The Blueprint for Good Governance in NHS Scotland

Second Edition
November 2022

NHS SCOTLAND

Healthier Scotland
Scottish Government

Foreword

In 2018 the Scottish Government recognised the need to ensure that the governance arrangements in NHS Scotland were fit for purpose and keeping pace with the changing policy and financial environment. In response to this challenge, the Director General for Health and Social Care commissioned a review of best practice in healthcare governance. The outcome of the review was a blueprint for an effective governance system that could be adopted across NHS Scotland. The first edition of the Blueprint for Good Governance was published in January 2019 and since then NHS Boards have been adapting this model to meet the needs of their organisation and respond to the challenges faced by the NHS, including the impact of the Coronavirus pandemic.

As NHS Boards look forward to recovering and renewing the health and care system it is important that good governance remains in place to stabilise service delivery while continuing to support the longer term ambitions of service design and reform as part of the Care and Wellbeing Portfolio. To assist Boards in achieving that goal, the NHS Scotland Corporate Governance Steering Group commissioned additional guidance on delivering the approach described in the original Blueprint for Good Governance. The purpose of this document is to share the latest thinking on healthcare governance by publishing a revised version of the Blueprint that will support the NHS as it moves from response to recover and renew.

This second edition of the Blueprint for Good Governance now includes a definition of what is meant by 'good', placing more emphasis on the delivery mechanisms and the need to apply a continuous improvement approach to healthcare governance arrangements. Consideration of the approach to the governance of change now features more prominently in the design of the governance arrangements. The updated guidance also highlights the need for NHS Boards to adopt both active and collaborative approaches to governance.

I would like to thank all those in the Scottish Government, NHS Scotland and the other public and private sector organisations who have contributed to the development of the revised Blueprint for Good Governance. I am particularly grateful to the members of the NHS Scotland Corporate Governance Steering Group for their insight, advice and contribution to the final version of this guide to delivering good governance in healthcare.

Professor John Brown CBE
November 2022

Contents

Supplementary Guidance

1. Introduction

1.1   The purpose of this document is to provide guidance on how to deliver and sustain good corporate governance. While this approach can be adapted and applied to other areas of the public sector, it has been customised for healthcare in Scotland.

1.2   Throughout the document the term healthcare is used in its broadest sense to mean not only the delivery of clinical interventions in response to a known healthcare need but also to cover the much wider, more proactive approach required to address population health improvement and promote health more broadly.

1.3   While the primary audience for this guide is the Board Members and Executive Leadership Teams working across NHS Scotland, it will also be of interest to the UK and Scottish Governments, local authorities, integration authorities, independent (primary care) contractors, and an extensive range of public sector organisations who all have an influence on the health of individuals and communities across Scotland.

1.4   Throughout this guide references to "NHS Boards" should be considered as including the fourteen territorial Health Boards, the six special Health Boards, Health Improvement Scotland and NHS National Services Scotland.

1.5   The guidance reflects the latest thinking and best practice in healthcare governance. It presents a Blueprint for Good Governance that describes the functions, the enablers, the assurance framework, the integrated system and the operating guidance that need to be in place to support good governance. The guidance also aims to improve the effectiveness of governance in the NHS by requiring that the Boards' governance arrangements are subject to continuous review and development.

1.6   The Blueprint provides NHS Education for Scotland and other training providers with a foundation for developing training and development products. It can also be used for providing awareness and information on healthcare governance for a wider community that includes clinicians, managers and other people with an interest in health and social care.

1.7   It is important to acknowledge the requirement that governance arrangements should reflect the needs of the organisation and the environment in which it operates, and NHS Boards should adopt a flexible approach, recognising that their governance systems must take into account the individual circumstances and the specific challenges faced by their organisation.

1.8   Therefore, while it is expected that all NHS Boards adopt the principles, underpinning models and frameworks described in this guide, these should not be seen as prescriptive and Boards are expected to be flexible and adapt them to ensure they have a governance system in place that is at all times appropriate and proportionate for their organisation. This includes introducing temporary changes to governance arrangements that may be required to provide a suitable response to emergency situations, such as those experienced during the Coronavirus pandemic.

1.9   For NHS Scotland to be successful in delivering quality healthcare, good governance is necessary but not sufficient if NHS Boards are to meet or exceed the expectations of their principal stakeholders. To do that, the organisation must also excel at the day-to-day management of operations and the implementation of change.

1.10   Therefore, the guidance provided in this document should be considered in conjunction with the various workstreams and initiatives across NHS Scotland that are focused on managing current operations, recovering from the public health emergency created by the Coronavirus pandemic and redesigning the NHS to meet the demands of the post-pandemic world.

1.11   The guidance begins by highlighting some of the challenges faced by the NHS and '**why**' having good governance is necessary to successfully respond to those challenges. It then goes on to define '**what**' good governance means in relation to healthcare before describing the blueprint for **'how'** this can be delivered, including '**who**' is accountable and responsible for ensuring good governance across NHS Scotland.

2. The Importance of Good Governance

2.1   In common with healthcare providers across the globe, NHS Scotland finds itself operating in an increasingly demanding environment. The impact of demographic change and the growth in long term health conditions at a time of financial constraint meant that the healthcare system was already under significant pressure prior to the Coronavirus pandemic.

2.2   The need to respond effectively to the impact of the public health emergency has added even greater and unprecedented challenges for the NHS. This includes developing the role of the NHS Boards as key 'anchor institutions' in the local and national economy and finding new and innovative approaches to delivering health and social care.

2.3   If the NHS is to address the challenges it faces in improving health at population level and creating a healthcare system that meets the present and future needs of the people of Scotland, the importance of good governance should not be underestimated.

2.4   The **Independent Commission on Good Governance in Public Services**[1] emphasised that good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes. The Commission also highlighted that weak or ineffective governance fosters low morale and adversarial relationships that lead to poor performance or even, ultimately, to dysfunctional organisations.

2.5   Therefore, it is critical that NHS Boards ensure that robust, accountable and transparent governance arrangements are in place throughout the healthcare system.

2.6   NHS Boards need to be able to demonstrate that their governance arrangements respect and pursue the rights and interests of all their stakeholders, and enable Board Members to hold their Executive Leadership Teams to account for improving population health and addressing health inequalities, while delivering safe, effective and high quality healthcare services.

2.7   Having established why good governance is essential in addressing the challenges the NHS faces in Scotland - but before describing in detail the Blueprint for implementing that approach - it is necessary to have a shared understanding of what is meant by '**good governance**' in healthcare.

---

[1] **www.cipfa.org/policy-and-guidance/reports/good-governance-standard-for-public-services**

3. The Definition of Good Governance

3.1   A description of good governance that underpins the revised Blueprint has been developed that brings together an updated definition of the '**governance**' of healthcare with a list of the underlying principles that support the delivery of '**good**' governance.

3.2   This description of what is meant by '**good governance**' is further enhanced by explanations of the terms '**active**' and '**collaborative**' in the context of good governance.

The Governance of Healthcare

3.3   The publication of the **NHS Scotland Blueprint for Good Governance**[2] in 2019 described governance as "The system by which organisations are directed and controlled". While this statement was useful in clarifying what was meant by 'governance' in general, it is less helpful when considering what is specifically required to deliver good governance in a healthcare setting in 2022 and beyond.

3.4   Therefore, a more up to date and relevant definition of governance has been developed and approved by the NHS Scotland Corporate Governance Steering Group. The following paragraphs describe the thinking behind the development of this revised definition of 'governance'.

3.5   The **UK Corporate Governance Code**[3] also defines governance as "The system by which organisations are directed and controlled". It expands on that statement by adding that "Governance is about what the board does and how it sets the values of the organisation and is to be distinguished from executive director led day-to-day operational management". This recognises that a good governance system can also help individuals avoid the tension and conflict that can arise in an organisation where the boundaries between roles are not clear.

3.6   **The World Health Organisation and the Royal College of Physicians of Edinburgh's Quality Governance Collaborative**[4] have developed a joint working definition that provides further insight into what excellence in governance means in a healthcare organisation. They describe governance as "The means by which all institutions and organisations involved in the design and delivery of healthcare translate health policy into clinical practice and management in order to improve the quality and efficiency of healthcare. It is the ability to ask the right questions and to implement the right mechanisms to ensure the organisation discharges its duties in

2 www.sehd.scot.nhs.uk/dl/DL(2019)02.pdf
3 www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.pdf
4 www.rcpe.ac.uk/college/QGC

line with its purpose and with focus on good clinical practice". This approach focuses on the governance of clinical practice and emphasises that good governance does not just rely on having systems in place. How well Boards use these systems is a critical factor in the delivery of good governance.

3.7   By bringing these two relevant and helpful definitions together a revised definition of governance in healthcare has been developed for use by NHS Scotland. This definition is expressed as:

> **"**Governance is the means by which NHS Boards direct and control the healthcare system to deliver Scottish Government policies and strategies and ensure the long term success of the organisation. It is the ability to ask questions and make decisions to improve population health and address health inequalities, while delivering safe, effective and high quality healthcare services. It is to be distinguished from executive-led operational management.**"**

3.8   Governance arrangements in the NHS should include service delivery, change management, workforce, finance, information and asset management. These arrangements must have a clear focus on clinical and care governance, including the governance of clinical research. Particular attention should also be given to educational governance and the governance of the professional standards expected of the clinicians employed by the organisation. (Further advice on educational governance can be found on **NHS Education for Scotland's**[5] website.) All these categories of governance should be considered when NHS Boards determine their arrangements and systems for delivering good governance.

3.9   Having defined what is meant by 'governance' and what should be included in the NHS Boards' governance arrangements, it is helpful to consider next what 'good' looks like in relation to the governance of healthcare.

---

5 **www.nes.scot.nhs.uk**

The Principles of Good Governance

3.10 To reflect and describe the latest thinking and best practice in governance in the public sector, ten principles of good governance have been identified. These principles underpin the design of the Blueprint for Good Governance.

3.11 **The Principles of Good Governance can be viewed as an executive summary of what is required to deliver good governance. They are as follows:**

i.   Good governance requires the Board to set strategic direction, hold executives to account for delivery, manage risk, engage stakeholders and influence organisational culture.

ii.   Good governance requires a Board that consists of a diverse group of people with the necessary skills, experience, values, behaviours and relationships.

iii. Good governance requires that roles, responsibilities and accountabilities at Board and executive level are clearly defined and widely communicated.

iv.   Good governance requires an assurance framework that aligns strategic planning and change implementation with the organisation's purpose, aims, values, corporate objectives and operational priorities.

v.   Good governance requires an integrated governance system that co-ordinates and links the delivery of strategic planning and commissioning, risk management, assurance information flows, audit and sponsor oversight.

vi.   Good governance requires operating guidance that is agreed, documented, widely- communicated and reviewed by the Board on a regular basis.

vii. Good governance requires regular evaluation of governance arrangements to ensure it is proportionate, flexible and subject to continuous improvement.

viii. Good governance requires an active approach that anticipates and responds to risks and opportunities which could have a significant impact on the delivery of corporate objectives, the Board's relationships with stakeholders and the management of the organisation's reputation.

ix.   Good governance requires a collaborative approach that ensures the organisation's systems are integrated or aligned with the governance arrangements of key external stakeholders.

x.   Good governance requires governance arrangements that are incorporated in the organisation's approach to the management of day-to-day operations and the implementation of change.

3.12 To assist NHS Boards in adopting the Principles of Good Governance, the following paragraphs explain what is meant by an active approach and a collaborative approach in relation to governance in healthcare.

The Active Approach

3.13   Put simply, the active approach to delivering good governance requires Board Members to focus on the right things, consider the right evidence and respond in the right way.

3.14   A more comprehensive description of the active approach to governance has been defined as:

> "Active governance exists when the appropriate issues are considered by the right people, the relevant information is reviewed in the most useful format at the right time, and the level of scrutiny produces rigorous challenge and an effective response."

3.15   This approach should not only ensure that Boards can make timely, well-informed, evidence-based and risk-assessed decisions, it will also ensure Board Members can rapidly identify, escalate and manage issues which otherwise might not be seen or understood.

3.16   While an active approach is required to deliver good governance in healthcare, it should be recognised that the NHS is only one of a range of organisations that impacts on the health of the population. Therefore, NHS Boards must also consider how they can influence and interact with the other bodies that have an impact on the delivery of quality healthcare.

The Collaborative Approach

3.17   The NHS works closely with national and local government, integration authorities, independent (primary care) contractors, the private sector, the third sector, charities, academia, communities and citizens to deliver healthcare in a joined up, person-centred manner.

3.18   Consequently, the governance of the organisations that interact with the NHS have a direct impact on population health and the delivery of healthcare services and this must be recognised when designing the governance approach for NHS Boards.

3.19   To assist in the promotion of this approach, the following definition of what collaborative means in relation to governance has been developed:

> "Collaborative governance exists when all parties who have an influence in the delivery of healthcare outcomes recognise, understand and respect the needs of each other and work together to integrate or align their arrangements for the governance of the delivery of services and products within the healthcare environment."

3.20   While fully integrating governance can be challenging, it is critical that a collaborative approach to governance is adopted by the key players in the healthcare system to ensure that the end-to- end governance arrangements are understood and aligned in order to achieve the best outcomes for the population and ensure best value in the use of public funds.

3.21   The introduction of the Principles of Good Governance will assist in delivering this approach and the development and communication of a Blueprint for Good Governance that describes the NHS approach to governance arrangements in more detail will further enable the collaborative approach.

4. The Blueprint for Good Governance

4.1   The primary purpose of the Blueprint for Good Governance is to provide guidance on how to deliver and sustain good governance in healthcare.

4.2   This model builds on the Principles of Good Governance that describe what good governance looks like and provides more detailed guidance to NHS Boards on the functions and the enablers of good governance. It provides definitions of the assurance framework, the integrated governance system and the operating guidance that also need to be in place to support good governance.

4.3   Adopting the Blueprint also commits NHS Boards to improving the effectiveness of governance in healthcare by requiring that Boards' governance arrangements are subject to regular evaluation and ongoing improvement activity.

4.4   The latest version of the governance Blueprint describes a four-tiered model where each component should be viewed as interdependent and subject to continuous improvement.

The Model

Figure One – The Blueprint for Good Governance
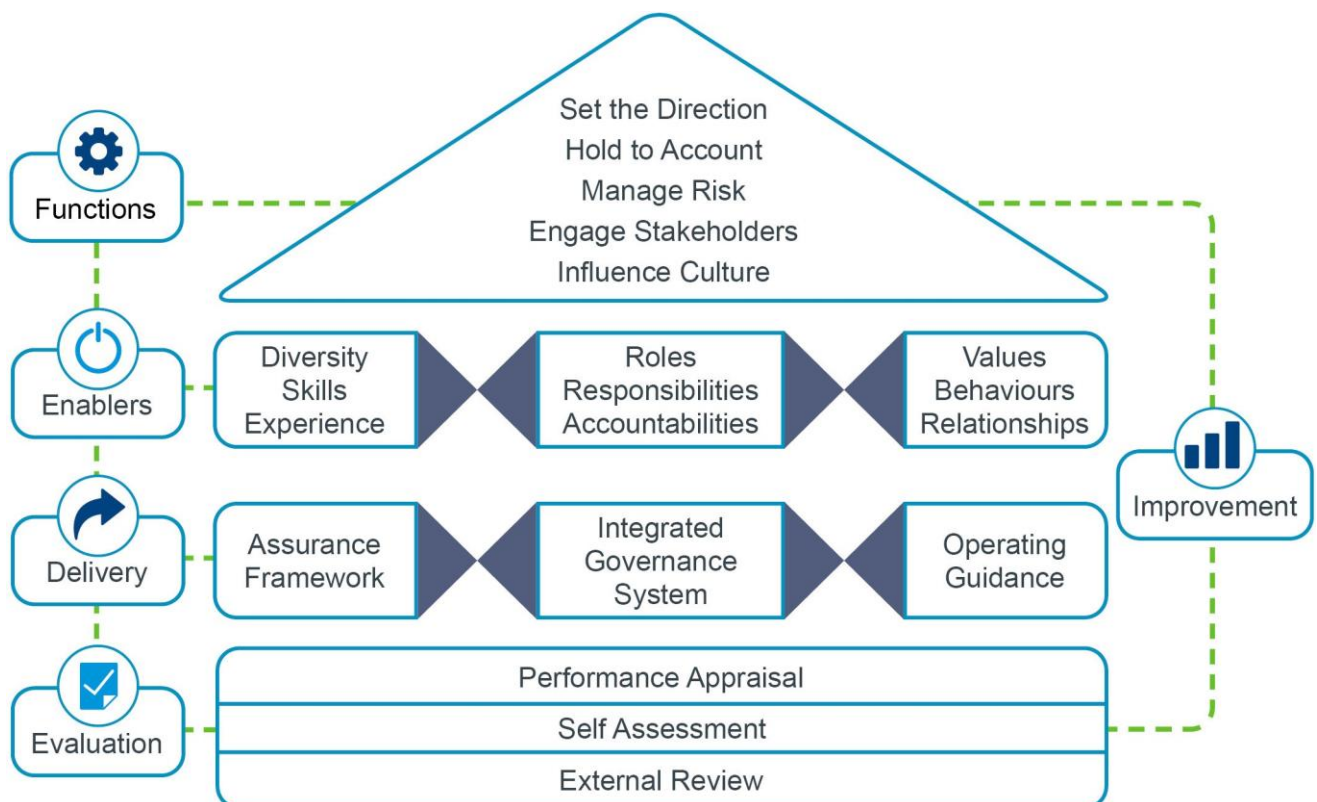
4.5   Ownership of the NHS Scotland bespoke version of the Blueprint for Good Governance rests with the Scottish Government, and accountability for reviewing and refreshing the healthcare model sits with the Director of Health Finance and Governance.

4.6   The following sections of the guide describe the component parts of the Blueprint in more detail, starting with the functions of good governance.

The Functions

4.7   The Blueprint for Good Governance begins with a definition of the five primary functions of governance. These are described as:

   i.   **Setting the direction**, including clarifying priorities and defining change and transformational expectations

   ii. **Holding the Executive Leadership Team to account** by seeking assurance that the organisation is being effectively managed and change is being successfully delivered

   iii. **Managing risks** to the quality, delivery and sustainability of services

   iv. **Engaging with key stakeholders**, as and when appropriate

   v.   **Influencing** the Board's and the wider organisational culture.

4.8   The following paragraphs define the functions that need to be delivered to ensure good governance is in place.

Setting the Direction

4.9   Board Members are responsible and accountable for setting the overall strategy and direction of the organisation. They are also responsible for encouraging and facilitating innovation, driving change and transforming service delivery to better meet the expectations and needs of their key stakeholders.

4.10   To set the direction the NHS Board should provide advice, support and guidance to the Executive Leadership Team by:

   • Determining the organisation's purpose, aims, values and corporate objectives
   • Approving the corporate strategic and commissioning plans required to deliver the policies and priorities of the Scottish Government
   • Setting the operational priorities for the organisation and agreeing the targets for service delivery with the Scottish Government and the Executive Leadership Team
   • Allocating the budgets and approving the capital investments required to deliver strategic and operational plans.

4.11   Delivering this aspect of governance is explored further in the supplementary guidance that describes the strategic planning and commissioning component of the integrated governance system.

Holding to Account

4.12   In order to hold the Executive Leadership Team to account the NHS Board requires a clear and accurate picture of current and past delivery of services. This understanding of performance over time is necessary to assist Board Members in identifying systemic change which requires further investigation and be assured that appropriate action plans are in place to address any ongoing performance issues.

4.13   To be assured about the organisation's performance, Board Members must regularly monitor performance, scrutinise results and challenge outcomes. They are required to scrutinise evidence that describes the extent to which:

- The organisation's purpose, aims, values, corporate objectives, operational priorities and targets are being delivered to an acceptable level
- Public money is being safeguarded and appropriately accounted and resources are being used to secure 'best value' as set out in the **Scottish Public Finance Manual**[6]
- The requirements of relevant regulations or regulators are being complied with to the necessary standard
- Fair and equitable systems of pay and performance management (as determined by the Scottish Government) are being applied to the reward and recognition of the workforce, including the Executive Leadership Team
- Innovation and transformational change are being delivered and benefits realised
- Continuous improvement and quality management approaches are embedded in all aspects of service delivery and system failures are identified and remediated
- Best practices are shared across the organisation with a learning culture being promoted and nurtured.

4.14   Board Members should aim to be assured rather than reassured about the organisation's performance. This requires Board Members to consider reliable sources of information before being satisfied with the pace and progress in the delivery of outcomes, rather than being advised by others that performance or actions are acceptable.

4.15   Therefore, Board Members must have easy and early access to evidence from a wide range of sources. This requires an effective flow of data, information and feedback at a frequency and in a format that enables Board Members to develop early awareness and understanding of the current situation and the risks and opportunities in the operating environment.

4.16   Delivering this aspect of governance is explored further in the supplementary guidance that describes the assurance information system component of the integrated governance system.

4.17   Effectively holding the Executive Leadership to account not only requires that Board Members have access to the relevant data in the most useful format, an active approach to governance necessitates that data is subject to the right level of scrutiny.

---

6 **www.gov.scot/publications/scottish-public-finance-manual**

4.18   To effectively challenge and prompt a worthwhile response it is important that Board Members give due consideration to the tone and manner in which they question the Executive Leadership Team. This includes recognising it is better to ask an open-ended question and to give the respondent time to answer with the appropriate level of detail and nuance.

Managing Risk

4.19   Board Members must have regard to the wider strategic and policy context in which they operate when considering the risks which could have a significant impact on the delivery of the organisation's purpose, aims, values, corporate objectives, operational priorities and targets. This also applies to managing the risks to the Board's relationships with key stakeholders and risks to their reputation as a public body.

4.20   Exercising vigilance and managing risk is a key component of the active approach to governance and requires Board Members to be constantly looking forward, as well as looking backwards to hold the Executive Leadership Team to account for service delivery.

4.21   Effective risk management requires that the Board should:

- Agree the organisation's risk appetite
- Approve risk management strategies and ensure they are communicated to the organisation's workforce
- Consider current and emerging risks for all categories of healthcare governance
- Oversee an effective risk management system that assesses the level of risk, identifies the mitigation required and provides assurance that risk is being effectively treated, tolerated or eliminated.

4.22   Focusing on risk will not only assist Board Members to make timely, well-informed strategic decisions that affect the long term future of the organisation, it will also ensure Boards can rapidly identify, escalate and manage issues which otherwise might not be identified or understood.

4.23   Delivering this aspect of governance is explored further in the supplementary guidance that describes the risk management component of the integrated governance system.

Engaging Stakeholders

4.24   To deliver good governance NHS Boards also need to respect and pursue the rights and interests of all the stakeholders in the healthcare system and effective stakeholder engagement is required to establish and maintain public confidence in the organisation as a public body.

4.25   There is a wide range of diverse individuals and communities who can be considered as stakeholders in the NHS. Many of these stakeholders have a keen interest and a major influence in the governance arrangements that exist in the healthcare system. These key stakeholders include:

- The people of Scotland, including their elected representative at the Scottish Parliament, the Scottish Local Authorities and the UK Parliament
- The people who receive the care provided by the NHS, including patients, service users and their families
- The people who are responsible for delivering healthcare, including the Executive Leadership Teams, the workforce employed by the NHS Boards and their Trade Unions and Professional Bodies
- The organisations who are accountable for delivering good governance, including the Scottish Government, the NHS Boards and the Integration Authorities
- The public bodies, private sector, third sector and charitable organisations that interact with and support the NHS, including delivery partners, other health and social care providers and suppliers of services to NHS Boards
- The regulatory bodies such as the Health & Safety Executive, UK and Scottish Information Commissioners, Scottish Fire & Rescue Service, and the Medicines and Healthcare Products Regulatory Agency
- The media who inform and influence public opinion by reporting and commenting on the services provided and the changes proposed to the delivery of healthcare.

4.26   To ensure meaningful engagement with their stakeholders, NHS Boards should ensure that:

- Key stakeholders are identified and the approach to engagement adopted takes into account the stakeholders' interest and influence on the work of the NHS Board
- Appropriate stakeholders are involved in the development of the Board's strategic and commissioning plans, policies and the setting of corporate objectives and operational priorities
- The organisation's purpose, aims, values, corporate objectives, operational priorities and targets are clear, well communicated and understood by all stakeholders, including patients, service users, the public, managers and staff
- The views of the relevant stakeholders are taken into account when designing services and patient pathways.

4.27   Engagement that takes place routinely helps to develop trust between communities and public bodies, fosters mutual understanding and makes it easier to identify sustainable service improvements. Effective stakeholder engagement also assists Boards to create and exploit opportunities to contribute to the Scottish Government's policies on healthcare.

4.28   The duty to involve people and communities in planning how their public services are provided is enshrined in law in Scotland. **The Charter of Patient Rights and**

Responsibilities[7] summarises what people are entitled to when they use NHS services and receive NHS care in Scotland, and what they can do if they feel their rights have not been respected.

4.29   The Scottish Health Council, which operates as **Healthcare Improvement Scotland - Community Engagement**[8], has a key role in supporting NHS Boards and Integration Authorities to meaningfully engage with people and communities to shape national policies and health and social care services. NHS Boards should make use of the resources available to the Community Engagement Directorate to provide assurance that people and communities have been involved in any major service change.

4.30   Therefore, NHS Boards are required to collaborate with Community Engagement to ensure appropriate engagement with local communities throughout changes to services. This is a statutory duty that includes reviewing existing services and planning new services and patient pathways. Guidance on the planning and commissioning of health and social care services is included in the **Planning with People**[9] document published by the Scottish Government and the Convention of Scottish Local Authorities.

4.31   The criticality and potential of community planning in Scotland should be recognised by all NHS Boards. Scotland's community planning mechanisms are particularly relevant to the NHS's wider ambitions to address population health and the underlying causes of inequalities. For this reason, all Boards should take steps to seek assurance that the strongest possible contribution is consistently made to local community planning activities.

4.32   When engaging in community planning activities NHS Boards must also consider their role in promoting community empowerment. In Scotland public service reform and legislation has underpinned community empowerment. **The Community Empowerment (Scotland) Act 2015**[10] included measures which strengthened community planning and community right-to-buy arrangements, and introduced participation requests and asset transfer requests. In July 2019 Audit Scotland published a briefing on **Principles of Community Empowerment**[11]. Empowering communities remains a national priority for the Scottish Government, and all public bodies should be continually developing their systems to facilitate community empowerment. Therefore, NHS Boards should consider how their systems of governance enable and provide assurance on the effectiveness of their approach to community empowerment.

4.33   Delivering this aspect of governance is explored further in the supplementary guidance on strategic planning and commissioning.

---

7 **https://www.gov.scot/publications/charter-patient-rights-responsibilities-2/documents/**

8 **www.hisengage.scot**

9 **www.gov.scot/publications/planning-people**

10 **www.legislation.gov.uk/asp/2015/6/contents/enacted**

11 **www.audit-scotland.gov.uk/publications/principles-for-community-empowerment**

Influencing Culture

4.34   An organisation's culture comprises its shared values, norms, beliefs, emotions and assumptions about "**how things are and should be done around here**". These 'things' include how decisions are made, how people interact and how work is carried out.

4.35   NHS Boards have a critical role in shaping and influencing organisational culture in healthcare settings. To do this the Board should determine and promote shared values that underpin policy and behaviours throughout the organisation. Board Members must demonstrate the organisation's values and exemplify good governance through their individual behaviours.

4.36   **To ensure the delivery of the organisation's values the Board should encourage and support an organisational culture that reflects the NHS Scotland Staff Governance Standard[12]. These apply to all staff employed by NHS Boards and the Standard requires NHS Boards to demonstrate that staff are:**
   i.   Well informed
   ii.   Appropriately trained and developed
   iii. Involved in decisions
   iv.   Treated fairly and consistently, with dignity and respect, in an environment where diversity is valued
   v.   Provided with a continuously improving and safe working environment, promoting the health and wellbeing of staff, patients and the wider community.

4.37   **The Staff Governance Standard also requires all NHS staff to:**
   i.   Keep themselves up to date with developments relevant to their job within the organisation
   ii.   Commit to continuous personal and professional development
   iii. Adhere to the standards set by their regulatory bodies
   iv.   Actively participate in discussions on issues that affect them either directly or via their trade union/professional organisation
   v.   Treat all staff and patients with dignity and respect while valuing diversity
   vi.   Ensure that their actions maintain and promote the health, safety and wellbeing of all staff, patients and carers.

4.38   The Staff Governance Standard should influence and feature in the design and application of all policies and procedures for the management of people by NHS Boards. The ethos of the Staff Governance Standard should also be reflected in the arrangements with private and independent contractors and partner agencies working with the NHS.

12 **www.staffgovernance.scot.nhs.uk/what-is-staff-governance/staff-governance-standard**

4.39   Boards must also ensure that the organisation successfully adopts all policies and other best practice in human resource management that is require by the Scottish Government. This includes initiatives such as the **iMatter**[13] staff experience continuous improvement tool and the **National Whistleblowing Standards**[14].

4.40   The Scottish Public Services Ombudsman has taken up the role of the Independent National Whistleblowing Officer. The aim of the role is to make sure everyone delivering NHS services in Scotland is able to speak out to raise concerns, ultimately contributing to ensuring that the NHS in Scotland is as well run as possible. The Independent National Whistleblowing Officer is the final stage of the process for those raising whistleblowing concerns about the NHS in Scotland.

4.41   To support the delivery of this organisational culture, the leadership of the organisation has to be seen as competent and credible, act in the best interest of stakeholders, act at all times with integrity and are reliable in their decisions and actions, in other words they are trustworthy.

4.42   **Therefore the Board must play its part in creating this outcome by recruiting a Chief Executive and Executive Leadership Team who have the ability, ambition, insight and values to deliver a leadership approach that delivers the Staff Governance Standard. This includes ensuring that:**

   i.   Leaders at all levels are sufficiently visible and give a clear sense of purpose and ambition for the organisation
   ii.   Leaders help people understand how they contribute to achieving the Board's purpose, aims, values, corporate objectives, operational priorities and targets
   iii. Leaders set standards, recognise good performance and deal with poor performance when it arises
   iv.   Leaders encourage people to challenge and look for ways to improve performance and the quality of the services provided
   v.   Leaders help people identify and make best use of development and career opportunities.

4.43   Having this organisational culture will ensure that NHS Scotland is widely recognised as a great place to work and will generate high level of employee engagement. This will ensure the workforce is focussed on delivering high quality services that are subject to continuous improvement and quality management.

4.44   The next section of the guide considers the enablers to the successful delivery of the functions of good governance.

---

13 **www.staffgovernance.scot.nhs.uk/monitoring-employee-experience/imatter**
14 **www.inwo.spso.org.uk/national-whistleblowing-standards**

The Enablers

4.45 **To facilitate the delivery of the five governance functions, the Blueprint defines the three key enablers for good governance as:**

    i. **Acquiring and retaining the necessary diversity, skills and experience** at Board level

    ii. **Defining clear roles, responsibilities and accountabilities** for the principal groups and individuals that participate in the governance of healthcare

    iii. **Creating relationships** and conducting business in line with agreed values and standards of behaviour.

4.46 The following paragraphs describe each of the enablers in more detail.

Diversity, Skills and Experience

4.47 The Blueprint for Good Governance highlights the importance of diversity and a range of skills and experience at Board level.

4.48 It is the responsibility of the Scottish Government, working with the NHS Board Chair, to ensure the necessary diversity, skills and experience are present across the Board. This includes determining the Board's requirements during the recruitment of new Members and the on-going development of the skills of existing Board Members.

4.49 The recruitment and appointment process is managed by the **Scottish Government Public Appointment Team**[15] who oversee the regulated public appointments process for Ministers.

4.50 The Public Appointments Team follow the Ethical Standards Commissioner's **Code of Practice for Ministerial Appointments to Public Bodies in Scotland**[16]. The Ethical Standards Commissioner and staff have a remit to encourage fairness, good conduct and transparency in public life in Scotland. The Commissioner regulates and monitors the system used to appoint Board Members and their staff play a key role in assuring that appointments are made on merit, using methods that are fair and open and reflect the diversity of Scottish society.

Diversity

4.51 Diversity is a core value at the heart of the day-to-day business of NHS Scotland. NHS Boards are required to hold their organisation to account for the inclusion and diversity strategies that must form part of their staff governance strategy. It is imperative that Boards demonstrate leadership and engagement to support anti-racist work across their organisation, ensuring improvements to equality, diversity and inclusion are continually monitored and challenged.

---

15 **www.gov.scot/collections/public-appointments**
16 **www.ethicalstandards.org.uk/publication/revised-code-practice-ministerial-appointments-public-bodies-scotland**

4.52   To ensure the Board reflects the diversity of their community NHS Boards should support the appointment process by implementing an appropriate attraction strategy which enables the recruitment of a diverse group of Board Members with the skills and experience required to deliver good governance. This includes taking targeted action where appropriate, encouraging and supporting applications from people with protected characteristics that are underrepresented on the Boards of Public Bodies.

4.53   **The Equality Act 2010**[17] defines protected characteristics and the recruitment process must also take into account the **Gender Representation on Public Boards (Scotland) Act 2018**[18] which describes the gender representation objective for a public board as having 50% of non-executive members who are women.

4.54   In addition to reflecting the diversity of the communities they serve, Boards require diversity of thought not only to improve decision-making but also to avoid 'group think', enabling alternative views to be debated and evaluated. If a diverse Board can demonstrate the benefits that come from its expanded knowledge, experience and insight, this should ultimately lead to an improved organisational culture and increased public confidence and trust in the NHS.

4.55   Therefore, whilst it is important to recognise that Board Members are not appointed to represent any particular body or group, there is a clear and welcomed ambition in NHS Scotland to recruit a broad and diverse representation of the population on NHS Boards.

Skills

4.56   NHS Boards require a minimum core set of skills and experience in order to discharge their responsibilities. However, while collectively NHS Boards require certain skills and experience, not every member of the NHS Board will require every skill or experience and Members will bring different levels of skill to the Board.

4.57   The recruitment, training and development of Board Members needs to be focused and built around the skills and experience they require to make an effective contribution to the governance of the organisation.

4.58   In addition to acquiring insight into the organisation and an awareness of its operating environment, Board Members need to be able to deploy a variety of skills that include:

- The capacity to question, challenge constructively and influence decision making
- The capability to recognise, listen to and respect different perspectives
- The ability to analyse and review complex issues, weighing up conflicting opinions and making timely, evidence-based, well-informed and risk-assessed decisions
- The interpersonal skills to communicate and engage with a wide range of organisations and individuals, building relationships, influencing and working collaboratively

17 www.legislation.gov.uk/ukpga/2010/15/contents
18 www.legislation.gov.uk/asp/2018/4/contents

- The confidence and self-awareness to chair, or participate as a member of, key committees that support good governance.

4.59 This definition of the skills required by NHS Boards assists NHS Education for Scotland to develop the induction training, targeted education and development activities required by Boards Members.

Experience

4.60 Board Members also bring a wide range of specialist experience and knowledge to the Board from the public, private, third or voluntary sectors. This can include lived experience of the services provided by the NHS as either a service user or provider. Experience gained in other settings or organisations can equally be of value to the delivery of good governance.

4.61 In addition to any previous experience in a governance role, the list of experience that Board Members can use to support the work of the Board is extensive and can include strategic planning, change management and operations management. Experience and training in financial management and risk management are also relevant to the governance of the NHS, as is human resource management and stakeholder management.

4.62 Board Members' experience also adds to the collective knowledge and understanding at Board level, and this is particularly welcomed around equality, diversity and inclusion, research and innovation, digital and information technology, media and communications, governance and legal issues.

4.63 Consideration should also be given to the extent to which clinicians are represented on the NHS Board. It is critical that Boards have appropriate skills and experience of clinical matters in order to be assured of the safety and quality of healthcare being delivered in both primary and secondary care settings. Having non-executive Board Members from a clinical background can assist in achieving that goal.

4.64 Given the integration of health and social care services in Scotland and the need for collaborative governance, it is also important that some experience of social care is available at Board level in the NHS.

4.65 To support succession planning and the deployment of Board Members to standing committees and other roles NHS Boards should maintain a record of the diversity, skills and experience present in the current Board. Any gaps in the diversity, skills, and experience of the Board should be reflected in the Board's succession planning, highlighted to the Cabinet Secretary when recruiting new Board Members and inform the promotion and advertising of vacancies. Boards may choose to have a Succession Planning Committee to oversee and support this activity.

4.66 The next section of the guide provides more information on '**who**' is responsible and accountable for ensuring good governance by describing the various roles, involved in the governance arrangements for NHS Scotland.

Roles, Responsibilities and Accountabilities

4.67   To support and deliver the functions described in the Blueprint for Good Governance it is essential that there is a common understanding of the roles, responsibilities and accountabilities of the principal groups and individuals that participate in the governance of healthcare.

4.68   Therefore the definitions of roles, responsibilities and accountabilities included in the Blueprint are intended to help the Scottish Government, the NHS Board Members, the Executive Directors and the Board Secretaries identify and deliver their respective functions within healthcare governance.

4.69   Together with the descriptions of the values and standard of behaviours expected of Board members, the definitions of their roles facilitates the performance appraisal of Board Members.

Scottish Government

4.70   The Scottish Parliament is responsible for the legislation that governs the delivery of healthcare in Scotland. The Cabinet Secretary for Health and Social Care has ministerial responsibility in the Scottish Government for the NHS in Scotland.

4.71   The **National Health Service (Scotland) Act 1978**[19] places a duty on the Cabinet Secretary to promote a comprehensive and integrated health service, designed to secure improvement in the physical and mental health of the people of Scotland and the prevention, diagnosis and treatment of illness. The Cabinet Secretary may do anything which they consider is likely to assist in discharging that duty.

4.72   The Scottish Government Directorates for Health and Social Care have responsibility for health policy, the administration of the NHS, social care and public health. This includes setting the standards for governance in NHS Scotland and monitoring the adequacy and effectiveness of the governance arrangements throughout health and social care.

4.73   The Director General for Health and Social Care (who is also the Chief Executive of the NHS) leads the Directorates. With regard to the **Public Finance and Accountability (Scotland) Act 2000**[20] and the **Scottish Public Finance Manual**[21], the Director General is the designated Portfolio Accountable Officer for the Health and Social Care Directorates.

4.74   The Director of Health Finance and Governance has the responsibility for the oversight, development and support of governance arrangements across NHS Scotland and has approved the guidance contained in this document.

19 **www.legislation.gov.uk/ukpga/1978/29/contents**
20 **www.legislation.gov.uk/asp/2000/1/contents**
21 **www.legislation.gov.uk/asp/2000/1/contents**

4.75   The Scottish Government Directorates for Health and Social Care are responsible for various activities within the overall system of governance for health and social care. This includes:

- Developing and implementing law which determines the shape of the public sector and defines the responsibilities and duties of the Scottish Government, public bodies and others for health and social care
- Developing and implementing national strategies and policies and providing support and information to maximise the likelihood of achieving whole-system success
- Recruiting, selecting, appointing and setting the level of remuneration for all members of NHS Boards
- Appointing individuals as Accountable Officers for their organisation (normally the Chief Executive) under the **Public Finance and Accountability (Scotland) Act 2000**[22]
- Developing and implementing a Code of Conduct for Board Members under the **Ethical Standard in Public Life etc. (Scotland) Act 2000**[23] and approving the Code which each body uses
- Developing and promoting good governance practice throughout the system of health and social care. This includes working with NHS Education for Scotland and others to develop and share good practice and provide support and advice on governance matters
- Developing and implementing the performance management framework for health and social care. This involves monitoring and overseeing the performance of public bodies which report directly to the Scottish Government and putting in place a framework of support to those bodies when required to improve and sustainably deliver the required outcomes
- Discharging the Scottish Government's responsibilities as set out in the **Scottish Public Finance Manual**[24]. This includes putting a framework document in place with each public body which sets out its sponsorship relationship with the body and its Accountable Officer.

NHS Boards

4.76   The NHS Boards are legal entities established by the **National Health Service (Scotland) Act 1978**[25] and are required by this legislation to promote the improvement of the physical and mental health and the prevention, diagnosis and treatment of illness of the people of Scotland. To ensure the delivery of this NHS Boards are delegated responsibilities by the Cabinet Secretary to plan, commission and deliver healthcare services and take overall responsibility for the health and wellbeing of the populations they serve.

---

22 **www.legislation.gov.uk/asp/2000/1/contents**
23 **www.legislation.gov.uk/asp/2000/7/contents**
24 **www.gov.scot/publications/scottish-public-finance-manual**
25 **www.legislation.gov.uk/ukpga/1978/29/contents**

4.77   To discharge their responsibilities under the 1978 Act, and deliver the Scottish Government policies and strategies for the provision of healthcare, NHS Boards must deliver the functions described in the Blueprint for Good Governance to the standards set by the Scottish Government.

4.78   Therefore, NHS Boards are primarily responsible and accountable for setting strategic direction, holding executives to account for delivery, managing risk, engaging with stakeholders and influencing organisational culture.

4.79   NHS Boards are also held to account by the Scottish Government for:

- Encouraging innovation, driving change and transforming service delivery to better meet the expectations and needs of their key stakeholders
- Adopting an active approach to governance that anticipates and identifies the risks and opportunities facing the organisation, escalating significant issues to the Scottish Government when and where appropriate
- Encouraging a collaborative approach to governance by the key stakeholders in the healthcare system.

4.80   NHS Boards are also expected to actively seek and create opportunities to inform and contribute to the development of Scottish Government policies and strategies for healthcare in Scotland.

4.81   In recognition of the whole-system nature of Scotland's population health challenges, Public Health Scotland is jointly sponsored and has dual accountability lines to both the Scottish Government and to local government via the Convention of Scottish Local Authorities. This is a unique feature for a Scottish public body and requires a commitment to shared decision making, planning and performance management in relation to the work of Public Health Scotland.

4.82   It is important that the Board clearly differentiates its role from that of the Executive Leadership Team. The Chief Executive and Senior Leadership Team should be protected from individual Board Members becoming involved in operational matters. This separation of governance from day-to-day operational management is explored further in the section of the guide on the role, responsibilities and accountabilities of Board Members.

Standing Committees

4.83   To support the work of the NHS Boards a framework of appropriate standing committees should be put in place to support the delivery of good governance.

4.84   Standing committees are established on a permanent basis. They are responsible for the scrutiny of functions, services and matters delegated to them by the NHS Board, making decisions, recommendations and escalating issues to the Board, as appropriate. The standing committees make a significant contribution to the monitoring and evaluation of the progress towards achieving the Board's purpose, aims, values, corporate objectives, operational priorities and targets by providing the time, space and expertise to effectively scrutinise performance across the healthcare system.

4.85   The Board's framework of standing committees must include an Audit and Risk Committee, a Remuneration Committee and a Staff Governance Committee. The territorial Boards and some special Boards are also required to have a Clinical Governance Committee and a Research Ethics Committee. To provide the necessary governance around the regulatory framework for the award of licences for new pharmaceutical premises, territorial Boards must also have a Pharmacy Practices Committee.

4.86   In addition to these mandatory committees Boards may decide to set up additional standing committees to oversee other aspects of the organisation's operations, e.g. Acute Services, Finance and Performance and Population Health and Wellbeing Committees.

4.87   Membership of the standing committees can include non-executive and executive Board Members but the committee must be chaired by a non-executive and have a majority of non- executive members.

4.88   The agenda for the standing committees should be agreed by the committee chair and the lead executive for the committee. The agenda should include standing items to facilitate the work of the committee, including minutes and action logs, regular items as set out in the committee's Annual Cycle of business, e.g., performance and financial reports, risk registers and ad-hoc items that require attention by Board Members.

4.89   Items should be referred to a standing committee if they require input on an issue or risk that has been delegated to that committee. The standing committee members should be encouraged to add value by providing a different perspective on the issues, risks or opportunities faced by the organisation.

4.90   In addition to submitting minutes of their meetings to the NHS Board, the standing committee chairs should highlight to the Board any areas of concern or risks that require escalation to the Board for their further consideration or decision. Standing committees should also provide an annual report of their activity to the Board.

Advisory Committees

4.91   In addition to the standing committees, NHS Boards can also be supported by advisory committees to ensure that Board Members are well-informed on the issues, risks and opportunities facing the organisation.

4.92   To ensure that the views of the workforce are properly and fully considered by the NHS Board, an Area Partnership Forum must be put in place to inform and influence the Board and the Executive Leadership Team's thinking and decision-making on issues affecting the workforce. Membership of the Area Partnership Forum should include representatives of recognised Trade Unions and managers that represent the range of services provided by the organisation.

4.93   In order to harness the knowledge, skills and commitment of the clinical community across NHS Scotland and ensure that appropriate professional advice is available to NHS Boards and encourage clinicians to contribute to the planning and delivery of services, the territorial Boards must also have in place an Area Clinical Forum.

4.94 The Area Clinical Forum should be supported by a range of clinical professional advisory committees, i.e. an area medical committee, dental committee, nursing and midwifery committee, pharmaceutical committee and optical committee. The special Health Boards, Health Improvement Scotland and NHS National Services should develop appropriate arrangements for clinical engagement in accordance with the circumstances of their organisation.

4.95 To provide the NHS Board with advice on issues affecting clinical practice and employee relations the role of the advisory committees should include:

- Engaging with the Executive Leadership Team to provide insight, support and advice on the delivery of services and the implementation of change
- Supporting and advising the NHS Board in their governance of the organisation, including advice on the impact of any proposed changes that effect the employment of staff
- Identifying opportunities for the improvement of services and the wellbeing of the workforce.

4.96 Advisory committees, including the Area Partnership Forum and the Area Clinical Forum, can also play an important role in supporting the NHS Board in discussions with key stakeholders.

4.97 NHS Boards may also decide to set up additional advisory committees to focus on other aspects of the Board's business, such as equality, diversity and inclusion, or climate change and sustainability, where these issues are not already included in the remit of existing standing committees.

Networks

4.98 The NHS makes extensive use of networking to support the delivery and continuous improvement of services and the introduction of innovation and new ways of working. These also help to improve the flow of information across the NHS and establish closer working relationships between key members of the organisation.

4.99 The same approach is applied to the governance of healthcare and in addition to the Board standing committees and the advisory committees, the governance system in NHS Scotland is supported by a range of informal networks.

4.100 These networks provide regular opportunities for the leadership of the NHS to meet informally and consider any issues or risks that may be of concern, including those still to surface through the existing reporting systems. This is a valuable addition to the delivery of good governance through the formal governance arrangements.

4.101 Although the networks are separate from the decision-making bodies and the formal governance system, the benefits of networking to provide peer support, work collaboratively, share best practice, influence stakeholders and improve engagement and communications across the healthcare system is recognised, encouraged and supported by the Scottish Government.

4.102 Within NHS Scotland there are a number of such governance networks, notably the NHS Board Chairs Group and the NHS Chief Executives Group. A Vice Chairs Group, a Whistleblowing Champions Network and an Audit and Risk Committee Chairs Network have also been set up to support healthcare governance across Scotland.

4.103 A similar arrangement has been put in place for the Integration Joint Board Chairs and Vice Chairs. Introducing this network has provided an opportunity to brief and support the Integration Joint Board Members and encourage and facilitate collaborative leadership and the sharing of best practice across the Health and Social Care Partnerships. This has created another space where NHS Board Members can consider the wider context in which we operate and identify cross- system risks to the successful delivery of our services.

4.104 To promote the benefits of networking and improve the wider understanding of the purpose and remit of the networks, it is important that they publish their terms of reference. This helps communicate the work of the network and encourage other stakeholders to engage with them.

Board Chairs

4.105 The Chair of the NHS Board is responsible for:

- Leadership of the Board, ensuring that it effectively delivers its functions in accordance with the organisation's governance arrangements
- Keeping the organisation's governance arrangements and the Board's effectiveness under review
- Setting the agenda, format and tone of Board activities to promote effective decision making and constructive debate
- In the absence of a Succession Planning Committee, nominating Board Members to standing committees, Integration Joint Boards and other roles within the NHS Board and partner organisations. The allocation of roles to Board Members, including the Chair of standing committees, should be formally approved by the full Board
- Developing the capability and capacity of the Board by contributing to the appointment of Board Members; appraisal and reporting on their performance; identifying appropriate training and development opportunities; and ensuring effective succession planning is in place
- Providing performance management and identifying development opportunities for the Chief Executive
- Representing the organisation in discussions with Ministers, the Scottish Parliament, the Scottish Government, Local Authorities and other key stakeholders. This is a responsibility shared with the Chief Executive.

4.106 The Chair is appointed by the Cabinet Secretary following a recruitment exercise undertaken by the Scottish Government Public Appointments Team.

4.107 This description of the role of the Board Chair should be seen as indicative of the role and responsibilities of the Chairs of the standing committees.

Board Vice Chairs

4.108 In addition to that of a NHS Board Member, the role of the Vice Chair includes:

- Deputising for the Chair as required in any of their duties, including representing the NHS Board in engaging with internal and external stakeholders
- Taking the lead on specific areas of the work on behalf of the Board Chair e.g. governance projects or reviews
- Providing advice, support and assistance to the Board Chair in carrying out their responsibilities
- Acting as a 'sounding board' and 'critical friend' to the Chair and the other Board Members.

4.109 The Vice Chair also provides an alternative route for Board Members to raise issues or concerns if they feel unable to do so with the Chair. This is an important part of the checks and balances within governance and accountability. If mediation by the Vice Chair does not resolve the situation, the issue or concern should be escalated to the Scottish Government.

4.110 Following an open selection process and confirmation of their suitability by the Cabinet Secretary, the appointment of the Vice Chair is made by the Board from the publicly appointed Board Members. The Board's Whistleblowing Champion and Board Members who are also employees of the organisation are excluded from this arrangement.

Board Members

4.111 All NHS Board Members are appointed by the Cabinet Secretary for Health and Social Care and the Cabinet Secretary has the authority to terminate their appointment if it is consider not in the interest of the health service that a member of a Board hold continue to hold that office.

4.112 The Board membership consists of non-executive and executive members. There are two broad categories of non-executive Board members: those appointed through the public appointment process after an open recruitment exercise, and those whom the Board's principal stakeholders have nominated for appointment by the Cabinet Secretary.

4.113 The stakeholder members are the Employee Director and, for territorial Boards, the Chair of the Area Clinical Forum and a representative from each of the Local Authorities in the area covered by the NHS Board.

4.114 NHS Grampian, NHS Greater Glasgow and Clyde, NHS Lothian and NHS Tayside also have a stakeholder member to represent the medical school of the Universities of Aberdeen, Glasgow, Edinburgh and Dundee. This reflects the contribution these Boards make to NHS Scotland as the principal teaching Boards in Scotland.

4.115   The executive members for territorial Boards are the Chief Executive, Director of Finance, Nurse Director, Medical Director, and the Director of Public Health. For the special Boards, Health Improvement Scotland and NHS National Services for Scotland the executive membership of the Board can vary to meet their particular circumstances.

4.116   Publicly appointed members can serve a maximum of eight years on the Board. This limitation also applies to the appointment of the Chair and Vice Chair. Stakeholder members are also appointed for specific time periods but can be re-appointed provided the stakeholder body continues to nominate them. Executive members are appointed for the duration of their role.

4.117   NHS Board Members are responsible for:

- Ensuring the Board focuses on developing and maintaining a strategic direction designed to deliver the Scottish Government's policies and priorities
- Providing effective scrutiny, challenge, support and advice to the Executive Leadership Team on the delivery of the organisation's purpose, aims, values, corporate objectives, operational priorities and targets
- Contributing to the identification and management of strategic and operational risks
- Bringing independence, external perspectives and impartial judgement to the business of the NHS Board to support timely, well-informed, evidence-based and risk-assessed decision making at Board level
- Upholding the highest standards of integrity and probity and acting in accordance with the principle of collective and corporate responsibility for Board decisions
- Understanding and promoting diversity, equality and inclusion
- Engaging with stakeholders, including patients, service users, the public, managers and staff
- Undertaking ongoing personal development activities.

4.118   Irrespective of the basis of their appointment, their letter of appointment from the Cabinet Secretary advises that, "No Member of the Board is appointed on a representative basis for any body or group."

4.119   While Board members must be ready to offer constructive challenge, they must also share collective responsibility for decisions taken by the Board as a whole. If they fundamentally disagree with the decision taken by the Board, they have the option of recording their concerns in the minutes. However, ultimately, they must either accept and support the collective decision of the Board – or resign. Board decisions should always comply with statute, Ministerial directions (where this is provided for in statute), Ministerial guidance and the objectives of the Scottish Government's Health & Social Care Directorates.[26]

---

26 On Board: a guide for members of statutory boards - gov.scot **(www.gov.scot)**

4.120 To help them discharge their responsibilities, the Standards Commission for Scotland has issued a range of **Advice Notes**[27]. This includes guidance on a wide range of topics including:

- Use of social media
- Distinguishing between strategic and operational matters
- Bullying and harassment
- Declaration of interests
- Gifts and hospitality.

4.121 The role of Board Members is to provide governance, i.e., setting the direction for the organisation and overseeing the delivery of services. This primarily involves agreeing strategy and policy and holding the Executive Leadership Team to account for the delivery of the Board's purpose, aims, values, corporate objectives, operational priorities and targets. It includes managing risk, engaging with stakeholders and influencing the organisation's culture.

4.122 By comparison, the Executive Leadership Team has the primary responsibility for the implementation of change and the day-to-day management of operations. This involves the design and implementation of new ways of working that exploit research and innovation, and the planning, organising and execution involved in day to day activities and service delivery.

4.123 The line between strategic and operational matters is not always distinct, as strategic objective setting and policy setting is underpinned by operational work. In addition, some operational matters will have strategic ramifications for an organisation in terms of service delivery and risk management.

4.124 Therefore, if in doubt, Board Members should refer to the Standards Commission's advice to avoid becoming inappropriately involved in operational matters. The Board Chair should be consulted if the issue cannot be resolved following a Board Member's review of the Standards Commission's Advice Note.

4.125 It is also important to note that clinical decision making and the medical treatment of specific patients do not fall within the ambit of Board Members' governance duties.

4.126 In addition to discharging the above responsibilities, non-executive Board Members may also be required to support the business of the Board by chairing standing committees and other meetings relevant to the business of the NHS Board.

4.127 Publicly appointed members may also be appointed by the Board to represent the NHS as a voting member of the Integration Joint Boards. If it is not possible to fill the NHS positions from the publicly appointed members, Boards can nominate other members to act as voting members of the Integration Joint Boards. Stakeholder members who are councillors are excluded from this arrangement.

---

27 www.standardscommissionsscotland.org.uk/education-and-resources/professional-briefings

4.128 Many non-executive Board Members also play a part in supporting the Executive Leadership Team's management of the organisation that goes beyond their roles as standing committee members. This can include supporting HR appeals and whistleblowing investigations. Board members may also be asked to act as Chairs for other groups where the NHS is a member.

Board Champions

4.129 The members of the NHS Board and Standing Committees can be supported in their work by a variety of colleagues acting as 'Champions' for a wide range of issues and communities. This could include equality, diversity and inclusion, mental health, whistleblowing, sustainability, global citizenship, smoking cessation, organ donation, healthy working lives and veterans.

4.130 With the exception of the Whistleblowing Champions who are appointed by the Cabinet Secretary to that role, the Champions are appointed by the Board from the non-executive membership of the NHS Board.

4.131 The principal responsibility of the Champion is to take a lead in advocating the NHS Board's commitment to being a learning organisation that focuses on improvement and the implementation of best practice in their particular area of interest. This includes raising the profile of particular issues and supporting the Executive Leadership Team in the development of appropriate policies, strategies and action plans prior to consideration by the Board.

4.132 The Champions are also available to offer a Board Member's perspective to staff networks and management teams, using this as an opportunity to share information and communicate back to the Board.

4.133 The Champions are not responsible for making operational decisions on specific issues or cases. Neither are they expected to lobby the Board for specific outcomes, but rather to ensure that relevant issues are brought to the Board's attention.

4.134 The standing committee Chairs also act as 'Champions' for the remit and functions of their committees and it is important to note that all Board Members should have an interest in the issues being considered by Champions. For example, ensuring that equality, diversity and inclusion are reflected in the Board's thinking and decision making is the responsibility of all Board Members, not just those who have a role as Equality and Diversity Champions.

Chief Executives

4.135 The description of the role and responsibilities of the Chief Executive and the one that follows for the Executive Directors, are based on work commissioned by the Scottish Government to develop a Leadership Success Profile to support recruitment and succession planning at that level of NHS Scotland.

4.136 In addition to their responsibilities as a Board Member, the NHS Chief Executive is also responsible for:

- Overseeing the development of an integrated set of policies, strategies and plans that are designed to deliver the organisation's purpose, aims, values, corporate objectives, operational priorities and targets. This includes focusing globally and strategically on developments that will impact upon the provision of health and social care across Scotland, and working collaboratively with Ministers, the Scottish Parliament, the Scottish Government, Local Authorities, Health and Social Care Partnerships, and other key stakeholders to increase alignment and cohesion between government policy and the delivery of health and social care services to local communities.

- Acting as the Accountable Officer for the proper management of public funds and for ensuring the regularity, propriety and value for money in the management of the organisation. Accountability for this function is directly to the Scottish Parliament under **Section 15 of the Public Finance and Accountability (Scotland) Act 2000**[28].

- Providing leadership and day-to-day management of the organisation and its workforce, shaping desired cultural attributes within the NHS, and ensuring the organisation's policies, strategies and plans are delivered on time and within budgets. This includes building strategic and operational capability and accountability amongst the Executive Leadership Team, ensuring collective responsibility for delivering the organisation's purpose, aims, values, corporate objectives, operational priorities and targets.

- Contributing to the delivery of multiple system-wide interventions at regional and national levels, whilst overseeing local delivery of change initiatives by the Executive Leadership Team. This includes encouraging and supporting research and innovation into new ways of delivering healthcare.

- Managing relationships with NHS Board Members, Scottish Government Ministers, the Director General for Health and Social Care, Senior Civil Servants and other key stakeholders involved in the delivery of health and social care. This includes establishing and enabling inclusive and effective networks at local and national level, expanding these beyond NHS Scotland and a purely healthcare focus. This is a responsibility shared with the Board Chair.

Executive Directors

4.137 The NHS Executive Directors are responsible for:

- Providing professional and expert advice and support to the NHS Board and the Chief Executive to assist in the development of the policies, strategies and plans required to deliver the organisation's purpose, aims, values, corporate objectives, operational priorities and targets. This includes ensuring local policies, plans and strategies are aligned to national and regional priorities for healthcare by

---

28 www.legislation.gov.uk/asp/2000/1/section/15

gathering insights and information from local, regional and national systems and keeping the NHS Board, executive colleagues and their directorate teams up to date with priorities and developments in the delivery of health and social care.

- Managing the integrated and collaborative delivery of services and the implementation of the organisation's plans, projects, programmes and processes within their own leadership teams and across the organisation, enabling leaders at all levels to take responsibility for delivering operational goals and performance. This includes providing collective leadership with executive colleagues for developing and sustaining the optimum culture throughout the organisation, and collaborating with system partners to empower, support and enable integrated frontline teams to operate flexibly towards the delivery of the organisation's purpose, aims, values, corporate objectives, operational priorities and targets.
- Monitoring progress towards corporate objectives, operational priorities and targets for service delivery and managing their relationship with other key stakeholders by providing appropriate information and assurance on performance, expenditure, issues, risks and successes.
- Overseeing the delivery of multiple, interconnected and organisation-wide change interventions. This includes supporting the transformation of services at national, regional and local levels by forging relationships and supporting networks, and by engaging key stakeholders in the long term and mutual benefits of system transformation.
- Supporting the wellbeing of the workforce by providing the necessary support, training, development, and management approach required to deliver the **NHS Scotland Staff Governance Standard**[29].

4.138 Where Executive Directors are also appointed to the Board they have the same accountabilities and responsibilities as the non-executive Board Members. The same level of training and support is available to executive Board Members as is provided for the non-executive Members.

Board Secretaries

4.139 The term 'Board Secretary' is commonly used across NHS Scotland but in some NHS Boards other job titles such as 'Head of Corporate Governance' has been adopted to better describe this role. The following guidance is intended to cover the post, irrespective of the job title.

4.140 The Board Secretary has the lead role in supporting the NHS Board's approach to delivering good governance. They have the primary responsibility for ensuring the smooth operation of the governance arrangements required by the NHS Board.

4.141 The Board Secretary is responsible for:

- Leading the continuous development and implementation of the Board's governance arrangements, including the facilitation of an integrated approach to the delivery

---

- of the governance systems and the provision of the operating guidance required to effectively manage these systems
- Providing expert advice and support to the Chair, Chief Executive, Board Members and other stakeholders on governance related issues
- Providing guidance to assist the Board in acting within its legal authority and statutory powers and its Members in complying with the Ethical Standards in Public Life etc. (Scotland) Act (2000) and the Code of Conduct for Members of Health Boards. This aspect of governance is explored further in the section of the guide on the behaviours expected of Board Members
- Ensuring that Board business is conducted in a spirit of openness and transparency and in accordance with any agreed Board protocol
- Communicating details of the Board's governance arrangements to ensure they are widely understood and effectively delivered by all the key players in the governance system.

4.142 Board Secretaries may also be responsible for managing the administrative and secretarial support to the Board and other governance and advisory committees.

4.143 The Board Secretaries have an informal network that facilitates the sharing of best practice and provides support to the creation and maintenance of the operating guidance for the Board and the standing committees.

Values, Behaviours and Relationships

4.144 All the members of the NHS Board should consider what is expected of them individually and collectively in terms of demonstrating the NHS Scotland values and displaying the behaviours expected of a Board Member of a public body. This includes conducting their relationships in a manner that reflects these standards.

Values

4.145 While everyone in NHS Scotland is expected to demonstrate these values, Board Members have an additional responsibility to act as role models for the rest of the workforce.

4.146 **Board Members are expected to demonstrate and uphold the core values of NHS Scotland, as published in the [2020 Workforce Vision 'Everyone Matters'][30]. These are defined as:**

   i. Care and compassion
   ii. Dignity and respect
   iii. Openness, honesty and responsibility
   iv. Quality and teamwork.

---

30 www.gov.scot/publications/everyone-matters-2020-workforce-vision/

Behaviours

4.147 NHS Boards must act morally, ethically and fairly if they are to deliver good governance in healthcare. In common with all public bodies in Scotland, Boards are required to have in place a Code of Conduct that sets out the standards of behaviours expected of their Board Members.

4.148 To support the delivery of the requirements set out in the **Ethical Standards in Public Life etc. (Scotland) Act (2000)**[31], the Scottish Government's Public Bodies Unit has developed a Code of Conduct specifically designed for Members of Health Boards. This not only sets out how the provisions of the Code should be interpreted and applied in practice, it also gives guidance on the rules regarding remuneration, allowances, expenses, gifts and hospitality, lobbying, registration of interests and the confidentiality of information.

4.149 **The Code of Conduct for NHS Board Members is based on the Model Code of Conduct for Members of Devolved Public Bodies[32] approved by the Scottish Parliament on 7 December 2021. This has been developed in line with the Principles of Public Life in Scotland. These are:**

  i.   **Duty** – Members have a duty to uphold the law and act in accordance with the law and the public trust placed in them. They have a duty to act in the interests of the public body of which they are a member and in accordance with the core tasks of that body.

  ii. **Selflessness** – Members have a duty to take decisions solely in terms of public interest. They must not act in order to gain financial or other material benefit for themselves, family or friends.

  iii. **Integrity** – Members must not place themselves under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence them in the performance of their duties.

  iv. **Objectivity** – Members must make decisions solely on merit when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

  v.   **Accountability and Stewardship** – Members are accountable for their decisions and actions to the public. They have a duty to consider issues on their merits, taking account of the views of others and must ensure that the public body uses its resources prudently and in accordance with the law.

  vi. **Openness** – Members have a duty to be as open as possible about their decisions and actions, giving reasons for their decisions and restricting information only when the wider public interest clearly demands.

  vii. **Honesty** – Members have a duty to act honestly. They must declare any private interests relating to their public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

31 www.legislation.gov.uk/asp/2000/7/contents
32 www.standardscommissionscotland.org.uk/codes-of-conduct/members-model-code-of-conduct

> **viii. Leadership** – Members have a duty to promote and support the Principles of Public Life in Scotland by leadership and example, to maintain and strengthen the public's trust and confidence in the integrity of the public body and its members in conducting public business.
>
> **ix. Respect** – Members must respect fellow members of their public body and employees of the body and the role they play, treating them with courtesy at all times. Similarly they must respect members of the public when performing duties as a member of your public body.

4.150 The Standards Commission has produced **Guidance on the Code of Conduct**[33] to help Board Members interpret and adhere to the provisions in the Code and to attain the highest possible standards of conduct.

4.151 NHS Boards must adopt the Code of Conduct, having first obtained Scottish Government's approval for any amendments to the draft proposed by the Public Bodies Unit. The Board should then formally record their acceptance of the Code of Conduct for Members of their Board. This should then be reflected in the Standing Orders required to support their governance arrangements.

Relationships

4.152 Building and maintaining effective working relationships are critical to the delivery of good governance. Board Members should consider and constantly review their own and the NHS Board's relationships with the other stakeholders in the health and social care system.

4.153 Board Members must apply the values of NHS Scotland and the principles of the Code of Conduct for Members of Health Boards in their dealings with fellow members of the Board, its employees and other stakeholders. The Board Chair has a responsibility to ensure that Members receive the necessary support to act in the appropriate manner at all times.

4.154 To support collaborative working relationships and assist in the conduct of Board business a Board Protocol may be introduced to ensure that best use is made of the time and the contribution of the Board Members. Highlighting the rules or etiquette for the conduct of meetings can assist Chairs to ensure the views of Members are heard and meetings are conducted in a manner consistent with the NHS Scotland values and the Code of Conduct for NHS Board Members.

4.155 The introduction of a Board Protocol should also help Members to make enquiry and challenge the executives in an appropriate manner, ensuring a healthy relationship exists between Board Members and the Executive Leadership Team.

4.156 Defining the functions and enablers of the governance approach is not enough to ensure good governance. To embed the Principles of Good Governance, NHS

---

33 www.standardscommissionsscotland.org.uk/guidance/guidance-notes

Boards must also implement, maintain and continuously improve cohesive governance arrangements that are specifically designed to deliver this approach at Board level. The following sections of the guide describe how NHS Boards should go about delivering those aspects of the Blueprint for Good Governance.

The Delivery Approach

4.157 To support the delivery of good governance NHS Boards should construct an assurance framework and implement an integrated governance system that brings together the organisation's strategic planning, risk management and assurance information systems.

4.158 The assurance framework and integrated governance system must be supported by a suite of operating guidance and it is critical to the delivery of good governance that these arrangements are widely communicated across the organisation.

The Assurance Framework

4.159 Promoting and delivering good governance starts with the development of an assurance framework. This simple model brings together the organisation's purpose, aims, values, corporate objectives and risks with the strategic plans, change projects and operating plans necessary to deliver the desired outcomes.

Figure Two – The Assurance Framework
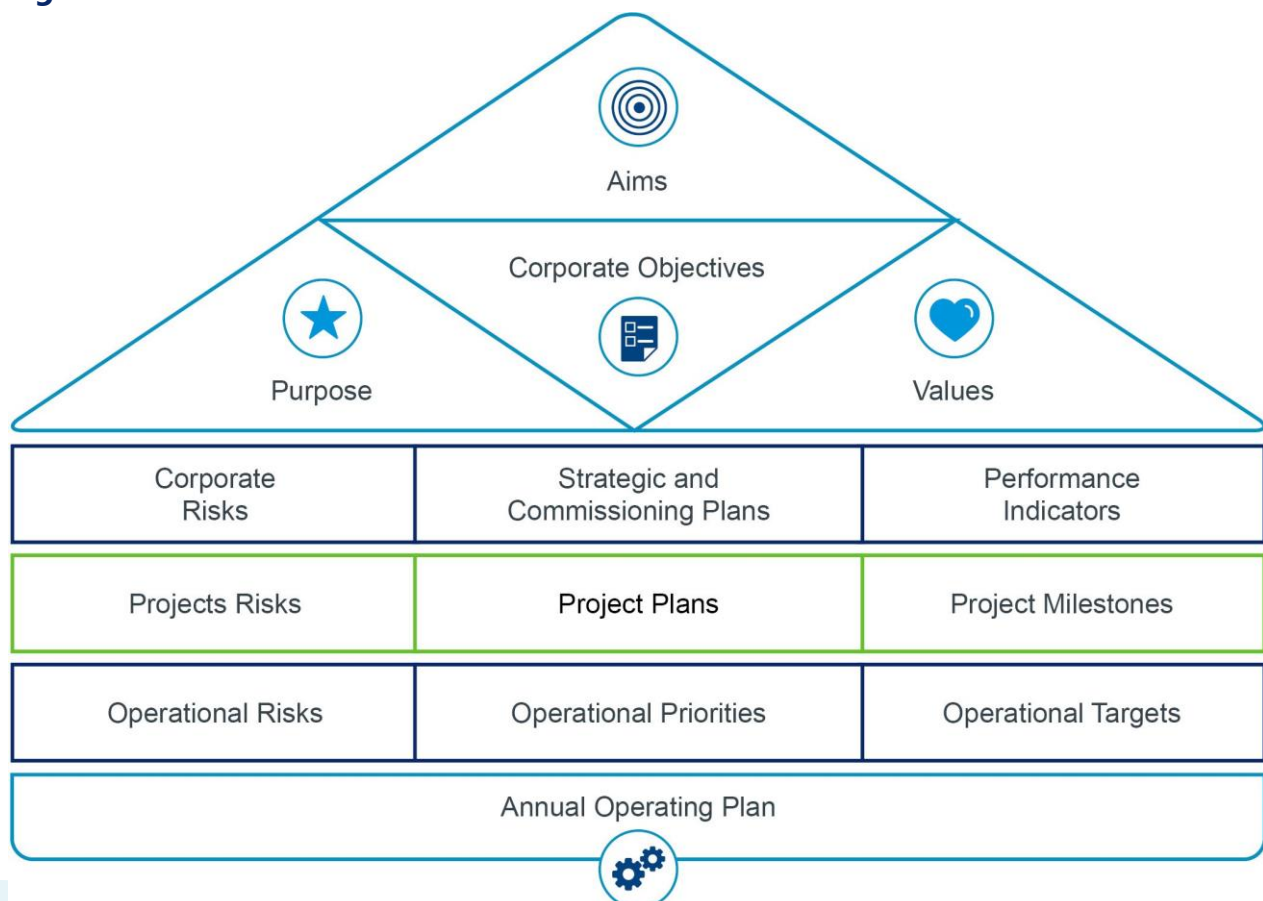
4.160 The assurance framework is primarily used to identify and resolve any gaps in control and assurance and helps identify any areas where assurance is not present, insufficient or disproportionate in relation to the delivery of the NHS Board's corporate objectives or operational priorities.

4.161 The construction of the assurance framework also ensures the systems introduced for strategic planning and commissioning, implementing change, managing risk and providing assurance information are all aligned and focused on the corporate objectives and operational priorities.

4.162 The assurance framework also describes the performance indicators, change project milestones and targets linked to each of the corporate objectives and forms the foundations for the assurance information system that provides the accountability reports to the NHS Board and standing committees.

4.163 Once completed, the framework provides a clear picture of the links between the outcomes expected by the Board and the strategic plans, transformational change projects and operational plans developed by the Executive Leadership Team to deliver those outcomes. It describes which objectives and what risks are delegated (in the Scheme of Delegation) to each of the standing committees. This ensures that both the delivery of strategic and transformational change and the current operational outputs and outcomes are subject to appropriate scrutiny, at the appropriate level and in the appropriate place within the governance system.

4.164 In practice, the application of the assurance framework means that longer-term strategic issues and risks are considered in a holistic fashion by the Board, with the standing committees focusing on the delivery of delegated, specific corporate objectives, operational priorities and the more immediate annual operating plans.

4.165 To further enhance this approach and support collaborative governance, it is important that the territorial Boards also take account of the strategic and commissioning plans and the annual accountability reports produced by the local Integration Authorities when developing their assurance frameworks.

4.166 Introducing an assurance framework also helps executives, managers and staff better understand how the organisation is governed and their role and accountabilities within the governance system. It emphasises the division of responsibilities between the Board and the Executive Leadership Team.

4.167 NHS Boards should go beyond simply constructing an assurance framework to deliver good governance. The framework has to be implemented effectively for it to be of value. This is explored further in the next sections of the guide that relates to the integrated governance system.

The Integrated Governance System

4.168 Integrated governance requires an all-encompassing approach to the delivery of the services provided by the organisation. It brings together the distinct governance systems required to direct and control the management of operations and the leadership of change, and the effective integration of these systems is critical to the delivery of the active and collaborative approaches to governance.

4.169 In NHS Scotland there are five discrete but linked assurance systems that can be considered as the integrated governance system that supports the delivery of good governance.

Figure Three – The Integrated Governance System
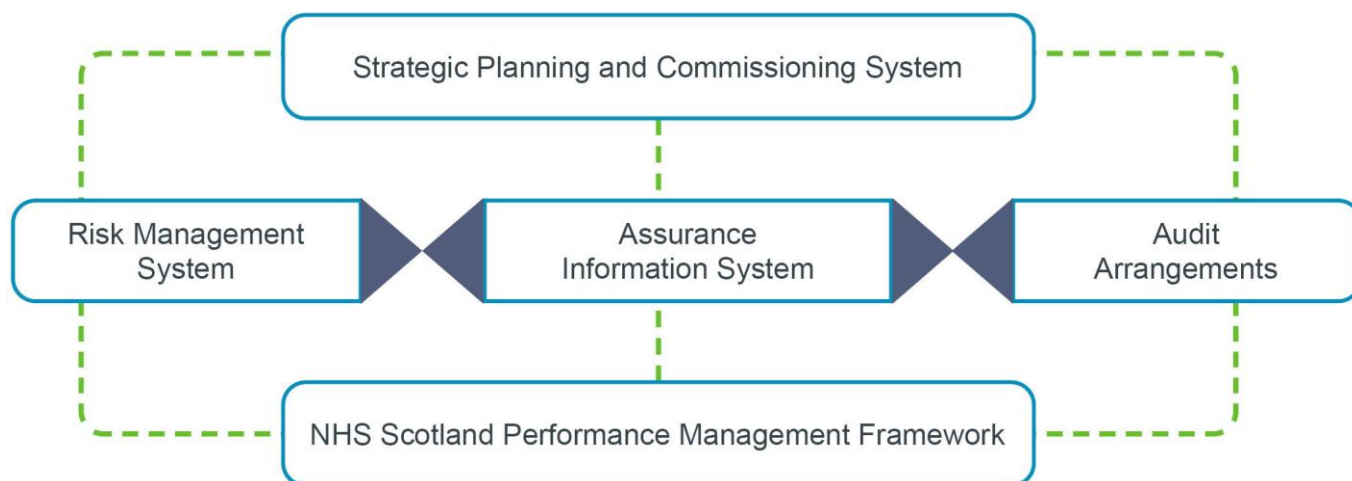
4.170 These systems primarily assist the NHS Board in setting the direction, holding the Executive Leadership Team to account and managing risk. They can also play an important part in delivering the assurance required in relation to the stakeholder engagement and influencing culture functions of the Board.

4.171 The Board shares ownership of the strategic planning and commissioning system with the Integration Authorities and has accountability for the risk management system, the assurance information system and the audit arrangements. The Scottish Government owns the NHS Scotland Performance Management System.

4.172 Collectively, these systems provide the Scottish Government, the NHS Board, the standing committees and the Integration Authorities with important information that helps them to be assured that good governance is in place across the healthcare system.

4.173 A more in-depth description of the component parts of the integrated governance system is included in the supplementary guidance attached as an appendix to the guide.

4.174 While the introduction of an assurance framework and the development of an integrated governance system will contribute significantly to the delivery of the active and collaborative approaches to governance, the delivery of good governance also relies on efficient operating arrangements being implemented throughout the organisation. How NHS Boards should achieve this outcome is described in a suite of documents described in the Blueprint for Good Governance as operating guidance.

The Operating Guidance

4.175 The detailed description of the NHS Board's governance arrangements and the guidance on implementing these arrangements are contained in a portfolio of documents that is developed, maintained and communicated by the Board Secretary. It includes Standing Orders, Standing Financial Instructions and the Schemes of Delegation that provide the senior leadership and management of the NHS with their principal operating guidance.

Figure Four – The Operating Guidance

4.176   Additional guidance is available from the Board Secretaries Group to support the efficient delivery of the NHS Board's proceedings and business, including terms of reference for committees and templates for agendas and minutes of meetings.

4.177   Board Secretaries can also provide guidance on how Boards should develop their Annual Cycle of Business for the Board and the standing committees that delivers an integrated work programme and coordinated timetable for Board meetings, Board seminars and standing committee meetings.

4.178   Guidance on the drafting of papers and reports, including security classification and setting the requirements for financial, risk and equality assessments of the impact of options presented to the Board is also required to ensure the smooth operation of Board and committee meetings.

4.179   To supplement the guidance in the Code of Conduct for NHS Board Members, the suite of operating instructions available to Board Members may also include a locally agreed Board Protocol for the chairing, conduct and reporting of meetings.

4.180   In the territorial Boards the operating requirements for those functions delegated to the Integration Authorities are described in the Integration Schemes agreed between the NHS Boards and the Local Authorities. This document also provides Board Members with guidance on the delivery of the collaborative governance arrangements for the healthcare functions delegated to the Integration Joint Board. As such, they should be seen as an important component of the NHS Board's operating guidance.

4.181   With the exception of the Integration Scheme(s), the documents that make up the Operating Guidance should be reviewed annually by the Boards to coincide with the preparation of governance statement that forms part of the Annual Report.

4.182   **The Public Bodies (Joint Working) (Scotland) Act 2014**[34] requires Local Authorities and Health Boards to review their Integration Schemes before the expiry date, which is five years after the scheme was approved in the Scottish Parliament. The Scottish Government is responsible for facilitating parliamentary approval of any revisions to the Integration Schemes.

4.183   In addition to the standard portfolio of operating guidance described above, some Boards may also have other material that describes how the system of governance works within their particular organisation. Board Members should be aware of these local instructions and take them into account when carrying out their role.

4.184   Further information on best practice in healthcare governance can be found at the websites provided by **NHS Scotland**[35] and **NHS Education for Scotland**[36].

4.185   Having considered what needs to be done to ensure good governance, it is important to consider how the NHS Boards and the Scottish Government will determine whether or not this approach has been successful. Therefore, the next

34 **www.legislation.gov.uk/asp/2014/9/contents**
35 **www.nhs.scot**
36 **www.nes.scot.nhs.uk**

section of the guide describes the evaluation process for the governance of NHS Scotland.

The Evaluation Approach

4.186   In order to assess the effectiveness of the healthcare governance system and whether or not it is continuously improving, it is important to have a consistent and systematic approach to assessing and evaluating the NHS Boards' governance arrangements against the Principles of Good Governance.

4.187   The approach to evaluation must provide assurance to the Board, the Scottish Government and the other stakeholders in healthcare that good governance is being delivered across all the categories of governance in healthcare.

4.188   For NHS Scotland the preferred approach to evaluation involves three levels of assessment:

- Appraisal of the Board Members' individual performance
- Self-assessment of the Board's effectiveness
- External review of the organisation's governance arrangements.

These activities should be viewed as a means of supporting personal and Board development, rather than a punitive process.

4.189   The following paragraphs describe each level of the evaluation approach and how they are brought together to inform and drive a programme of improvement activities.

Individual Performance Appraisal

4.190   The Scottish Government is responsible for developing and implementing the performance appraisal system for Chairs and other NHS Board Members.

4.191   The Director General for Health and Social Care carries out the appraisal of NHS Board Chairs on behalf of the Cabinet Secretary. This process includes a self-assessment by the Chair and a 360 degree feedback exercise involving Board Members, executives and other stakeholders.

4.192   The Board Chair reports to the Scottish Government on the contribution made to the work of the Board by its Members. The format of these reports is set by the Government and includes discussions on personal development opportunities that might be used to enhance the individual's effectiveness as a Board Member.

4.193   The NHS Board Chair should consider how any weaknesses in the governance arrangements identified through the individual performance appraisal systems can be addressed by the Board.

Board Self-Assessment

4.194 NHS Boards should regularly review their governance arrangements and annually conduct a structured self-assessment to review their effectiveness, identifying any new and emerging issues or concerns.

4.195 The Principles of Good Governance form the basis of the Board's self-assessment and this exercise should provide a view of the extent to which the Blueprint for Good Governance has been implemented across the organisation. This should include an evaluation of the current status of the systems that support the organisation's governance arrangements.

4.196 To ensure that the criteria against which the Board's assessment is valid, reliable and transparent and reflects best practice in governance, the Scottish Government provide NHS Boards with advice and guidance on how to conduct the self-assessment exercise.

4.197 After critically examining the findings of the self-assessment exercise, the Board should use this information as the baseline and driver for its improvement and development activities.

External Review

4.198 To enhance and validate the Boards' self-assessments, a systematic evaluation of the governance arrangements across the NHS Boards should be undertaken by an external specialist in governance.

4.199 The Scottish Government are responsible for commissioning and managing a programme of structured governance reviews that includes a work plan to evaluate the NHS Boards' governance arrangements at least every three years.

4.200 In undertaking these reviews the external specialist will bring together a range of evidence from a number of sources and include benchmarking the NHS Board's governance with comparative healthcare organisations and the latest thinking on best practice in governance.

4.201 NHS Boards and the Scottish Government can also commission ad hoc thematic reviews of specific areas of governance, e.g., clinical governance or risk management.

4.202 The Board should compare the findings of the external reviews, with the output of the Board's self-assessment exercise and the view of the governance arrangements gained from the individual performance reviews. This combination of information should then be used to inform and support the continuous improvement approach to governance described in the final section of the guide.

The Improvement Approach

4.203 For the governance of healthcare to continuously improve, the approach adopted by NHS Scotland has to be an evolving, iterative and integrated process that is widely understood and adopted by the NHS Boards.

4.204 The following paragraphs describe the quality improvement approach required by the NHS Boards, NHS Education for Scotland and the Scottish Government to ensure that the governance arrangements in NHS Scotland remain relevant and continue to be fit for purpose as the health and social care system evolves over time.

NHS Boards

4.205 Having assessed the effectiveness of the organisations governance arrangements by triangulating information from individual performance reviews, the Board self-assessment and external reviews, the NHS Boards must design and implement a bespoke programme of activities to address the issues and concerns raised by the evaluation process.

4.206 The activities included in the Board's improvement programme should focus on the delivery of the Principles of Good Governance and be described in terms of enhancements to the enablers and delivery systems in the Blueprint for Good Governance.

4.207 The improvement programme must include actions to address any shortcomings in the recruitment, induction, training and development of Board Members that surfaced at individual performance reviews. It must respond to the findings of the self-assessment of Board effectiveness by including work to overcome any weaknesses identified by the Board Members. Any recommendations for improvement in the governance arrangements from external reviews or other sources should also be added to the programme plan.

4.208 The Board's improvement programme plan should be published and details of the progress made to implement the actions outlined in the plan should be regularly reported to the NHS Board and discussed at the NHS Board's Annual Review with the Scottish Government.

NHS Education for Scotland

4.209 NHS Education for Scotland has a significant role in improving the delivery of good governance in the NHS by supporting NHS Boards to respond positively to the findings of the internal and external evaluation of their governance arrangements.

4.210 This support is primarily delivered through a comprehensive programme of development activities that includes a range of support material, training courses, seminars and workshops designed to support NHS Boards in improving their governance arrangements. This includes induction training and broader development opportunities tailored to individual Boards and Board Members' needs, a mentoring scheme for Board members and a development programme for aspiring Chairs and Vice Chairs.

4.211 The training and development material offered by NHS Education for Scotland is regularly updated to reflect best practice in healthcare governance and is supported by a digital portal which offers practical resources to support Board Members' continuous personal development. This is accessed through the TURAS Learn system on the **NHS Scotland Board Development**[37] website and all Board Members are expected to register on the TURAS Learn system and take advantage of the opportunities for developing their skills as Board Members.

4.212 The support provided by NHS Education for Scotland to NHS Boards and individual Board Members is a valuable resource and should be incorporated as appropriate into the Board's improvement programme.

Scottish Government

4.213 To ensure that good governance is being delivered across NHS Scotland in a consistent manner, the Directorate for Finance and Governance works with NHS Boards to achieve continuous improvement in their governance arrangements. This includes commissioning and approving the national induction and the other training and development material on governance in healthcare that is delivered by NHS Education for Scotland and other training providers.

4.214 The Scottish Government also supports the continuous improvement approach by providing advice and guidance to NHS Boards on specific governance issues and its website contains valuable information to support Board Members in delivering their roles and responsibilities.

4.215 To guide and support the improvement of governance in NHS Scotland, the Director of Health Finance and Governance has put in place a Healthcare Governance Advisory Board. This replaces the NHS Scotland Corporate Governance Steering Group.

4.216 The purpose of the Healthcare Governance Advisory Board is to provide leadership, support and guidance to key stakeholders by advising on the development and implementation of the delivery of good governance in healthcare across NHS Scotland. The remit of the Advisory Board includes providing input to the development of the policies and initiatives required to ensure a continuous improvement approach is adopted to governance in NHS Scotland.

---

37 **https://learn.nes.nhs.scot/17367/board-development**

4.217 The Advisory Board reports to the Director of Health Finance and Governance and its membership includes a Chair appointed by the Scottish Government and representatives from the key stakeholders in healthcare governance. This may include independent advisors to bring an external perspective to the work of the Board and other members of NHS Scotland may be invited to join as and when specific expertise is required on the Advisory Board.

4.218 The description of the support for a continuous improvement approach to governance in healthcare in the previous paragraphs completes the guide to the Blueprint for Good Governance.

4.219 The publication of this document should ensure that Board Members, Executive Leadership Teams and other stakeholders in the governance of NHS Scotland have a shared understanding of the importance and definition of good governance and appreciate the role that active, collaborative and continuous improvement approaches play in the delivery of the Blueprint.

4.220 Although the guide describes the functions, enablers, delivery, evaluation and improvement approaches that make up the Blueprint for Good Governance, supplementary guidance has been appended to this document to provide further, more detailed guidance on the delivery of the Integrated Governance System require to implement and sustain good governance across the NHS.

Supplementary Guidance

A. The Strategic Planning and Commissioning System

A.1 In setting the direction for the healthcare system, strategic and commissioning plans should clearly set out the drivers for change, the consultation and engagement undertaken, and the vision of the future that should result from implementing the strategies and services described in the plans.

A.2 Strategic and commissioning plans must be aligned to the NHS Board's purpose, aims and values. The corporate objectives being supported and the outcomes expected from the delivery of these plans should be clearly stated.

A.3 The development of strategies and changes to service delivery models should include appropriate stakeholder engagement, particularly when a proposed service change will have a major impact. NHS Boards must ensure that when necessary, stakeholder engagement is carried out at the outset of the planning and commissioning process and this engagement is inclusive, proportionate and robust. Advice from **Healthcare Improvement Scotland Community Engagement**[38] is available to NHS Boards to ensure that they have met the national standards for engagement.

A.4 In addition to describing the need for change and the expected outcomes, strategic and commissioning plans should also include details of the business case behind this approach. A cost- benefit analysis of proposed changes gives Board Members one of the key pieces of information required to approve the plans.

A.5 Board Members also require assurance around the implementation of the strategic and commissioning plans. As these will usually require a degree of transformational change, Boards should ensure that the organisation has the capability and capacity to support the delivery of the change projects and programmes. This is necessary to not only deliver the planned changes, but also to ensure the realisation of the benefits expected from the strategic and commissioning plans.

A.6 The Board should seek assurance that implementation plans and change projects and programmes include comprehensive risk assessments, equality impact assessments and communication plans that will support the delivery of strategic plans and change projects and programmes.

---

38 **www.hisengage.scot**

A.7   The implementation plans should also be clear about how success will be measured and the governance arrangements for oversight of delivery, including details of the information flows to the Board Members on the progress being made with implementation. This should include any arrangements for evaluation of the effectiveness of new approaches during and at the end of the period covered by the plan.

A.8   It is also important that Board Members consider the extent to which corporate strategies and change projects and programmes take advantage of research and innovation in science and technology.

A.9   Who has the overall accountability for the delivery of the strategy and who are the individuals responsible for delivering specific change projects and programmes should also be considered by Board Members. It will be important that the Board is assured that the organisation has the personnel in place with both the capability and the capacity to meet these requirements.

A.10   NHS Boards should put in place a strategic planning cycle that clearly indicates where and when the Board is involved in considering options, debating risk, giving approval and thereafter in monitoring delivery of the Board's strategic plans. To facilitate this approach, a strategic planning framework should be maintained.

A.11   For each of the strategic and commissioning plans, the strategic planning framework should describe the period covered and the corporate objectives addressed by the plan. It should also identify the stakeholders consulted, the author, the approver and the date approved. Details of the reporting arrangements and the expected date of the next review by Board Members should also form part of the framework.

A.12   Given the close relationship between healthcare and social care services and the integrated approach to delivering these services required by NHS Boards and Local Authorities in Scotland, it is critical to the effective planning and commissioning of primary and secondary healthcare that the plans developed by the Integration Authorities align with the strategic plans approved by the NHS Board.

A.13   **The Public Bodies (Joint Working) (Scotland) Act 2014**[39] introduced a statutory duty for NHS Boards and Local Authorities to integrate the planning and delivery of delegated health and social care functions across Scotland. Therefore, it is essential that NHS Boards play their part in the development of the Integration Authorities strategic commissioning plans as set out in the 2014 Act. This requires Integration Authorities to establish a Strategic Planning Group, and the NHS Board must nominate a minimum of one person to join that group. That requirement should feature in the Integration Scheme agreed between the NHS Board and the Local Authority.

---

39 www.legislation.gov.uk/asp/2014/9/contents

A.14   The NHS Boards should include details of the Integration Authorities strategic commissioning planning process in their strategic planning framework. This should highlight the dependencies between plans that need to be managed by the NHS Chief Executive and the Health and Social Care Partnership's Chief Officer(s).

A.15   NHS Boards also have responsibilities under the **Community Empowerment (Scotland) Act 2015**[40] for working together with local communities to plan and deliver better services that make a real difference to people's lives.

A.16   The NHS Boards' involvement in the Community Planning Partnerships across Scotland is intended to ensure that service planning is co-ordinated at a local level. Therefore, Boards should take into account the views, ambitions and priorities of the Community Planning Partnership when developing their strategic and commissioning plans.

A.17   This inclusive and collaborative approach to designing and maintaining an overview of strategic planning and commissioning should ensure that the NHS Board can be assured that the organisation's aims are being pursued and the full range of corporate objectives are being addressed by those responsible for the delivery of healthcare in their area.

A.18   The NHS Board's strategic and commissioning plans should be aligned with any relevant operational policies in place to support the delivery of healthcare services. Boards should ensure that operational policies are subject to approval and regular review by the Board and the standing committees. To manage this in a co-ordinated manner a policy framework should be established and maintained for all significant healthcare policies. The policy framework should provide Board Members with the same information on policy development that the strategic planning framework does on strategic and commissioning plans.

A.19   Effective strategic planning and policy development must include assessment of the risks existing in the healthcare system and the next section of the supplementary guidance focuses on that aspect of the integrated governance system.

---

40 www.legislation.gov.uk/asp/2015/6/contents

B. The Risk Management System

B.1   Risk management is an integral part of the active and collaborative approaches to delivering good governance. It enhances strategic planning and prioritisation, assists in achieving corporate objectives and strengthens the Board's ability to be agile in response to the challenges faced by the NHS.

B.2   NHS Boards cannot be entirely risk averse, and having an effective and meaningful risk management system that systematically anticipates and prepares successful responses to the uncertainties faced by NHS Boards is critical to delivering the organisation's purpose, aims, values, corporate objectives, operational priorities and targets.

B.3   When considering their approach to risk management, NHS Boards should recognise that it is often not possible to manage all risks at any point in time to the desirable tolerance level. Very often it is also not possible, and not financially affordable, to fully remove uncertainty from decisions. Therefore, Boards should encourage and support a risk culture that embraces openness, supports transparency, welcomes constructive challenge and promotes collaboration, consultation and co-operation.

B.4   The principles and concepts that support effective risk management are outlined in **HM Government's Orange Book**[41] and the **Scottish Public Finance Manual**[42] provides guidance on best practice for risk management in the Scottish public sector.

B.5   Almost all processes, procedures and activities carried out by the NHS carry with them a degree of risk. So, it is necessary for the NHS Board to agree the level of risk with which it aims to operate, based on what it considers to be justifiable and proportionate to the impact on patients, service users, the public, the workforce and the Board. Consequently, understanding and communicating the Board's risk appetite is the first step in constructing an effective risk management system.

B.6   Guidance on the development and use of a risk appetite statement is contained in **HM Government's Risk Appetite Guidance Notes**[43]. Having agreed their risk appetite, NHS Boards must then develop, maintain and continuously improve a risk management system that supports the achievement of the Board's corporate objectives and operational priorities while remaining within its risk appetite.

---

41 **www.gov.uk/government/publications/orange-book**
42 **www.gov.scot/publications/scottish-public-finance-manual**
43 **assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1012891/20210805_-_Risk_ Appetite_Guidance_Note_v2.0.pdf**

B.7   The risk management approach adopted by the organisation must include activities and processes that facilitate the identification of corporate and operational risks and supports the assessment, mitigation, monitoring and reporting of these risks.

B.8   The risk management system should be utilised in a way that assists the NHS Board and the Executive Leadership Team to prioritise available resources to minimise risk to best effect and to provide assurance that progress is being made. This must include the maintenance of a tiered set of operational and corporate risk registers to quantify and prioritise risks which threaten the achievement of the organisation's objectives and priorities.

B.9   The purpose of the risk registers is to achieve greater visibility of exposure to risk across the categories identified in the risk appetite statement and as a result reduce the likelihood that risks will occur or evoke an effective response when risks occur. Therefore, it is important that the risk registers are constantly updated to reflect the dynamic nature of delivering healthcare.

B.10   For the risk registers to be an effective tool for the management of risk it is important that they include an articulation of the risk event itself, details of the underlying causes (including internal and external factors), and the range of consequences should the risk event occur.

B.11   The risk registers should include an assessment of the combination of the consequences of the event (impact) and its probability (likelihood). The impact should be the estimated effect of the risk on the objectives in question. This assessment is focused on scale, scope and resource implications. Likelihood is the estimated chance of the risk occurring. This is focussed on probability.

B.12   Having assessed the risk, the response should be to either treat, tolerate, or terminate the risk. The mitigation actions already taken or proposed to respond to the risks to be treated, should also be described in the registers. This should include the owner of the action, the timescales involved and where the oversight and scrutiny of the delivery and outcome of the mitigation sits within the organisation's hierarchy.

B.13   To highlight the expected changes to the impact and likelihood of the risk materialising, the assessment scores should be included pre and post the mitigation actions.

B.14   The development of business continuity plans are often used to mitigate some corporate risks, including those around the loss of IT systems, disruption to water, gas and electricity supplies, and other failures in the physical infrastructure. These plans are designed to ensure that the organisation can continue to operate and recover should a significant risk materialise. They aim to increase resilience across the healthcare system by responding to identified risks with an impact assessment and contingency plans that have been implemented and tested across the organisation.

B.15   Therefore, NHS Boards must ensure that appropriate business continuity plans are in place, regularly tested and reviewed, and widely communicated with the appropriate stakeholders.

B.16   Where the delivery of services provided by organisations outside of the NHS Board can introduce risk to the delivery of healthcare, it is important that the NHS approach to risk management and business continuity planning recognises this and responds appropriately. This is particularly important in the delivery of integrated health and social care systems and requires Board Members who also sit on the Integration Joint Boards to pay particular attention to the impact mitigating healthcare risks can have on social care services and vice versa.

B.17   The information presented in the risk registers and the business continuity plans should improve decision making and assist the NHS Board to assess whether or not management controls and resources deployed are adequate to effectively manage corporate and operational risks in healthcare.

B.18   Responsibility and accountability for the operation and the oversight of the risk management system should be clearly defined and responsibility for contributing to the management of risks should be included in the job descriptions of staff, the terms of reference of the governance committees and the Board's Scheme of Delegation.

B.19   Not only do NHS Boards require assurance on the effectiveness of their approach to strategic planning and risk management, they need to commission an assurance information system that provides them with the necessary information to give Board Members assurance on the progress being made towards the delivery of the organisation's strategic, operational and financial plans.

C. The Assurance Information System

C.1   The assurance information system should be designed to provide frequent and informative performance and financial reports to assure the Board that it is delivering safe, effective, patient- centred, affordable and sustainable services. This system should deliver relevant, accurate and timely information on a wide range of activities, including:

- Service delivery
- Safety and quality standards
- Innovation and transformational change
- Workforce
- Education, training and development
- Finance.

C.2   NHS Boards should agree with the NHS Chief Executive the contents of the assurance information system required by the Board and the standing committees. This should include information on both the management of current operations and the progress being made to deliver change across the healthcare system.

C.3   How data should be presented in order to assist those preparing papers for Board Members' scrutiny should also be agreed with the NHS Chief Executive and in the case of territorial NHS Boards, with the Health and Social Care Partnership's Chief Officer(s).

C.4   Board papers should show data in a clear, consistent and effective way to ensure that Board Members are able to understand and interpret its significance and receive the level of assurance required. Best practice in presenting data includes:

- Presenting statistical information in charts or tables, rather than in a narrative format
- Including actual numbers rather than percentages, although there will be times where both are appropriate
- Limiting the volume of information shown as charts and tables that have too much information can mean that key messages are lost or difficult to see
- Ensuring units of time are consistent for comparative purposes, e.g., months have variable number of days but weeks always have the same number of days
- Using line charts to measure change or performance over time and if variation is a potential concern, add a target line or convert to a control chart
- Favouring control charts to show if variation is within normal limits and therefore not necessarily a concern
- Describing a position at a point in time by allocating RAG status but these should be used with caution as RAG charts could focus attention on lower priorities
- Benchmarking results using pareto charts which are preferable to pie charts

- Comparing results using funnel charts helps to identify special cause variation, i.e. one not typically expected
- Compiling a whole system view by presenting a series of charts showing different aspects of performance within the same area, giving a more comprehensive and thorough overview
- Including forecasts in tables and charts to describe what results are predicted with the resources available and in the circumstances expected
- Adding trajectories when a changing level of performance over time is required, often by the body commissioning the work.

C.5   Further guidance on the presentation of data to Board Members can be obtained from NHS Education for Scotland's material on the implementation of the active approach to delivering good governance.

C.6   While data and management information provides Board Members with a particular view of the organisation, to deliver good governance this has to be triangulated with other reports and the more qualitative information available on service delivery.

C.7   Therefore, the assurance information system should incorporate other regular internal reports on the operation of the healthcare system, particularly those that reflect patient, service user and staff experience. Examples of this category of assurance information sources would include the following:

- Healthcare Acquired Infection Report
- Complaints Report
- Duty of Candour Annual Report
- Public Health Screening Programme Annual Report
- Vaccination Programme Annual Report
- Child Poverty Action Plans Progress Report
- Research and Development Annual Report
- iMatter Reports
- Whistleblowing Annual Report.

C.8   It is important that this list is seen as simply an example and the majority of reports included are relevant to territorial Boards. Consideration of these reports by the Board or the appropriate standing committee should form part of the Annual Cycle of Business or in the case of the ad hoc reports, be reviewed at the earliest opportunity.

C.9   The Assurance Information System should also incorporate the wide range of external reports available to Boards. These include one-off Audit Scotland reports on various aspects of the health and social care system, Health Improvement Scotland reviews, Care Opinion feedback, Mental Welfare Commission reports, Scottish Public Services Ombudsman's reports, NHS Education for Scotland Deanery Reports and the General Medical Council's reports on the training of junior doctors.

C.10   Board Members should be aware that the specific issues raised in these reports may signal wider concerns. For example, GMC reports on the training of junior doctors can potentially highlight wider issues concerning patient safety and the standard of care, thus providing an opportunity for early intervention and remedial action.

C.11   NHS Boards should also closely scrutinise the reports prepared for the Board's Annual and Mid- Year Reviews with the Scottish Government and pay particular attention to the Annual Reports submitted to the Scottish Government by the Health and Social Care Partnerships. These documents combine to give a comprehensive account of the progress made by the organisation across both Primary and Secondary Care and should provide Board Members with assurance on the progress being made to deliver the organisation's purpose, aims, values, corporate objectives, operational priorities and targets.

C.12   In additional to scrutiny of internal and external reports NHS Boards should also pay attention to the feedback to NHS Boards from the **Sharing Intelligence for Health and Care Group**[44]. This group is responsible for supporting improvement in the quality of care provided for the people of Scotland and its main objective is to ensure that any potentially serious concerns about a care system are shared and acted upon appropriately. The feedback from the group also highlights examples of where things are working well.

C.13   Feedback from a structured visiting programme by Board Members to frontline services and online discussions with patients, service users and staff should also feature in the assurance information system, enabling the quantitative data and the external perspective to be considered against the Board Members' impression of the patient and staff's views of the organisation.

C.14   In addition to having effective strategic planning, risk management and flows of assurance information to the NHS Board, an integrated approach to delivering good governance also relies on having effective internal and external audit arrangements.

D. The Audit Arrangements

D.1   The integrated governance system includes the audit arrangements required to provide the Board and key stakeholders with assurance that the system of internal controls is functioning as intended.

D.2   The main contributors to the audit arrangements are the NHS Board, the Internal Auditors, the External Auditors and the Audit and Risk Committee.

D.3   NHS Boards have the primary responsibility for ensuring the proper financial stewardship of public funds, compliance with relevant legislation and establishing effective arrangements for governance, propriety and regularity. This includes ensuring that accurate accounting records are maintained and financial statements are prepared that give a true and fair view.

D.4   **The Code of Audit Practice (2021)**[45] prepared by Audit Scotland sets out the respective functions and responsibilities of the internal and external auditors.

D.5   Internal audit is a function of management and it operates under the **Public Sector Internal Audit Standards**[46]. This defines internal auditing as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. To deliver these outcomes the role the internal audit team should include:

- Reviewing accounting and internal control systems
- Reviewing the economy efficiency and effectiveness of operations
- Assisting with the identification of significant risks
- Examining financial and operating information
- Special investigations
- Reviewing compliance with legislation and other external regulations.

D.6   To ensure that internal audit is an independent and objective assurance activity, the Board should seek assurance that the internal auditors are independent of executive management and should not have any involvement in the operations or systems they audit. The Head of Internal Audit should report to the Chief Executive or one of their direct reports. They also should report functionally to the audit committee and have right of access to the Chair of the Audit and Risk Committee, the Chief Executive and the NHS Board Chair. These arrangements should be clearly set out in the Board's Standing Financial Instructions and the terms of reference for its Audit and Risk Committee.

---

45 **www.audit-scotland.gov.uk/publications/code-of-audit-practice-2021**
46 **https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/641252/PSAIS_1_April_2017.pdf**

D.7   External audit provides independent challenge and assurance on the Board's annual accounts and provide a view on matters relating to regularity, propriety, performance and the use of resources. NHS Boards are assigned external auditors by the Auditor General for Scotland who is a Crown appointment and is independent of Government. The responsibilities of independent auditors are established by the **Public Finance and Accountability (Scotland) Act 2000**[47] and the **Code of Audit Practice**[48] and their work is guided by the **Financial Reporting Council's Ethical Standard**[49].

D.8   The key responsibilities of the external auditors can be summarised as follows:

- To give an independent opinion on the financial statements and other information within the annual report and accounts
- To review and report on the arrangements within the audited body to manage its performance, regularity and use of resources
- To support improvement and accountability.

D.9   To deliver the internal and external audit functions, an annual audit programme should be put in place to deliver a comprehensive portfolio of system audits that ensures the main contributors are all able to meet their statutory responsibilities and the NHS Board and the Scottish Government can be assured on the effectiveness of the management, leadership and governance of the organisation.

D.10   The audit plans included in the programme should document how the internal and external auditors intend to meet their responsibilities and it is important that these plans are joined-up, effective and proportionate. They should be linked to the delivery of corporate objectives and operational priorities and should focus on the areas identified as corporate and operational risks.

D.11   The Board's Audit and Risk Committee has a key role in ensuring the effectiveness of the internal audit functions including:

- Overseeing the selection process for new internal auditors
- Reviewing and agreeing the annual internal audit work plan
- Ensuring recommendations are actioned by the Executive Leadership Team
- Disseminating audit reports to the relevant Board committees
- Encouraging the use of audit reports as improvement tools
- Monitoring and assessing the effectiveness of the audit team
- Making recommendations to the Board for the award of the internal audit contract and the appointment and termination of the Head of Internal Audit
- Overseeing the Board's relations with the external auditors, including reviewing the scope of their annual audit plan.

---

47 **www.legislation.gov.uk/asp/2000/1/contents**
48 **www.nao.org.uk/code-audit-practice**
49 **www.frc.org.uk/getattachment/0bd6ee4e-075c-4b55-a4ad-b8e5037b56c6/Revised-Ethical-Standard-2016-UK.pdf**

D.12   Guidance on the principles and best practice for the organisation and delivery of Audit and Risk Committees is available in the **Audit and Assurance Committee Handbook**[50] published by the Scottish Government.

D.13   It is important that the Audit and Risk Committee adopt a robust approach to the oversight of the completion of actions identified in the audit reports. Where possible, actions should be dealt with in the current financial year rather than being carried forward from one financial year to the next. Any exceptions to this should be closely scrutinised by the Audit and Risk Committee who should seek assurance that the timeline proposed for addressing the risks or issues identified by the auditors is both reasonable and achievable.

D.14   The final component of the integrated governance system is the NHS Scotland Performance Management Framework. The following section of the supplementary guidance describes this arrangement in more detail.

---

50 **www.gov.scot/publications/audit-assurance-committee-handbook**

E. The NHS Scotland Performance Management Framework

E.1   As the sponsor of the NHS Boards, the Director General for Health and Social Care has put in place a performance management framework to assist the Scottish Government in ensuring that the NHS Boards are delivering services and targets to the required standards, within budgets and with the appropriate governance.

E.2   The NHS Scotland Performance Management Framework provides five stages of a Ladder of Escalation that provides a model for intervention by the Scottish Government when there are concerns about a NHS Board's ability to deliver the expected standards, targets and governance.

E.3   The model not only describes the stages of performance but also the level of support that would be provided by the Scottish Government Directorates for Health and Social Care at each stage.

Stage	Description	Response
1	Steady state 'on-plan' and normal reporting	Surveillance through published statistics and scheduled engagement of Annual Review and Mid-Year Reviews.
2	Some variation from plan; possible delivery risk if no action.	Local Recovery Plan – advice and support tailored if necessary. Increased surveillance and monitoring by Scottish Government. SG Directors aware.
3	Significant variation from plan; risks materialising; tailored support required.	Formal Recovery Plan agreed with Scottish Government. Milestones and responsibilities clear. External expert support. Relevant SG Directors engaged with CEO and top team. DG aware.
4	Significant risks to delivery, quality, financial performance or safety; senior level external support required.	Transformation team reporting to Director General and CEO NHS Scotland.
5	Organisational structure/ configuration unable to deliver effective care.	Ministerial powers of Intervention.

E.4   The Ladder of Escalation's use is not limited to specific performance measures and may be triggered by concerns about specific services or broader organisational issues.

E.5   The Performance Management Framework is overseen by the National Planning and Performance Oversight Group, a sub-group of the Health and Social Care Management Board. The Oversight Group considers various forms of intelligence and makes subsequent recommendations to the Health and Social Care Management Board on escalation, de-escalation and/or the provision of enhanced support for NHS Boards.