish Government Health and Social Care Directorate (SGHSCD) to the Board and to SGHSCD, ensuring that the budgets reconcile to such plans.

HIS will perform its functions within the total of funds allocated by Scottish Ministers and through income from other Health Boards and from other sources. All plans, financial approvals and control systems will be designed to meet this obligation.

The Director of Finance, Planning and Governance shall, on behalf of the Chief Executive, prepare and submit to the Board for its approval each financial year, financial plans which are within the limits of available funds as notified to the Board. The Board shall consider and approve, with or without amendment, the overall financial plan for the Board and shall delegate the responsibility for the management of the plan to the Chief Executive.

The Director of Finance, Planning and Governance Services shall continuously review the bases and assumptions used to prepare financial plans and shall prepare and update budgets based on this information.

Financial plans and budgets will be produced following discussions with appropriate budget holders.

The Chief Executive will delegate the management of budgets as far as possible to officers. The terms of delegation shall include a clear definition of individual responsibilities for control of expenditure, exercise of virement and the provision of regular reports.

Officers delegated a budget shall strictly observe any budgetary limits and other restrictions. The budget for each officer shall be the limit of that officer's authority to commit the Board to expenditure.

Except where otherwise approved by the Chief Executive, taking account of the advice of the Director of Finance, Planning and Governance, budgets shall be used only for the purpose for which they were provided. Any budgeted funds not required for their designated purpose shall revert to the immediate control of the Chief Executive, unless covered by delegated powers of virement.

Each Director is the designated budget holder and is accountable to the Chief Executive and to the Board for the financial performance of his/her Directorate.

The Director of Finance, Planning and Governance, on behalf of the Chief Executive, shall monitor the use of delegated budgets in conjunction with the officers to whom budgets were delegated, to ensure that financial control is maintained and that the Boards financial plans and policies are implemented.

The Director of Finance, Planning and Governance will monitor financial performance against budget and will ensure that a performance management process is in place to periodically review the finance plan.

The Director of Finance, Planning and Governance will have a right of access to budget holders on budget-related matters, and be entitled to receive relevant information accordingly.

The Director of Finance, Planning and Governance will devise, introduce and maintain systems of

budgetary control, and all staff of HIS will ensure compliance with these systems.

The Director of Finance, Planning and Governance shall ensure that:

- the system of internal financial controls is sufficient to ensure the achievement of Board objectives and compliance with standards and regulations;
- that adequate financial systems are in place to monitor and control all delegated budgets;
- adequate arrangements are in place for the investigation of variances from budget;
- officers provide all financial, statistical and other relevant information as necessary for the compilation of estimates and forecasts; and
- the Chief Executive and the Board are informed of the financial consequences of changes in policy, or other events affecting budgets or projections, and shall advise on the financial and economic aspects of these changes.

Expenditure for which no provision has been made in an approved budget shall only be incurred after authorisation by the Chief Executive or the Director of Finance, Planning and Governance acting on their behalf.

The Director of Finance, Planning and Governance shall provide the Board with regular reports giving details of the current financial position and a forecast of the Board's expected outturn at the end of the financial year.

The Director of Finance, Planning and Governance has a responsibility to ensure that adequate training is delivered on an ongoing basis to budget holders to help them manage their delegated budgets effectively.

Part C - Banking arrangements

1.0 General

The Director of Finance, Planning and Governance is responsible for the management of HIS's banking arrangements and for advising HIS on the provision of banking services and operation of accounts.

HIS will operate the bank accounts in accordance with all relevant guidance issued by SGHSCD.

The Government Banking Service (GBS) will hold HIS's main bank account. Where necessary, subsidiary bank accounts will be held with a commercial bank. All such bank accounts must be authorised by the Director of Finance, Planning and Governance.

The Director of Finance, Planning and Governance will ensure that with regard to the bank accounts held by HIS:

- payments authorised to be made from an account do not exceed the amount credited to the account, and
- a number of officers will be empowered to authorise payments on behalf of HIS and these will be defined in the Scheme of Delegation.

The Director of Finance, Planning and Governance shall advise the banks of any alterations in the conditions of operation of accounts that may be required by financial regulations of NHS or by resolution of the Board.

The bank accounts shall be maintained at the lowest practicable levels. The accounts are not permitted to become overdrawn without the prior permission of the SGHSCD.

All cheques are to be treated as controlled stationery, in the charge of the Treasury Department at NHS National Services Scotland. The Treasury Department shall be responsible for printing and validating all cheques, which are approved for issue via the HIS weekly payment routine.

All cheque stationery shall be stored in a secure location at NSS. The Treasury Department will maintain a log of all issued cheques and any subsequent replenishment. Cancelled/wasted cheques shall be destroyed on site.

The Director of Finance, Planning and Governance shall prescribe the systems for the holding and transporting arrangements of cash and cheques. Wherever required, the services of a specialist security firm shall be employed.

Part D - Staff appointments, Remuneration and Related Matters

1.0 Staff appointments

The Board will delegate responsibility to the Director of Workforce for:

- ensuring that all employees are issued with a Contract of Employment in a form approved by the Board, and
- dealing with variations to, or termination of, contracts of employment.

Both of these will be in a form which complies with employment legislation.

No officer of the ET or employee may engage, re-engage, or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration:

- unless within the limit of his approved budget and funded establishment; or
- in exceptional circumstances if authorised to do so by the Chief Executive.

No post may be appointed to without the approval of the ET in line with the recruitment process.

The Director of Finance, Planning and Governance shall ensure that arrangements are established for the payment of staff in accordance with their terms and conditions of service, and for all authorised deductions to be made.

2.0 Processing of payroll

The Director of Workforce is responsible for ensuring that appropriate arrangements exist for:

- specifying timetables for submission of properly authorised time records, expense claims and other notifications;
- the final determination of pay and allowances;
- making payment on agreed dates; and
- agreeing method of payment.

The Director of Finance, Planning and Governance will issue instructions regarding:

- verification and documentation of data;
- the timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- maintenance of subsidiary records for superannuation, income tax, national insurance contributions and other authorised deductions from pay;
- security and confidentiality of payroll information;
- authority to release payroll data under the provisions of the Data Protection Act;
- methods of payment available to various categories of employees and officers;
- procedures for payment by cheque, bank credit, or cash to employees and officers;
- procedures for the recall of cheques and bank credits;
- pay advances and their recovery;
- maintenance of regular and independent reconciliation of pay control accounts;
- regular reconciliation of the payroll system to the Human Resources Business Systems;
- separation of duties of preparing records and handling cash;
- a system to ensure the recovery from leavers of sums of money and property due by them to HIS, and
- procedures for reclaiming expenses incurred wholly, necessarily and exclusively for business

purposes.

Members of the Corporate Management Team (CMT) including ET members have delegated responsibility for:

- submitting all employee records and change details to the HR officer in accordance with agreed timetables; and
- submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement.

Regardless of the arrangements for providing the payroll service, the Director of Finance, Planning and Governance will ensure that the chosen method is supported by appropriate, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and timely payment of these to appropriate bodies.

3.0 Termination Settlements

The Director of Workforce, shall ensure that procedures governing the treatment of early retirement and redundancy shall comply with NHSScotland guidance. The overall impact of retirements/redundancies on the organisation's financial performance will be reported to the Board.

Part E - Purchase of Supplies and Services

1.0 General

This section deals with obtaining goods, works or services solely for HIS's own use.

All procurement must be undertaken in line with the Procurement (Scotland) Regulations 2016 which implement the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015 which implement the new EU Directive (2014/24/EU) and the principles set out in the Scottish Government Scottish Procurement Policy Handbook 2008 and Procurement Journey or any subsequent revisions to this guidance.

Capital works must be undertaken in line with the requirements set out in the Scottish Government Scottish Capital Investment Manual and the Construction Procurement Manual or any subsequent revisions to this guidance.

2.0 Existing Central Contracts and Frameworks

Supplies and services will be purchased through agreed contracts when these are available. Only in exceptional circumstances and with the authority of the Chief Executive, shall supplies and services available on contract, be ordered outwith an agreed contract.

Where contracts are in place and wherever possible goods, services and works shall be ordered using an official order. Contractors should be notified that they should only accept the Board's official purchase orders.

Official purchase orders shall be approved in line with the Scheme of Delegation. Processing and payment of invoices will only take place if a purchase order has been raised and is referenced on the invoice.

No order shall be issued for any item or items for which there is no budget provision, unless authorised by the Director of Finance, Planning and Governance on behalf of the Chief Executive.

Goods shall not be taken on trial or loan in circumstances that may commit the Board to a future uncompetitive purchase.

No order shall be issued for any item or items for which an offer of gifts (other than low cost items eg calendars, diaries, pens, etc.), or hospitality has been received from the person interested in supplying goods and services. If staff are in any doubt about this, they should consult their line manager.

If supplies are not available from the agreed contractor, the procedure for quotations and competitive tendering shall be followed in order to maximise value for money.

3.0 Competitive Tendering

Competitive tenders, with a minimum of three tenders in each case, shall be invited for the supply of goods, materials and manufactured articles; and for the rendering of services and for building and engineering works of construction and maintenance where the amount will exceed £50,000 (excluding VAT).

4.0 Quotations

Three competitive quotations shall, wherever possible, be obtained from firms on approved lists as follows: -

| Threshold | Procurement Route |
|--|---|
| Less than £5,000 | <p>Below threshold - goods or services below this value may be sourced from wherever convenient by procurer (purchaser/buyer).</p> <p>Quote and rationale for selection of supplier should be documented and sent to Head of Finance & Procurement or Finance Manager.</p> |
| More than £5,000 and less than £49,999 | <p>Quotation Route - the procurer is required to obtain a minimum number of quotations, normally three, for goods or services (the preferred method for doing this is through the Public Contracts Scotland 'Quick Quote' facility)</p> |
| Between £50,000 and less than the OJEU thresholds | <p>Tender - the procurer undertakes a formal tendering process and is encouraged to advertise on the national advertising website Public Contracts Scotland.</p> |
| Over EU Thresholds (>£118,133) | <p>The procurer undertakes a full formal tendering process and advertises the contract in the Official Journal of the European Union, as well as on Public Contracts Scotland.</p> |

The introduction of the Scottish Government Public Contract Scotland advertising portal includes a Quick Quote (QQ) facility which is an online quotation facility which allows buyers to obtain competitive quotes electronically for low value requirements up to a value of £50,000. Details of the QQ are created online and sent to a selected list of suppliers, who can then complete the required details and submit their quotation using the secure post-box. QQs are only distributed to the selected suppliers and are not made public on the website.

Competitive tenders and quotations will not be required in the following circumstances:

The supply is for goods or services of a special nature or character in respect of which it is deemed not to be possible or desirable to obtain competitive tenders. In such circumstances Non-Competitive Tendering (NCT) Authorisation Form shall be submitted to the Chief Executive for approval and the decision recorded and retained with the tender documentation.

The NCT form must specify the reason(s) for the intended departure from normal competitive practice and be supported by a detailed explanation of the circumstances surrounding the individual case.

The completed NCT form should be signed by the appropriate Director before sending to the Procurement Manager. If the NCT is for a clinical advisor, then it must be additionally signed off by either Medical or NHMAP Director, to ensure we have considered their clinical experience for the appointment.

The NCT form requires authorisation from the Procurement Manager and the Director of Finance, Planning and Governance or Head of Finance & Procurement before being submitted to the Chief Executive for final approval. In terms of Delegated Authority the limit shall be consistent with that stated in Section K, 7.0 Procurement of "up to a value of £1,000,000 (including VAT)".

The outcome will be recorded in a register and reported to the Audit and Risk Committee on a regular basis. The limited application of the single tender rules should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

Contracts above specified thresholds, which shall vary from time to time, shall be advertised and awarded in accordance with The Public Contracts (Scotland) Regulations 2006 (SSI 2006 No 1) and The Utilities Contracts (Scotland) Regulations 2006 (SSI 2006 No 2). Regulations from the SGHSCD for awarding all forms of contracts shall have effect as if incorporated in Standing Financial Instructions.

If three competitive quotations can't be obtained reasons should be sought from the suppliers who declined to quote. This feedback should be sent to the Head of Finance & Planning or Finance Manager who shall maintain a record of all such feedback and use it as lessons learned for future bids. Awarded tenders with less than three quotes will be reported to the Audit and Risk Committee on a regular basis.

Tenders should clearly state whether they are going to be awarded solely on Lowest Price or Most Economically Advantageous Tender (MEAT). If MEAT is being used then the criteria of award plus weightings must be clearly defined within the tender. If other than the lowest tender or quotation is being recommended, the approval of the Chief Executive or the Director of Finance, Planning and Governance shall be obtained before acceptance and the reasons for acceptance recorded with the tender documentation.

Any member or officer concerned with a contract who has a pecuniary interest in that contract shall declare his interest in writing to the Chief Executive who shall maintain a record of all such declarations. The member or officer concerned must withdraw from all contracting/purchasing arrangements concerning that item.

The Director of Finance, Planning and Governance shall prescribe standard conditions of contract appropriate to each class of supplies and service and for the execution of all works. All contracts entered into shall incorporate the appropriate set of conditions.

All invitations to potential contractors to tender shall include a notice warning tenderers of the consequence of engaging in any corrupt practices involving Board employees.

A record shall be maintained of all invitations to tender. An official order or letter of acceptance shall be issued for every contract resulting from an invitation to tender or quote.

Tenders shall be invited in plain sealed envelopes addressed to the Chief Executive. The envelopes shall be marked "Tender for" but shall not bear the name or identity of the sender.

Unopened tenders shall be date stamped and stored unopened in a secure place until after the closing date or time. Tenders shall be opened as soon as possible after the stated closing date or time by the Chief Executive or nominated representative, in the presence of the Senior Business Manager or nominated deputy.

Details of tenders received should be entered in a Register or record of Tenders and shall be signed by both officers. Tender documents shall also be dated and signed on the front page and all priced pages shall be initialled by both officers.

In exceptional circumstances where it is in the interests of the Board, late, amended, incomplete, qualified or not strictly competitive tenders may be considered. In such circumstances a full report shall be made to the Chief Executive who may admit such tenders. This approval must be given in writing by the Chief Executive and reported to the Audit and Risk Committee on a regular basis. Where a company invited to tender requests a delay in the submission, deferment, if approved,

shall be notified to all the companies concerned.

All quotations and tenders must be treated as confidential and should be retained for inspection (a minimum of six years) and in line with guidance issued by Scottish Government, Records Management – NHS Code of Practice (SCOTLAND) Version 2.0 March 2010.

The examination of the tenders received shall include a technical assessment, and a written report on the result containing a recommendation, should be made to the Chief Executive or nominee. At the same time, staff responsible for making this recommendation shall declare, in writing, that they have no pecuniary interest in the recommended company.

Payment under the contract shall be made by the Director of Finance, Planning and Governance on the certificate of the Director or such person as may be identified in the contract. The Director of Finance, Planning and Governance shall have the right to carry out such financial examinations and checks, as he may consider necessary before making payment.

Approval for increases in prices allowed under an appropriate variation of prices clause in a contract for supplies and services shall be given by the Chief Executive.

Consultants appointed by the Board to be responsible for the supervision of a contract on its behalf shall comply with these Standing Financial Instructions as though they were officers of the Board.

Any grants or similar payments to NHS bodies, local authorities, and voluntary organisations or other bodies shall comply with procedures laid down by the Director of Finance, Planning and Governance.

The financial limits for officers' approval of grants or similar payments, including variations to grants, are set out in the Scheme of Delegation.

5.0 Engaging Management Consultants

The Scottish Public Finance Manual, Procurement section advises Health Boards and Special Health Boards about procedures to follow when engaging consultants.

Management Consultants should only be used when a benefit will accrue to the Board. For major assignments the decision to use Management Consultants should be documented as the conclusion of an option appraisal. In choosing a Management Consultant the Board will ensure that the Management Consultant is capable of carrying out the assignment, that value for money is obtained and that due probity is demonstrated in awarding the contract.

Engagement of Management Consultants at a total cost of over £5,000 should be by competitive tender. The reasons and approval for waiving the requirement to tender should be clearly documented and submitted to the Chief Executive for approval and reported to the Audit and Risk Committee on a regular basis.

At the conclusion of the assignment a review and evaluation of the assignment, the benefits achieved and the Management Consultants' performance will be carried out, documented and reported to the Board.

6.0 Payment for Supplies and Services

The Director of Finance, Planning and Governance shall be responsible for arranging for systems to be in place which allow for the recording and payment of all amounts due by the Board.

The preferred method of payment shall be an ordering system, which allows for purchase orders and goods received notes to be recorded in support of all purchases and requests for supplies.

Each directorate shall have originators responsible for raising and receipting purchase orders and authorisers responsible for authorising the orders within their budget and approval limit.

The Director of Finance, Planning and Governance will arrange for a list of all the authorised originators and authorisers to be maintained.

All invoices quoting the Board's official purchase order number should be sent directly to the finance unit. Invoices will then be matched with the purchase order and if the order has been goods received, and if appropriate, payment will be made.

Payments through the ordering system will be made by cheque, through the BACS system or via internal transfer.

In certain circumstances payments may be made on the authority of an authorised officer without the use of the ordering system. Alternative systems are in place for the payment of non-purchase order invoices, foreign payments, CHAPS and purchase card transactions.

The Board will approve the level of non-salaries expenditure on an annual basis in the form of approving the budget and the Chief Executive will determine the level of delegation to budget holders.

In all aspects of non-salaries transactions, all employees must comply with the Scheme of Delegation.

The Director of Finance, Planning and Governance will:

- advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained;
- ensure these thresholds are regularly reviewed, and
- ensure the preparation, maintenance and issue of procedural instructions on the procurement of goods, works and services incorporating these thresholds.

The originator, in choosing the item to be supplied or the service to be performed shall always obtain the best value for money for the Board.

Employees shall not commit the Board to the purchase of goods or services in advance of a purchase order being approved.

Part F - Income, Information and Services

1.0 Income

The Director of Finance, Planning and Governance shall be responsible for designing and maintaining systems for the proper recording and collection of all monies due.

All officers shall inform the Director of Finance, Planning and Governance of monies due to the Board arising from transactions, which they initiate. The Director of Finance, Planning and Governance shall be consulted about the pricing of goods and services and nationally negotiated rates shall be observed.

The Director of Finance, Planning and Governance shall take appropriate recovery action on any outstanding debts.

Periodic disposals of scrap material and items surplus to requirements shall be dealt with in a manner which is prescribed by the Director of Finance, Planning and Governance at the time.

Income not received shall be dealt with in accordance with loss procedures.

Officers shall notify the Director of Finance, Planning and Governance when over payments are detected so that recovery can be initiated.

2.0 Financial Information and Services

The Director of Finance, Planning and Governance shall be primarily responsible for the accuracy and security of all financial data of the Board, including information held on computer.

The Director of Finance, Planning and Governance will devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Board's data, programs and computer hardware, for which he is responsible, from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 2018, General Data Protection Regulation and the Computer Misuse Act 1990.

The Director of Finance, Planning and Governance shall ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system.

The Director of Finance, Planning and Governance shall ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment.

The Director of Finance, Planning and Governance shall ensure that an adequate audit trail exists through the computerised system.

The Director of Finance, Planning and Governance shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation or agency, assurances of adequacy will be obtained from them prior to implementation.

The Director of Finance, Planning and Governance shall ensure that any contracts for computer services shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

Where another Health Board or any other agency provides a computer service for financial applications, the Director of Finance, Planning and Governance shall periodically seek assurances that adequate controls are in operation.

The Director of Finance, Planning and Governance shall ensure that adequate controls exist to maintain the security, privacy, accuracy and completeness of financial data sent over transmission networks.

The Director of Finance, Planning and Governance shall devise and implement any necessary procedures to protect the Board and individuals from inappropriate use or misuse of financial information held on computer files after taking account of the Data Protection Act 2018 and General Data Protection Regulation.

The Director of Finance, Planning and Governance shall ensure that procedures governing the retention, retrieval and destruction of financial archives are in accordance with Circular SHM58/60 and MEL(1993) 152 and that records shall be kept of documents destroyed.

The documents held in archives shall be capable of retrieval by authorised persons.

The Director of Finance, Planning and Governance shall ensure that appropriate business continuity and disaster recovery strategies are in place for finance systems.

3.0 Internal Audit

The Director of Finance, Planning and Governance shall be responsible for ensuring that there are arrangements to measure, evaluate and report on the effectiveness of the internal control environment within the Board, and report on the efficient use of resources by the establishment of an adequate Internal Audit service.

Internal audit shall adopt the NHS Internal Audit Standards, which are mandatory and shall follow good practice guidance as set out in the NHS Internal Audit Manual.

The role and objectives of Internal Audit in the National Health Service are to review, appraise and report to management upon:

- the soundness, adequacy and application of financial and other management controls;
- the extent of compliance with, relevance and financial effect of, established policies, plans and procedures;
- the extent to which the Board's assets and interests are accounted for and safeguarded from losses of all kinds arising from;
- fraud and other offences;
- waste, extravagance and inefficient administration, poor value for money or other cause;
- the suitability and reliability of financial and other management data developed within the organisation;
- the Board's risk management arrangements; and
- the adequacy of follow-up action to Audit reports.

Management's responsibility is to establish and maintain systems of internal control for operations for which it is responsible to ensure that these are properly managed.

Internal Audit should assist the various levels of management in discharging their duties and responsibilities by carrying out appraisals and making the necessary appropriate recommendations to management for operations under its control.

The Internal Auditor, in consultation with the Director of Finance, Planning and Governance, shall

prepare and submit to the Audit and Risk Committee an Annual Audit Plan outlining the extent of proposed audit cover in order to address the Board's Internal Audit need. This plan will be agreed by the Audit and Risk Committee.

The Internal Auditor shall report regularly to the Audit and Risk Committee on the extent of audit cover achieved, providing a summary of audit activity during the report period, and detailing the degree of achievement of the approved plan.

The Internal Auditor shall be entitled, without necessarily giving prior notice, to require and receive:

- access to all records, documents and correspondence relating to any relevant transactions, including documents of a confidential nature (in which case, he shall have a duty to safeguard the confidentiality);
- access to any land, premises or employees of the Board;
- the production or identification by any employee of any Board cash, stock or other property under the employee's control; and
- explanations concerning any matter under review.

Where a matter arises which involves, or is thought to involve, irregularities concerning cash, stock or other property of the Board or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance, Planning and Governance shall arrange for officers to investigate the matter and if appropriate will involve the Internal Auditor.

The Director of Finance, Planning and Governance shall investigate cases of suspected fraud, misappropriation or other irregularities in conjunction, where necessary, with relevant staff and in consultation with the statutory authorities, including Counter Fraud Services when appropriate.

The Internal Auditor shall report directly to the Director of Finance, Planning and Governance and shall refer audit reports to the appropriate officers designated by the Director of Finance and Corporate Services. Failure to take remedial action within a reasonable period shall be reported to the Director of Finance and Corporate Services. Where, in exceptional circumstances, the use of normal reporting channels could be seen as a possible limitation on the objectivity of the audit, the Internal Auditor shall have access to report directly to the Chief Executive or the Chair of the Audit and Risk Committee.

Part G - Losses, Condemnations and Special Payments

1.0 Losses

Any officer discovering or suspecting a loss of any kind shall report the matter to either the Director of Finance, Planning and Governance or Chief Executive.

In circumstances in which theft or fraud is suspected the Fraud Liaison Officer should contact the Counter Fraud Service for advice and guidance regarding the procedure to be followed. In other circumstances it is necessary to advise the Director of Finance, Planning and Governance of the incident so that the following action can be taken:

- the nature and extent of the loss can be established and recorded;
- appropriate action can be taken to safeguard the Board against further losses of a similar nature, and
- the loss can be written-off.

Losses must be recorded whenever they are discovered and even although a subsequent recovery of the loss is made.

Losses should be categorised as being one of the following:

- cash losses eg theft, fraud or overpayment of salary;
- fruitless payments eg payment in respect of abandoned scheme;
- bad debts, and
- stock losses eg theft, fraud or fire damage.

2.0 Condemnations

All articles surplus to requirements or unserviceable shall be condemned or otherwise disposed of by an officer authorised for that purpose by the Chief Executive and Director of Finance, Planning and Governance.

The condemning officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Chief Executive and the Director of Finance, Planning and Governance who shall take appropriate action.

Condemnations must be recorded to show what has happened to particular assets.

3.0 Special Payments

Special Payments can only be authorised by the Chief Executive or Director of Finance, Planning and Governance. Details of their nature and value must always be recorded.

No special payments exceeding the delegated limits laid down at the SGHSCD shall be made without their prior approval.

Special Payments cover items such as compensation payments made under legal obligation or to staff for damage to personal effects.

4.0 Register of losses and special payments

The Director of Finance, Planning and Governance shall maintain a losses and compensation register in which details of all losses shall be recorded as they are known. Write off action shall be recorded against each entry in the register.

The Board shall approve the writing-off of losses within the limits delegated to it from time to time by the SGHSCD. That delegated responsibility may be given by the Board to the Director of Finance, Planning and Governance to approve write-off of losses. Such losses shall be reported to the Board at regular intervals.

In the case of losses out with the delegated power of the Board, these shall be submitted to the Board by the Director of Finance, Planning and Governance before seeking formal submission to the SGHSCD for approval to write off.

5.0 Non-exchequer funds

All gifts and donations, which are intended for the benefit of the Board and its staff, should be accounted for by the Director of Finance, Planning and Governance.

A bank account will be set up specifically for lodgements and disbursements of non-exchequer funds. The account will be operated by the Chief Executive and the Director of Finance, Planning and Governance.

All non-exchequer monies received will be lodged in the bank account and the Director of Finance, Planning and Governance will be advised of the source of the funds received. The receipt of gifts and donations should normally be acknowledged by the Chief Executive or Director of Finance, Planning and Governance.

Disbursements for the benefit of Members or staff will be authorised by either the Chief Executive or the Director of Finance, Planning and Governance. All subsequent invoices will be passed to the Director of Finance, Planning and Governance after being authorised for payment by the Chief Executive.

The Director of Finance, Planning and Governance will prepare periodic statements of this account and an annual set of accounts for presentation to the Audit and Risk Committee.

6.0 Financial irregularities: Theft, fraud and corruption

This instruction should be read in conjunction with the Board's Policy on Fraud and Corruption:

- theft is the dishonest appropriation of goods or money, whether or not with the intention permanently to deprive;
- fraud is the bringing about of some practical result by means of false pretence;
- corruption is doing or not doing something in relation to the Board's affairs or business, as a result of the offering, giving soliciting or acceptance by an officer, Member or adviser of any gift, reward or advantage.

The Chief Executive shall ensure that a senior manager (the designated officer) within the Board is delegated specific responsibility for co-ordinating action where there are reasonable grounds for thinking that an item of property, including cash, has been stolen. The designated officer will be the Fraud Liaison Officer (FLO) who is also usually the Director of Finance, Planning and Governance.

Whenever theft, fraud or corruption is suspected it must be reported to either the FLO or the Chief Executive. Officers should be assured that all information will be dealt with in the strictest of confidence and that every attempt will be made to preserve their anonymity.

The person having the suspicion should not convey his/her concerns to anyone else or try to resolve the problem their self. He/she should however retain any evidence and note any issues and the reasons for his/her concerns. He/she must not contact the police. The FLO should contact Counter Fraud Services (CFS) for initial advice on how to proceed.

The FLO will prepare a confidential note of the discussion and will notify CFS. In matters concerning members or advisers the Chairman should be informed by the Chief Executive. In matters concerning officers, the Chief Executive should advise the Board Chair and the Director of Workforce.

The CFS will conduct an investigation into the alleged incident and prepare a preliminary report for the FLO. CFS staff acting on behalf of the Director of Finance, Planning and Governance will require and receive access to: all records, documents and correspondence relating to relevant transactions; at all reasonable times to any premises or land of HIS; the production or identification by any employee of any Board, cash, stores or other property under the employee's control.

In cases where the nature, scale or the persons involved in the suspected offence could give rise to national or local controversy or publicity, or where the offence may be widespread, the Chief Executive will inform the Chairman and submit a report to SGHSCD.

Following the CFS investigation, the Chief Executive and/or the Director of Finance, Planning and Governance will be guided regarding the next appropriate action. If it appears that there has been theft, fraud or that a corrupt act has been performed or reasonably suspected, then CFS will inform the police.

Restitution of funds is not a reason for not proceeding with an investigation. Under no circumstances should a suspect be told that he will not be prosecuted – that is a matter solely for the Crown Authorities.

The Board must be guided by CFS about how to proceed. CFS will take the lead in all discussions with the Police and Procurator Fiscal. Officers of the Board will assist CFS with the investigation and any required follow-up actions which may include any form of disciplinary action.

Following an incident of theft or fraud the Director of Finance, Planning and Governance will take whatever steps are necessary to recover or minimise the loss. To help prevent further losses he will arrange for a review of procedures to be undertaken and amendments will be made to improve procedures where necessary.

The NHSScotland CFS Strategic Plan 2013-16 and subsequent updates provide further information. This can be found on the intranet under the CFS section.

Part H - Capital Investment, Private Financing, Fixed Asset Registers and Security of Assets

Capital Planning and Approval Processes were delegated to NHS Boards in 2002 [HDL (2002)40 refers]. These instructions reflect the inherent responsibility of Boards to manage their capital needs from within a single capital resource allocation.

These instructions should be read in conjunction with the Scottish Capital Investment Manual issued by the SGHSCD. For property transactions, the relevant guidance is contained in the NHS Property Transaction Handbook and Guidance from the SGHSCD: Improved Asset Management and the Location of Public Sector Organisations. The requirements for the preparation of business cases remains contained in the relevant sections of CEL 35 (2010) and CEL 19 (2010).

1.0 Capital Investment

Roles and responsibilities are as follows:

The Chief Executive:

- will ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
- is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and
- will ensure that the capital investment is not undertaken without confirmation of the availability of resources to finance all revenue consequences, including capital charges.

For every capital expenditure proposal the Chief Executive will ensure that a business case is produced setting out:

- an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
- appropriate project management and control arrangements; and
- that the Director of Finance, Planning and Governance has certified professionally to the costs and revenue consequences detailed in the business case.

The Director of Finance, Planning and Governance:

- will, at least once per year, review the bases and assumptions used for allocating capital funds. This review will include proposals for which business case approval has been given and will note as relevant any timing considerations. Such requirements will be considered alongside requirements to meet ongoing equipment (including information, communications and technology), plant and buildings renewals.
- submit to the Board for approval at an early stage in each financial year, a Capital Investment Plan detailing sources of funding and proposed allocation, including any sums to be held in reserve.
- ensure that the Capital Plan reflects the objectives set out in the Board's corporate plan.
- regularly report to the Board on significant changes to the initial allocation and the uses of such funds.

The Director of Finance, Planning and Governance will issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

2.0 Asset registers

For the purposes of these instructions, Fixed Assets will be defined in accordance with the guidance contained in the Scottish Capital Investment Manual and the Capital Accounting Manual produced by the SGHSCD.

The Director of Finance, Planning and Governance will maintain an Asset Register and will ensure that all Fixed Assets are accurately and timeously recorded in the Register in accordance with the guidance contained in the Capital Accounting Manual.

The Director of Finance, Planning and Governance will prepare and implement procedural instructions which will ensure that:

- additions to the fixed asset register are clearly identified to an appropriate asset keeper and validated by reference to;
- properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
- stores, requisitions and wages records for own materials and labour including appropriate overheads;
- lease agreements in respect of assets held under a finance lease and capitalised;
- where capital assets are sold, scrapped, lost or otherwise disposed of, their value is removed from the accounting records and each disposal validated by reference to authorisation documents and invoices (where appropriate);
- balances on fixed assets accounts in ledgers are reconciled to balances on the fixed asset register;
- the value of each asset is indexed to current values in accordance with methods as specified in the Capital Accounting Manual, and guidance issued by SGHSCD from time to time;
- the value of each asset is depreciated using methods and rates as specified in the Capital Accounting Manual and is consistent with the agreed depreciation policy of the Board; and
- capital charges are calculated and paid as specified in the Capital Accounting Manual.

3.0 Security of Assets

The overall control of fixed assets is the responsibility of the Chief Executive.

The Director of Finance, Planning and Governance will prepare and implement procedures for the control of assets and will ensure that all assets are appropriately accounted for and verified on an annual basis.

The Director of Finance, Planning and Governance will ensure all discrepancies revealed by verification of physical assets to the fixed asset register are investigated.

It is the responsibility of all staff to apply the appropriate routine security in relation to NHS property as may be determined by the Board.

Any damage to the Board's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and employees in accordance with the procedure for reporting losses.

Where practical, assets should be marked as Board property.

On the closure of any premises, a physical check will be carried out and a responsible officer designated by the Chief Executive will certify a list of items held showing their eventual disposal.

Assets with an estimated value greater than £1,000 should be disposed of in accordance with the procedures set out in these instructions and in accordance with MEL(1996)7. Where the estimated value is £1,000 or less, the Director of Finance, Planning and Governance or authorised nominee will approve the most appropriate method of disposal to ensure value for money to the Board.

All proceeds from the sale of assets must be notified to the Director of Finance, Planning and Governance and the transaction recorded appropriately in the accounts.

The Director of Finance, Planning and Governance shall be responsible for maintenance of a register of all leases entered into by the Board. In particular, this should specify details in relation to the value, termination and required notice period of the lease.

Part J - Annual Accounts, Reports and Risk Management

1.0 Annual Accounts and Reports

The Director of Finance, Planning and Governance shall prepare, and submit Annual Accounts to the Chief Executive in respect of each financial year and in such a form as the SGHSCD may determine.

On completion of the audited Annual Accounts and receipt of the associated Management Letter from External Audit, the Director of Finance, Planning and Governance on behalf of the Chief Executive will present these to the Audit Committee for review. The Audit Committee will then recommend acceptance and approval – or otherwise – of the Audited Annual Accounts to the Board.

The Annual Accounts will be reviewed by the Audit Committee and presented to the Board for approval in accordance with SGHSCD timescales.

After approval by the Board, the appropriate Directors shall certify the accounts in accordance with national guidance.

Certified Annual Accounts will be forwarded by the External Auditor to the SGHSCD within the necessary timescales.

The Director of Finance, Planning and Governance shall prepare and submit any necessary financial returns to the SGHSCD. These shall be prepared in accordance with the guidance contained within the NHS Manual of Accounts as amended from time to time.

The Director of Finance, Planning and Governance shall prepare a summarised extract of the Annual Accounts for inclusion in the annual report, giving any additional relevant financial information. The Head of Communications shall ensure processes are in place for preparation of an annual report on the activities of the Board.

2.0 Risk management

The Chief Executive shall ensure that the Board has a strategy for risk management, which will be approved and monitored by the Board.

Part K - Scheme of Delegation

1.0 Background

All NHSScotland Boards and Health Bodies are required to produce a Scheme of Delegation to detail the delegation of powers below Board level.

The Board has a corporate responsibility for ensuring that arrangements are in place for the conduct of its affairs, including compliance with applicable guidance and legislation, and ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Board has an ongoing responsibility to ensure that it monitors the adequacy and effectiveness of these arrangements in practice.

The purpose of this document is therefore to set out the matters reserved for the Board and the delegation of the Board's responsibilities to individual Directors, Senior Officers, or committees, which it has chosen not to reserve. However, the Board remains accountable for all its functions and therefore expects to receive information about the exercise of delegated functions, to enable it to maintain a monitoring role. The Scheme of Delegation shows only the 'top level' of delegation within HIS. Directors'/Officers' may delegate tasks/actions to more junior members of staff but still retain accountability for the exercise of their delegated powers.

2.0 Financial matters reserved for the Board

The following shall be reserved for agreement by the Board:

- strategic plans, policies and requests to SG for funding (additional allocations) with costs greater than £500,000;
- business plans with capital costs (including Information & communications technology) greater than £1,000,000;
- the acceptance of contracts where the value exceeds £1,000,000 (where the contract value is greater than £2,000,000 this must be submitted to the SGHSCD for approval);
- approval of the transfer of funds between budget heads, including transfers from reserves and balances where the value in any one instance exceeds £500,000;

The foregoing list shall not be held as exhaustive and may be altered or extended at any time as the Board may deem necessary.

3.0 Responsibilities of the Chief Executive: General provisions

The Chief Executive will act as Accountable Officer in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000.

The Chief Executive is responsible for propriety and regularity in the management of public funds for which he/she has charge and for the day-to-day operations and management of HIS. He/she should act in accordance with the terms of the Management Statement, within the instructions and guidance in the Scottish Public Finance Manual and other instructions and guidance issued from time to time by SGHSCD Finance – in particular, the memorandum to Accountable Officers of Other Public Bodies which the Chief Executive will receive on appointment.

The Chief Executive has specific responsibility for the annual submission to the SGHSCD of the HIS draft Strategy and Local Delivery Plan setting out HIS's key objectives and associated performance targets for the five years ahead and its strategy for achieving these objectives. They will be prepared in accordance with relevant guidance from the Scottish Government. He/she will ensure that quarterly reports are made to the Board and the

SGHSCD on Healthcare Improvement performance against key targets in the Local Delivery Plan and annually in HIS's Annual Report and Accounts.

The Chief Executive shall exercise power on all matters not particularly reserved by the Board for its own decision. This Scheme of Delegation identifies which functions have been reserved for the Board and delegated to other Directors and officers.

All powers delegated by the Chief Executive can be re-assumed by him/her should the need arise. As Accountable Officer the Chief Executive is accountable for funds allocated to the Board by the Scottish Government.

4.0 Governance and internal control

The Chief Executive shall:

- advise the Board on the discharge of its responsibilities as set out in the Management Statement and in any other relevant instructions and guidance that may be issued from time to time;
- ensure that adequate internal management and financial controls are maintained by HIS including effective measures against fraud and theft; and prepare a statement on the system of internal control for inclusion in the Annual Report and Accounts;
- sign a statement of Accountable Officer's Responsibilities for inclusion in the annual reports and accounts;
- take action as set out in the Memorandum to Accountable Officers Of Other Public Bodies if the Board, or its Chair, is contemplating a course of action involving a transaction which the Chief Executive considers would infringe the requirements of propriety or regularity, or does not represent prudent or economical administration or efficiency or effectiveness;
- give evidence when summoned before Committees of the Scottish Parliament on the use and stewardship of public funds by HIS;
- ensure that effective procedures for handling complaints are established;
- act as the Principal Officer for the purpose of the handling of cases involving the Ombudsman. The Principal Officer is responsible for informing the Scottish Government's Accountable Officer about any complaints accepted by the Ombudsman for investigation, and about HIS' proposed response to any subsequent recommendations from the Ombudsman; and
- ensure that appropriate staff governance and staff management policies are maintained.

5.0 Finance

Resources shall be used only for the purpose for which they are allocated, unless otherwise approved by the Chief Executive, after taking account of the advice of the Director of Finance, Planning and Governance.

Specifically the Chief Executive shall:

- ensure that all public funds made available to HIS are used for the purpose for which they were intended by the Parliament, and that such funds, together with HIS assets, equipment and staff, are used economically, efficiently and effectively;
- ensure that timely monitoring information and forecasts are provided to our sponsor division;
- that corrective action is taken to avoid overspends; and that the SGHSCD is notified promptly when overspends are likely; and
- ensure that financial considerations are taken fully into account by the Board at all stages in reaching and executing its decisions, and that standard financial appraisal

techniques are followed as far as is practicable.

6.0 Legal matters

The Chief Executive is authorised to institute, defend or appear in any legal proceedings or any inquiry, including proceedings before any statutory tribunal, board or authority, and following consideration of the advice of the NHS Scotland Central Legal Office to appoint or consult with Counsel where it is considered expedient to do so, for the promotion or protection of the Board's interests.

In circumstances where a claim against the Board is settled by a decision of a Court, and the decision is not subject to appeal, the Chief Executive shall implement the decision of the relevant Court on behalf of the Board.

In circumstances where the advice of the Central Legal Office is to reach an out of court settlement, the Chief Executive may settle claims against the Board, subject to a report thereafter being submitted to the Audit Committee.

The arrangements for signing of documents in respect of matters covered by the Property Transactions Manual shall be in accordance with the direction of Scottish Ministers. The Chief Executive is currently authorised to sign such documentation on behalf of the Board and Scottish Ministers.

7.0 Procurement

The Chief Executive shall have responsibility for nominating officers or agents to act on behalf of the Board, for specifying, and managing the tender, evaluation and award process through the recognised electronic tendering portals. Where post tender negotiations are required, the Chief Executive shall nominate in writing, officers and/or agents to act on behalf of the Board.

The Chief Executive acting together with the Director of Finance, Planning and Governance has authority to approve on behalf of the Board the acceptance of tenders, submitted in accordance with the Board's Tendering Procedure, up to a value that accords with the values set in European Union legislation for supplies and services. The summary of thresholds from 1 January 2019 (net of VAT) is as follows:

PUBLIC CONTRACTS (SCOTLAND) REGULATIONS 2012

| | SUPPLIES | SERVICES | CAPITAL |
|-------------------------------|----------|----------|----------|
| Entities listed in Schedule 1 | £118,133 | £118,133 | £200,000 |
| | €144,000 | €144,000 | |

8.0 Capital budgets

The exercise of this authority for tenders in excess of £200,000 up to £1,000,000 must include a business case and be reported to the Audit and Risk Committee.

The exercise of this authority for tenders in excess of £200,000 up to £1,000,000 must be included in the tender register.

9.0 Human Resources

The Chief Executive may, after consultation and agreement with the ET and Director of Workforce, amend staffing establishments in respect of the number and grading of posts. In so doing, the Director of Finance, Planning and Governance must have been consulted, and have confirmed that the cost of the amended establishment can be contained within the relevant limit approved by the Board for the current and subsequent financial years. Any amendment must also be in accordance with the policies and arrangements relating to human resource planning, approved by the Board or Staff Governance Committee.

The Chief Executive may attend and may authorise any member of staff to attend, within and outwith the United Kingdom, conferences, courses or meetings of relevant professional bodies and associations, provided that:

- attendance is relevant to the duties or professional development of such member of staff, and
- appropriate allowance has been made within approved budgets; or
- external reimbursement of costs, if appropriate, is to be made to the Board.
- all overseas travel by officers of HIS will be reported to the Audit and Risk Committee twice per annum

The Chief Executive may, in accordance with the Board's agreed Disciplinary Procedures, take disciplinary action in respect of members of staff, including dismissal where appropriate.

The Chief Executive shall have overall responsibility for ensuring that the Board complies with Health and Safety legislation, and for ensuring the effective implementation of the Board's policies in this regard.

Administration of the above Accountable Officer responsibilities may be delegated to the Directors and other employees in HIS. However, he/she shall not assign absolutely to any other person any of the responsibilities set out in this document or the Management Statement.

10.0 Delegated authority to others

The Directors of HIS have delegated responsibility from the Chief Executive for the areas of work and associated resources set out in the job description for their individual posts. Specific powers related to staff, resources and assets that are delegated to Directors and officers are set out in Appendix 2.

11.0 Director of Finance and Corporate Services

The Director of Finance, Planning and Governance will ensure that the financial responsibilities of HIS are discharged in accordance with current accounting standards and financial guidance from the SGHSCD.

The Director of Finance, Planning and Governance has a general duty to assist the Chief Executive in fulfilling his/her responsibilities as the Accountable Officer of the Board and the fulfilling of specific responsibilities

12.0 Financial statements

The Director of Finance, Planning and Governance is empowered to take all steps

necessary to assist the Board to:

- act within the law and ensure the regularity of transactions by putting in place systems of internal control to ensure that financial transactions are in accordance with the appropriate authority;
- ensure that systems are in place that control the authorisation of and accountability for financial resources within the Board;
- maintain proper accounting records; and
- prepare and submit for audit, timeous financial statements, which give a true and fair view of the financial position of the Board and its income and expenditure for the period in question.

13.0 Corporate governance and management

The Director of Finance, Planning and Governance is authorised to put in place proper arrangements to ensure that the financial position of the Board is soundly based by ensuring that the Board, its governance committees and supporting management groupings receive appropriate, accurate and timely information and advice with regard to:

- the development of financial plans, budgets and projections;
- compliance with statutory financial requirements and achievement of financial targets; and
- the impact of planned future policies and known or foreseeable developments on the Board's financial position.

The Director of Finance, Planning and Governance is empowered to take steps to support the Chief Executive to implement proper arrangements for:

- developing, promoting and monitoring compliance with the requirements for good financial governance with an NHS Board;
- developing and implementing systems of internal control, including systems of financial, operational and compliance controls and risk management;
- developing and implementing strategies for the prevention and detection of fraud and irregularity; and
- Internal Audit.

14.0 Banking

The Director of Finance, Planning and Governance is authorised to oversee the Board's arrangements in respect of accounts held in the name of the Board.

15.0 Director of Workforce

The Director of Workforce is responsible for the corporate management of human resources within the arrangements approved by Scottish Ministers and in accordance with the Management Statement. The Director of Workforce will support the Chief Executive by:

- developing, promoting and monitoring compliance with the requirements for good staff governance with an NHS Board;
- ensuring that the recruitment of staff is based on fair and open competition and equal opportunities;
- ensuring that the level and structure of staffing, including gradings and number of staff, is appropriate to HIS functions and the requirements of efficiency, effectiveness and economy;
- ensuring that the performance of staff at all levels is satisfactorily appraised for the purposes of performance review and staff development;
- ensuring that HIS staff are encouraged to acquire the appropriate professional,

- management and other expertise necessary to achieve HIS strategic objectives;
- ensuring that proper consultation with staff takes place;
 - ensuring that adequate grievance and disciplinary procedures are in place;
 - ensuring that HIS implements terms and conditions of service and operates pension schemes for all staff, which meet Scottish Ministers' requirements and approval;
 - ensuring that the most cost effective use is made of human resources;
 - ensuring that direction, support and performance management are provided to those managers who have responsibility for Human Resources and Organisational Development; and
 - ensuring that processes are reviewed and enhanced to improve services and increase efficiency.

16.0 Caution over the use of delegated powers

Powers are delegated to Directors and Officers on the understanding that they shall not exercise delegated powers in a manner which, in their judgement, is likely to be a cause for public concern.

17.0 Absence of Directors/officers to whom powers have been delegated

In the absence of the Director/officer to whom powers have been delegated, those powers shall be exercised by that Director/Officer's superior, unless alternative arrangements have been approved by the Board. If the Chief Executive is absent, powers delegated to him/her may be exercised by the Deputy Chief Executive.

18.0 Delegation of powers to governance committees/sub-committees acting on behalf of the Board

The Board may determine that certain of its powers shall be exercised by governance committees/sub-committees. The composition and terms of reference of such committees shall be determined by the Board from time to time, taking into account the requirements of the Scottish Government. The Board shall determine the reporting requirements of these committees.

Committees of the Board may not delegate executive powers to governance committees/sub-committees unless authorised by the Board.

Appendix 1 - Delegation of Powers to Directors and Officers

| | Delegated matter | Details of authority |
|-----|---|--|
| 1. | Purchasing | |
| 1.1 | Competitive tenders: Goods and services of £50,000 and above to be sought through competitive tenders. | Budget holder, Director of Finance, Planning & Governance, Procurement & Efficiencies Manager and Chief Executive (or deputy). |
| 1.2 | Quotations: Three quotations shall be sought wherever possible, as follows: | |
| | expenditure of £5,000 to £49,999 (excluding VAT) – three written quotations | Budget holder, Director of Finance, Planning & Governance, Procurement & Efficiencies Manager and Chief Executive (or deputy). |
| | expenditure of £1,000 to £4,999 (excluding VAT) – three telephone quotes | Budget holder/delegated member of staff. |
| | expenditure below £1,000 (excluding VAT) – no quotations are required but best value shall be sought | Budget holder/delegated member of staff. |
| 1.3 | Administration of tenders: The opening of tenders and maintenance of tender registers | Director of Finance, Planning and Governance |
| 2. | Operation of all detailed financial matters including bank accounts and banking procedures | Director of Finance, Planning and Governance |
| 3. | Management of Land, Buildings and other assets belonging to or leased by the Board | |
| 3.1 | Overall responsibility for all assets | Chief Executive |
| 3.2 | Maintenance of Asset register. | Director of Finance, Planning and Governance |
| 3.3 | Annual asset check. | Director of Finance, Planning and Governance |
| 3.4 | Management of assets belonging to and leased by the Board | Director of Finance, Planning and Governance |
| 3.5 | Disposal of Assets: (value equates to the net book value of the asset or the realisable value, whichever is the higher) | |
| | up to £ £5,000 | Director of Finance, Planning and Governance |
| | from £5,000 to £49,999 | Director of Finance, Planning and Governance |
| | in excess of £50,000 | Chief Executive/Director of Finance, Planning and Governance to seek |

| | | |
|-----------|--|--|
| | | SGHSCD approval and to seek prior approval from the Audit and Risk Committee |
| | Disposals must be notified in writing to Finance Department | |
| 4. | Losses, condemnations and special payments | |
| 4.1 | Losses Approval of the writing-off of losses within the following limits: | |
| | cash losses up to £5,000 due to: theft, fraud overpayment of salaries, wages, fees and other allowances other causes fruitless payments up to £5,000 (including capital schemes) bad debts and abandoned payments up to £5,000 stock losses eg theft, fraud or fire damage | Chief Executive or Director of Finance, Planning and Governance |
| 4.2 | Condemnation Approval of articles to be condemned or otherwise disposed of | Chief Executive or Director of Finance, Planning and Governance |
| 4.3 | Special Payments Approval of special payments within the following limits: | |
| | compensation payments (made under legal obligations) up to £100,000 plus costs) | Chief Executive or Director of Finance, Planning and Governance |
| | ex-gratia payments | Chief Executive or Director of Finance, Planning and Governance |
| | extra-contractual payments to contractors up to £5,000 | Chief Executive or Director of Finance, Planning and Governance |
| | compensation payments (including payments to staff for loss of personal effects) up to £5,000 | Chief Executive or Director of Finance, Planning and Governance |
| | Private street works charges with the advice of the District Valuer up to £5,000 | Chief Executive or Director of Finance, Planning and Governance |
| | other payments up to £2,500 | Chief Executive or Director of Finance, Planning and Governance |
| | Maintaining a losses and special payments register, detailing all losses and special payments made. | Director of Finance, Planning and Governance |
| | Reporting to the Board, on an annual basis any losses and special payments made | Director of Finance, Planning and Governance |
| 5. | Leave Approval of paid and unpaid leave in accordance with the guidelines provided in | |

| | | |
|-----------|--|---|
| | the relevant HIS policies: | |
| 5.1 | Special leave | Line Manager |
| 5.2 | Emergency leave, including adverse weather | Line Manager |
| 5.3 | Partner Support (Paternity) leave | Line Manager |
| 5.4 | Parental leave | Line Manager |
| 5.5 | Adoption and Fostering leave | Line Manager |
| 5.6 | Carer's leave | Line Manager |
| 6. | Absence management | |
| 6.1 | Informal discussion | Line manager |
| 6.2 | Stage 1 formal absence warning | Line manager |
| 6.3 | Stage 2 formal absence warning or appeal against Stage 1 absence warning issued by Line Manager | Unit Head |
| 6.4 | Stage 3 formal absence warning or appeal against Stage 1 or Stage 2 warnings issued by a Line Manager or Head of Unit | Unit Head |
| 6.5 | Stage 4 absence dismissal | Director, Deputy Chief Executive or Chief Executive |
| 6.6 | Appeals against any level of absence warning or dismissal | Director, Deputy Chief Executive, or Chief Executive or Board Panel |
| 7. | Management of Employee Capability | |
| 7.1 | Informal discussion | Line manager |
| 7.2 | Stage 1 formal advisory warning | Line manager |
| 7.3 | Stage 2 formal advisory warning or appeal against Stage 1 absence warning issued by Line Manager | Unit Head |
| 7.4 | Stage 3 formal advisory warning or appeal against Stage 1 or Stage 2 warnings issued by a Line Manager or Head of Unit | Unit Head |
| 7.5 | Stage 4 dismissal | Director, Deputy Chief Executive or Chief Executive |
| 7.6 | Appeals against any level of advisory warning or dismissal | Director, Deputy Chief Executive, Chief Executive or Board Panel |

SUBJECT: Governance Committee Chairs: key points

1. Purpose of the report

This report provides the Healthcare Improvement Scotland Board with an update on key issues arising from the **Governance Committee Chairs' meeting on 13 April 2022**.

2. Recommendation

The Healthcare Improvement Scotland Board is asked to receive and note the key points outlined, and review any areas escalated by the Committee to the Board.

a) Risk Deep Dives

The Governance Chairs continue to discuss the benefits of Committees undertaking risk deep dives and the Chair of the Audit & Risk Committee advised that the Committee had received a summary of the deep dives during 2021-22 at its recent meeting. Given that some of the deep dive areas have cross-committee implications, the Chairs agreed that all Non-executive Directors would be invited to attend deep dives. The Chairs noted that the next deep dive will look at internal improvement.

b) New Ways of Working

The Chairs discussed how public Board meetings and other Board events such as seminars and development sessions might operate in the future. There was broad agreement that public Board meetings are very effective in a virtual format and that this also made them more accessible to members of the public to attend. However, the Chairs felt that Board seminars and development sessions would benefit from being delivered in a face to face format to allow more informal discussions and relationship building. This model will be followed during the test of change period and will be reviewed at the end of the period.

c) Future Strategy

The Deputy Chief Executive/Director of Nursing, Midwifery and Allied Health Professionals joined the meeting on behalf of the Chief Executive to outline early discussions about the organisation's legislative powers and how these support delivery of the future strategy. These discussions will be informed by lessons learned from the pandemic, the growing role that HIS is undertaking in social care, and the need to ensure HIS's powers are fit for purpose.

Carole Wilkinson
HIS Chair/Chair of the Governance Committee Chairs

SUBJECT: Audit and Risk Committee: key points

1. Purpose of the report

This report provides the Healthcare Improvement Scotland Board with an update on key issues arising from the Audit and Risk Committee meeting on 23 June 2022. The approved minutes of the Audit and Risk Committee meeting on 16 March 2022 can be found [here](#).

2. Recommendation

The Healthcare Improvement Scotland Board is asked to receive and note the key points outlined, and review any areas escalated by the Committee to the Board.

a) Financial Performance Report

The Committee received a report on the financial position as at the end of May 2022 and noted that there is a £0.2m overspend as a result of bringing forward spend on IT laptops and a lower than expected staff attrition rate. The full year outturn forecast is £0.4m overspend. The Committee's discussion focussed on the high level messages from the Spending Review which will create financial challenges for the organisation over the next few years. In particular, the Review requires that Public Sector pay envelopes remain at 2022-23 levels. This means that the growth in the organisation's headcount set out in the financial plan approved by the Board in March 2022 will not be possible. The Committee will maintain an ongoing oversight of the implications of this in relation to financial performance.

b) Business Resilience

Reports were considered by the Committee which provided assurance of progress in two areas within the Committee's remit - sustainability and IT infrastructure. Regarding sustainability, the Committee discussed progress towards the required sustainability targets and noted that two programme managers are being recruited to ensure actions are delivered. Discussion of IT infrastructure focussed on cyber security, business continuity and development of the new corporate website. The Committee requested an update on the latter at its next meeting in September 2022.

c) Internal Audit Plan 2022-23

The Committee approved the Internal Audit Annual Plan for 2022-23. The plan sets out Internal Audit's proposed programme of work for the year which they have developed with reference to the strategic risk register and management discussions. It also includes mandatory activities that are delivered each year. The Internal Auditors assured the Committee that there is flexibility built into the plan to respond to different developments over the course of year. The Committee agreed that the plan will be shared with other Committee Chairs given that some audit activities impact work within their remits.

Gill Graham
Committee Chair

SUBJECT: Quality and Performance Committee: key points

1. Purpose of the report

This report provides the Healthcare Improvement Scotland Board with an update on key issues arising from the Quality and Performance Committee meeting on 18 May 2022. The approved minutes of the Quality and Performance Committee meeting on 23 February 2022 can be found [here](#).

2. Recommendation

The Healthcare Improvement Scotland Board is asked to receive and note the key points outlined, and review any areas escalated by the Committee to the Board.

a) Quality Assurance Framework

The Committee received an update on the ongoing development of the Quality Assurance Framework. Significant progress has been made on this challenging work. It was reassuring to see good cross-organisational integration, effective communication and use of accessible language. Good progress is being made and the committee will continue to receive updates in this critically important workstream for HIS.

b) New Commission – Transfer of Decision Support Programme

A proposal to transfer the national Decision Support Programme from the Digital Health Institute into HIS was considered. The potential benefits were noted, including further integration of HIS guidelines into practice. A number of important risks were also noted. Committee members highlighted these and some other issues for further formal consideration by the relevant Directors.

c) Responding to Concerns: 6-Monthly Update Report

The committee noted a marked increase in the number of issues reported through our Responding to Concerns programme. The explanation for this increase is presently unclear and there are several potential reasons for this. The Board is asked to particularly note the possibilities that: a) that delivery organisations are struggling to respond to concerns locally, or b) that events of concern are increasing across the system. The committee will continue to consider these, and other, potential risks and issues.

SUBJECT: Scottish Health Council Committee: key points

1. Purpose of the report

This report provides the Healthcare Improvement Scotland Board with an update on key issues arising from the Scottish Health Council Committee meeting on 19 May 2022. The approved minutes of the Scottish Health Council Committee meeting on 17 February 2022 can be found [here](#).

2. Recommendation

The Healthcare Improvement Scotland Board is asked to receive and note the key points outlined, and review any areas escalated by the Committee to the Board.

- a) **Governance for Engagement** – the committee welcomed the draft report from the Governance for Engagement Sub-Committee, capturing findings from the first year of the sub-committee’s operation and setting out proposed next steps for the process. They provided some feedback which centred on the need to make sure that there were elements of peer learning included in the approach going forward, to ensure that examples of best practice and case studies were shared among directorates, and for the need to ensure that the evidence of impact takes account of qualitative as well as quantitative evidence.
- b) **Regional Planning** – the need for continued engagement with Regional and National Planning structures as they consider changes to services was emphasised by the committee. This is aimed particularly at ensuring that regions do not plan services without engaging with the public. The impact on individual territorial health boards when decisions are made at regional level without appropriate patient and public engagement was recognised.
- c) **HIS Strategy Development** – committee members welcomed a presentation by the Chief Executive and the Head of Planning and Governance about the development of the HIS strategy. Committee members were very pleased to have the opportunity to be involved in engagement around the strategy and provided a number of points of feedback. In addition, committee members were happy to provide further feedback in writing, via one-to-one discussions with members of HIS-Community Engagement staff or take part in a group discussion.

Name of committee Chair



Suzanne Dawson

SUBJECT: Staff Governance Committee: key points

1. Purpose of the report

This report provides the Healthcare Improvement Scotland Board with an update on key issues arising from the Staff Governance Committee meeting on 11 May 2022. The approved minutes of the Staff Governance Committee meeting on 9 March 2022 can be found [here](#).

2. Recommendation

The Healthcare Improvement Scotland Board is asked to receive and note the key points outlined, and review any areas escalated by the Committee to the Board.

a) Workforce Plan

The Director of Workforce presented Committee members with details of the guidance provided around the structure and content of the new Workforce plan for 2022-25. An update was also provided on the current workforce actions; and it was agreed that the following actions be carried forward vacancy management activity, HIS Campus, turnover & attrition and diverse & inclusive workforce.

The Committee members also considered and agreed that the submission date of the initial draft Workforce Plan for HIS should be extended until after the next Committee meeting on 3 August 2022. This will enable further discussions to take place around the DL 2022 (09) guidance document.

b) Internal Improvement Oversight Board

The Committee received a presentation on the Internal Improvement Oversight Board (IIOB) from the IIOB Strategic Lead. The presentation set out the IIOB plan for 2022/23 and included a project status update for room and desk booking, Gyle Square Accommodation, Ways of Working and QI Capacity & Capability. An overview of process mapping (stages and staff engagement) then followed. The Committee welcomed the progress that had been made across the projects and discussion took place around change culture within the organisation and the need to be clear about how we do change.

c) Equality Networks

The Director of Evidence provided the Committee with a short summary update for the three equality networks now in place across the organisation; Pride Network, Disability Network and Race & Ethnicity Network. All three networks are meeting regularly and are currently considering their contribution towards the HIS Strategy. The Committee were assured by the positive progress being made by the Networks. A more detailed update will be circulated to Committee members post meeting and will include the Pride Principles and terms of reference for both the Disability Network and Race & Ethnicity Network.

**Duncan Service
Committee Chair**

SUBJECT: Succession Planning Committee: key points

1. Purpose of the report

This report provides the Healthcare Improvement Scotland Board with an update on key issues arising from the Succession Planning Committee meeting on 15 June 2022. The approved minutes of the Succession Planning Committee meeting on 25 January 2022 can be found [here](#).

2. Recommendation

The Healthcare Improvement Scotland Board is asked to receive and note the key points outlined, and review any areas escalated by the Committee to the Board.

a) Non-Executive Director Recruitment

An update was provided on the most recent recruitment round for Non-Executive Directors which has seen a very positive outcome in terms of the volume of applications – more than 40 - and the number of appointable candidates identified at the interview stage. This outcome reflects the focus on succession planning activities since the Committee commenced operation, including a revised approach to communications and marketing of the recruitment campaign, supported by the Committee, Planning and Governance Team, Community Engagement and the Succession Planning Sub-Group. Another key factor in the success was the work completed with the Board and Executive Team in advance of recruitment to identify the skills and experience required in new members in light of the organisation's future strategic context.

b) Board Development

The Head of Organisational Development and Learning brought the Committee up to date on board development activities, in particular the progress made in delivering board masterclasses. Two masterclasses have recently been held covering Equality & Diversity and Clinical & Care Governance. Further topics are planned on improvement, the Quality Management System, use of evidence and digital transformation. The Committee discussed the importance of identifying the links across masterclass topics and also links with the risk deep dive sessions being held with the Board.

c) Committee Business Planning

In light of the number of new Non-Executive appointments to the Board, the Committee noted that it is likely there will be a considerable gap before board recruitment is required again. The Committee therefore agreed to review its business planning schedule to identify new priorities in its work. Going forward the Committee will focus on reviewing the skills of Non-Executive Directors which will in turn feed into future plans for board development. At its next meeting, the Committee will also review membership.

Carole Wilkinson
Committee Chair/ HIS Chair